

INTA Comments on the Review of Australia's Design System

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The International Trademark Association (INTA) appreciates and would like to thank IP Australia for the opportunity to contribute to the public consultation regarding certain recommendations from the former Advisory Council on Intellectual Property's (ACIP) Review of the Designs System.

INTA is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. INTA's members are more than 7,200 organizations from 187 countries, including 108 in Australia. The Association's member organizations represent some 31,000 trademark professionals and include brand owners from major corporations as well as small and medium-sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members. Further information about our Association can be found at www.inta.org.

INTA has adopted [Model Design Law Guidelines](#) and [Guidelines for Examination of Industrial Designs](#), which contain INTA's basic positions on design law and practice and serve as a baseline standard by which INTA analyzes and comments on national and regional design laws, regulations, and the practices of IP offices. With a basis on those two set of Guidelines, below we provide comments on the consultation papers *Examining the scope of design protection* and *Early flexibility for designers*.

We hope that you find this input useful.

I. Comments on Consultation Paper [Examining the scope of design protection](#)

1. SCOPE OF DESIGNS PROTECTION

1.1 Protection of partial designs

Questions for consultation

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

INTA considers that Australia's approach to partial designs should be reformed.

As per its [Model Design Law Guidelines](#), INTA supports the protection of partial designs, i.e., the possibility to register a part of a product as a design provided that it otherwise meets the requirements for registration. This could include either:(a) the registration of a part of a product where the complete design is represented; or (b) part of a product where the whole product is represented but the part or parts in which protection is not claimed are identified by the use of visual disclaimers which may be broken lines, blurring, colour shading or by the use of added boundaries.

Some products may include portions that have appearances that by themselves are not new. Therefore, it should be possible to register only the design of the part of the product that is new.

Examples of design portions that might not be new include: the blade of a knife; the neck or the bottom of a bottle; and the handle or the brush of a toothbrush.

Efforts made in relation to improvement of parts of designs should be protectable and the rights should be enforceable in addition to the design of the product in its entirety if the registrant so chooses. To accomplish this, the rules should permit applicants to show, by way of a visual disclaimer, parts of the design for which protection is not sought. The visual disclaimer must be clear and obvious, meaning the claimed and disclaimed elements of the design should be clearly differentiated. INTA recommends that visual disclaimers be achieved by indicating with broken lines the features of the design for which protection is not sought. The disclaimer may be achieved by other means such as blurring the features of the design for which protection is not sought, and/or including within a boundary the features of the design for which protection is sought.

INTA also considers that, as an alternative, it may be permissible to file an application for a part of the product as a complete design where the whole product is not represented in the application

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

INTA's preferred option is option 3, i.e. Protect partial designs for any product.

This option would encourage greater availability of certain products for Australian consumers while aligning Australia with some of its major trading partners such as the European Union (EU), United Kingdom, United States (US), Japan and Korea. Moreover, the Locarno Classification remains an administrative instrument that can be at odds with the reality of the market when one must assess product similarity. Limiting protection of partial design for similar products within the same class under the Locarno Classification could therefore be unduly restrictive if products that are arguably similar (from an industrial/commercial point of view) in fact belong to two different classes of the Locarno Classification. Finally, we believe that this option offers more legal certainty than option 2 (Protect partial designs for similar products), where similarity needs to be assessed in order to decide on design's protection.

1.2 Virtual, non-physical and active state designs

Questions for consultation

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

INTA supports protection of virtual designs, including in particular graphical user interfaces (GUIs), screens icons and fonts. INTA's preferred option is Option 3, i.e. protect virtual designs independently by including them in the definition of product.

There has been an obvious and acknowledged surge in use of GUIs, icons and fonts in many industries around the world. From a design perspective, many of these GUIs, icons and fonts demonstrate high levels of design innovation. From a consumer perspective, consumers now know, immediately, to associate particular GUIs, icons and fonts with particular producers of goods and providers of services.

Since the commercial success of a product or service often depends on these creative and innovative design choices, protecting GUIs, icons and fonts is important to differentiating one product from another in the marketplace. In many instances, GUIs, icons and fonts have become a key aspect of a company's overall brand. They should therefore be considered a part of the overall IP portfolio, and design protection is needed to assure the legal framework for their protection.

Providing protection for GUIs, icons and fonts also encourages technological and economic development, in many sectors.

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

INTA supports protection virtual designs independently from the physical product.

In several jurisdictions, there is a requirement for a link between GUIs and the article on which they are displayed. Such requirement is explained by the concern that the scope of the registered designs may otherwise become very broad, thereby providing the design's owner with overbroad rights. This requirement is also based on practical reasons, including that of facilitating searches by examining offices and obviating the need for companies to conduct a *Freedom-to-operate* search beyond their business areas.

However, we believe that this requirement may be problematic, notably for those companies that develop software alone and not hardware but are nonetheless obliged to include hardware in their application. It has been observed in some of those cases that in order to still be able to apply for GUI design protection, companies use third party proprietary hardware.

For instance, in China, the applicant for a GUI design patent must not only show the GUI but also the hardware on which the GUI is displayed. Because China does not allow broken lines in design patent applications, the scope of the patent includes both the GUI and the hardware shown in the drawings.



The above picture is taken from YANGJIN LI, Beijing IP Court delivers the first judgment on GUI design infringement in China, available at <https://trustinip.com/beijin-ip-court-delivers-the-first-judgment-on-gui-design-infringement-in-china> (accessed 17 April 2018). No infringement was found because the defendant only sold software and, according to the existing rule in China, infringement is found only where the identical or similar design as that of the design patent is adopted on the identical or similar product as that of the design patent.

In contrast, in other jurisdictions, such as the EU, applicants are not required to show the hardware and GUI designs are protectable on their own. For example:



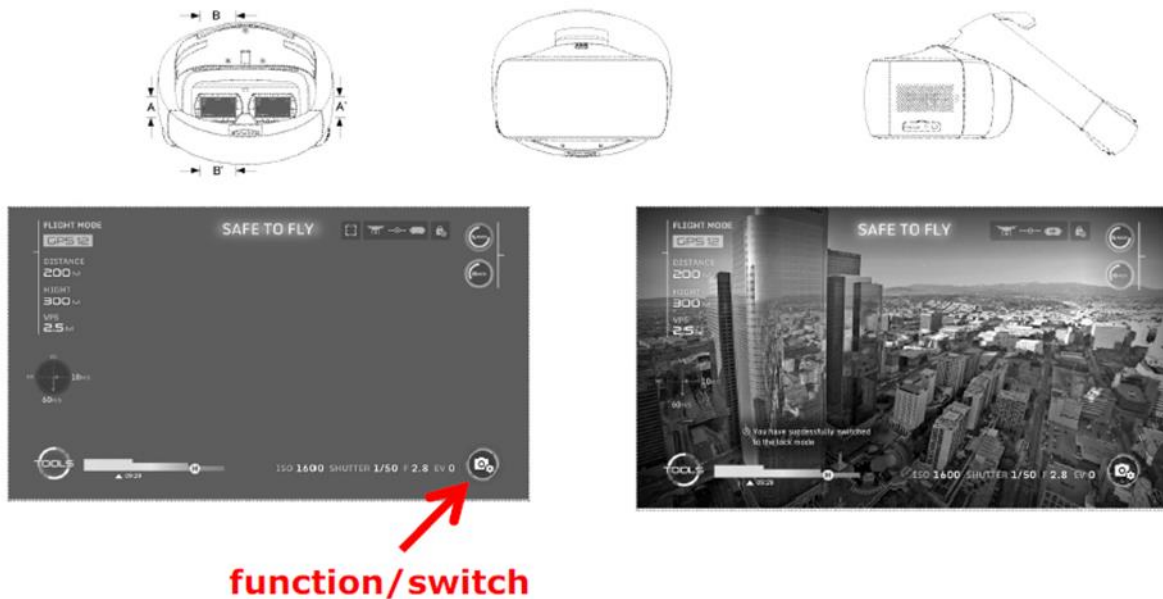
RCD 2533927-0002

It could also be questioned whether a link between the GUI and the product is required for designs of virtual reality (VR) or augmented reality (AR). For VR, for example, screens can be projected in a virtual space generated by head-mount displays. In that case, the article may be a head-mount display (HMD). As for AR, icons or designs can be shown over the real space on the smartphone display.

INTA believes that there is no material difference whether VR or AR designs are projected in a virtual space or on a display, even if that display is worn on the body. As an illustration, we refer to the example below of a Japanese design patent for such a GUI design.

B : Image shown in a display/ Registered as 2D image

JPD1580307: Head mount display for drone



Nevertheless, one can easily imagine future designs that are not projected on a display at all but are projected into space and visible by a user, such as a hologram. For this reason, INTA believes that a link between a GUI design and an article should not be required in order not to stifle such creative designs in the future and to allow them to be adequately protected regardless of the article which generates the design. Indeed, technology is developing very fast and it is not always possible to foresee where a design can or will be displayed, as this may not be known when creating the design. Moreover, the effort of creating a design (innovation effort) should be protected independently of where it is used, i.e., the scope of protection should not be linked to a particular product. Finally, it

should be noted that an immaterial design can be shown by different users in different devices. Therefore, creators should be able to obtain protection for the design independently of the device showing it.

In practice, the transferability of GUIs, icons and fonts across technology means that it is essential, if protection for GUIs, icons and fonts is to be real, that it is NOT dependent on the product that incorporates them.

INTA's view is that users are best placed to determine how to disclose an innovative design for the purposes of applying for its protection. INTA therefore advocates that the designer be given the choice as to how best to represent the design. If the designer wishes to apply to register the GUI or icon in relation to a specific product, she/he should be able to do so. If the designer wishes to register the GUI or icon in the abstract, she/he should be able to do so. Importantly, for users of the design system, rights may be lost, including irrevocably, if an application is rejected on a technical matter such as the nature of the representation. A designer, especially an individual designer or SME, can therefore be disadvantaged if a design application outside the designer's home jurisdiction rejects the application because the "wrong" representation has been used, even though that representation was accepted in the home jurisdiction.

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?

GUIs, icons and fonts may be eligible for overlapping protection via multiple intellectual property rights (such as copyright and/or trademarks). The granting of design protection is nevertheless fitting, since, in many instances, the lifespan of this kind of technology is very short.

INTA considers that the design law protection for virtual designs should be without prejudice to protection appropriately provided under other laws, such as copyright law, trademark law, or the law of unfair competition/passing off.

Protection of the virtual designs under the Design Act should, however, increase legal certainty for competitors seeking to determine their freedom to operate. Unlike copyright, designs are registered and are thereby made available for public searches. Allowing for virtual designs to be registered and certified under the Design Act is an incentive for designers to register their (virtual) designs and thereby make them public, thus reducing the mass of unregistered rights that generate legal uncertainty.

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

INTA supports protection of partial designs in addition to protection of virtual designs. That way, the designer will be given the choice as to how best represent the design. If the designer wishes to apply to register a GUI in relation to a specific product, but disclaim some elements of that product in order for the protection to focus exclusively on a part of the product, she/he should be able to do so.

INTA recommends that, in order to facilitate multijurisdictional protection for this kind of emerging designs, IP offices provide new and standardized technological means to allow their filing/publication/registration. In this respect, appropriate measures to avoid unauthorized access and use by potential infringers should be considered.

V6. Are you aware of additional costs and benefits that have not been identified in this paper? If so, please provide further detail.

INTA notes that the Productivity Commission (PC) remained unconvinced that protection of virtual designs is required to stimulate socially beneficial innovation, indicating that small companies are either not relying on IP protection or relying heavily on copyright or trademarks for their generated images.

Contrary to the assumption on which the consultation paper seems to rely, INTA believes that SMEs could greatly benefit from design protection and the fact that currently they may not be relying on this kind of protection is due to the unavailability of design registration and enforcement for GUIs and other virtual designs in Australia.

In addition, if businesses rely heavily on copyright for their generated images, the rights they may claim cannot easily be found and identified by third party competitors. Offering designers the ability to protect virtual designs by means of design registration will therefore enhance legal certainty, which will benefit all market operators, including SMEs.

II. Comments on Consultation Paper [Early flexibility for designers](#)

2. EARLY FLEXIBILITY FOR DESIGNERS

2.1 Grace period for designs and a prior use infringement exemption

In line with our [Model Design Law Guidelines](#), there should be a 12 month grace period that allows registration of a design within 12 months of an initial use or disclosure of the design by the proprietor or as a result of information obtained from the proprietor (including as a result of an abuse). The grace period should extend from the priority date.

Many jurisdictions provide a grace period whereby if an applicant files to protect a design within a certain time after already disclosing or publicly using the design, then the earlier disclosure is not considered to be novelty destroying. For example, the European Union allows a 12 month grace period with respect to Registered Community Designs. This proposal is also consistent with the Hague Agreement Concerning the International Registration of Industrial Designs (the “Hague Agreement”), which [INTA supports](#) and which provides for recognition of the grace period provided for in the national law of Contracting Parties.

Adopting a 12 month grace period would also align Australia with some of its major trading partners such as the EU, the US and Japan. A harmonized grace period of 12 months assists designers, and particularly individual designers and SMEs, by avoiding inadvertent loss of rights.

INTA advocates that, as much as possible, simple and user friendly procedures of design registration and administration be implemented, to the benefit of users. Accordingly, we suggest that the grace period applies automatically, without the applicant being required to declare previous disclosures.

2.2 Deferred publication of designs

Pursuant to our [Model Design Law Guidelines](#) and [Guidelines for Examination of Industrial Designs](#), INTA recommends that it be possible to defer publication of a design application for a period not less than 12 months.

IP Offices should permit the deferment of publication of the design, if the applicant elects to do so. A request for deferment, if desired, should be made in the application. The applicant may be required to pay a fee for deferment of publication along with the application. Payment of the publication fee should be optional at the filing stage. An application for publication should be filed, at a time of the applicant's choosing before the end of the deferment period and payment of the publication fee made in order for the design to be published. Claiming priority from an earlier design application should not change the available term of deferment of the publication of the design filed.

INTA stands ready to support IP Australia in its efforts towards reviewing the Designs System. We hope you will find our comments useful. Should you wish to further discuss any of the points we have raised or additional issues, please contact Seth Hays, INTA Chief Representative Officer, Asia-Pacific, at shays@inta.org and Carolina Oliveira, Policy Officer - Europe and Staff Liaison for INTA's Designs Committee at coliveira@inta.org.