



**Design  
Institute of Australia**

DESIGN INSTITUTE OF AUSTRALIA

**ABN 12 004 412 613**

**GPO Box 355**

**Melbourne, VIC 3001**

---

Submission to IP Australia consultation on:

Designs Amendment (Advisory Council on Intellectual Property Response) Bill 2020

and

Designs Amendment (Advisory Council on Intellectual Property Response) Regulations 2020

August 2020

---

**Scope of this submission:**

This submission responds to amendments outlined in the draft Explanatory Statement and draft Explanatory Memorandum for the Exposure Draft of Designs Amendment (Advisory Council on Intellectual Property Response) Bill 2020 and Designs Amendment (Advisory Council on Intellectual Property Response) Regulations 2020.

## Introduction

The DIA is the peak professional association for designers and design businesses in Australia, representing design professionals in all manner of design disciplines for over sixty years.

As a professional body, the DIA is run and funded by designers for designers. The DIA champions design and design thinking as a central element in a flourishing digital economy and a sustainable future. The DIA is uniquely placed as a professional body to educate the community of professional designers on changes to the *Designs Act 2003*.

Australia's highly skilled and innovative design community offers the prospect of solutions to the world's most pressing problems, as well as ways to make everyday life more comfortable and enjoyable. The DIA believes the design industry contributes to the commercialisation of IP across all sectors of the economy, and that the design rights system can maximise the benefit of this contribution. Design transforms innovation into income.

The DIA is advocating for diverse, fair and sustainable markets for Australian designs, underpinned by a robust framework of intellectual property protection. We believe that increasing protection for designers to align with international norms will stimulate rather than stifle innovation, encourage economic growth and heighten Australia's global standing.

## Background

The DIA previously submitted comments on the three options papers released by IP Australia as part of its consultation on implementation of accepted recommendations from the former Advisory Council on Intellectual Property's (ACIP) Review of the Designs System. The DIA also previously submitted comments on the ACIP review of the designs system in 2014 and the Productivity Commission inquiry into intellectual property arrangements in 2015.

In these submissions the DIA supported a number of reforms that are yet to be pursued by IP Australia, including:

- increasing the term of protection for registered designs from ten years to fifteen years, in line with the term of protection stipulated in the *Hague System for the International Registration of Industrial Designs (Hague)*;
- clarifying the definition, purpose and utility of Statements of Newness and Distinctiveness (SoNDs) and making the SoNDs mandatory;
- reforming the copyright/designs overlap provisions to anticipate the increasing use of 3D printing and scanning, and digital blueprint files;
- introducing an opposition process similar to that available in the trade marks system; and
- allowing new technologies and forms of design, such as graphical user interfaces (GUIs), to be registrable under the *Designs Act 2003*.

Additionally, the DIA noted that a strong, flexible designs protection system in Australia would benefit the important and valuable creative contributions which designers make to the Australian economy, and in particular the design industry's contribution to the commercialisation of intellectual property.

## Comments on the draft Bill

The Design Institute of Australia is pleased that IP Australia has sought the views of the design sector in building a long overdue reform program to modernise aspects of Australia's designs protection system.

Clarifying the required standard of an informed user of a design and introducing a 12 month prior art grace period with a prior use infringement exemption for genuine cases are both welcome decisions.

However, we are disappointed that other crucial reforms have once again been deferred. Australian designers are hindered in the design market by the limitations of the system of protection for their intellectual property.

The Advisory Council on Intellectual Property identified 23 essential reforms in 2015 and the sector is impatient for change. We need a system that can accommodate the breadth of design work and the reality of evolving production and retail modes here in Australia and overseas. The design sector deserves an intellectual property framework equipped for contemporary markets, not one that lags behind the rest of the world and leaves local designers exposed.

The DIA supports the submission on the draft Bill made by Copyright Council. Designers should not lose copyright protection when they subsequently register their designs. The intersection of the *Copyright Act 1968* and the *Designs Act 2003* requires urgent attention by IP Australia.

Further, the DIA recommends that s18 of the *Designs Act 2003* and the overlap provisions of the *Copyright Act 1968* [regs] be made consistent, but with the definition of 'industrial application' increased from 50 to provide protection during a period of market testing for, say, a line of garments or a range of furniture. A higher number is preferable as, for example, expensive tooling having been set up for manufacture – even if less than 50 products have actually been made – may indicate an intention to manufacture in quantities greater than 50 which may invalidate a design filing.

A further difference from the Copyright Act is that the Designs Act is silent on the moral rights of designers to be recognized for their work. We have recently learned of an instance where a designer was unacknowledged when their design won a major award. It is unthinkable that a publisher could receive an award without the author of the book being acknowledged. IP Australia, through the Designs Act and the registration process, has the opportunity to promote the value of design for the benefit of all Australians. The catalog of registered designs serves as a record of the development of design in Australia and a tool for understanding the role of individual contributors to our oeuvre. An immediate improvement would be to add clarifying text in the filing form along the lines of 'The designers are each and every person contributing to the creation of the designs disclosed in the application'.

In response to the question posed around the operation of 13(1)(b), yes, publication by the designer should be covered by the grace period where the design is registered by an employer or other entitled person. Yes it would be a problem if publication by the designer compromised subsequent registration of the design simply because of their commercial arrangements.

The DIA has concerns around the proposed operation of the prior use defence provisions. Third party users should only be exempt from infringement up to the point that a design is registered. Their exemption is based on discoverability, with publication on registration considered the point at which a third party can formally ascertain their freedom to operate has ceased. The provisions in this section that would allow a third party to continue to be exempt from infringement even after ownership has been found to belong to another party perpetuate a culture of exploitation, to the detriment of designers. This stems from a flawed assumption that all commercialization benefits our economy equally and that there are no costs to treating designers and third parties interchangeably. Genuine cases of duplicate designs leading to innocent infringement are uncommon. The experience of our members is that most infringement (in a lay sense) is not accidental – there is an active market of copying that operates freely in this country due to current settings that favour third parties and create barriers for designers to register their work. The standard of proof for third parties must therefore be high, to change the dynamic and to incentivize designers to complete formal registration of their designs. It is not unreasonable to expect third parties to presume that a designer will seek to protect their work.

### **Additional comments on IP reform**

The DIA is disappointed that IP Australia has not included more reforms canvassed during consultation into the Designs Amendment (Advisory Council on Intellectual Property Response) Bill 2020. This Bill has been six years in the making so appears a missed opportunity to progress a greater number of substantive reforms. A number of uncontroversial amendments could have been progressed as they were identified, rather than being batched and held for this Bill.

Nearly all stakeholders (90%) who participated in the consultation process were in favour of protection being introduced for partial and virtual designs. We recognize that these would be significant and complex changes with the potential for increased costs if incorrectly implemented. However, these are not novel concepts and the sector has been calling for this reform for some time. The current settings afford greater protection for foreign designers than for Australians. It is therefore unsurprising that the bulk of registration of virtual designs is by multinationals. Reform to give confidence to local designers that their work can be accommodated within the system of IP protection is likely to lead to increased registrations.


The introduction of a grace period for publication prior to registration is a welcome improvement that will increase the number of designs being registered. However, the maximum term of protection is unfairly limited and should be increased to at least allow a second renewal. This would extend protection for a design that remains current in the market to a total of fifteen years, which would still be markedly shorter than the life plus 70 years protection afforded under the Copyright Act.

The pricing model for filing is also unsuited to some types of designs. For example, a fashion designer usually produces a line of garments each season. Registering each item has exorbitant costs that disadvantages this mode of design compared to other disciplines. We seek a pricing model that can accommodate the variations in designs being created.

The Australian design sector is vibrant and innovative, but operates largely without regard to the formal system of intellectual property protection. We believe that this is due to the system being seen as unnecessarily complex, costly, out of step with many of the realities of designing and weighted against designers. Australian designers do not enjoy the same level of protection as their international counterparts. It is still a priority for the DIA for Australian designs legislation and IP Australia processes to be modernised and aligned with not only international conventions but also other Australian intellectual property legislation. As the world is poised to embark on recovery from the COVID-19 pandemic, Australia has the opportunity to harness our depth of design expertise to build new markets and maintain our place as a successful, sophisticated nation. The IP framework needs to be built to accommodate these and other global shifts in consumer behaviour and unanticipated developments in manufacturing and production. Changes to the system need to be accompanied by comprehensive education strategies targeted to designers, manufacturers, retailers and consumers.

It is worth repeating a point made in our submission on implementation of accepted recommendations from the ACIP Review of the Designs System. The DIA believes that – in the main – professional designers are best placed to maximize use of their designs. A robust system of protection for intellectual property is therefore not a constraint on innovation and economic growth, but rather key to incentivizing creativity and adoption of efficient and accessible designs. A quality intellectual property framework for design would not only enhance the prosperity of our design community, deliver the flow-on social benefits of inclusion and increased wellbeing that derive from good design, and foster sustainability and adaptability, but would also drive economic gains for Australia as a nation increasingly competing in global markets.

Thank you for the opportunity to comment.

A handwritten signature in blue ink, appearing to read 'Jo-Ann Kellock'.

Jo-Ann Kellock FDIA (hon)  
CEO

A handwritten signature in black ink, appearing to read 'Gavin Campbell'.

Gavin Campbell MDIA  
President