

The Power of Designs in Successful marketing of SMEs Examples and Case Studies

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Design has to do with a product's performance, quality, durability, appearance and cost and contribute to humanizing technology. It may be noted that the first level of consumer appeal is indeed its appearance and competitiveness in designs related to products is based on strong interface aesthetics, convenience, ergonomics delivered through technology. Aesthetic sensibilities value-add to induce distinctiveness in products through non-functional product features such as size, shape, material finish, colour, graphics etc., and play decisive role in the consumers' mind while selecting any product. This is especially true for consumer goods when all functional and cost aspects are comparable. Hence a company has to create distinctive designs for their products and get them protected to retain their leadership position in the market.

Industrial Design Registration protect novel non-functional features of shape, configuration, pattern, ornamentation or composition of lines or colors, applied to any article either in two or three dimensional or in both forms by any industrial process or means whether manual, mechanical or chemical, separate or combined which in the finished article appeal to and are judged solely by the eye but does not include any mode or principle of construction or anything which in substance a mere mechanical device, and does not include any trademark. .

This registration has a specific term (as per TRIPS requirement initially 10 years and renewable for another term of 10 years) and gives the proprietor of the design rights to the design only in the country in which it is registered. As in the case of patents, Designs need to be registered in various countries if protection is required by the business.

However it may be noted that there are a few International Treatise administered by the World Intellectual Property Organisation (WIPO) namely the Hague Agreement Concerning International Deposit of Industrial Designs (1925) and the Locarno Agreement establishing an International Classification for Industrial Designs (1968). However the reader is advised to refer to the WIPO website for further details on these conventions as further discussion on these is beyond the scope of this presentation.



DRINK MAKER

Reg. No.: 174858



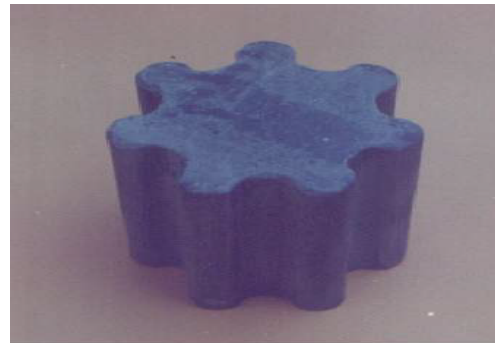
WRAPPER

Reg. No.: 168036



MOSQUITO REPELLANT MAT HEATING DEVICE

Reg. No.: 170564



SOAP BAR

Reg. No.: 175500

The example of the drink maker, the wrapper, the mosquito mat heating device, soap bar given above are a few simple examples of design registration of articles in India by various enterprises for competitive marketing because of their distinctive and novel design features. It may be noted that design registrations are possible with any object be it a spoon, biscuits, tools, bottles, jewellery, fork, drinking cups, watches, handicrafts, textiles, furniture, cycle handles, motorcar bodies, electrical switches, airplane bodies, etc.

Not all designs can be registered.

For example a design which

- a) is not new or original
- b) has been disclosed in the public domain before the priority date of the application for registration or
- c) is not significantly distinguishable from known designs or combinations of known designs, or
- d) contains or comprises scandalous or obscene matter

do not qualify for design registration.

A design is generally registered in a specific class. It may be noted that the international system **classifies designs** into 31 classes and one miscellaneous class (99) which are further sub divided into **subclasses based on the nature of the goods**. The table gives a brief description of the classification system. It should be noted that an article for which a design may be registered includes “any part of an article if that part is made and sold separately”. Thus more than one registration may be obtained for the same article where a different novelty is stated for each.

List of Classes for Design Registrations	
Class	Subject Matter
01	Foodstuffs and includes foodstuffs for humans, animals and dietetic foods
02	Articles of Clothing and haberdashery includes
03	Travel goods, cases, parasols and personal belongings including wallets, fans, etc.
04	Brushware
05	Textile piece goods and natural sheet material
06	Furnishings
07	Household goods not elsewhere specified
08	Tools and hardware
09	Packages and containers for transport or handling of goods
10	Clocks and watches and other measuring instruments, checking and signaling instruments
11	Articles of Adornment e.g. jewellery, medals, badges, artificial flowers, festive decorations, wall ornaments, vases, etc.
12	Means of transport or holding vehicles, wheelbarrows, ships, chairlifts, etc.
13	Equipment for production, distribution or transformation of electricity
14	Recording communication or information retrieval equipment
15	Machines not elsewhere specified
16	Photographic, cinematographic and optical apparatus
17	Musical Instruments
18	Printing and office machinery
19	Stationary and office equipment, artists' and teaching material
20	Sales and Advertisement equipment, signs
21	Games, toys, tents and port goods
22	Arms, pyrotechnic articles, articles of hunting, fishing and pest killing
23	Fluid distribution equipment, sanitary, heating, ventilation and air conditioning equipment, solid fuel
24	Medical and Laboratory equipment
25	Building Units and construction elements
26	Lighting apparatus
27	Tobacco and smokers' supplies including ashtrays, pipes , cigars, etc.
28	Pharmaceutical and cosmetic products, toilet articles and apparatus
29	Devices and Equipment against fire hazards, for accident prevention and for rescue
30	Articles for care and handling of animals
31	Machines and apparatus for preparing food or drink, not elsewhere specified
99	Miscellaneous to include all products not included in preceding classes

Before applying for a design registration one must conduct a prior art search. ***It is also imperative that the design registration is done prior to its use or putting it in the public domain.***

An important concept is the “proprietor of a new or original design”. There are three key elements in the definition of a proprietor namely:

- 1) where the author of the design, for good consideration, executes the work for some other person, means the person for whom the design is so executed
- 2) where any person acquires the design or the right to apply for the design to any article, either exclusively or any other person otherwise, means, in the respect and to the extent in and to which the design or right has been so acquired , the person by whom the design or right is so acquired; and
- 3) in any other case, means the author of the design; and where the property in or the right to apply, the design has developed from the original proprietor upon any other person , includes that other person.

It is fairly common for an entrepreneur or SME to work as a vendor to a large firm and could be developing several designs of which a few may be used to service the outsourcing firm as a vendor. The contracts should be clear on the proprietorship of the developed designs as the rights to and earnings from the creations are dependent on it.

It may also be noted that when a design is registered, the registered proprietor of the design also has the copyright in the design during the term of the registered design.

As in the case of patents, one can legally challenge the validity of the registered designs. The basis of the challenge would be that the design was registered prior to its application in that country or the design was put into the public domain anywhere in the world, the design lacks novelty and is not a design as required by the designs act of that country

The SME sector should be able to cost effectively utilize *Industrial Designs Registration* in a large number of sectors to retain their competitiveness, as this IPR tool is relatively cheaper and simpler to register as compared to patents.

A registered design gives the proprietor exclusive right to manufacture, sell, assign and license the design in the country in which the design is registered.

Remedies against infringement are by way of civil action with interim remedies such as temporary / interim injunction, maintaining of separate

accounts by the defendant, etc till the matter gets into trial with final remedies given are by way of injunction and damages. In addition a passing off action is a common law remedy against misrepresentation amounting to damage /injury to the owner of design as to the source of the design.

Defenses in an infringement suit normally include denial of infringement, counter claim that the plaintiff's design lacks novelty, the design is not valid, that there was prior publication of the design before the priority date of the design registration application, that there was prior use of the design in the country or in any other part of the world, that there is lack of substantive subject matter.

The advantages of registering a design therefore lies in taking mileage over competing products, preventing others from using design, keeping options open for granting of license to others, avoiding interim injunction arising out of a suit filed owner of prior registered same/similar design.

Case Study 1

An example of effective use of a combination of IPR tools by an entrepreneur Mr. Momofuku ANDO in the case of his cup noodles in Japan. This is depicted in the figure below:



Making a very modest beginning, Mr ANDO was able to create a profitable global business of his invention. It may be noted that he effectively used various tools of IPR including design registration to protect his business interest in various parts of the world in a planned manner.

Case Study 2

This is given here to illustrate how infringement matters related to designs are handled in courts. This is an example from a decision in the Indian High court. Reckitt & Coleman (RCI) vs. Renkit Industries (RIL)

RCI filed a case in the Kolkata High Court in India against RIL on the grounds of infringement of their design registered 'harpic' bottle. The principal basis of the allegation was the inclined nozzle besides allegation of passing off.



PLAINTIFF'S DESIGN



ACCUSED DESIGN



VARIOUS PRODUCTS IN MARKET

The defendant RIL argued that the nozzle angle is solely dictated by function and hence is not a subject matter for a design registration. Moreover other competing products in the market also have same/similar angle of the inclined nozzle.

The court refused injunction.

In conclusion it may be appreciate that design registration is a very cost effective and powerful tool that can be exploited for the benefit of an enterprise to create and retain its competitive position in the market place.