

EXPOSURE DRAFT

2019-2020

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES/THE SENATE

EXPOSURE DRAFT

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

No. , 2020

(Industry, Science, Energy and Resources)

**A Bill for an Act to amend the *Designs Act 2003*,
and for related purposes**

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Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedules 1 to 5	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	
3. Schedule 6, Parts 1 and 2	The day after this Act receives the Royal Assent.	
4. Schedule 6, Part 3	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	

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Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

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6
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(2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

8

3 Schedules

9
10
11
12

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

2

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

No. , 2020

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1 **Schedule 1—Grace period**
2

3 ***Designs Act 2003***

4 **1 Subsection 17(1)**

5 Repeal the subsection, substitute:

6 (1) For the purpose of deciding whether a design (the ***subject design***)
7 is new and distinctive, the person making the decision must
8 disregard any of the following publications or uses that occur in the
9 period of 12 months ending at the end of the day before the priority
10 date in relation to the subject design:

- 11 (a) a publication or use of a design (which may or may not be
12 the subject design) by the registered owner of the subject
13 design or the registered owner’s predecessor in title;
14 (b) a publication or use of a design (which may or may not be
15 the subject design) by another person or body (other than the
16 Registrar or a person or body mentioned in subsection (1A))
17 that derived or obtained the design from the registered owner
18 of the subject design or from the registered owner’s
19 predecessor in title.

20 (1A) For the purposes of paragraph (1)(b), the persons or bodies are the
21 following:

- 22 (a) a person in a foreign country entrusted with the registration
23 of designs;
24 (b) an agency or organisation that is established under, or in
25 accordance with, an international agreement and that has
26 functions including publishing designs to the public.

27 (1B) For the purposes of paragraph (1)(b), if:

- 28 (a) the registered owner of the subject design establishes that the
29 registered owner, or the registered owner’s predecessor in
30 title, published or publicly used a design (the ***first design*** and
31 which may or may not be the subject design) before a
32 particular publication or use of a design (the ***other design***) by
33 another person or body; and

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Schedule 1 Grace period

- 1 (b) the other design is identical to, or substantially similar in
2 overall impression to, the first design;
3 then it must be presumed that the other person or body derived or
4 obtained the other design from the registered owner of the subject
5 design, or from the registered owner's predecessor in title, unless it
6 is established that the other person or body created the other design
7 without reference to, or knowledge of, the first design.
- 8 (1C) If a use of a design is to be disregarded because of subsection (1),
9 then that use must also be disregarded for the purposes of
10 section 18.

11 2 At the end of subsection 18(2)

12 Add:

13 Note: Certain uses of the design are disregarded: see subsection 17(1C).

14 3 Application and saving provisions

- 15 (1) Subsection 17(1) of the *Designs Act 2003*, as substituted by this
16 Schedule, applies in relation to a publication or use that occurs on or
17 after the commencement of this item (whether the 12-month period
18 referred to in that subsection begins before, on or after that
19 commencement).
- 20 (2) Despite the repeal of subsection 17(1) of the *Designs Act 2003* made by
21 this Schedule, that subsection and regulations made for the purposes of
22 paragraph 17(1)(a) or subsection 17(1) of that Act, as in force
23 immediately before the commencement of this item, continue to apply
24 on and after that commencement in relation to a publication or use that
25 occurred before that commencement.

Schedule 2—Prior use defence

Designs Act 2003

1 After section 71

Insert:

71A Infringement exemption—prior use

(1) A person may, without infringing a registered design, do an act that is referred to in paragraph 71(1)(a), (b), (c), (d) or (e) and that would infringe the registered design apart from this subsection, if before the priority date of the registered design:

(a) the person had:

(i) made or offered to make a product, in relation to which the design became registered, which embodied a design (the *relevant design*) that was identical to, or substantially similar in overall impression to, the design that became registered; or

(ii) imported such a product into Australia for sale, or for use for the purposes of any trade or business; or

(iii) sold, hired or otherwise disposed of, or offered to sell, hire or otherwise dispose of, such a product; or

(iv) used such a product in any way for the purposes of any trade or business; or

(v) kept such a product for the purpose of doing any of the things mentioned in subparagraph (iii) or (iv); or

(b) the person had taken definite steps (contractually or otherwise and whether or not in Australia) to do an act covered by paragraph (a).

(2) Subsection (1) does not apply unless immediately before the priority date of the registered design:

(a) either:

(i) the person was doing an act covered by paragraph (1)(a); or

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Schedule 2 Prior use defence

- 1 (ii) the person was not doing such an act only because of a
2 temporary cessation in the doing of such an act; or
3 (b) either:
4 (i) the person was taking the steps covered by
5 paragraph (1)(b); or
6 (ii) the person was not taking such steps only because of a
7 temporary cessation in the taking of such steps.

8 *Limit if relevant design derived from registered owner etc.*

- 9 (3) Subsection (1) does not apply if the person derived the relevant
10 design from the registered owner of the registered design or the
11 registered owner's predecessor in title, unless the derivation was
12 from information made publicly available by or with the consent of
13 the registered owner or the registered owner's predecessor in title.

14 *Exemption for successors in title*

- 15 (4) A person may dispose of the whole of the person's entitlement
16 under subsection (1) or this subsection to do an act without
17 infringing a registered design to another person. If there is such a
18 disposal, the other person may, without infringing the registered
19 design, do an act that is referred to in paragraph 71(1)(a), (b), (c),
20 (d) or (e) and that would infringe the registered design apart from
21 this subsection.

22 **2 Section 72 (heading)**

23 Repeal the heading, substitute:

24 **72 Infringement exemption—repairs**

25 **3 Application provision**

26 Section 71A of the *Designs Act 2003*, as inserted by this Schedule,
27 applies in relation to a registered design where the priority date of the
28 design is on or after the commencement of this item.

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Registration of designs—removal of publication option **Schedule 3**

1 **Schedule 3—Registration of designs—**
2 **removal of publication option**
3

4 *Designs Act 2003*

5 **1 Section 20**

6 Omit “or publication”.

7 **2 Paragraph 23(1)(d)**

8 Omit “, or published under section 57”.

9 **3 Subsection 23(3)**

10 Omit “or publication”.

11 **4 Paragraph 24(1)(c)**

12 Omit “or publication”.

13 **5 At the end of paragraph 24(1)(c)**

14 Add “and state the effect of subsections 35(4) and (5)”.

15 **6 Subsection 32(4)**

16 Omit “or publication”.

17 **7 Subsection 33(1)**

18 Repeal the subsection, substitute:

- 19 (1) A design application lapses if the Registrar has given the applicant
20 a notification under section 41 in respect of the application, and the
21 applicant has not, within the period prescribed by the regulations:
22 (a) requested that the application be amended; or
23 (b) responded in writing to the notification as mentioned in
24 subparagraph 41(c)(ii);
25 in such a way that the Registrar is satisfied that the application
26 meets the applicable requirements of Chapter 4.

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Schedule 3 Registration of designs—removal of publication option

1 **8 Subsection 33(3)**

2 Repeal the subsection.

3 **9 Chapter 4 (heading)**

4 Repeal the heading, substitute:

5 **Chapter 4—Registration of designs**

6 **10 Section 34**

7 Omit:

8

Part 2 permits an applicant to request registration or publication of 9 all or any of the designs disclosed in a design application.

10 substitute:

11

Part 2 permits an applicant to request registration of all or any of 12 the designs disclosed in a design application. If the applicant does 13 not request registration of a design within a period prescribed by 14 the regulations, the applicant is taken to have made the request.
--

15 **11 Section 34**

16 Omit “or publish”.

17 **12 Section 34**

18 Omit “or 4”.

19 **13 Part 2 of Chapter 4 (heading)**

20 Repeal the heading, substitute:

21 **Part 2—Requests for registration**

22 **14 Section 35 (heading)**

23 Repeal the heading, substitute:

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Registration of designs—removal of publication option **Schedule 3**

1 **35 Request for registration**

2 **15 Before subsection 35(1)**

3 Insert:

4 *Actual requests for registration*

5 **16 Subsection 35(1)**

6 Omit “or publication”.

7 **17 Paragraph 35(2)(b)**

8 Omit “(but see sections 37 and 38)”.

9 **18 At the end of section 35**

10 Add:

11 *Deemed requests for registration*

12 (4) If:

- 13 (a) one design is disclosed in a design application; and
- 14 (b) at the end of the period applicable under paragraph (2)(b):
- 15 (i) the applicant has not made a request in relation to the
- 16 design in accordance with subsections (1) to (3); and
- 17 (ii) the applicant has not withdrawn the application in
- 18 accordance with section 32;

19 then the applicant is taken to have requested that the design be

20 registered.

21 (5) If:

- 22 (a) more than one design is disclosed in a design application; and
- 23 (b) for a design (the *subject design*) disclosed in the application,
- 24 at the end of the period applicable under paragraph (2)(b) in
- 25 relation to the subject design:
- 26 (i) the applicant has not made a request in relation to the
- 27 subject design in accordance with subsections (1) to (3);
- 28 and
- 29 (ii) the subject design has not been excluded from the
- 30 application by an amendment under section 28; and

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Schedule 3 Registration of designs—removal of publication option

- 1 (iii) the applicant has not withdrawn the application in
2 accordance with section 32; and
3 (iv) the applicant has not withdrawn the subject design from
4 the application in accordance with section 32;
5 then the applicant is taken to have requested that the subject design
6 be registered.

7 Note: Subsection (5) applies separately in relation to each design that is
8 disclosed in the design application.

9 *Relationship with section 36*

10 (6) This section is subject to section 36.

11 **19 Sections 36 to 38**

12 Repeal the sections, substitute:

13 **36 Request in respect of designs excluded from an application in** 14 **respect of more than one design**

15 A person who files a design application (the *later application*) in
16 respect of designs excluded from an initial application is taken, at
17 the time the later application is filed, to have requested registration
18 of all the designs disclosed in the later application.

19 **20 At the end of paragraph 39(1)(b)**

20 Add “(including a request taken to have been made under
21 subsection 35(4))”.

22 **21 At the end of paragraph 40(1)(b)**

23 Add “(including a request taken to have been made under
24 subsection 35(5))”.

25 **22 Paragraph 41(c)**

26 Omit “paragraph 33(1)(b)”, substitute “subsection 33(1)”.

27 **23 Part 4 of Chapter 4**

28 Repeal the Part.

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Registration of designs—removal of publication option **Schedule 3**

1 **24 Subsection 60(1)**

2 Omit “or published”.

3 **25 Paragraphs 60(1)(d) and (e)**

4 Omit “or publication”.

5 **26 Subparagraph 60(4)(b)(iii)**

6 Omit “was neither registered nor published”, substitute “have not been
7 registered”.

8 **27 Subsection 60(4)**

9 Omit “were not registered or published”, substitute “have not been
10 registered”.

11 **28 Subsection 61(3)**

12 Omit “or publication”.

13 **29 Subsection 108(3)**

14 Omit “or published”.

15 **30 Paragraph 108(4)(b)**

16 Omit “or published”.

17 **31 Subsection 108(4)**

18 Omit “or published” (last occurring).

19 **32 Paragraph 136(1)(e)**

20 Repeal the paragraph.

21 **33 Subsection 137(7) (paragraph (b) of the definition of**
22 ***relevant act*)**

23 Omit “or publication”.

24 **34 Section 146**

25 Omit “or publication”.

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Schedule 3 Registration of designs—removal of publication option

1 **35 Paragraph 149(2)(i)**

2 Omit “or publication”.

3 **36 Application provisions**

4 (1) The amendments of section 23 of the *Designs Act 2003* made by this
5 Schedule apply in relation to initial applications filed under section 21
6 of that Act on or after the commencement of this item.

7 (2) The amendments of sections 24, 32, 33, 35, 39, 40, 41, 60, 61, 108, 136,
8 137 and 146 of the *Designs Act 2003*, the repeal of sections 36 to 38
9 and of Part 4 of Chapter 4 of that Act and the substitution of section 36
10 of that Act made by this Schedule apply in relation to design
11 applications filed under section 21 of that Act on or after the
12 commencement of this item.

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Right of exclusive licensee to bring infringement proceedings **Schedule 4**

1 **Schedule 4—Right of exclusive licensee to**
2 **bring infringement proceedings**
3

4 ***Designs Act 2003***

5 **1 Section 5**

6 Insert:

7 *exclusive licensee* has the meaning given by section 5B.

8 **2 After section 5A**

9 Insert:

10 **5B Meaning of exclusive licensee**

11 (1) For the purposes of this Act, an *exclusive licensee* is a licensee
12 under a licence granted by the registered owner of a registered
13 design that confers on the licensee, or on the licensee and persons
14 authorised by the licensee, the exclusive rights in the design
15 mentioned in paragraphs 10(1)(a) to (e) to the exclusion of the
16 registered owner and all other persons.

17 (2) Subsection (1) applies whether or not the licence also confers on
18 the licensee the exclusive right in the design mentioned in
19 paragraph 10(1)(f) to the exclusion of the registered owner and all
20 other persons.

21 **3 Section 70**

22 After “Part 2 also provides that the registered owner of a design”, insert
23 “or an exclusive licensee”.

24 **4 Subsection 71(1)**

25 After “registered owner of the design”, insert “or an exclusive licensee”.

26 **5 At the end of paragraph 71(2)(b)**

27 Add “or an exclusive licensee”.

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Schedule 4 Right of exclusive licensee to bring infringement proceedings

1 **6 Paragraph 72(2)(a)**

2 After “a person”, insert “(the *first person*)”.

3 **7 Paragraph 72(2)(b)**

4 Omit “the person”, substitute “the first person”.

5 **8 Subsection 72(2)**

6 Omit “the registered owner of the design”, substitute “the person
7 bringing the infringement proceedings”.

8 **9 Subsection 72(2)**

9 Omit “the person knew”, substitute “the first person knew”.

10 **10 Subsection 73(1)**

11 After “registered owner of a registered design”, insert “, or an exclusive
12 licensee,”.

13 **11 After subsection 73(2)**

14 Insert:

15 (2A) If an exclusive licensee brings infringement proceedings, the
16 licensee must make the registered owner of the registered design a
17 defendant in the proceedings, unless the registered owner is joined
18 as a plaintiff.

19 (2B) If the registered owner of the registered design is made a defendant
20 in the proceedings, the registered owner is not liable for costs if the
21 registered owner does not take part in the proceedings.

22 **12 Subsection 73(3)**

23 Omit “However, infringement”, substitute “Infringement”.

24 **13 Application and transitional provisions**

25 (1) The amendments of section 71 of the *Designs Act 2003* made by this
26 Schedule apply in relation to working out whether a registered design is
27 infringed on or after the commencement of this item in relation to
28 conduct engaged in on or after that commencement.

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Right of exclusive licensee to bring infringement proceedings **Schedule 4**

- 1 (2) The amendments of section 72 of the *Designs Act 2003* made by this
2 Schedule apply in relation to infringement proceedings brought on or
3 after the commencement of this item.
- 4 (3) The amendments of section 73 of the *Designs Act 2003* made by this
5 Schedule apply in relation to infringement proceedings brought by an
6 exclusive licensee on or after the commencement of this item in relation
7 to conduct engaged in on or after that commencement.
- 8 (4) If, on or after the commencement of this item, an exclusive licensee
9 brings infringement proceedings in relation to conduct engaged in
10 before and on or after that commencement, a court may grant relief
11 under section 75 of the *Designs Act 2003* only in relation to the conduct
12 that was engaged in on or after that commencement.

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Schedule 5 Formal requirements

1 **Schedule 5—Formal requirements**
2

3 *Designs Act 2003*

4 **1 After paragraph 39(2)(a)**

5 Insert:

- 6 (aa) the design application complies with the formal requirements
7 determined in an instrument under section 149A; and

8 **2 After paragraph 40(2)(c)**

9 Insert:

- 10 (ca) that the design application complies with the formal
11 requirements determined in an instrument under
12 section 149A; and

13 **3 Subsection 144B(2)**

14 Repeal the subsection.

15 **4 At the end of Part 6 of Chapter 11**

16 Add:

17 **149A Instrument determining formal requirements for design**
18 **applications etc.**

- 19 (1) The Registrar may, by written instrument, determine formal
20 requirements for the purposes of the following:
21 (a) paragraphs 39(2)(aa) and 40(2)(ca);
22 (b) a provision of the regulations, if that provision refers to this
23 section.
- 24 (2) The Registrar must publish a notice, in accordance with the
25 regulations, setting out the determination.
- 26 (3) A determination under subsection (1) is not a legislative
27 instrument.

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Formal requirements **Schedule 5**

1 **5 Application provision**

2 The amendments of sections 39 and 40 of the *Designs Act 2003* made
3 by this Schedule apply in relation to design applications filed under
4 section 21 of that Act on or after the commencement of this item.

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Schedule 6 Other amendments

Part 1 Standard of the informed user

1 **Schedule 6—Other amendments**

2 **Part 1—Standard of the informed user**

3 *Designs Act 2003*

4 **1 Subsection 19(4)**

5 After “standard of a person”, insert “(the *familiar person*)”.

6 **2 Subsection 19(4)**

7 Omit “(the *standard of the informed user*)”, substitute “(whether or not
8 the familiar person is a user of the product to which the design relates or
9 of products similar to the product to which the design relates)”.

10 **3 Subsection 72(4)**

11 Omit “of the informed user”, substitute “of a person who is familiar
12 with the complex product, or products similar to the complex product
13 (whether or not the person is a user of the complex product or of
14 products similar to the complex product)”.

15 **4 Subsection 72(5) (definition of *standard of the informed***
16 ***user*)**

17 Repeal the definition.

18 **5 Application provisions**

19 (1) The amendments of section 19 of the *Designs Act 2003* made by this
20 Part apply in relation to design applications filed under section 21 of
21 that Act on or after the commencement of this item.

22 (2) The amendments of section 72 of the *Designs Act 2003* made by this
23 Part apply in relation to a design that becomes a registered design on or
24 after the commencement of this item, where the design application was
25 filed under section 21 of that Act on or after that commencement.

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Other amendments **Schedule 6**
Revocation of registration of design **Part 2**

1 **Part 2—Revocation of registration of design**

2 *Designs Act 2003*

3 **6 Paragraph 93(3)(d)**

4 After “design”, insert “, or the certificate of examination,”.

5 **7 After subsection 93(3)**

6 Insert:

7 (3A) A court must not make an order under this section on the ground
8 covered by paragraph (3)(b) or (c) unless the court is satisfied that,
9 in all the circumstances, it is just and equitable to do so.

10 **8 Application provision**

11 The amendments made by this Part apply in relation to applications
12 made under subsection 93(1) of the *Designs Act 2003* on or after the
13 commencement of this item.

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Schedule 6 Other amendments

Part 3 Renewal of registration of design

1 **Part 3—Renewal of registration of design**

2 *Designs Act 2003*

3 **9 At the end of section 47**

4 Add:

5 (4) To avoid doubt, if:

- 6 (a) the registered owner of a registered design applies for
7 renewal of the registration of the design; and
8 (b) the application is made within the period prescribed for the
9 purposes of subsection (2) and the application is in the form
10 prescribed for the purposes of subsection (3); and
11 (c) the Registrar renews the registration of the design; and
12 (d) the renewal occurs after the end of the period mentioned in
13 paragraph 46(1)(a);

14 then the registration of the design does not cease during the period
15 beginning on the day after the end of the period mentioned in
16 paragraph 46(1)(a) and ending on the day the renewal occurs.

17 **10 Application provision**

18 The amendment made by this Part applies in relation to a registered
19 design, where the period mentioned in paragraph 46(1)(a) of the
20 *Designs Act 2003* ends on or after the commencement of this item
21 (whether the application for renewal of the registration of the design is
22 made before, on or after that commencement).