

Annex 1: Transcript of the Interview with head of IP Perfume Company 1

The interview was held on July 10, 2015.

- 1. Do you regard trade secrets (both of commercial and technical nature) as an important asset for your company? Do you prefer other alternative methods of protection such as patents?**

Trade secrets are very important assets for the Company. The protection that they confer is used alongside patent rights, even though the latter are perceived as being too costly, both as regards the cost of maintenance and enforcement.

- 2. What is the IP strategy followed by your company against fragrance imitations?**

We implement a multiple strategy.

In the first place, the formulas are always kept secret. In addition, we keep a close relationship with our suppliers and employees to avoid dissemination of confidential information.

As regards trade mark rights, for every registered trade mark we keep a file with evidence of its reputation.

Finally, we try to use very expensive ingredients in order to avoid that low-cost manufacturers can come up with an imitation of our perfumes. The exclusivity of a perfume, to a certain extent, is achieved through the price of its components.

- 3. Is it possible to obtain the formula of a perfume through reverse engineering?**

It is not possible to give a straightforward answer to this question, as there are many nuances that come into play.

- 4. Could you please provide an example of some legal or physical measures that are adopted in the company to protect valuable trade secrets?**

Physical measures

1. Limit the number of people who have access to the information on a need-to-know basis. Only people that need to work with the information concerned have access to it.
2. Limited use of email to share information.

3. Sometimes, personalized copies of a document are handed in to specific recipients, who must sign them. The signatory thereby undertakes an obligation to guard and not to disclose the information contained in its copy.

Legal measures

1. The company considered the possibility of requiring employees and third parties to sign NDA. Yet, this was ultimately rejected, as it was considered that it would convey the idea that only specific information is confidential and the rest is free to use by employees.
5. **Is information fragmented within the Company?**
Yes. For instance, each perfumist can only access the formulas that he is developing.
6. **Does the Company foresee specific measures to prevent departing employees from using secret information in their new position?**
We believe that this topic is closely connected with the values of the Company, We try to limit as much as possible employee mobility and want our employees to stay with for as long as possible.
7. **Do you believe that trade secrets have become increasingly vulnerable in the last decade?**
Yes. In addition, we have also noticed that imitations come to the market much faster, in some instances, even before the original product.
8. **Do you take into account the risk of losing confidential information during judicial proceedings before taking legal action in the event of misappropriation?**
We have not litigated any case of misappropriation, but the likelihood of leakage would certainly be one of our main concerns if we decided to take legal action.
9. **Do you believe that the risk of losing confidential information has a negative impact on the possibility of establishing cooperation agreements with other companies?**
It is a controlled risk. We only collaborate with companies that we know that are diligent in the protection of our trade secrets. In these cases, it is of utmost importance for us to build a relationship based on mutual trust.
10. **How do you assess the Directive ?**
We do not have an official corporate view on the Directive.