



THE EUROPEAN FEDERATION OF ASSOCIATIONS OF LOCK AND BUILDERS HARDWARE MANUFACTURERS
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FEDERATION EUROPEENE DES ASSOCIATIONS DE FABRICANTS DE SERRURES ET FERRURES

Situation and trend of trademarks, patents and utility Models

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HISTORICAL PROFILE

- In the last 20 years the problem of product piracy has reached alarming proportions. A true and actual business has arisen due to the vast array of potential earnings that results from the counterfeit market. Statistics of 1999 show that almost 10% of all the goods sold all over the world are counterfeited.
- In the area of hardware, the estimated percentage of counterfeited products is about 5%. The damage incurred by the manufacturer is not simply limited to a loss of turnover. We believe that the fight against piracy is one of the largest challenges on economic level.
- The majority of firms begin to be interested in this matter only after having incurred personal damage. Only at this point it is noticed to not be in possession of the sufficient know-how to clean up the difficulty.

DEFINITION OF “PRODUCT PIRACY”

- Firstly, it is necessary to state that above all the copy of a concurrent product is not an illegal action in itself . In fact, it does not exist a law that forbids the sale of a counterfeited product. Nevertheless, the violation of intellectual property such as brand registration, patent and copyright is illegal and punishable by law.
- We mean for "product piracy" the disguising and the illegal duplication of goods for which the legitimate manufacturer has the right of invention, of design and the right on the procedures.
- The pirate of brands and products takes possession illicitly of the know-how that a business laboriously acquired throughout the years with the aid of enormous financial supports and apply them to own products.
- He exploits the reputation of a brand, gained by the manufacturer thanks to the quality of the actual products. At present time, the largest threat comes mostly from the far-East and in particular China.

TRIPS CONVENTION

- Even today the most widespread opinion is that the battle against Asian firms was lost from the start.
- This was valid in the past, but not in the present. In the last ten years, the legislative organs of all of the countries with economical importance have adapted their laws so as to be able to confront the matter of product piracy.
- The WTO member states are bound by the well-known TRIPS convention introduced in 1994 that obligates them to integrate into their own national laws some minimal standard of protection of the rights on intangible assets. Subsequent to its entrance in the WTO in 11.12.01 as state member number 143°, China, too, submitted its laws and prescriptions on the protection of the intellectual property to an entire revision to broaden them and to uniform them to the international standard.

EUROPEAN COUNCIL DIRECTIVE

- In April 2004 in fact it approved a new directive (2004/48) that offers a better protection against counterfeiting, piracy and other violations of the right of intellectual and commercial property in the EU Countries. The directive pledges that all member states confront the matters of counterfeiting and piracy with effective measures, adequate and threatening, so as to protect the owner of a right by means of uniform procedures at EU level.

METHODS OF PROTECTION BY REGISTRATION OF TRADEMARK

DEFINITION OF A BRAND :

- The product is something that is born in factory; the brand is something that the customer buys. The product can be copied by the competition, but the brand is unique. The product can age, while a successful brand is eternal.

BRAND FILING

- The More frequent filing are carried out in the register of the brands in countries and/or by international registration following the Protocol of Madrid. The office of Brands and Patents requests the international office WIPO of Geneva, upon payment, the brand registration for specific Countries. Everything takes place with a simple administrative procedure. If it is necessary to apply in a non-member State, it must be done at a national level. In this regard it is proper to state that this pertains only to the filing procedure

METHODS OF PROTECTION BY REGISTRATION OF TRADEMARK

MEMBER STATES

- On the basis of data supplied on 1st.10.2004, there are 77 member states (included the community states of the EU), among which number most of the eastern European Countries plus Russia, China, USA, Australia and many others.
- The entire list of these members can be consulted at the site”
www.wipo.int”

PROCEDURE OF BRAND FILING

- The procedure is described extremely clearly on the homepage of the Federal institute of Intellectual Property.
- For searching they are some useful key words among which
- procedure for requesting, requisites for the part that carries out the filing, possible refusal of the protection, expirations, and classes of goods/services. For the actual filing there is an appropriate brochure, named "brand filing".

LIMIT ON BRAND PROTECTION

- It is necessary to keep in mind that, in the greater part of the States, a brand filing remains valid as long as the brand is used in the Country in question and it is admitted for a grace period that is usually between 3 and 5 years.

VALUE AND EFFECTIVE PROTECTION

- With the progressive increase of its reputation, the brand acquires an estimated value from the economical point of view. At present, the value of a lot of firms is bound only to the actual brand (Coca Cola, Marlboro). Considering meagre amount of costs to obtain a protection of the brand it appears obvious that brand protection is an investment for the future even in Countries in which the legal system does not work as it should.
- In this manner the filing of identical or interchangeable brands aside of the local producers is avoided. The brand should be treated for the purpose of preserving it and of increasing its value. The systems of reporting ® or TM indicate that a brand was recorded in all of the Countries interested or that is was requested by the owner of the intellectual property and that, if necessary (but not obligatory), is eventually filed as a brand in some Countries TM.
- We need to point that the Protocol of Madrid does not offer any protection. In case of brand violations national law is always applied and the legal procedure against the violator should take place on site with a local lawyer.

METHODS AND LIMITS OF PATENT PROTECTION

- Actually, businesses that do not protect their actual products are the easiest targets.
- Since the information reaches free to the competition, the risk is that this competitor gains an advantage on the product and produces the same product at a lower price.
- Nevertheless, a patentable invention is such only if the solution proposal is new and that it is applied with technical means and is not useable and applicable at the commercial level in the near future. Besides brand filing, patent protection continuous to be the greatest safety tool against the product piracy.

PROCEDURE FOR PATENT APPLICATION

- Before rendering a product public for the first time, an owner should provide, to ensure and assure, the rights by requesting a guarantee of priority that can be carried out in the form of a request, EP (European) or PCT (international).
- The national application type has the advantage of guaranteeing a priority period of a year with relatively contained financial expenses. At the expiration of this period extra nationalizations in other Countries can be carried out.
- The search has to be requested, if necessary. More widespread is the EP application with which, upon the payment of taxes of designation, the owner can name all of the Countries that signed the Convention on the European patent. Also the search is carried out automatically within the period of priority.

PROCEDURE FOR PATENT APPLICATION

- After receiving the report on the search within a year from the first application, successive application in other Countries can be carried out. The communication occurs 18 months after the first request. Finally, The PCT procedure is an application that comes before the national and regional procedures, but does not carry out the release.
- In exchange, this procedure agrees to extend a sole request for all of the States, which means that a single request is valid for all of the States named. After the payment of taxes of designation, all the member PCT states are named, and at the expiration of specific limits, one can apply for national or regional patents. It is advisable to carry out applications in Countries with competitors, important license holders or important customers. If the Asian pirates represent an impending threat, it is recommended to urgently carry out an application in the pirate Country. After having completed the application in the State that the pirate has his residence, also in China the legal procedure will be by far simpler.

PATENT REGULATION IN PIRATE COUNTRIES

- The procedures of application and patent issue in China are at a good level, comparable to that of Europe's and USA's procedures.
- One of the main innovations introduced in the last amendment to the law of patents is the legal controllability of a greater number, at present, of administrative actions. The costs of a patent application in China, inclusive of the whole procedural course to beginning with the application to the issuing of the patent, are comparable to the costs of application in a European Country. From this point of view there are no limits or obstacles for the so-called pirate Countries. The indispensable condition to proceed with success against product piracy on the perpetrated in the individual Countries is a good knowledge of the respective local legal systems and the search for expert lawyers that have a certain familiarity with the local conditions.
- Following the entrance in the last years of different Countries in the WTO, now one can guarantee that the violation to the law on the intangible assets is managed in more unambiguous manner. Recently, also countries like China and Taiwan became members, pledging to the respect the TRIPS convention. Observance is ensured thanks to the introduction of « penal sanctions» when confronted with specific violations.

LIMITS OF PATENT PROTECTION

- The filing of patents in the potentially pirate Countries is reasonable from the cost point of view only if this manoeuvre lets one acquire owners of license for the negotiations, to fight the pirates more easily or to block the counterfeiting without using the courts.

ALTERNATE METHODS OF PROTECTION

“UTILITY MODELS”

- The utility models are filed rights that protect only the technical inventions. As it occurs for the patent protection, is requested that the technical products to be protected be new and present a certain degree of originality (even with inferior requirements to those expected for the patent).
- Differently to that which happens for the patent, the utility models are released without having carried out a control on the degree of innovation and originality of the product.
- It is this possible to obtain these protection rights by a more rapid procedure and with a greater attention to the costs.

ALTERNATE METHODS OF PROTECTION “UTILITY MODELS”

- To create effective protection of the profit models to satisfy the following criteria:
 - • Technical Protection of products with low degree of innovation;
 - • Protection of technical products with reduced useful life;
 - • Right of protection of rapid availability;
 - • Right of protection of easy availability;
 - • Right of favourable protection from the point of view of the costs;
 - • Rapid publication and therefore rapid communication to the public.