

# **Where art meets science:** Researching industrial designs



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## Leo Longauer

Vice President of Corporate IP,  
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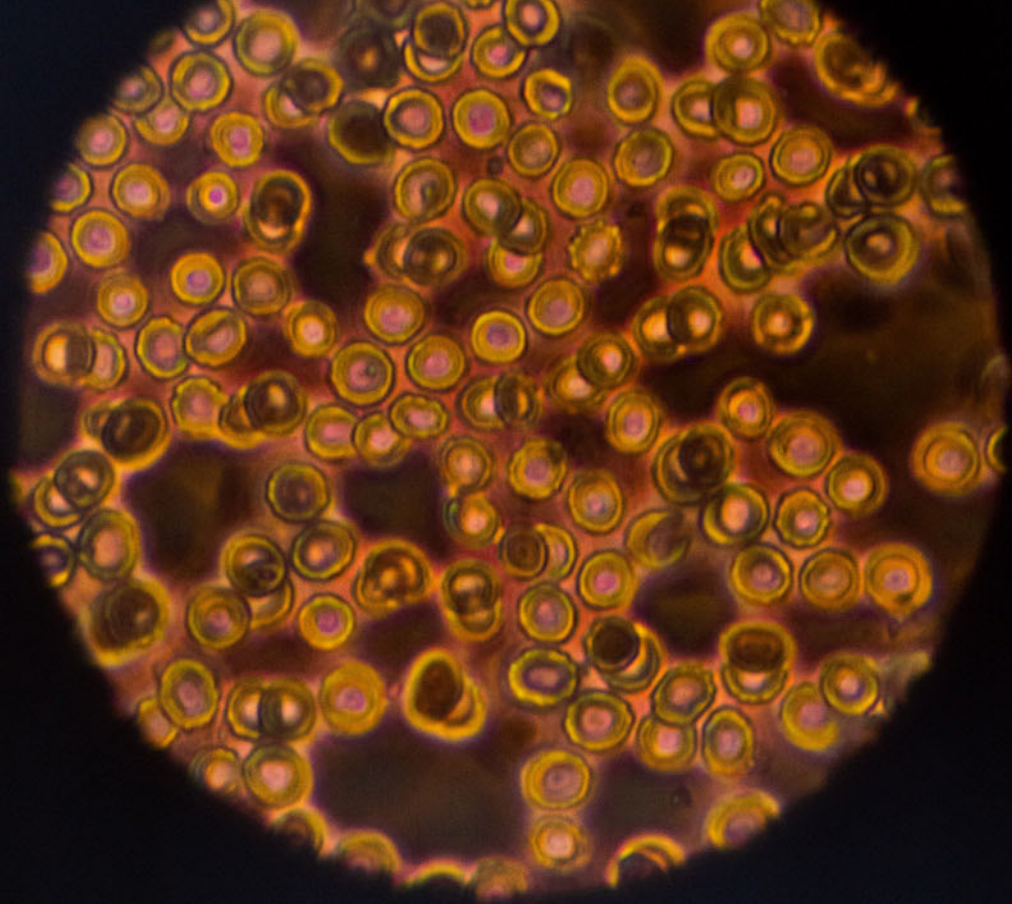
Leo Longauer is responsible for protecting, managing, policing and enforcing the company's most valuable IP assets: its trademarks, designs, and patents. This includes implementing and overseeing global online and offline brand protection and anti-counterfeiting programs. Leo is a council member of MARQUES and a regular speaker at IP conferences.

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## Robert Stutz

Founding Partner,  
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Dr. Robert Stutz is a founding partner of Beutler Künzi Stutz AG, a boutique IP law firm in Bern, Switzerland. Dr. Stutz's practice is focused on advising clients on IP matters nationally and internationally, covering both prosecution and litigation. He has written extensively on design rights, including contributing to a Swiss IP Handbook on the topic. As co-chair of the MARQUES Designs team, he is very much involved in matters related to the Hague Agreement.



**"Design rights have become an increasingly important tool for protecting a company's intangible assets. More design registrations means greater potential risk of infringement when creating new designs."**

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Industrial designs are increasingly recognized as valuable brand assets deserving of protection every bit as much as trademarks, patents and other intellectual property (IP). Due to their visual nature, industrial designs pose some unique challenges with respect to researching for clearance and protection. In this white paper, Leo Longauer, Vice President of Corporate IP for Swarovski, and Robert Stutz, Senior Partner at Beutler Künzi Stutz in Switzerland, discuss the challenges of searching industrial designs and the strategies and tools, including emerging artificial intelligence (AI) technologies, available to help mitigate risk.

## The role of industrial design

Industrial design refers to a product's distinctive aesthetic or ornamental elements; not its functional elements. This includes a distinctive shape, two-dimensional design features or unique patterns – from technical products, like automotive brake components, to packaging for cleaning agents to more artistic articles, like jewelry, watches and fashion patterns. “Novelty and individual character are key to design protection and fundamental requirements for design rights in most jurisdictions,” Robert Stutz says.

Visual designs can be among a company's most valuable brand assets, with the ability to play a powerful role in consumer buying behavior. “Marketing experts have learned from neuroscientists the importance of visual appeal in their customer communications,” says Stutz, noting that 90% of the information processed by the brain is visual, it is processed thousands of times faster than text and is remembered six times more. “This is why design is a key asset in every IP portfolio.”

Those assets deserve protection. “Design rights have become an increasingly important tool for protecting a company's intangible assets,” Leo Longauer explains, noting that design is at the core of Swarovski's business, as reflected in its portfolio of more than 2,500 design rights with hundreds of new designs added each year.

## A growing challenge

Longauer notes that design protection has a dual mission: to protect the company's unique designs while respecting existing third-party rights. “We need to protect our company from the legal, financial and reputational risks of infringing on someone else's design rights,” he says.

This latter mission is increasing in difficulty, given the steady increase in design registrations worldwide. According to the World Intellectual Property Organization (WIPO),<sup>1</sup> there were more than 11 million registered designs in the WIPO database in 2018, with 1.3 million design applications that year – a 5.5% increase over the previous year; 50% of applications filed worldwide originated in China.



registered designs  
in the WIPO  
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“More design registrations means greater potential risk of infringement when creating new designs,” Longauer notes, adding that the volume of litigation and oppositions to design applications underscores this. “We have seen this in our own business at Swarovski. A few years back, we started more aggressively enforcing our designs in Europe and have been pleased with the results.”

<sup>1</sup> Source: WIPO <https://www.wipo.int/edocs/infogdocs/en/ipfactsandfigures2018/>  
[https://www.wipo.int/edocs/pubdocs/en/wipo\\_pub\\_941\\_2018.pdf](https://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2018.pdf)  
<https://www.wipo.int/reference/en/designdb/>

## Smart risk management strategies

Given the trend toward more filings and increased risk, what can brand owners do to protect themselves? Longauer points to some fundamental best practices.

First, it is critical to document your design rights. “We must be able to prove the creation date and the story behind our designs,” Longauer says, noting that this includes processes to ensure complete and accurate record-keeping for designs created by both internal staff and external designers.

Second, conducting prior art research is important for managing IP risk. The depth of research may depend on the specific situation of the design.

“We ask ourselves various questions when assessing the risk level of a design. What was the inspiration for the design? Is it part of a product family? How important is the product to our business, including expected sales? How long will it be in the marketplace – just one season or longer? What is the marketing strategy? The answers will help us determine the degree of research we’ll do,” he explains.

Third, Longauer underscores the importance of adapting your strategy and tactics to local situations. “We have design teams and external designers in countries around the world. It’s important to look at the respective IP laws in these countries, in particular with regard to the ownership and transfer of IP rights. This will influence the contracts and processes we have with designers.”

## The design search challenge

While managing risk is a top priority, this must be balanced with the business realities – including time, resource and budget limitations. Longauer notes that with hundreds of new designs created each year at his company and accelerating timelines for new product development, performing an in-depth search on each one is simply not feasible.

On top of these realities is the complexity of searching designs. Unlike word trademarks, which are relatively easy to search, visual designs present special challenges. Among these is the breadth of protection granted industrial designs.

“There is no principle of specialty. A single design registration could apply to multiple goods. For example, the design of a toy can be duplicated in the two-dimensional design of wallpaper and thus violate the toy’s existing design protection,” Stutz explains. “This causes problems when searching for prior art because a design is protected irrespective of its function.”

For this reason, searching for similar designs in the same Locarno Classification makes only limited sense. “This is why it is essential to use pictorial material when searching for pre-existing forms and not restrict the search to a single class,” Stutz says, noting an in-depth industrial design search in all relevant jurisdictions worldwide could cost US\$ 40,000 or more. This is because going through existing registrations with the classification of the design as the only limiting search parameter is a time-consuming task.



Longauer agrees searching designs is difficult. “You can do a design registry check, but that is incomplete, expensive and time-consuming,” he says, adding that internet image searches are difficult to perform using text descriptions and can deliver lots of random, irrelevant results. “Due to these complexities, design clearance is often the missing link in IP risk management.”

## The human factor

So how can companies deal with these realities? Longauer says that human expertise plays a pivotal role.

“We are very fortunate to have some really passionate IP attorneys on our team who follow the trends in our industry,” he explains, noting that he also places emphasis on educating designers and marketing professionals on the fundamentals of IP as they relate to design. “We try to make sure that they can serve as our eyes and ears, alerting us early on when they see a potential issue.”

This education includes onboarding of new designers and marketing team members, as well as periodic refreshers. “We show them a variety of examples from our own business and from the industry to help them understand the points they need to pay attention to and what is relevant for legal analysis.”

While Longauer is clear about his reliance on the skill and attention of his IP colleagues and designers, he also recognizes the expanding role of technology. “We believe technology will continue to be an important complement to the expertise of our people, enabling us to make informed decisions faster and more efficiently.”

## How technology is changing the game

New technologies, including artificial intelligence (AI)-based image recognition technologies, are available to address the technical challenges of searching industrial designs.

“These AI-based systems search industrial design databases and match image for image to identify similar designs, just as a human expert with vast experience and knowledge of the field would do. The more distinctive the searched design, the more relevant and precise the search results will be,” Stutz says, noting that these systems can analyze millions of designs in seconds, dramatically speeding the process. These AI systems can rank results by their similarity to the searched design, enabling human IP experts to focus on the most important results first, saving valuable time and effort.

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Stutz notes that this technology focuses only on the visual aspects of a design, not the Locarno Classification. This overcomes the limitations of traditional search techniques by class. Moreover, this automated approach to searching dramatically reduces the cost, enabling companies to perform AI-based searches on most or even all new designs. This could dramatically reduce the risk of infringement early in the design development process.

“This type of AI-based search can also be helpful when looking at the saturation of the state of the art, in order to collect evidence that there is saturation,” Stutz notes.

## The future is now

As in nearly every aspect of modern life, technology will play an expanding role in the area of researching industrial design rights, transforming the speed and efficiency of searching visual brand assets.

“This will have a tremendously positive impact on the productivity and efficiency of IP professionals, and on their ability to help their organizations and clients manage risk and protect the validity of their designs and their scope of protection,” Stutz says, noting that there are also implications on the responsibility of warranty. “If confronted with a claim of infringement on another’s rights, a petitioner may find it difficult to use as justification that they were unaware of the prior art when they could have run an image recognition search in just a few minutes at an affordable cost. This could affect the attitude of the courts when determining damages.”

AI-based visual recognition even has the potential to transform the creative process itself. “As designers have traded their drafting tables for computers, the universe of industrial designs has the potential to become an enormous, constantly expanding database,” Stutz says. “This will allow designers to retrieve a massive amount of information and combine elements in new ways, accelerating the design process while making designers more aware of existing IP rights, as they create.”

This is not a far-off future vision, but a transformation in its early stages right now. As the global brand landscape becomes increasingly complex, the combination of human expertise and technology innovation will become essential to protect the value of industrial designs, while mitigating IP risk.

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## About CompuMark

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