**Protecting Commercial Designs**

**Step 1 – Can the design be registered?**

**Designs Act**

1. The purpose of the Designs Act is to protect the look by which a product is presented for sale.
2. It is not intended to protect the product’s function, its feel, its uses or the way in which it is constructed.

**What is a design?**

1. A ‘design’ means a design used in relation to a product: **s 8.**
   1. It is not possible to register a shape or pattern

*Important* –

* + 1. A design of a product means the overall appearance of the product resulting from one or more visual features of the product: **s 5.**
    2. Visual features include the shape, configuration, pattern or ornamentation of the product: **s 7(1).**
  1. A visual feature may, but need not, serve a functional purpose: **s 7(2).**
  2. However, the visual features do not include the feel of the product or the materials used in the product: **s 7(3)**

**Definition of a ‘product’**

1. A product is a thing that is manufactured or hand made: **s 6(1)**
2. The Designs Act will not grant monopolies for the fundamental or essential form of a product
   1. **Dalgety Australia Operations Ltd v Seeley Nominees Pty Ltd**
      1. *Details*: Dalegty designed a slim upright air conditioner and registered the design. Seeley took design and produced it. Dalegty countered for infringement
      2. *Outcome*: The court made it clear that the Designs Act cannot be used to obtain a monopoly of an article. The fundamental form of air-conditioners, before the Dalgetty product, was of a ‘thick’ box or cabinet on a stand. The thinness of the Dalgetty air-conditioner went beyond this fundamental form and was registrable – therefore Dalegty won

**Step 2 – Is Design New & Prior Art Base**

**When is a design registrable?**

* **s 15** provides that a design is a registrable design if the *design is new* *and* *distinctive* when compared to the prior art base for the design as it existed before the priority date of the design

Must go through these steps:

1. When is a design new?
2. When is a design distinctive?
3. What is included in the prior art base?
4. What is the priority date?
5. Does the Act provide any grace period?

**When is a Design New?**

* **Section 16(1)** provides that a design is **new** unless it is *identical* to a design that forms part of the prior art base for the design.
  + This will be defeated if there is evidence that it is identical to a design forming part of the prior art base.

**When is a design distinctive?**

* **Section 16(1)** also provides that a design is distinctive unless it is substantially similar in overall impression to a design that forms part of the prior art base for the design**.**
* **Section 19** contains a list of instructions to be used in determining whether a design is substantially similar in overall impression to another design

***Section 19***

1. If a person is required by this Act to decide whether a design is substantially similar in overall impression to another design, the person making the decision is to give more weight to similarities between the designs than to differences between them.
2. The person must also:
   1. have regard to the state of development of the prior art base for the design; and
   2. if the design application in which the design was disclosed included a statement (a statement of newness and distinctiveness) identifying particular visual features of the design as new and distinctive:
      1. have particular regard to those features; and
      2. if those features relate to only part of the design – have particular regard to that part of the design, but in the context of the design as a whole; and
   3. if only part of the design is substantially similar to another design, have regard to the amount, quality and importance of that part in the context of the design as a whole; and
   4. have regard to the freedom of the creator of the design to innovate.
3. If the design application in which the design was disclosed did not include a statement of newness and distinctiveness in respect of particular visual features of the design, the person must have regard to the appearance of the design as a whole.
4. In applying subsections (1), (2) and (3), the person must apply the standard of a person who is familiar with the product to which the design relates, or products similar to the product to which the design relates (the standard of the informed user).
5. In this section, a reference to a person includes a reference to a court.

**What is included in the prior art base?**

**Section 15(2)** provides that the prior art base for a design (the designated design) consists of:

1. designs publicly used in Australia; and
2. designs published in a document within or outside Australia; and
3. designs in relation to which each of the following criteria is satisfied:
   * + 1. the design is disclosed in a design application;
       2. the design has an earlier priority date than the designated design;
       3. the first time documents disclosing the design are made available for public inspection under section 60 is on or after the priority date of the designated design.

***When has a design been publicly used in Australia?***

The prior art base includes designs publicly used in Australia.

*Public View?*

A design has been used if it has been exposed to public view.

**BUT**

It is not necessary that the design be exposed to the entire public to be publicly used.

i.e. showing to small number of people is OK.

*Obligation to keep secret?*

If disclosure of the design is made in circumstances where the recipient is under an obligation to keep the design secret then registrability will not be lost.

*Designer is employed?*

1. In the case of employees and others with whom the designer has a contract, the acknowledgment ought to be part of the written contract.
2. If the designer relies upon an implied obligation of confidence it will be necessary to show that the designer has taken reasonable steps to keep the design secret.

***When has a design been published within or outside Australia?***

The prior art base includes designs published in a document within or outside Australia.

*ALSO MEANS*

that the design has been published if it has been displayed with reasonable clarity in a publication available to the public within or outside Australia.

*FUTHERMORE*

The publication does not have to be available for sale to the public, provided it is available for inspection.

**Note:** *Any publication of the design after the priority date (usually the date of filing the application) will not affect newness or distinctiveness of a design*.

**What is the priority date?**

The priority date of a design is generally the filing date of the design application.

***Is Design From Overseas?***

**s 27(1)(b) -** Earlier priority date will apply where an application to register the design has previously been made overseas in a country which is a Convention country and the Australian application is made within six months of the application date in the Convention country:

***Is there a grace period?***

s 17 - gives the designer a grace period within which the design may still be registered even though it has been published or used.

*Unlawful Publishing within Grace* - s 17(1)(a) - Where a design is published or used prior to the priority date without the consent of the owner by a person who derived or obtained the design from the owner, the design may still be registered provided that application for registration is made within six months.

**A design that is also an artistic work? COPYRIGHT CROSSOVER**

*What happens when a person seeks to register a design that is also an artistic work under s 10 of the Copyright Act?*

Must be under s15 as new and distinctive.

***When has a design been industrially applied?***

* If 50 or more articles carrying the design are produced then the design has been industrially applied - *Copyright Regulations reg 17(1)(a).*

*Less than 50 and STILL CONSIDERED INDUSTRIAL?*

* *Press-Form Pty Ltd v Henderson Ltd* 
  + Henderson used a new design for a bus seat in manufacturing 41 bus seats as prototypes. This was held to be an industrial application of the design.

***Example***

1. Imagine that A is the creator and copyright owner of a drawing of a cartoon character. The cartoon has appeared in the newspaper for a number of years.
2. A decides to apply the drawings of the cartoon character to T-shirts. The drawings have not been used on T-shirts previously except by A for the purpose of preparing a prototype.
3. A seeks to register the design (the cartoon character) in respect of a product (T-shirts) under the Designs Act.
4. To be registered under the Designs Act in respect of T-shirts the design must be new and distinctive: s 15.
5. As the design is an artistic work, any use of the design (eg in the cartoon strips) is to be ignored in determining whether the design is new and distinctive. Although the design has been applied to a T-shirt prior to the design application being made (the priority date), this was solely for the purposes of producing a prototype.
6. This would not amount to industrial application within the meaning of s 18(2) of the Designs Act and therefore must be ignored in determining newness and distinctiveness. Therefore, the design ought to be registered.

**Step 3 – Registering and Design Rights**

**Design Rights**

***Who gets the design rights?***

The registered owner of a registered design has the exclusive right, during the

term of the registration:

1. to make or offer to make a product, in relation to which the design is registered, which embodies the design; and
2. to import such a product into Australia for sale, or for use for the purposes of any trade or business; and
3. to sell, hire or otherwise dispose of, or offer to sell, hire or otherwise dispose of, such a product; and
4. to use such a product in any way for the purposes of any trade or business; and to keep such a product for the purpose of doing any of the things mentioned in paragraph (c) or (d); and
5. to authorise another person to do any of the things mentioned in paragraph (a), (b),
6. (c), (d) or (e): s 10.

***Note:*** *The right created by design registration is personal property and can be assigned or licensed: s 10(2) & (3).*

**Registering a Design**

***How long does a design last?***

Initially 5 years

Can be Extend to 10

***Who can register a design?***

Persons entitled to be registered as the owner of a registered design include:

* the designer;
* the designer’s employer, where the design was created in the course of employment;
* a contractor, where the design was created pursuant to a contract;
* an assignee of the design: s 13.

***Who owns the design? Can it be assigned to another?***

1. The creator of the design is the person entitled to be registered as owner.
2. The creator is the person *‘whose mind conceives the relevant shape, configuration, pattern or ornamentation applicable to the article in question and reduces it to visible form.’*
3. The creator may assign the rights and in that case the person entitled to be registered is the assignee: **s 13(1)(c).**

***IMPORTANT Note:*** As with other areas of intellectual property, where the design is created in the course of employment the person entitled to be registered as owner is the employer: s 13(1)(b).

***How is a design challenged?***

1. Only when a registered design is challenged is there likely to be any need for an examination.
2. When a design registration is not challenged it is largely a waste of resources to conduct an examination.
3. As the registered owner cannot commence infringement proceedings without first having the design examined, it makes sense that the examination should only occur at this point.

**Step 4 – Infringement of Designs**

***Main test for infringement is?***

The test for infringement under the Designs Act is as follows:

**71(1) -**

1. A person infringes a registered design if, during the term of registration of the design, and without the licence or authority of the registered owner of the design, the person:
   1. makes a product, in relation to which the design is registered, which embodies a design that is identical to, or substantially similar in overall impression to, the registered design; or
   2. imports such a product into Australia for sale, or for use for the purposes of any trade or business; or
   3. sells or hires or otherwise disposes of, or offers to sell, hire or otherwise dispose of, such a product; or
   4. uses such a product in any way for the purposes of any trade or business; or
   5. keeps such a product for the purpose of doing any of the things mentioned in paragraph (c) or (d).

***When must infringement proceedings start?***

Infringement proceedings must be started within six years from the day on which the alleged infringement occurred: s 71(4).

***Are designs Identical or substantially similar in overall impression?***

Key is to infringement is to determine what is meant by the expression *‘identical to or substantially similar in overall impression to the registered design’.*

* Whether two designs are identical is a relatively simple question of fact.

**s71(3) – this is still dodgy and no proven cases**

provides that in determining whether an allegedly infringing design is substantially similar in overall impression to the registered design, a court is to consider the factors specified in section 19.

**Step 5 – Defences and Remedies of Infringement**

**What are Defences against Infringement?**

* ‘Using’ a product includes making, selling or importing the product, or using the product for the purposes of any trade or business.
* The onus is on the plaintiff in infringement proceedings to prove that the defendant knew, or ought reasonably to have known, that the use or authorization was not for the permitted purpose: s 72(2).

**What are Remedies for Infringement?**

The court has the power to make the following orders in appropriate circumstances.

* Injunctions: s 75.
* Damages, or (at the election of the plaintiff) an account of profits: s 75.15
* Additional damages which the court considers appropriate, having regard to the flagrancy of the infringement and all other relevant matters: s 75.
* Revocation of a registration: s 93.
* Rectification of the Register to amend a registration.
* Compulsory licenses, where the court is satisfied that products embodying the designs have not been made in Australia and the registered owner of the design has given no satisfactory reason for failing to exercise or license the exclusive rights in the design: s 90.

**Making unjustified threats**

Care must be taken when threatening another with an action for infringement of a registered design. If the threats are not justified then the person threatened may claim damages: s 77.