



European IPR Helpdesk

Case Study

Secto Design: Making use of design rights when competing with infringers

June 2018

Company details

Secto Design Oy

Small and medium-sized enterprise (SME)

Designer lighting fixtures

www.sectodesign.fi

Secto
DESIGN



1. Background

Secto Design Oy is a premium design lighting SME founded in 1995 in Finland by Ms. Tuula Juselius. The company produces, markets and supplies wooden design lighting fixtures as the exclusive licensee of Mr. Seppo Koho's designs.

The common features of the products are varying shapes created with form-pressed wooden slats, handmade in Finland using Finnish birch wood. Secto Design markets its products worldwide, with the majority share of production regularly shipped as exports, both inside and outside the EU. Typical customers are hotels, restaurants, private consumers, governments and offices.

In the early days of the company, being inexperienced in design protection left many of the Secto Design's foremost products with inadequate intellectual property (IP) protection that has resulted in expensive litigation proceedings. On top of that, there have been several infringement cases in relation to their registered designs, which needed to be addressed by the company.

2. Problem faced

As the lights marketed by Secto Design were proving very popular, so did counterfeit imitations. The number of infringements directly correlates to the growth of the company and has been an issue for them since the early 2000s.

These fake products have had an effect not only on the company's revenues, but - even more importantly - on the company's reputation, as these low-quality copies have been associated with Secto Design by its customers.

3. Actions undertaken

The increase of infringement cases made the company consider and develop a solid IP strategy integrated into its business objectives, one of which is the expansion of its activities all over the world with its unique lighting designs.

Once a pertinent IP strategy was defined, appropriate IP policies and related IP tools were specified to complete the IP management structure. Furthermore, the company has started to work closely with lawyers and IP professionals.

In parallel with this new approach, one of the first steps undertaken by Secto Design was to consider different means of design protection for the new products as they were added to the collection. As an example, apart from registered Community design (RCD) applications, which provide up to 25 years of protection in all of the EU Member States, Secto Design has realised that there is also a protection system called the unregistered Community design (UCD). It offers up to three years of protection from the date on which the design is made publicly available within the EU. The UCD proved to be a very effective way to test their products in the market while enjoying design protection without registration costs and formalities.

In line with the company's business objectives, several design protection measures have also been taken in the US, China and in other countries through different routes, i.e. either through individual protection by filing separate applications in each country or through the Hague System, which awards design protection to the applicants in many countries through a single international application.

Copyright and trade mark protection strategies have also been integrated into the company's IP management system in order to strengthen the company's IP portfolio and its position against its competitors and potential infringers.

In addition to the above-mentioned measures on protection of IP rights, the creation process and development of products are carefully documented to keep the designs secret until they are brought to the market, and to prove ownership in case there is a dispute, especially in case of court proceedings.

4. Outcome

With more than 25 registered designs and 60 trade marks together with several copyright and trade secrets, Secto Design Oy has now an extensive IP portfolio managed in line with its IP strategy.

On the one hand, this portfolio makes the company stronger against its competitors. On the other hand, these protection measures act as a dissuasive factor for potential infringers. Furthermore, the implemented IP management system and the different registration routes followed are now allowing the company to save time and money in enforcing their designs.

5. Lessons learned and suggestions

Apart from its advantages, being a pioneer in a sector may also have downsides. Innovative businesses are generally the ones who face more infringement issues than the others do since they bring something new to the market, which is able to get the consumers' attention, therefore having a high potential to become successful in a short period of time. Thus, having a solid IP management strategy is of vital importance to fight free riders in the global arena and it has a direct effect both on product/service quality and market reputation.

Design protection grants its owner the exclusive right to prevent others from using the design. Therefore, companies whose business models are based on design creation should particularly consider design protection as an effective means to fight against infringements.

In order for a design to be protected, a design has to be novel and original - i.e. has to have an individual character¹. Thus, it is important for companies to apply for design registration before putting the design on the market, as this may harm the "novelty" of the design.

Different routes for registration² can be followed according to the company's IP strategy and business objectives.

Yet it should be kept in mind that in order to make the best of IP rights, businesses must exploit their rights and be aware of how to take effective enforcement steps in order to fight infringers.

¹ A design is considered "novel" if it has not previously been disclosed to the public and it may possess "individual character" if it significantly differs from known designs or combinations of known design features.

² Please check the European IPR Helpdesk's IPR Charts on designs [here](#).

GET IN TOUCH

For comments, suggestions or further information, please contact

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The European IPR Helpdesk aims at raising awareness of Intellectual Property (IP) and Intellectual Property Rights (IPR) by providing information, direct advice and training on IP and IPR matters to current and potential participants of EU funded projects. In addition, the European IPR Helpdesk provides IP support to EU SMEs negotiating or concluding transnational partnership agreements, especially through the Enterprise Europe Network. All services provided are free of charge.

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Website: On our website you can find extensive information and helpful documents on different aspects of IPR and IP management, especially with regard to specific IP questions in the context of EU funded programmes.

Newsletter and Bulletin: Keep track of the latest news on IP and read expert articles and case studies by subscribing to our email newsletter and Bulletin.

Training: We have designed a training catalogue consisting of nine different modules. If you are interested in planning a session with us, simply send us an email at training@iprhelppdesk.eu.

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The European IPR Helpdesk project receives funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement No 641474. It is managed by the European Commission's Executive Agency for Small and Medium-sized Enterprises (EASME), with policy guidance provided by the European Commission's Internal Market, Industry, Entrepreneurship and SMEs Directorate-General.

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