



Australian Government

IP Australia

Public Consultation

Protection for incremental improvements of designs



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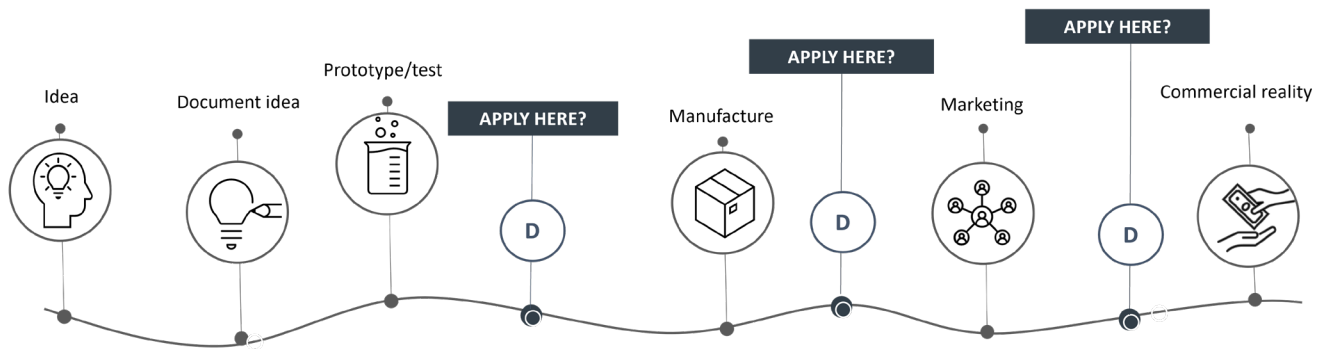
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Executive Summary

The current system for registering a design is based on a linear process.¹ In practice, designs are developed using an incremental process involving rounds of ideation, prototyping and testing. This makes the design rights system incompatible with how a lot of businesses do their design work (Figure 1 below).

Figure 1: Applicants may feel forced to enter the designs system before they are ready or may choose to not use it at all.



IP Australia's Design Review Project found that many people do not access registered design protection because of the nature of their design process.² Even experienced users find the registration process difficult, and incompatible with the incremental nature of design.³ This indicates that the design system may require changes to support this process and provide flexibility in how designs are protected through their lifecycle.

Making a Submission

The purpose of this consultation paper is to invite your feedback on proposed changes to accommodate the incremental nature of design. Questions to help guide your submission are available on page 13 of this paper.

Written submissions can be uploaded to the webpage for this consultation:

<https://consultation.ipaustralia.gov.au/policy/enhancing-australian-design-protection>.

For accessibility reasons, please submit responses in Word, RTF, or PDF format.

A short online survey about this proposal is also available on the webpage.

The contact officer is Lisa Bailey, who may be contacted on (02) 6222 3695, or via email on lisa.bailey@ipaustralia.gov.au

Submissions and survey responses should be received no later than Tuesday, 8 August 2023.

¹ See Appendix for the current system for registering and certifying designs.

² M Campbell and L Halperin, 'Redesigning Designs: The Future of Design Protection in Australia' [PDF 428 KB], *Intellectual Property Forum: Journal of the Intellectual and Industrial Property Society of Australia and New Zealand*, 2020, (121): 9–17, accessed 12 May 2023, p 15.

³ Campbell and Halperin, 'Redesigning Designs: The Future of Design Protection in Australia', p 11.

Introduction

In 2020, IP Australia completed a holistic review of the design economy to gain a better understanding of what drives innovation and what larger scale changes to design rights would benefit Australia. The review showed that design activity in Australia is much larger than what is protected by design rights. Design-related industries and workers more broadly contribute approximately AU\$67.5 billion per annum to the Australian economy, yet less than 0.5% of Australian businesses held a design right in the last 16 years.⁴

The 2020 review concluded that there would be benefits in legislative reform to protect:

- incremental designs — so that designers can seek protection as they develop their products
- virtual designs — design innovation focused on user interfaces, and other product elements only visible when a product is turned on and in use
- partial designs — design innovation focused on only part of a product, if that part is not separately manufactured from the whole product.

IP Australia is consulting the public on implementing all three of the above proposals, for the government's consideration. Collectively these proposals would increase access to design protection in Australia consistent with the nature of modern design processes, and the kind of products being designed.

These proposals would build on the first phase of reform to the Australian registered designs system which included enactment of the *Designs Amendment (Advisory Council on Intellectual Property Response) Act 2021* (Cth). This Act provides a grace period for designers who disclose their design before filing an application, streamlines and simplifies the application process, and makes other reforms to the designs system.

Problem

The *Designs Act 2003* (Cth) (Designs Act) is not aligned with the way that designers work. In the present system, designers face uncertainty about what to do when they come up with an early form of their design:

- file a design application immediately — but the final design might evolve away from the main design form, leaving a registration that doesn't match what should be protected.
- wait until the design has reached a final form — but in the interim, competitors may start imitating the design.
- file a design application immediately, and then file further applications later — but the later applications might be unregistrable in view of the first registration, risking wasted effort and costs.

None of these options are satisfactory and could discourage some use of the designs system altogether. One legal advisor (quoted in *Talking Design*⁵) explained:

It's a balancing act. [Designers are] delaying their filings until they are ready, which jeopardises their rights in the meantime. The systems don't really accommodate flexibility and commercial realities of iterations.

This paper proposes changes to the designs system to **let designers to protect their designs as they develop their products** throughout the design lifecycle.

⁴ Campbell and Halperin, 'Redesigning Designs: The Future of Design Protection in Australia', p 10.

⁵ IP Australia, [Talking Design – views from Australia's visual design ecosystem \[PDF 9 MB\]](#), IP Australia, 2019, accessed 15 May 2023, p 12.

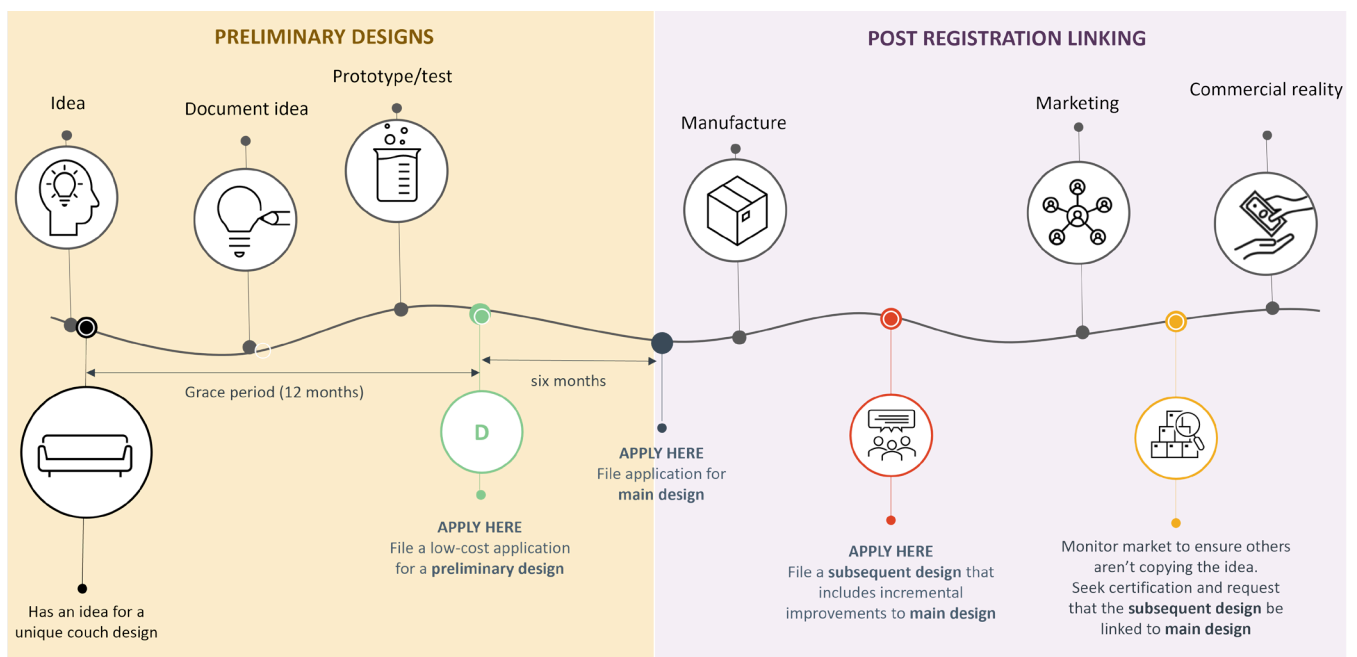
Proposals

This paper introduces two proposals for reform which would allow a designer who makes incremental improvements to their design to seek protection for their design:

- (1) before registering the main design (preliminary designs): file a low-cost preliminary application and within 6 months, file the main application. The main application may include incremental changes made to the preliminary design.
- (2) after registering the main design (post-registration linking): link a subsequent incremental design to the earlier registered main design. This linkage ensures the earlier main design would not make the subsequent design unregistrable.

These proposals are not alternatives and are intended to provide added flexibility throughout the design process. Figure 2 highlights how applicants would be provided with new pathways for seeking protection of their designs as they are developed. Here, the applicant may choose to enter the designs system using the preliminary designs pathway (in yellow) or may protect incremental improvements by the post-registration linking pathway (in purple). An applicant may choose to use one or both pathways, depending on their individual circumstances.

Figure 2: Pathways for seeking protection of designs as they are developed.



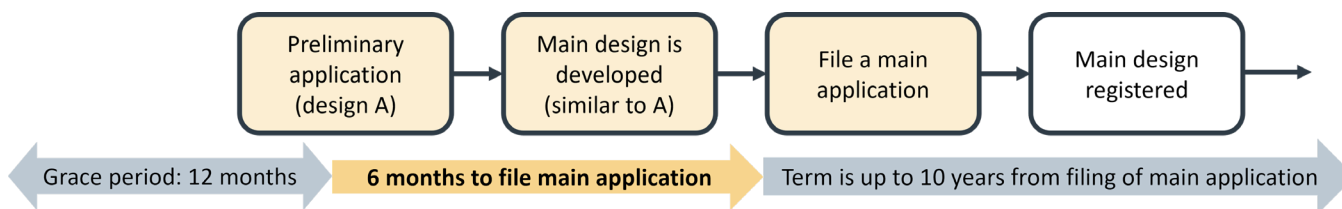
This section of the paper sets out the proposals and questions for feedback. Additional detail on the proposals can be found in the Appendix.

Proposal 1: Before registering the main design (preliminary designs)

This proposal would permit a designer to file a preliminary design at an early stage to obtain a priority date, and then convert it to a main design application later, incorporating any incremental design features. The main design has priority from the preliminary design.

This proposal would allow incremental changes over a short 6-month period at the start of the design application process. It could be an option that is well-suited for designers working in industries involving rapid change (for example, the fashion or digital technology industry). Designers can currently rely on the grace period to avoid losing their rights because of inadvertent disclosure. However, the grace period only partly resolves some of the timing challenges designers currently face when they are developing their designs. A designer remains vulnerable to copiers between any disclosure in the grace period and registration of the design because copiers may be able to rely on the ‘innocent infringer’ defence.⁶ An overall summary of the preliminary designs pathway is shown in Figure 3 and Box 1 below:

Figure 3: Steps involved in the preliminary designs pathway.



Box 1: Key features of proposal

- An applicant could choose to file a preliminary design to obtain a priority date. The preliminary design application cannot be amended and would not be published.
- A main design must be filed within 6 months from filing the preliminary application.
- Registration of a main design would be treated the same way as any other application, that is, a request for registration occurs automatically at 6 months from the priority date, unless requested earlier.
- A preliminary design and the main design must be substantially similar in overall impression.
- After filing the preliminary design:
 - publications or uses of the design from any source are not part of the prior art
 - the copyright/design overlap provisions would continue to apply. That is, if a design is applied industrially (for example during manufacturing), and the products made to the design are made commercially available, copyright protection for the design may be lost, but the designer could rely on design registration for any protection⁷
 - third parties would not be allowed to raise the prior use defence to infringement.
- Exclusive rights of the owner would start on the filing date for the main application.

⁶ The Designs Act, section 71A, provides a prior-use infringement exemption that protects third parties who begin using a design after a disclosure but before the priority date of a registered design. Under this exemption, third parties are permitted to continue use even after registration of the registered design.

⁷ Provisions in the *Copyright Act 1968* (Cth) and the Designs Act govern the overlap between designs and copyright protection (overlap provisions). A design is generally taken to be ‘applied industrially’ if it is applied to more than 50 articles, or to one or more articles (other than hand-made articles) manufactured in lengths or pieces – Copyright Act, section 77; *Copyright Regulations 2017* (Cth), regulation 12. For overlap provisions, see: Copyright Act, sections 74-77A; Designs Act, section 18.

How would a preliminary design application be filed and handled?

Applicants would file a preliminary design application to receive an Australian priority date:

- The preliminary design application would only require applicant and designer details, and one or more representations.
- The preliminary design would not be subject to checks (except for the most basic formality checks), and so the fee for filing is intended to be low (see **Appendix – Part 1A**).
- The preliminary design would not be published until a main application based on it is filed. Note that the existing system allows designs to go unpublished for 6 months minimum until they are registered, so there would be no harm to third parties by deferring publication (see **Appendix – Part 1B**).

Key drawbacks: Applicants cannot file a preliminary application based on a foreign priority, or another preliminary application. The preliminary design application cannot be amended and so therefore any revisions must be incorporated into the main application (see **Appendix – Part 1B**).

How would a main design application be filed after a preliminary design?

- To be fair to third parties, the main design application must be filed within 6 months of the preliminary design. Registration of the main design would be automatically requested on filing, and the design would become public shortly after registration (see **Appendix – Part 1C and 1D**).
- IP Australia would invite applicants to file a main design application based on the preliminary design before the 6-month deadline. This would help applicants to navigate the filing process and avoid unintentional lapsing of their preliminary design application (see **Appendix – Part 1C**).
- The ownership of the main and preliminary design would not need to be aligned but the registered owner must be entitled to both the main and preliminary design (see **Appendix – Part 1C**).
- Registration of a main design would be treated the same way as any other application, that is, a request for registration occurs automatically at 6 months from the priority date, unless requested earlier.⁸ The validity of the priority claim would only be considered later in examination, when registrability is decided (see **Appendix – Part 1D**).

What would be the effect of a preliminary design?

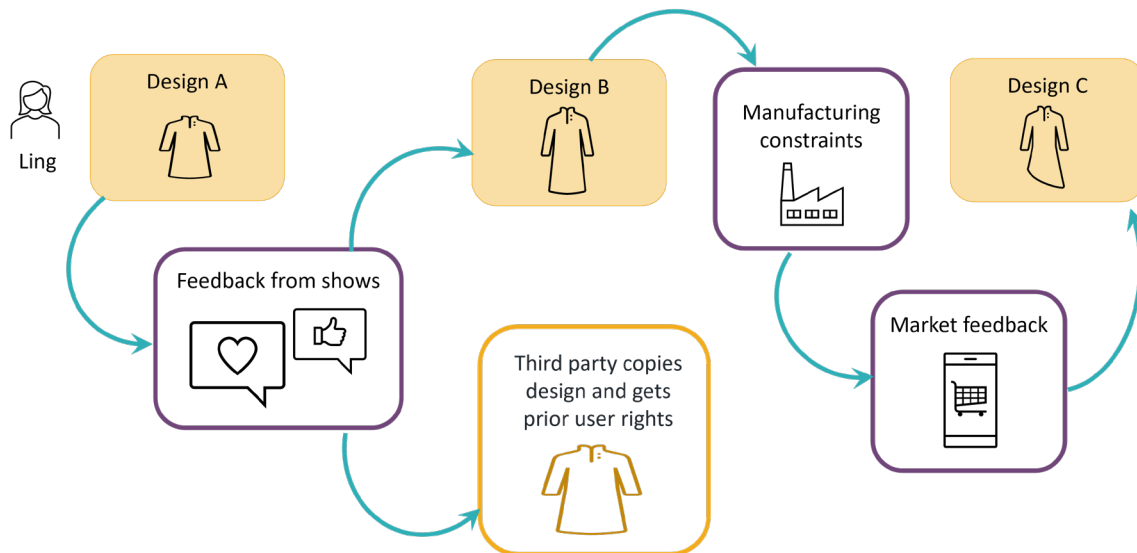
- If the main design is substantially similar in overall impression to the preliminary design, it would receive the priority date of the preliminary design in Australia. Substantial similarity would be assessed later in examination when registrability is decided.
- When considering the registrability of the main design, the priority date is set by the preliminary design, so:
 - publications or uses from any source would be irrelevant after the filing of the preliminary design
 - prior use cannot be triggered by third party use after the filing of the preliminary design
 - the grace period would extend back 12 months from the filing of the preliminary application (see **Appendix – Part 1F**).
- The exclusive rights of the owner would run from the date of filing for the main design. Third party use after filing of the preliminary design, but before filing of the main design, cannot infringe (see **Appendix – Part 1G**). Prior use rights must occur before the preliminary design is filed.

⁸ Consistent with subsections 35(4)-(6) of the Designs Act inserted by the *Designs Amendment (Advisory Council on Intellectual Property Response) Act 2021* (Cth), Schedule 3, item 18 — with effect from 10 March 2022.

Key drawback: Applicants wishing to export overseas would need to carefully devise the best strategy for their situation since it is unlikely the claim to priority from the Australian preliminary design would be recognised overseas (see **Appendix – Part 1E**).

Figure 4 provides an example of how designers could file applications for preliminary designs early in the design process.

Figure 4: Example of how a designer could use the preliminary designs pathway



Ling is a fashion designer who displays her work at fashion shows to test the market. She uses the feedback from shows to help her decide which new lines to manufacture and commercialise.

Before the grace period was introduced in 2022, any display of new designs at a fashion show before filing a design right application would have prevented registration of those designs (**Design A** may prevent registration of **Designs B and C**). Ling now uses the grace period to ensure she can register her most popular designs immediately after a show, but she still has problems:

- ⇒ if she does not apply for design registration quickly enough after the show, others may copy her designs and get prior use rights
- ⇒ however, if she files design registrations too soon, then any incremental changes to the designs resulting from market feedback or manufacturing constraints cannot be incorporated (**Design C**).

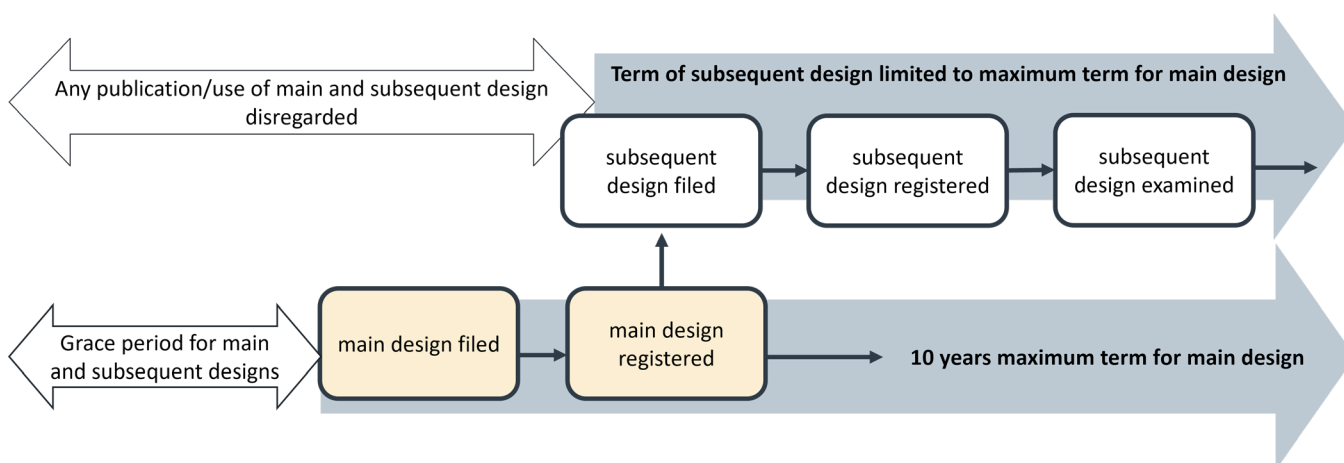
Under this proposal, Ling can now file her most popular designs for registration immediately after the fashion show, as preliminary designs (**Design B**). The grace period will still apply. She now has 6 months to determine which of those designs she wishes to take to market. After 6 months, any design registrations she wishes to pursue can be updated to include incremental changes resulting from the manufacturing process or customer feedback (**Design C**). Those she does not wish to proceed with can be abandoned at no risk.

Proposal 2: After registering the main design (post-registration linking)

This proposal would permit an owner of a registered design, who then creates a subsequent design including incremental improvements, to link the subsequent design application or registration to the earlier registered design (main design). The main design registration would not be a barrier to certification for any linked subsequent design.

This pathway could be an option that is well suited for designers working in industries with longer product life cycles or where more time is required for manufacturing and safety checks (for example, manufacturing, furnishing, automotive and medical industries). An overall summary of the post-registration linking pathway is shown in Figure 5 and Box 2 below.

Figure 5: Steps involved in the post-registration linking pathway.



Box 2: Key proposed changes

- The application for linking can be made at any time while the main design registration remains current.
- A subsequent design must be substantially similar in overall impression to the main design.
- Examination would not necessarily occur at the time of linking. If linking is requested prior to examination, the Registrar would check to determine if the two designs are similar, but neither design would be certified unless examination has been requested. However, if examination had been requested for the subsequent design registration and the owner's earlier design was preventing certification, then the subsequent design could be linked during examination to overcome the objection and achieve certification of the subsequent design.
- Chains of subsequent designs would be permitted. Each subsequent design must be substantially similar to an earlier design in the chain but does not have to be substantially similar to the earliest design.
- The main design or any design earlier in the chain would not make the subsequent design unprotectable.
- The term of protection of the subsequent design would begin from the date it is filed. Protection of the subsequent design would end at the maximum term of the main design's registration if it is successfully linked to the main design.

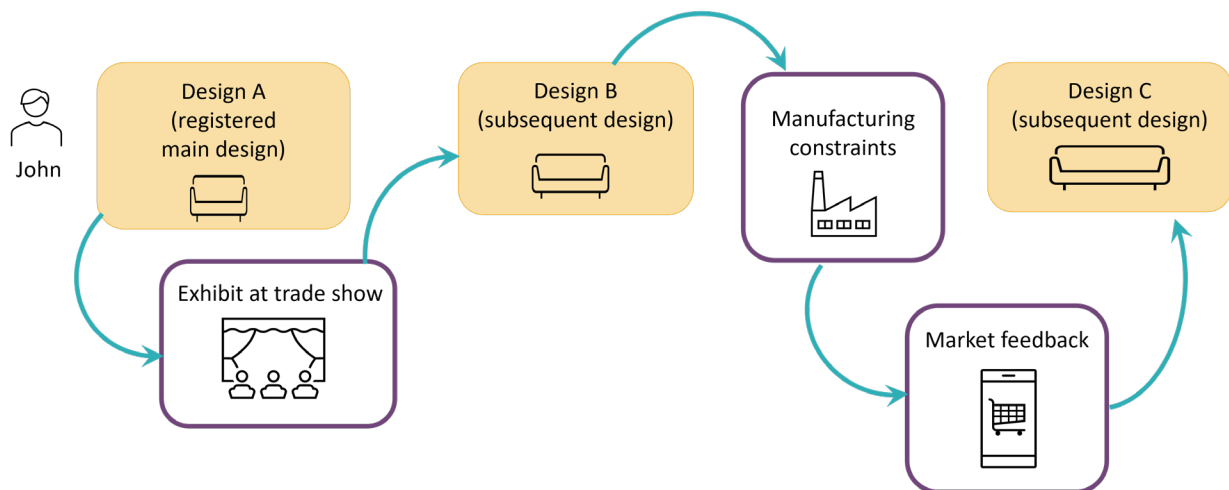
When and how can two designs be linked?

The owner of a design registration would be able to request that two designs be linked to one another:

- The application for linking can be made at any time — so long as the main design registration is still current (see **Appendix – Part 2A**).
- At the time of linking, the owner of both designs must be the same (see **Appendix – Part 2A**).
- In order to be linked, the subsequent design must be substantially similar to the main design or the design it is being linked to in the chain (see **Appendix – Part 2B and 2C**).
- The Registrar would compare the main and the subsequent design at the time of linking to ensure they are similar (see **Appendix – Part 2A**).
- Chains of design registrations would be permitted from a main design registration (**Appendix – Part 2C**).

Figure 6 provides an example of how two designs could be linked.

Figure 6: Example of how designers could use the post-registration linking pathway



John is a furniture designer, and it typically takes one or two years for him to develop a design for products that have an anticipated product lifecycle of up to 10 years (**Design A**). He also intends to export his design overseas. He usually waits until the very last moment to register his design before making it public at a trade show (**Design A**). At the trade show, he receives feedback from customers on his design (**Design B**). After the trade show, he makes further incremental improvements to his design and decides he wants protection for this later incremental design (**Design C**).

Under the current system, he would not be able seek protection for these incremental improvements (**Design C**) because of his earlier registered design (**Design A**).

In the past he has missed opportunities to protect his designs by leaving it too late. Under this proposal, John can now choose to register his main design (**Design A**) before making it public at the trade show without jeopardising his ability to seek protection for any subsequent designs with incremental improvements (**Design B and Design C**).

What are the consequences of linking the two designs?

The main design or any design earlier in the ‘chain’ would not make the subsequent design unprotectable (see **Appendix – Part 2D**):

- The main design registration is not prior art. Nor is any design registration earlier in the chain.
- Any grace period for the main design would also apply to the subsequent design.

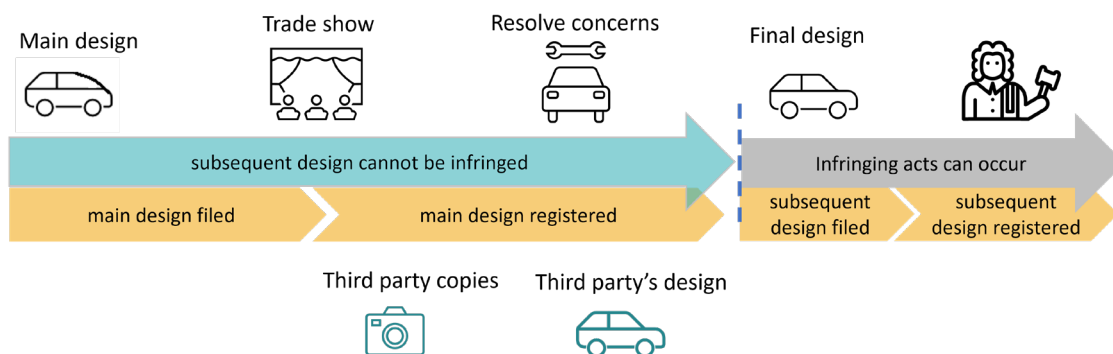
The linking of two designs would, however, link their terms of registration. The subsequent design registration term would end at the end of the maximum term of the main design registration. In all other respects, the two registrations would be independent (see **Appendix – Part 2E**).

Despite the linking, the rights of the owner for the subsequent design would run from the filing date of the subsequent design (see **Appendix – Part 2E**). Third party conduct before the subsequent design’s filing date:

- cannot infringe the subsequent design but might infringe the main design
- could make the subsequent design unprotectable. For example, a third party publishes or publicly uses an independently created design that is like the subsequent design
- could give rise to a prior use defence. For example, a third party uses an independently created design that is like the subsequent design.

Figure 7 provides an example of how linking two designs would impact owners and third parties.

Figure 7: Example of how owners and third parties are impacted by linking two designs



Marco is a car designer who creates a prototype and seeks protection immediately by registering his main design before he exhibits his product at an automotive trade show. Over the next two years, he resolves minor manufacturing and regulatory concerns and decides to file a subsequent design for his final version which incorporates these incremental improvements. He then makes a request to link his subsequent design application to his main design registration.

Andrea, a competing designer, who attended the trade show too, copies Marco’s main design in 6 months. She experiences the same regulatory and manufacturing problems, and her design is very similar to Marco’s subsequent design. Andrea’s work may have infringed Marco’s main design. Under the 12-month grace period, Andrea’s work is not prior art that can be cited against Marco’s subsequent design, because it was derived from Marco’s main design.

Under this proposal, Andrea has not infringed Marco’s subsequent design because Marco’s subsequent design only comes into effect from its filing date. This approach balances the interests of third parties as it would be unfair to provide the subsequent design with a retrospective effect.

Questions

The principal questions to consider for each of the proposals outlined above are as follows:

- Q1. Would you use the proposed models? Why or why not?
- Q2. Do you believe that the benefits of the proposals would be greater than the potential complexities introduced to the design registration process?
- Q3. Does the preliminary designs proposal impose too much complexity for exporters (**Appendix – Part 1E**)?
- Q4. Are there any unintended consequences or adverse effects?
- Q5. Are there other options that should be considered? If so, how are these better than the proposed models?

In addition to the above questions, IP Australia would also welcome any general comments about the proposals proposed in this paper.

Appendix

Two stages for enforcing design rights: registration and certification

Australia is unique in having a two-stage system for securing design right protection: registration and certification. Both steps are needed for a registered owner to enforce exclusive rights in a design. Figure 8 below outlines the sequence of the process.

Figure 8 — From application to certification



When a design application meets formal requirements, each design in it is registered. This gives the registered owner exclusive rights in the design, but those rights cannot be enforced unless the design is certified.

The assessment as to whether an application meets formal requirements is a simple, quick check because it does not consider whether the design is a registrable design: in other words, is a new and distinctive design. This lets designers have a low-cost, quick entry into the designs system before they need to consider whether to spend any more on protecting their designs.

After a design is registered, the registered owner or any other person can ask the Registrar to examine the design. In examination, the Registrar considers whether the registration must be certified or revoked by looking at whether the registered design is new and distinctive:

- If it is new and distinctive, the Registrar must certify it. This lets the registered owner go to court to enforce the exclusive rights in it, by taking legal action for **infringement of the registered design**. This includes any infringements dating back to the registration of the design.
- If it is not new and distinctive, the Registrar must revoke it. This means that it is taken never to have been registered.

No change is proposed to the two-stage process for design protection.

Proposal 1: Preliminary designs

Part 1A. Filing a preliminary design application

This proposal creates a simple and potentially cost-effective entry-point to the designs system. It would permit a designer to file a preliminary design at an early stage, and then convert the design to a main application later, incorporating any incremental improvements of the design.

Requirements for a preliminary design application

A preliminary design application would only need to provide basic details about the applicant and designer, and a representation of the design.

The Registrar would not assess the formalities of the preliminary design in detail, as for a main application. They would only:

- Confirm the legal personality of the applicant – this ensures the ownership is acceptable when the main application is filed.
- Confirm whether what has been provided is in fact a representation of a design – this ensures that a main application is at least feasible after 6 months. A purely abstract item would not be a design, since a design is the overall appearance of a *product* resulting from visual features.⁹

The Registrar would not count the number of designs in the preliminary design application. This allows multiple designs to be included in the preliminary application. As the checks would be very limited, it is proposed that if possible, a lower fee than normal would be charged for filing a preliminary design application. IP Australia would also consider charging a discounted fee for filing the main application if a designer had filed a preliminary design application.

⁹ Note, however, the proposal in the public consultation paper ‘Protection for partial designs’ to allow the visual features of part of a product to be a design. That paper is open for comment on the same [Consultation page](#) as this paper.

Part 1B. How preliminary designs would be handled

The preliminary design would not be published

The preliminary design would not be published. The existing system allows designs to go unpublished for 6 months minimum, so there would be no harm to third parties by deferring publication.

Leaving the preliminary design unpublished gives flexibility to applicants, who can freely abandon the preliminary design if it turns out not to be commercially relevant. While preliminary designs could be published immediately, this would unfairly disadvantage preliminary designs relative to ordinary designs and does not appear necessary to protect third party rights.

The fact of the preliminary design having been filed and the identity of the applicant would be published. The preliminary design would become formally open to public inspection after a main application based on it is filed, to allow the priority to be checked (in the same way as applications for patents: *Patents Regulations 1991* (Cth) (Patents Regulations), reg 4.3(1)(a)). However, as with patent provisional applications, the preliminary design would never be made publicly available through IP Australia's website.

The preliminary design cannot be amended

The preliminary design would not be able to be amended while pending. Any incremental changes could be incorporated into the main application.

The advantage of this approach would be simplicity. Given the short period of priority, it is unlikely the applicant would want to file many amendments. The cost of generating and processing amendments (to both the applicant and IP Australia) would be avoided.

While the system could permit amendments, this would add extra complexity to the system, which does not appear to be justified given the short period of priority, and the availability of early filing of the main application.

Part 1C. Filing a main design application following a preliminary application

Given that the main design would receive the priority date of the preliminary design, there must be a time limit on filing a main design application to be fair to third parties.

The main design application must be filed within 6 months of the preliminary design.

A period of 6 months fits best with the existing foreign priority claim regime. It means that if an applicant decides to use their preliminary design application as the basis of a foreign priority claim, they still have time to do so.

The disadvantage is that 6 months is quite a short period, and, depending on the industry, may not provide sufficient time to incorporate incremental changes to a preliminary design to be ready for a main design application. However, the option of filing a subsequent design under Proposal 2 would also be available if incremental change continues after the 6-month period expires.

Assistance navigating the filing process

The preliminary design model is intended to improve the accessibility of the system, providing a low-cost ‘foot in the door’. However, a preliminary design that lapses by itself risks *detracting* from accessibility of the system, by providing a fast-approaching due date after which the applicant may lose their rights. There is already confusion identified with the current two-stage model and adding an additional stage may not be useful for applicants.

To avoid this, it is proposed that IP Australia could contact the applicant for a preliminary design when the deadline is approaching and invite them to file a main design application. This could be done automatically.

Other measures that could be considered:

- Providing an IT system allowing ‘conversion’ of the preliminary design into a main design application with minimal effort (e.g., prepopulate all fields with data from preliminary design).
- IP Australia taking a proactive role in assessing the designs, phoning applicants to discuss options and confirming next steps. All unrepresented applicants could be eligible for this process, or applicants could opt-in if interested.

Automatically converting preliminary designs into main design applications in the absence of action by the applicant is not feasible, since even if no formal application is needed from the applicant, an extra fee would be required.

Extension of time for filing

As with patents, the time for making a main design application would be extendable (on the usual grounds in s 137 of the Designs Act), but the maximum term of the design registration would be backdated so that it is 10 years starting 6 months after filing of the preliminary application.¹⁰

The grace period would be calculated from 12 months before the priority date (that is, the filing of the preliminary application) and would not be extendable, as for normal and foreign priority applications.

¹⁰ *Patents Regulations 1991* (Cth), subregulation 6.3(9).

Ownership of applications

There would be no rule requiring the ownership of main and preliminary designs be aligned. This is the same position that is being adopted for Australian applications based on foreign priority.¹¹ The person entered on the Register would still need to be the entitled person for both the preliminary and main application.

This ensures simplicity for applicants and avoids any difficulty where the group of entitled persons has grown between the main and preliminary design (for example, because additional designers have contributed to the latest incremental design).

¹¹ Consistent with regulation 3.06 of the *Designs Regulations 2004* (Cth), inserted by the *Designs Amendment (Advisory Council on Intellectual Property Response) Regulations 2021* (Cth), Schedule 3, item 1.

Part 1D. Registration of a main design after a preliminary application

From 10 March 2022, registration of a design is automatically requested at 6 months from its priority date, unless the design applicant requests its registration before then.¹²

The current system would apply to designs in main applications

Under this proposal, in the usual case of filing a main application 6 months after the preliminary design, registration of the main design would be automatically requested on filing. This also means that a design would become public at essentially the same time, whether an applicant files a preliminary and then a main design application, or simply opts to file a single application but wait for the automatic request for registration. This approach is preferred for its simplicity and consistency with the current system. It also avoids a de facto extension of the standard publication period of 6 months, which would be detrimental to third parties looking to determine their freedom to operate.

The priority claim would not be checked until the design is examined

As with foreign priority claims, the validity of the priority claim for the main design would only be considered in examination, when relevant to potential prior art (for example, prior art published in the period between filing of the preliminary and the main design application). Since the validity of the priority claim only really matters in deciding registrability in examination, this defers this check to the most appropriate time, saving effort for both the applicant and IP Australia.

It does not appear necessary to assess the validity of the priority claim at the formalities check for the main design registration. While it could modestly increase applicant and third-party certainty, it would require significant effort at registration, much of which would not be necessary if the design is never certified, or if there is no relevant prior art. This could unnecessarily increase costs to applicants.

¹² See footnote 8.

Part 1E. Claiming priority from the preliminary design

If the main application is to receive the priority date of the preliminary design, there needs to be a degree of similarity between the preliminary and main design. However, this still leaves the question of what standard of similarity is appropriate.

If the main application's priority claim to the preliminary design is invalid, the only consequence would be a loss of priority date. Given the existence of a 12-month grace period, the main application may still be registrable after the loss of priority.

International priority claims

The Paris Convention for the Protection of Industrial Property (Paris Convention) allows designers to rely on a first application (usually in their home country) as the basis for priority for a new application in another country (that is a party to the Paris Convention), within 6 months of the first application.¹³ If the Paris Convention requirements for claiming priority are met, the priority date of the first application can be shared with the subsequent application. Under the Paris Convention, the right of priority can only be claimed for subsequent filings for the same subject, which means the same design as in the priority application.¹⁴

Possible impacts on Australian exporters

In the proposed preliminary design system, an applicant would apply for their preliminary design A1 in Australia and within 6 months file for the main design A2, which incorporates any incremental changes.

If A2 is filed in Australia, priority can be derived from A1 if A2 meets the relevant test for similarity. However, if A2 is filed overseas, the priority claim may not be recognised if A1 is not identical to A2, since overseas offices are only required to afford a priority date to designs that are identical.

Consequently, applicants who file in Australia using a preliminary application may face difficulties filing overseas for an updated version of their design. They may risk invalidity, if A1 is considered prior art (although the fact it would not be published makes this unlikely). Or they could apply for A2 overseas and accept that the link back to A1 does not align and they forgo any right to priority. Applicants would likely need to consult with professional advisors in each jurisdiction to establish the best strategy for their situation.

Another consideration is that some countries have grace periods for publishing designs while others do not. Where there is no grace period, applicants might run into difficulties with their preliminary design applications due to publication of their main application. Again, though, the fact that the preliminary application would not be published reduces this risk.

While this may present some challenges, an applicant who wishes to file overseas applications need not use the preliminary design system. The applicant may only have one practical option of filing their final version in Australia and then overseas.

Discrimination between foreign nationals

Additionally, the Paris Convention directs that Paris Convention member foreign nationals must be treated the same as domestic nationals (national treatment – Article 2).

¹³ [Paris Convention for the Protection of Industrial Property](#) (as amended on September 28, 1979), Art 4, accessed on 15 May 2023.

¹⁴ GHC Bodenhausen, [Guide to the Application of the Paris Convention for the Protection of Industrial Property as revised at Stockholm in 1967](#), United International Bureaux for the Protection of Intellectual Property, 1968, p 38, accessed 15 May 2023.

If applicants can incorporate incremental changes to their design and receive the benefit of the priority date of the preliminary design, this would be a more generous standard to claim priority than required for the Paris Convention which requires both designs to be identical.

To ensure foreign nationals are treated the same as domestic nationals, it is proposed that claims for priority from earlier applications filed in other countries would be assessed using the same standard as domestic applications. At the time of filing, foreign designers must declare any claim to priority from an earlier application filed in another country (within 6 months). In this way, Australia would be offering foreign designers registering designs in Australia the same generous standard for recognising priority claims, regardless of where the earlier application was filed.

Substantial similarity in overall impression

Under this proposal, the main design receives the priority date of the preliminary design, so long as it is substantially similar in overall impression to the preliminary design (as amended). In addition, for the reasons discussed above, Australia would recognise priority claims for overseas applications that are not identical but meet the same standard of similarity.

Advantages of requiring that the main design be substantially similar in overall impression to the preliminary design are:

- applicants can refine their design to a greater extent than under the current system
- a substantial connection to the original priority-date-setting preliminary application is assured, maintaining a degree of fairness to third parties
- the test is familiar to examiners, and, to some extent, to designers.

Disadvantages are:

- it is unlikely that the priority claim would be recognised in overseas jurisdictions, adding complexity and risk for applicants who wish to export (see above)
- highly conceptual artwork may not be suitable for use in the preliminary design application since a later design may not be substantially similar in overall impression to it – that is, if the concept design and later design are too different
- the goal of encouraging innovative design may not be fully realised as applicants may feel forced into only creating incremental designs that are substantially similar in overall impression to their first designs, when they would prefer to make more significant changes to the original design to produce a better product
- the test is not always easy to apply.



Given a key disadvantage of this proposal is the inability for an exporter to rely on a preliminary design for priority in their overseas applications, **IP Australia is open to feedback on this approach and how this would be best implemented, and/or whether this disadvantage would deter use of the proposed model.**

Part 1F. Registrability of the main design

Assuming a valid priority claim to the preliminary design, the priority date would be determined by the filing of the preliminary design.

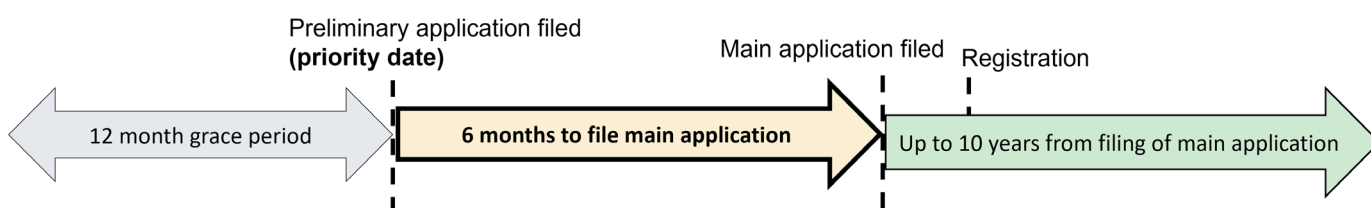
This means that:

- no prior art is relevant after the filing of the preliminary design — even if independently created
- third-party conduct cannot trigger an entitlement to prior use if it starts after the priority date of the preliminary design
- the grace period starts 12 months before the filing of the preliminary design.

The consequence of the above is that, by the time the applicant files the main design application, they would have had an 18-month period in which their own disclosures are not relevant to registrability (see Figure 9 below).

Adjusting the grace period so that it runs only 12 months before filing of the main application is not preferred. Applicants with an international priority claim already enjoy a potential 18-month period before their filing in Australia.

Figure 9: The priority date of the main design will be determined by the filing of the preliminary design



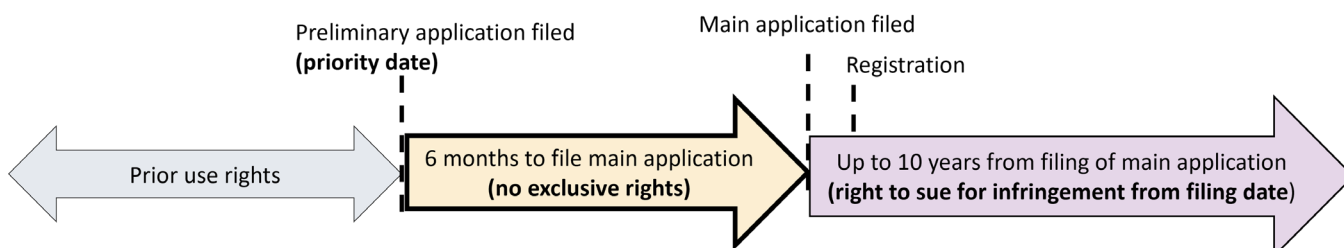
Part 1G. Exclusive rights and term

There are no exclusive rights associated with a preliminary design — it cannot be infringed (see Figure 10 below).

The right to sue for infringement would begin on the filing date for the main design application. Applicants who urgently need to restrain infringement can file their main design applications early within the 6-month period.

Similarly, the term of a main design's protection would be reckoned from its filing date, not the filing date of the preliminary design. Even though exclusive rights only begin on filing the main design application, prior use rights must be triggered by acts before the priority date: that is, before the filing of the preliminary design application.

Figure 10: There will be no exclusive rights associated with a preliminary design



Proposal 2: Post-registration linking

Part 2A. Making an application for linking

When can you make a request to link two designs?

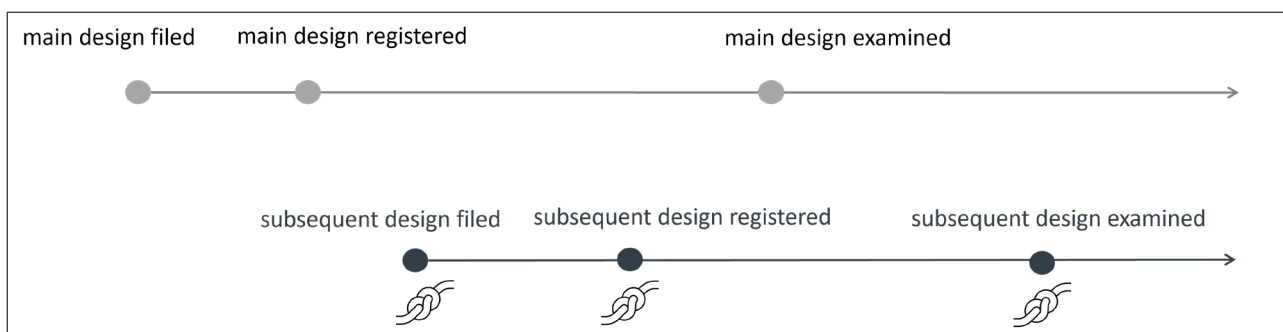
A request to link two designs could be filed at any time while the main design remains in force. The subsequent design could be at the application stage or be registered (see Figure 11 below).

IP Australia expects linking would typically be requested:

- at the time of applying for the design; or
- at the time of examination of the design – when the earlier design is raised as a citation.

For ‘chain’ applications, discussed in Part 2C below, it would be sufficient that the design to which the subsequent design is linked is in force. There would be no requirement that all designs in the chain remain in force at the time of linking.

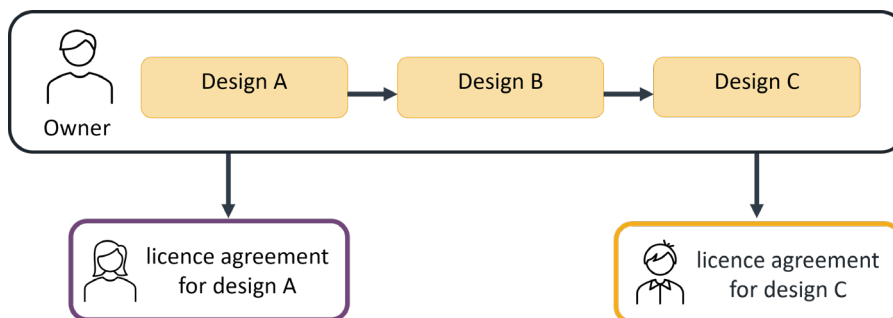
Figure 11: When a request to link two designs can be filed



Ownership of the two designs must be the same at the time of linking

At the time of linking, the ownership of the subsequent design application or registration and the main design registration must be the same. If they are not the same, the applicant has the option of arranging assignments so that the ownership is aligned. Requiring ownership to be the same at the time of linking ensures that an unrelated third party does not simply link to another owner's design registration to avoid a citation. Taking this approach may create market distortion and potentially add costs to licensees and other traders who would need to determine their freedom to operate (see Figure 12 below).

Figure 12: Potential impacts on licensees from proposed ownership requirements



There would be no requirement that ownership remains the same subsequently – owners would manage the risks of acquiring one registration without the other. Commercially, it seems improbable they would do this, but allowing separate assignments provides flexibility for dealings in design rights.

Similarity of linked designs would be assessed at the time of linking

The Registrar would also check to determine if a subsequent design is sufficiently similar to a main design at the time of linking (the next section discusses how similarity is assessed). Checking this at the time of linking ensures that the owner does not link two registrations that should not be linked. It prevents the owner from giving up term unnecessarily (the duration of term is limited to the maximum term of the main design – discussed later below) and ensures that the Register is not misleading. The Registrar would not examine the designs for registrability to certify them at this time, unless requested by the registered owner.

Part 2B. Criteria for linking two designs

A subsequent and main design should be similar in some way for them to be linked. This would ensure that the subsequent design is in fact an incremental design from the earlier and would give third parties reasonable certainty about the scope of rights in a design.

The standard of similarity would determine how similar the main registration (or earlier design in a chain – **Appendix – Part 2C** below) and a subsequent design must be. If the standard is not met, then the two designs could not be linked, meaning that the main design would form part of the prior art base for the subsequent design. However, since the earlier design and subsequent design are not similar, the registrability of the subsequent design would not be affected by the earlier design. It is also noted that if a court later finds that the Registrar had made an error in deciding an earlier design was not substantially similar, the court would be empowered to order linkage on the usual basis.

Substantial similarity in overall impression

Substantial similarity in overall impression is the preferred standard for determining linkage between incremental designs. That is, the subsequent design must be substantially similar in overall impression, but not identical, to the main registered design for the two designs to be linked.

There would be no requirement that the product be the same or similar. This could permit the registrant to protect an already protected design that is re-used for a different product.

The advantages of this approach are:

- if the subsequent design is *not* substantially similar in overall impression to the earlier design, there is no advantage to making it a subsequent design: the main design cannot be a citation against the subsequent design if it is not similar to it. The owner is therefore saved from giving up term unnecessarily
- the substantial similarity in overall impression test is known to examiners and the profession and already in the Designs Act.

The disadvantages of this approach are:

- substantial similarity in overall impression can be a somewhat uncertain standard. This leaves uncertainties for applicants, their representatives, and others. This can be addressed by assessing a linking application immediately (see **Part 2A**)
- allowing these linkages may lead to scope creep
- some designers may find that this standard does not allow for enough freedom to make certain incremental improvements.

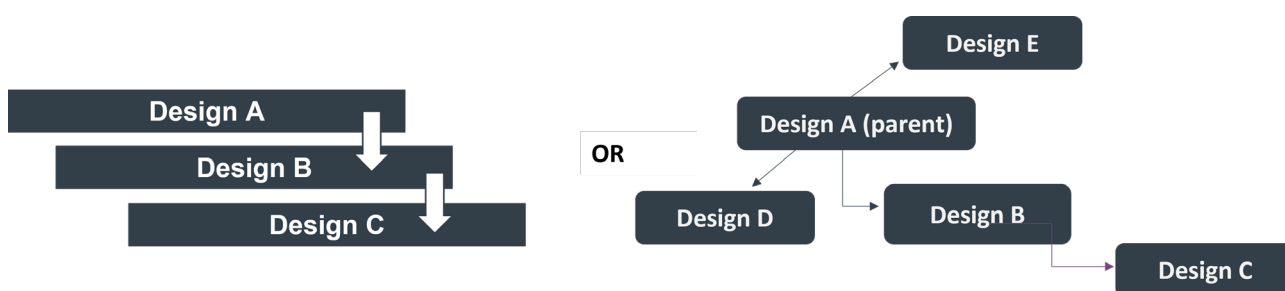
Part 2C. Chains of linked designs

As designs change and evolve over time, designers may want to protect several incremental designs. A ‘chain’ of linkages could be formed, with each subsequent design linked to a similar preceding design, but not necessarily similar to the main design. In Japan, chain iterations are allowed if the final link in the chain is sufficiently similar to at least one preceding link, and so on for each preceding link.¹⁵

Chains of linked designs would be permitted

A design owner could obtain registrations for chains of incremental designs by requesting linkage between a design registration or application and an earlier registration that is itself a subsequent design (see Figure 13 below, where design C is linked to design B). Any linked design must be similar to the design it is being linked to but need not be similar to all designs in the chain (where design C is not necessarily similar to design D or E).

Figure 13: How chains of linked incremental designs could be formed



All designs in the chain would be limited to the maximum possible term of the earliest design registered – the main design (see **Appendix – Part 2E**). For any design in the chain, each earlier design in the chain would not be prior art. Where possible, IP Australia would consider reducing fees when filing an application for a design that is identified as a linked design and requesting examination of multiple linked designs.

The advantages of this are:

- it reflects the incremental nature of design, where the latest model builds off its predecessor
- it provides maximum flexibility to designers
- for third parties, the term of even the final design is limited by the maximum term of the first design.

The disadvantage is that this model permits the overall scope of the registered designs to ‘drift’ from the main design. The fifth design in a chain might end up quite different from the main design. But the harm of this is limited, since the fifth design has no longer term than the main design, and the designer must apply separately (and pay fees) for each of the five designs in the chain.

¹⁵ Japan Patent Office (JPO), [Part V Related Design](#), JPO website, 30 March 2023, accessed 15 May 2023.

Part 2D. Registrability of the subsequent design

The prior art base for the subsequent design would remain mostly unchanged by linking, but there would be some exclusions. None of the following would be prior art for a subsequent design:

- the main design application/registration (or its publication)
- any publication or uses of the owner after the start of the grace period for the main design registration, if substantially similar in overall impression to the main design
- any publication or uses derived or obtained from the owner after the start of the grace period for the main design registration, if substantially similar in overall impression to the main design.

This draws on the grace period, by providing the subsequent design with an effective ‘extended grace period’ – but in respect of the *main* design. As with the grace period, the utility of the period is maintained by excluding publications or uses derived from the owner. Otherwise, early publications or uses of the owner’s main design may block the owner’s subsequent applications.

The same presumption of derivation would also apply, in which subsequent publications/uses of identical or similar designs are presumed to be derived from earlier publications/uses.¹⁶

However, genuinely independently created third party designs that are similar to the subsequent design, if publicly used or published, may make the subsequent design unregistrable.

In a chain of incremental designs, the ‘main’ design would cover the first design in the chain, and all subsequent designs as well. This is to ensure that the registrability of later incremental designs is not affected by earlier registered incremental designs. The below example explains how the registrability of the later incremental designs would not be affected if the post-registration pathway is used.

John is a furniture designer, and it typically takes one or two years for him to develop a design for products that have an anticipated product lifecycle of up to 10 years. He also intends to export his design overseas. He usually waits until the very last moment to register his design before making it public at a trade show or posting his furniture designs on Instagram.

The trade show organisers also post photos of John’s furniture design on Instagram. At the trade show, he receives feedback from customers on his design. After the trade show (beyond the 12-month grace period), he makes more incremental improvements to his design and decides he wants protection for this later incremental design. Under the current system, he would not be able seek protection for these incremental improvements because of his earlier registered design, which would have been published on the register.

In the past he has missed opportunities to protect his designs by leaving it too late. Under this proposal, John can now choose to register his main design before making it public at the trade show without jeopardising his ability to seek protection for any subsequent designs with incremental improvements.

¹⁶ Designs Act, subsection 17(1C).

Part 2E. Term of a subsequent design registration

Duration of term

On linking, the maximum term for the subsequent design registration ends with the maximum term of the main registration. In all other respects, the two registrations would be independent. For example, the main design registration could be allowed to cease at a renewal due date. Or the main design registration could be revoked following examination. Neither would mean that the subsequent registration is affected.

This keeps the system flexible, and in particular:

- allows the owner to keep renewing only the most valuable incremental designs
- allows for the possibility that, in some rare cases, prior art may anticipate a main design without anticipating the subsequent design, or vice versa.

Given a chain of incremental designs would be permitted, the maximum term would be limited to the maximum term of the main design registration, even if that design is no longer in force.

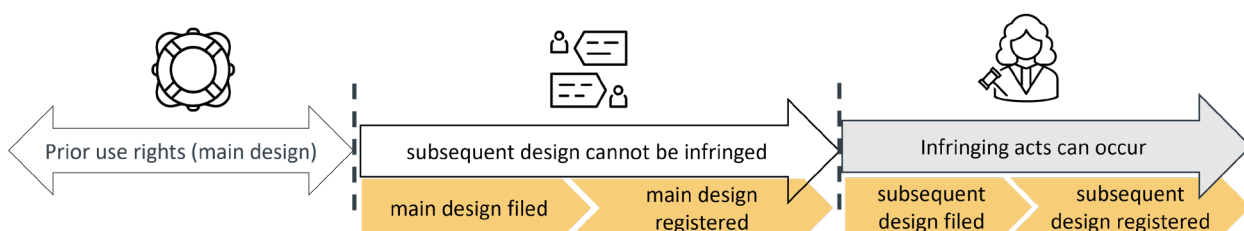
A possible issue with this approach is that a design could remain on the Register, when examination of a subsequent design suggests it is not in fact registrable. One way to ensure consistency of the Register would be to require that examination of one linked design results in examination of all linked designs in force at the time. However, this appears undesirable as it would subject the owner to increased costs where they own and seek to enforce incremental designs. Further, registrability of the main design may not necessarily affect the registrability of the subsequent design. Any uncertainty can also be overcome as third parties have the right to ask the Registrar to examine any registered design, including subsequent designs.

It is also noted that designers do not need to request linkage to a main design until the incremental design is examined. The proposal provides certainty to an applicant who files several designs by ensuring that they can protect them – whether or not those designs are substantially similar to each other. If the design is a substantially similar design, it would be protected in exchange for a reduced term that is set by the registration of the main design. If the design is a new and distinctive design, it would be protected for its own full term of registration.

Date of effect of protection for subsequent design

The rights of the owner for the subsequent design would begin on the date of filing for the subsequent design. The normal test for infringement would apply to subsequent registrations. The registrations can only be infringed by conduct after their date of filing. Acts before the filing date of the subsequent design would not infringe the subsequent design. They might infringe the main design registration.

Figure 14: Date of effect of protection for a subsequent design



Third party conduct may also give rise to prior use rights in respect of the subsequent design, but if it commences after the priority date of the main design, cannot provide prior use rights in respect of the main design.