

3 February 2020

IP Australia
consultation@ipaaustralia.gov.au

By email

Attention: Brett Massey

Public consultation:

- 1. Scope of designs protection**
- 2. Early flexibility for designers**
- 3. Simplifying and clarifying the designs systems**

Thank you for the three subject invitations to provide feedback on proposed reform of the Australian designs system and for providing additional time to respond.

FPA Patent Attorneys Pty Ltd (FPA) is a private incorporated registered attorney firm, wholly owned by QANTM Intellectual Property Limited. It represents both local and overseas design owners in matters before IP Australia. Further information on FPA is available at www.fpatents.com.au.

Attached are the submissions of FPA on questions asked in the three consultation papers.

Yours sincerely

FPA Patent Attorneys Pty Ltd

info@fpatents.com
fpatents.com

101 Collins Street
Melbourne VIC 3000 Australia
T + 61 3 8662 7300
F + 61 3 8662 7301

ANZ Tower, 161 Castlereagh Street
Sydney NSW 2000 Australia
T + 61 2 8267 3900
F + 61 3 8662 7301

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Scope of designs protection

Partial designs

P1. Do you consider that Australia's approach to partial designs should be reformed? Why or why not?

FPA considers that Australia's approach to partial designs should be reformed. Reasons for this include:

Limiting design protection for partial products to parts of "complex products" that are "made separately" is overly limiting. For example, a designer may specialise in or put substantial effort into designing the appearance of one part of a product but then be required to continue designing the remainder of a product merely to be able to file a design application in Australia. Another example to the cup handle may be the sole of footwear – a running shoe may have a substantially different overall impression to an ankle boot or knee-high boot (quite apart from the substantial variations to the upper of the shoe within each of these categories). In addition, as has been noted with the advent of 3D printing/additive manufacturing, complex products which have historically been made from separate parts are now manufactured as unitary products, with the result that the above test is outdated and unsuited to modern manufacturing techniques.

International harmonisation on this issue appears to be of particular benefit, helping to ensure design effort is protectable across Australia and its major trading partners and to assist with increased predictability in the scope of protection.

As virtual designs become increasingly important in the market, including as replacements to what otherwise would be physical designs (e.g. virtual input devices for machines), then an incentive to encourage innovation in this field appears appropriate. The restriction on partial designs should not, by a side wind, prevent adequate protection for virtual designs if the decision is made to afford virtual designs protection. This issue can be addressed via the definition of product or the treatment of partial designs (or both).

P2. What is your preferred option, and do you see any additional options for addressing the problem?

FPA suggests an **optional** mechanism for an applicant to explicitly indicate whether the provisions governing a partial design are intended. An **optional** statement of monopoly (SoM) may serve this purpose. If a SoM is not included the existing provisions should apply, including the way in which the statement of newness and distinctiveness (SoND), if any, is applied. If a SoM is included, then no SoND should be permitted as providing for both in a single application would only serve to create confusion and unnecessary complexity.

In other words, FPA considers that the existing mechanisms for evaluating infringement and validity of designs in relation to entire products are working well. This is demonstrated by the Federal Court cases discussing infringement and validity. The reasons for the substantial reform that led to the Designs Act 2003 appear as relevant today as they were then and the changes to infringement and validity should not be undone or made uncertain simply to accommodate partial designs.

FPA does not fully understand the rationale for tying together the issue of protection of partial designs with an extension of the infringement provisions to cover similar products or all products. FPA considers that it also a viable option, potentially a preferable option, to allow protection of a partial design of a product, while limiting the exclusive rights to products in relation to which the design is registered.

FPA therefore suggests an additional option for addressing the problem of partial designs. That option allows for the protection of a partial design, but maintains the requirement for the design to be registered in relation to a product. Infringement only occurs exploiting a product in relation to which the design is registered (as per the current section 71). Accordingly, a single registration can cover all variations of different environmental contexts within the category of product that is registered. If another product category requires protection, then a second application may be filed. For example, the design for a handle may be registered for a container, to cover both the mug and water jug (as well as other products). If protection is required for a door, then a separate registration is required.

The paper discusses the problem of a virtual design on a screen, which may form part of any number of products. This issue can be addressed by alternative means, in particular by redefining a product as including a virtual design.

FPA considers that the standard of distinctiveness or “substantially similar in overall impression” is not the most appropriate test for addressing the validity and scope of a partial design. For example inquiries into overall impression appear ill-suited to the design of part of a product – a person familiar with the product as a whole (or the claimed and unclaimed part as suggested in the options paper) may have little if any relevant insight or views in the overall impression of only the claimed part. Also applying s 19(2)(c) to a partial design results in attention being directed to a part of a part of a product.

FPA considers that for partial designs the infringement and validity provisions should be aligned in respect of what products are relevant. If the exclusive rights are limited to the product registered, then validity should be judged in relation to parts of the same products - it would seem unfair that a designer of a part of a handbag should be denied protection because by chance an engine design had a part that looks the same. If the exclusive rights cover all products, then validity should also be judged against all products.

FPA suggests that when a SoM is included (or other mechanism to indicate a partial design) both infringement and validity of partial designs must be evaluated with regard to the “new” or “identical” standard. This reserves the expanded scope of protection that was intended with the introduction of the Designs Act 2003 to registrations in relation to entire products. This appears to be a reasonable balance – a partial design will cover a large range of overall product designs but narrowly in relation to the part registered, whereas a full product design will cover a narrower range of overall product designs, but extend to products substantially similar in overall impression. Another option is to introduce a new threshold, for instance “substantially identical” if the identical standard is viewed as too strict.

P4. In relation to partial designs, have you found claiming priority from an overseas application problematic in Australia and if so, can you describe your experiences?

FPA has found that claiming priority from overseas applications for partial designs, for example which exclude parts of the design by a disclaimer or otherwise, creates two main problems:

1 The overseas application may not include any representation that shows the entire product. This makes it difficult and/or adds complexity to an application for a full product design in Australia while still falling within the requirements of s 27, which specify that the convention application must be “in respect of the design”. Overseas applicants expect to be able to protect their design effort by filing an application within the convention period.

2 Overseas design owners who are accustomed to protecting partial designs in their own jurisdiction have substantial difficulty understanding the scope of protection provided by an Australian design. For example, if we had of been able to advise before they filed the priority application, we may have recommended that, as broken lines are not completely disclaimed, they should file a more “naked” version in the priority application. However, we rarely get the benefit of this early input.

P5. Have you found claiming priority from an Australian application problematic when seeking partial protection overseas and if so, can you share your experiences?

None of note. However, this is due to the IP Offices in foreign countries such as the United States, Europe, the UK and Japan treating broken lines in Australian priority applications as being a disclaimer of those elements of the product to match their laws.

P6. Are you aware of additional costs and benefits that have not been identified in this paper? If so, please provide further detail.

An advantage of allowing protection to partial designs, particularly with relatively narrow scope as outlined above, is that it provides a mechanism to incentivise continued design effort to refine and improve a previous product design. At present designers can only protect their continued work if it reaches the “distinctiveness” threshold over their earlier work. This allows

slavish copying of all subsequent design iterations by the designer that introduce new parts to the design, but which fall below the distinctiveness threshold (once the original registration has expired or ceases). At the same time it incentivises others to build on and develop their own iterative innovations based on the original registration for exploitation after the original registration has expired or ceases.

The threshold for reform applied by the Productivity Commission of “needed to stimulate socially beneficial innovations in Australia” is submitted to be too high. Other considerations include maximising efficiency and ease of use of the designs system for the existing users of the system – the applicants who are being stimulated to innovate. Continuing with the footwear example, providing partial protection gives the designer the option to file a single design application for their design that covers all classes of product, rather than having to consider filing multiple applications, one for each class and having to anticipate within each class what might be a sufficient variation to create a substantially different overall impression with or without a statement of newness and distinctiveness directed to the sole.

Due to the lack of partial design protection, FPA have recommended clients file multiple design applications whereby the broken line portions differ to the commercial embodiment, but capture the most likely alternative designs that their competitors may release whilst copying their core design elements. This is an increased cost to applicants as they effectively need to design their competitor’s copies before they’ve released their product, as otherwise infringement may not be found due to differences between the copy in respect of elements shown in broken lines when the design is considered as a whole.

Scope of designs protection

Virtual designs

V1. What is your preferred option, and do you see any additional options for addressing the problem?

FPA considers the preferred option to be Option 3 – include virtual designs in the definition of a product.

Option 3 allows the design to be identified for what it is. For example a design to graphical user interface can and should be identified as that. It removes the problem that a product carrying the relevant screen (or other carrier) may vary substantially in appearance.

FPA considers that a product should still be named. For example the product could be a graphical user interface, a holographic protection, an icon etc. It should also be possible to protect partial designs, for example a part of a GUI or part of a holographic projection, under the same provisions and for the same reasons as for other products. Consistent with this, infringement should remain limited to product in relation to which the design is registered – e.g. a textile printed with a graphical user interface will not infringe a registered design to a graphical user interface.

V2. Should protection for virtual designs be linked to a physical product? Why or why not?

FPA considers that requiring linking virtual designs to a physical product would serve to arbitrarily reduce protection for the design (e.g. as discussed the screen displaying the virtual design may be included as part of a wide range of different physical products).

FPA also considers that requiring linking virtual designs to a physical product may create confusion and complexity on design ownership. A designer of a virtual design may not have designed any particular physical product or may have had a third party product in mind to display the virtual design.

FPA considers that allowing protection of virtual designs independently of a product will help to clarify the register. Issues of infringement and validity can be determined based on the virtual alone, rather than having to take account of the relative visual contribution of the physical product, which may be depicted in mere outline form by the applicant in an attempt to broaden the scope of protection.

V3. What types of virtual designs should or shouldn't be protected? e.g. (computer programs and/or other types virtual designs such as fonts, holograms, animations etc)?

FPA considers that designs in relation to products should be registered. FPA considers that the existing provisions in the Act provide an appropriate definition of what is and is not a registrable virtual design.

A computer program is merely a set of instructions, it has no more visual design than the text in a book.

FPA considers that a font is also likely not a virtual design. In particular FPA believes that a font may not be “a design in relation to a product” as per section 8. While other virtual displays like a screen display, a GUI, an icon, a hologram and an animation are finished entities (i.e. products) to which a design has been applied, a font is not applied to anything – as stated in Microsoft Corporation [2007] ADO 1 “if a type font is an article of manufacture,... then what Microsoft seeks to register is an article of manufacture applied to itself” and “in relation to the type font, there is no finished article but simply a concept”. A particular font could be used to form a product like a physical sign, an icon or a GUI, but is not a product itself.

FPA considers that extending the availability of registered design protection to computer programs, fonts and similar things is not required.

Animations have a distinguishing property of having a design that changes over time. FPA considers that an animation is a virtual product that involves substantial design effort, worthy of registered design protection. At present animations are objected to as relating to more than one design, effectively limiting available protection to one point in time in the animation. FPA

considers this to be an arbitrary restriction in relation to animations and that designers of animations should have the option to protect the final product of their design effort.

V4. Do you consider other existing forms of IP protection (such as copyright or trade mark protection) are sufficient for protection of virtual designs in Australia? Why or why not?

FPA does not consider that existing forms of IP protection are sufficient for virtual designs.

FPA considers that the complexities involved in whether the relevant work that needs to be copied for copyright infringement is the design itself (e.g. what is displayed on the screen of a computer) or the mechanism by which the design is generated (e.g. the computer code that controls the computer) at the very least raise doubts on the suitability of copyright protection.

FPA does not understand how trade mark protection could be relevant to protect any aspect of most virtual designs. A design might have a trade mark applied to it, or be exploited in association with a trade mark, but only a very few designs will be used per section 17 of the Trade Marks Act 1995 or as common law trade marks.

V5. Would partial design protection need to be provided as well to protect virtual designs effectively? Why or why not?

FPA does not consider it necessary to provide partial design protection in order to protect virtual designs. FPA considers that the preferred approach is to define a product as including virtual designs, which removes the need to refer to another product in the design application (see also the answer to V3).

FPA considers that partial design protection would be advantageous for virtual designs in the same way as it would be advantageous for existing designs.

Scope of designs protection

Section 19

C1. Given the concerns raised by the LCA IP Committee, and the preceding discussion, do you see a need to further clarify certain elements of section 19?

FPA agrees that there are currently two different interpretations of the informed user standard. For at least some designs, the uncertainty can increase cost, for example if it appears the person with relevant familiarity with a product is not necessarily a user. For other designs a single person with relevant knowledge will readily fit within both definitions, so the cost of the uncertainty will be relatively small.

FPA considers that the key characteristic of the informed user is their familiarity with the product. It is this familiarity that provides the basis for their view. Whether or not they are a user is a secondary consideration – a user may become informed through use and if so, their views become relevant. FPA therefore considers the approach set out in *Multisteps Pty Ltd v Source & Sell Pty Ltd* [2013] FCA 743 to be preferable.

By way of example, evidence relevant to a registered design for a pen will likely come from a user of pens. The engineer or designer of the ink delivery mechanism will likely not provide relevant evidence to the design. A new design of a pump that has a unique appearance due in part to the way it works (whether inventive or not) will less likely benefit from evidence from a user of the pump. In both cases the Registrar or Court is assisted by evidence from someone familiar with the products.

In the more general case, allowing evidence from more classes of people (i.e. users and not users) increases the option to parties, which can provide a benefit both to the quality of evidence and a reduction in cost (e.g. in finding a suitable expert).

Therefore, if a clarifying amendment is to be made, FPA prefers option 2 – Revise subsection 19(4) with reference to the *Multisteps* approach.

While FPA acknowledges that it has taken some time to become familiar with the operation of s 19, both the examiners at IP Australia and the Courts appear to be applying the standard in a way that is consistent with the objectives sought when introducing the Designs Act 2003. FPA considers that any attempt to clarify the weighting to be given to the various relevant considerations of section 19 may inadvertently disadvantage some owners given the wide range of designs that are registered.

C2. How do you see the suggested changes to the use of the SoND (Options 2 and 3) impacting on the administrative burden of applicants?

FPA does not consider there to be any benefit to the operation of section 19 obtained from making the SoND compulsory. A SoND may refer to the design as a whole, which is the same as the position when a SoND is not provided. FPA considers it likely that many applicants will simply adopt a generic SoND if it is made compulsory.

FPA considers that the SoND has an important role to play in section 19, enabling an applicant to identify what they consider to be the design contribution they have made to the state of the art. An example may be a new ornamentation applied to an existing shaped product – without the SoND the design may not be protectable due to the shape contributing more to overall impression than the pattern or ornamentation.

FPA considers that if the option to file a SoND is removed, then it should only be done so in conjunction with an ability to protect partial designs. Referring to the example above, this would allow the designer to indicate the parts of a product that have the ornamentation applied. However, as discussed above, FPA considers that the best approach is to retain the SoND for entire products as per the current arrangement and using another mechanism, like a Statement of Monopoly for partial designs.

C3. If protection for partial designs was introduced, how do you see this impacting on the operation of subsection 19(2)? Would the introduction of partial designs cause the SoND to be redundant?

FPA considers that inquiries into “overall impression” as per section 19(1) may be difficult for some partial designs, particularly where only a very small part of a product is claimed. Additionally, a person familiar with the product as per s 19(4) may not have particular familiarity with the part of the product that has been designed.

FPA considers that partial designs are best dealt with by reference to the “new” standard, not the “distinctive” or “substantially similar in overall impression” standard, for both infringement and validity.

FPA considers that the SoND should not have a role to play in relation to a partial design. FPA considers the SoND should remain (and will not be redundant) if partial designs are introduced, as it will still be applicable to designs of complete products.

C4. If protection for partial designs was introduced, do you see any problems in retaining the expression ‘design as a whole’ as it appears in subparagraph 19(2)(b)(ii), paragraph 19(2)(c), and subsection 19(3)?

FPA does not see any significant problems applying the “design as a whole” in relation to a partial design – the design still has boundaries even though it relates to only part of a product.

In some instances the operation of 19(2)(c) may require consideration of a very small portion of a product – a part of a part. On balance FPA considers that adding a requirement to consider a part of a part of a product may create unexpected results and/or a level of uncertainty that may not be desirable.

If the scope of a partial design extends to any product, FPA presumes that the prior art base considered in 19(2)(a) will also cover all products. If that is the case, and if partial designs are subject to the “distinctiveness” inquiry, FPA considers the inquiry under this subsection will become substantially more complex and that preparing relevant evidence will be a larger and more costly exercise.

C5. If protection for virtual designs was introduced, how would you see this impacting on the definition of ‘product’ as it currently appears in subsection 19(4)?

FPA considers that s 19(4) would be equally applicable to virtual designs as to other designs. For example, the virtual designs discussed, such as a GUI, an animation a hologram are identifiable products to which a design has been applied or which embody a design if a narrower view of “applied” is adopted.

Early flexibility for designers

Grace period

FPA supports the introduction of a grace period, with similar provisions as in the Patents Act, including on the issue of third party rights. This includes not introducing a requirement to declare disclosures, which does not appear to create a substantial burden in relation to patent applications.

FPA considers that the grace period should include designs by the same applicant that are within the meaning of s 15(2)(c), but in any event it should be made clear whether or not the grace period covers such earlier applications by the same applicant.

Early publication

FPA considers that deferment of publication should be available for at least 12 months from the priority date of a design application. A period of six months creates a disincentive to utilise the designs system, as it often results in IP Australia publishing the design before the design owner is ready to release it.

FPA considers that if automatic requests for registration (and consequential automatic publication) are introduced, then this will provide another reason to introduce a grace period, as it may result in inadvertent publication by some applicants.

Simplifying and clarifying the designs system

Modernise schedule 2 of design regs

FPA does not see any unintended consequences arising from specifying the formal requirements in a legislative instrument or from changing the terminology of a “registered” design.

On hold recommendations

Question 3A: Do you consider any of the following issues to be of high priority? Please provide further detail including reasons.

FPA considers that the issues discussed in relation to questions 3D to be of high priority. (See comments below in relation to question 3D)

Question 3B: Does the proposed amendment resolve the present inconsistency between subregulation 3.06(2) and section 13?

FPA considers that making the rules regarding the identity of Convention applicants consistent with the rules relating to entitlement to designs, as outlined under section 13 of the Designs Act would resolve the inconsistency. FPA considers that the existing provision that allows a Convention application to be made by the applicant of the basic application should also be retained.

Question 3C: Does the proposed amendment remove the disadvantage to Convention applicants? Are there other disadvantages?

FPA agrees that the introduction of an ability to protect partial designs in Australia will remove many instances in which Convention applicants may be disadvantaged. FPA considers that the introduction of a grace period will also assist, allowing Convention applicants to file a different design in Australia (which may not be entitled to the foreign filing priority date due to the differences) to match Australia’s requirements without their own publication within the grace period being prior art.

FPA suggests that amendment to regulation 3.06 is considered to remove the requirement that the basic application must be “an application for protection of the design” and is instead replaced with a requirement for disclosure of the design in the basic application. This avoids any inquiry into what is sought to be protected by the basic application, which will vary depending on the formal requirements, including for example whether it is permissible to exclude portions of a design from what is claimed.

Absent allowing partial designs, the issue of not disadvantaging Convention applicants that file for partial designs only may be achieved by amending regulation 3.06 to specify that priority can be claimed to a basic application that discloses the design or a material part of the design.

In all cases, the priority provisions should be clarified, so that a convention application in Australia for a design that is substantially similar in overall impression to the design disclosed in a basic application (but not the design) is entitled to claim priority to the basic application.

Question 3D: Is the proposed amendment necessary since courts have an inherent discretion not to act in appropriate circumstances?

FPA considers that the amendment is necessary. Absent an amendment there appears to be undue uncertainty, for example whether the Courts will apply the reasoning from the patent case law prior to the Raising the Bar Act.

Question 3E: Should the Designs Act be amended to allow a court to revoke a design registration, in appropriate circumstances, at any time after the design is registered?

FPA is uncertain that a change to determining the issue of lack of entitlement at the time of the revocation proceeding, rather than at the time of registration would be beneficial. FPA considers that it is in the public interest to maintain a requirement for designs to be registered in the name of entitled person(s), as it gives notice of who to deal with in relation to the design. FPA considers an amendment similar to that made to the Patents Act is sufficient to achieve fairness.

Questions 3F: Is the proposed amendment necessary to clarify subsection 15(2), that is, there is no basis for suggesting that the prior art base does not include designs for 'other products'?

FPA considers that it is a possible interpretation of subsection 15(2) that the prior art design must be in relation to the same product.

Question 3G: Does the proposed amendment resolve the problem, as outlined, completely?

FPA considers that the amendment resolves the problem. FPA considers that it should be clear that revocation on this ground is discretionary, to allow for example, a design to not be revoked for example in the case of an innocent misrepresentation where it is appropriate having regard to the overall justice of the case.

Question 3H: What would be the impact on other aspects of the designs system, for example, the use of a SoND, if voluntary amendments were allowed at any stage prior to examination of the design?

FPA considers that voluntary amendment of the Register should be allowable after registration. FPA considers the restrictions on not increasing scope or introducing new matter to be adequate.

FPA comments that it has been found that the SoND is not on the register (*Reckitt Benckiser Inc* [2008] ADO 1), so amending section 66 to allow amendment of "the Register" will not by itself provide an option to amend the SoND after registration.

FPA considers that it would be advantageous to allow amendment to the SoND after registration, for example during examination to assist an owner to distinguish the design over prior art found by the examiner. There is a cost in increased uncertainty as to the scope of the design. One mechanism to reduce this cost may be to place a time limit on when amendments to the SoND can be requested – e.g. within a specified number of years of registration.

Question 3I: Does the proposed amendment resolve the problem, as outlined, completely?

FPA considers the proposed amendment to resolve the problem and considers alignment of IP rights on this issue to be appropriate.

Question 3J: Does the proposed amendment resolve the problem, as outlined, completely?

FPA considers the proposed amendment to resolve the problem and considers alignment of IP rights on this issue to be appropriate.