

## Features

# A Quick Guide to Protecting Luxury Handbags in Taiwan

Published: August 10, 2022



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In the fiercely competitive world of luxury handbags, brands are constantly trying to stay in the game with season after season of novel and unique designs. Naturally, intellectual property (IP) rights are one of the critical tools that can be used to fight off infringers.

In Taiwan, 3D trademarks, design patents, and copyright are three common ways to protect the 3D shape of a handbag. Each IP right follows its own rules and regulations and may be enforced differently. To the surprise of many, in 2021, the Taiwan Supreme Court confirmed a lower court's decision that the handbag designs of famous luxury brands CELINE (SOCIÉTÉ ANONYME) (France) and GIVENCHY (SOCIÉTÉ ANONYME) (France) are not protected under the Taiwan Copyright Act.

The relevant laws and court decisions analyzed below serve as a guide to luxury handbag protection in Taiwan.

## A Quick Comparison

Type of Right	3D Trademark	Design Patent	Copyright
First-to-File Principle	Applicable	Applicable	Not applicable— (automatic protection upon completion of the work); no official registration regime for copyright
Term	10 years from the registration date and renewable every 10 years	15 years from the filing date	Endures for the life of the author and 50 years after the author's death
Types of Legal Liability for Infringement	Civil and criminal	Civil	Civil and criminal

**3D Trademarks**

Article 18(1) of the Taiwan Trademark Act provides: “A trademark shall refer to any sign with distinctiveness, which may, in particular, consist of words, devices, symbols, colors, three-dimensional shapes, motions, holograms, sounds, or any combination thereof.”

It follows that 3D shapes are eligible for trademark protection in Taiwan. In response to the emergence of nontraditional trademarks such as 3D trademarks, part 3.1 of the “Examination Guidelines on Non-Traditional Trademarks” published by the Taiwan Intellectual Property Office (IPO) explains as follows:

“A three-dimensional trademark is a sign with three-dimensional shape that has length, width, and height in three dimensions and enables consumers to distinguish the different sources of goods or services. A three-dimensional trademark may include the following:

- (1) Shape of goods;
- (2) Shape of the packaging or container of goods;
- (3) Signs with three-dimensional shape (other than three-dimensional shapes of goods or packaging or container of goods);
- (4) Decor of the place where services are provided.”

The guidelines therefore confirm that the 3D shape of luxury handbags can be protected as 3D trademarks.

Examples of registered handbag designs include trademark number 01889563 (owned by Kabushiki Kaisha Miyake Design Jimusho (Japan)) and trademark number 02127602 (owned by Ming J International Trade Co., Ltd (Taiwan)).

Registration number 01889563	Registration number 02127602
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**Design Patents**

Article 121 of the Taiwan Patent Act provides as follows: “‘Design’ means the creation made in respect of the shape, pattern, color, or any combination thereof, of an article as a whole or in part by visual appeal.”

A design patent protects the visual appearance of a product, and contrary to a utility patent, does not focus on the technicality of an invention or on improving functionality. In the context of luxury handbags, a design patent can give protection specifically to an expression of quality, appeal, and the high value of the product. A design patent can therefore enhance the product’s competitiveness.

Examples of granted design patents include design patent number D212382 (owned by Bottega Veneta S.R.L. (Italy)) and design patent number D204766 (owned by Chanel SARL (Switzerland)).

Registration number D212382	Registration number D204766
A quilted black handbag with a chain strap. The bag has a structured, rectangular shape with a prominent quilted pattern. The chain strap is attached to the top of the bag.	A quilted white handbag with a chain strap. The bag has a structured, rectangular shape with a prominent quilted pattern. The chain strap is attached to the top of the bag.

**Copyright**

According to “The Illustrated Contents of Each Kind of Works in Paragraph 1, Article 5 of the Copyright Act” published by the Taiwan IPO, “artistic works” referred to in Article 5(1) of the Taiwan Copyright Act include any painting, plate painting, caricature, comic strip (cartoon), sketch, masterpiece of calligraphy (calligraphy), letter form drawing (typeface), sculpture, craftwork, and other artistic works.

Artistic work is a visual art form and must be created in an aesthetic manner and express thoughts and emotions. In other words, as long as a creation presents artistic techniques, it is regarded as an artistic work and is thus protected by the Copyright Act.

However, whether luxury handbag designs pass as “artistic works” is still very much up for debate in the courts of Taiwan.

### Protecting Handbags with Copyright

CELINE LUGGAGE sold by Celine (plaintiff)	Handbag sold by 2 R International Co., Ltd. (Taiwan) (defendant)
	
GIVENCHY PANDORA sold by Givenchy (plaintiff)	Handbag sold by 2 R International Co., Ltd.
	

In *Celine Société Anonyme & Givenchy Société Anonyme v. 2 R International Co., Ltd.*, the Supreme Court confirmed a decision by the second instance panel of the Taiwan Intellectual Property Court that held that the appearance of handbag designs may not be protected by copyright law.

In the first instance—*Taiwan Intellectual Property Court 2017 Minzhusuzi No. 68 Civil Judgement*—the trial court determined that plaintiffs Celine and Givenchy’s bag designs are artistic works. In particular, the overall appearance of the bag design CELINE LUGGAGE presents the head of a cartoon character and, according to the court, one could sense the humorous aesthetic intended by the creator from the entire shape, color, and structure of the bag. Combined with the fact that the bag was designed for casual use, the court considered it to be an “artistic work.” The court then concluded that the defendant’s copying of the bag design had infringed Celine’s copyright.

However, regarding the plaintiffs’ accusation that the defendant had engaged in “deceptive or obviously unfair conduct that is able to affect trade order” as prohibited by Article 25 of the Taiwan Fair Trade Act, the court found the defendant’s conduct was insufficient to fulfill this and dismissed the claim.

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In the subsequent second instance—*Taiwan Intellectual Property Court 2018 Minzhushangzi No. 15 Civil Judgment*, and the third instance—*Taiwan Supreme Court 2020 Taishangzi No. 3129 Judgment*, the second instance IP court rejected the trial court’s decision and found that the designs do not express thoughts and emotions through artistic techniques, and therefore, are not considered artistic works.

The appeal court held that the design of the handbag served commercial utility purposes and is distinct from the purely artistic creations or crafts protected by the Copyright Act. The main goal of a handbag design is to allow the product to fully achieve its intended features or to ensure its function, according to the court.

In the case of the CELINE LUGGAGE handbag design, the S-shaped leather stitching on the two sides of the link forms a streamlined pattern, increasing the stitched area. The rectangular storage compartment below the handle includes a zipper, enabling the user to easily open and close the compartment. The area above the handle is stitched with horizontal rectangular leather, forming a rectangular shape to increase the stitched area. Both sides of the bag can be pulled outward to increase the capacity of the bag.

In light of the above features, the court found that it was evident that the main purpose of the design is not aesthetic, but rather for portability and effective storage, and no ideas or emotions are expressed through artistic features.

Considering public policy and fair competition, the court held that even though the handbag designs have been in long-term use, they serve practical and functional purposes and do not belong in the category of “artistic works.” This prevents a monopoly on the appearance of handbags and ensures fair competition among competitors, according to the court’s findings.

The Supreme Court agreed with the appeal court. It opined that if the design of a product is intended to allow the product to serve its purpose or to ensure its function, and if it is not created with the main purpose of expressing thoughts or emotions through artistic techniques, then it is not protected by the Copyright Act.

Conversely, the appeal court rejected the lower court’s opinion regarding the defendant’s violation of Article 25 of the Fair Trade Act, pointing out that the defendant’s imitation of Celine’s and Givenchy’s handbags shows the intent to free ride on the goodwill that the plaintiffs had acquired among the consumers of the luxury market. The negative effect had clearly impacted the fairness of trade. The plaintiff therefore succeeded with its claim under this heading.

This part of the judgment was also upheld in the subsequent decision of the Supreme Court in **2020 Taishangzi No. 3129 Judgment**.

“ Whether handbag designs may be protected as artistic works remains a disputed topic in Taiwan’s IP practice. ”

#### Suggested Strategies

Whether handbag designs may be protected as artistic works remains a disputed topic in Taiwan’s IP practice. It is best practice for brand owners to not only claim infringement of their copyright, but also to obtain 3D trademarks or design patents as soon as possible in order to secure more thorough protection.

In terms of enforcement, when sending a cease and desist letter or reporting infringement on an e-commerce platform, it is necessary to specify the content, scope, and concrete facts of infringement when claiming one’s IP rights.

For design patent rights, an infringement assessment report prepared by an expert is a prerequisite for establishing the concrete facts of infringement.

In comparison with design patents, trademark rights provide a faster and easier way to claim one's rights. For similar products, as long as the appearance of an infringing product resembles or is identical to a registered 3D trademark, the trademark owner may send a cease and desist letter or report infringement to e-commerce platforms, along with a trademark certificate. Moreover, whereas design patent infringements involve civil liability only, trademark infringers may be charged with criminal offenses.

However, the purpose of a 3D trademark is to ensure that the protected 3D shape may allow the consuming public to distinguish the source of goods or services. Common shapes for bags, such as a square, are not likely to be considered distinctive. It is also common practice for examiners to request that applicants disclaim nondistinctive parts of the 3D trademark. For example, where a 3D trademark application is made for a common jam jar with a specifically designed lid, the IPO may ask the applicant to disclaim the jar itself if the jam jar as a whole is distinctive. In some cases, however, trademark applicants will fail the hurdle of distinctiveness and therefore not obtain registration of their 3D trademark.

In contrast, a design patent aims to protect the visual expression of a product. The overall appearance of a bag is usually successfully registered, and in some cases, obtaining a design patent registration may even be easier than registering a 3D trademark.

Additionally, the application of the Fair Trade Act was quite strict in past court practices. Nonetheless, the IP rights holders in ***Celine Société Anonyme & Givenchy Société Anonyme v. 2 R International Co., Ltd.*** were put in a rather advantageous position as the appeal court decided on a more plaintiff-friendly standard. As reasoned by the court, the defendant sold close copies of plaintiffs Celine and Givenchy's bag designs online, which confused consumers. The plaintiffs had also spent a considerable amount on marketing. This ultimately led the court to the conclusion that the defendant had violated the Fair Trade Act.

Luxury brands are advised to carefully consider the advantages and disadvantages of 3D trademarks, design patents, and copyrights to ensure they are building and maintaining a successful IP portfolio, and in the event of enforcing their rights against infringements, also to consider including a violation of the Fair Trade Act into their claim.

*Although every effort has been made to verify the accuracy of this article, readers are urged to check independently on matters of specific concern or interest.*

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