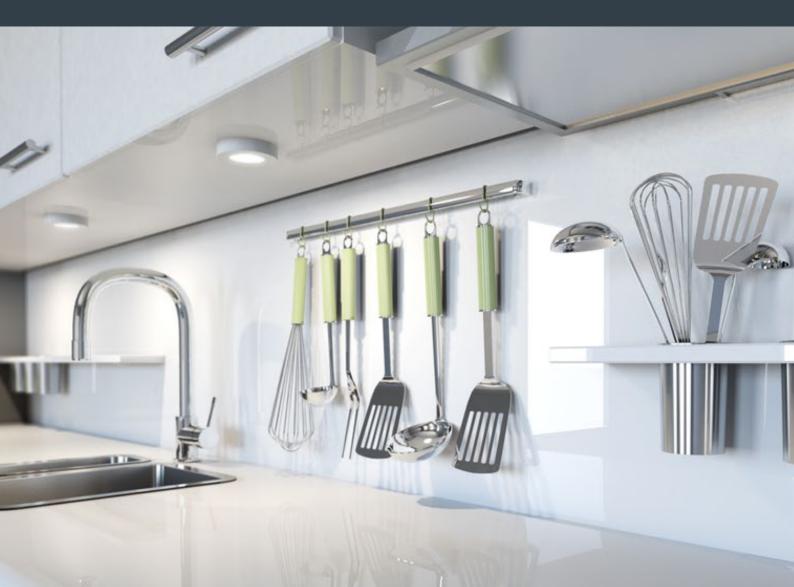


Public Consultation

Protection for partial designs





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Contents

Privacy Notice	3
Executive Summary	4
Introduction	5
Proposal	6
Definition of designs expanded to include partial designs	6
Applying to register a partial design	7
Balancing requirements and protection of partial designs	12
Assessing newness and distinctiveness of partial designs	13
Determining infringement of registered partial designs	16
Copyright protection for partial designs	16
Reducing confusion from introducing protection of partial designs	17
Benefits of the proposals	19
Questions	19
Appendix 1	20
Appendix 2	21
Appendix 3	22

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Executive Summary

While designs can come in many forms, not all can be protected under the Australian registered designs system. A design for *part* of a product made in one piece — referred to as a 'partial design' in this paper — is currently not able to be protected. For example, a design for an entire cup could be protected but not the cup handle on its own (Figure 1 below). This means that Australian designers who seek to improve designs for parts of products made in one piece may not be able to economically secure rights in their design. Excluding partial designs from protection is inconsistent with the approach taken in other countries, resulting in a disadvantage to Australian designers and international applicants seeking protection in Australia.

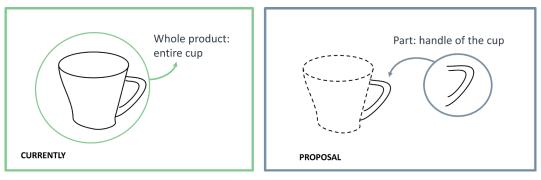


Figure 1: Comparison of current and proposed new systems

The design of the entire cup must be registered

The design of the handle could be registered for all cups and similar products

Previous consultations and reviews have focused on whether to protect partial designs in Australia.¹ IP Australia is now seeking public views on proposals for protecting partial designs. This paper sets out possible changes to the *Designs Act 2003* (Cth) (Designs Act) to enable partial designs to be protected. The paper also proposes changes to make the existing system simpler and clearer for all designs applications.

Making a Submission

The purpose of this consultation paper is to invite your feedback on the proposed changes to allow for protection of partial designs. Some changes are also proposed to how designs for entire products are to be protected (see Appendix 2). Questions to help guide your submission are available on page 19 of this paper.

Written submissions can be uploaded to the webpage for this consultation: <u>https://consultation.ipaustralia.gov.au/policy/enhancing-australian-design-protection</u>.

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 6395, or via email: lisa.bailey@ipaustralia.gov.au

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

website, 17 September 2021, accessed 11 May 2023; Advisory Council on Intellectual Property (ACIP), Final Report, <u>Review of the Designs</u> <u>System</u>, IP Australia, 2015, accessed 11 May 2023, pp 29-30.

¹ IP Australia, <u>Implementing accepted recommendations from ACIP's Review of the Designs System</u>, IP Australia's Consultation Hub

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.²

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

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

IP Australia is consulting the public on implementing all three of the above proposals, for the government's consideration. Collectively these proposals are intended to increase access to design protection in Australia consistent with the nature of modern design processes, and the kind of products being designed. Allowing protection of partial designs in Australia would also lead to greater harmonisation with other jurisdictions including the European Union, United Kingdom, United States, China, Canada, Japan, Korea and Singapore (see Appendix 3).

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. 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

A design right in Australia currently protects the overall appearance resulting from the visual features of a physical product made in one piece.³ As a result, the visual features of *part* of a product made in one piece cannot be protected as a design in its own right. This prevents a designer from focusing design protection on the visual features of part of a product. Instead, designers may choose to register designs for many products, to try to protect innovative and commercially valuable features of part of those products. This can be expensive and inefficient (see Figure 2), and possibly reduce any incentive to pursue this type of design in Australia.



Figure 2: seeking protection for visual features of part of a product

Handle for cup, mug, jug, and beer stein



Handle design

² M Campbell and L Halperin, '<u>Redesigning Designs: The Future of Design Protection in Australia' [PDF 428 KB]</u>, Intellectual Property Forum: Journal of The Intellectual and Industrial Property Society of Australia and New Zealand, 2020, (121):9–17, accessed 11 May 2023, p 11.

³ Designs Act, sections 5 (definition of 'design'), 6, 7, 8. Note that a component part of a complex product is a product if it is made separately from the complex product: for example, the detachable head of a toothbrush.

Proposal

IP Australia proposes protection of partial designs could be achieved by making several changes to the existing designs system. These changes are discussed in further detail below. IP Australia also proposes some changes to how designs for entire products are to be protected. Appendix 2 provides a summary of all proposed changes.

Definition of designs expanded to include partial designs

To address the issue identified in the Problem section above, IP Australia proposes that the current definition of design be expanded to include partial designs.⁴ A partial design would be defined as the overall appearance of a *part of a product* resulting from one or more visual features of that part of the product.⁵ Partial designs would include:

Product	Description	Examples
Parts of physical products	Designs for parts of physical products, which are the overall appearance of an integral part of the whole product.	 Handle of a mug Leg of a chair Bristles on a paintbrush
Parts of virtual products	Virtual products are proposed to be non-physical designs whose use results in the display of visual features through electronic means. IP Australia is currently consulting on proposals to protect designs for such virtual products. ⁶	 Icons used in a graphical user interface (GUI) for a health app on a smart phone. The GUI is a purely virtual product, and the icons form part of that product. Part of the body of an electronic coffee machine (physical) through which the user can see icons (non-physical) when the coffee machine is in use. This example would be part of a 'composite' product (product combining physical and virtual aspects).

To be protected as a registered design, IP Australia proposes that the partial design must be embodied in a product: whether this is a physical, composite or a purely virtual product. For example, the visual features of pattern and ornamentation of a logo, such as the Louis Vuitton monogram, could be registered as a partial design for parts of specified products, such as travel bags, handbags, shoes and wallets. This would protect the logo embodied as part of those specified products, and as embodied in other similar products, as discussed below.

Registration of the logo as a partial design would not protect it for all possible products that the logo could be embodied in, or provide the same protection as registering it as a trade mark. For example, the owner of a registered trade mark can prevent online advertising and marketing of goods using the trade mark. As a result, the owner of a logo may apply for it to be registered as a trade mark or decide to have the logo registered as

⁴ Designs Act, section 5 (definition of 'design').

⁵ As indicated in note 3, component parts of complex products can be products in their own right. This means that a partial design could be for part of a component part. For example, the bristles on the replaceable head of a toothbrush. ⁶ IP Australia, *Protection for virtual designs*, 2023. Also currently open for public consultation.

both a trade mark and a partial design. It is noted that some logos may also be protected by copyright as artistic works.

Applying to register a partial design

Applying to register a partial design should be as close as possible to the process for applying to register a design for an entire product. Appendix 1 sets out the process for securing design protection: from applying for registration to certifying the design.

IP Australia proposes that a designer should be free to register the design of an entire product and/or the design(s) of any part(s) of a product, as best suits the designer. It is proposed that the designer may apply for the design of the entire product and the design of one or more of its parts in a single application. For example, the designer may have designed a chair leg, which could form part of several different chairs with different seats, backs and arms. An applicant may choose to do so at the same time to ensure the designs can share the same priority date.

Where possible, IP Australia would consider reducing fees when filing one application for the design of the entire product and the design(s) of the part(s). The application could potentially be processed in a similar way that fees are currently charged for applications filed for multiple designs, where a separate and lower fee is charged for each subsequent design.⁷

Indicating the partial design

In contrast to an application for a design for an entire product, an application for a partial design must somehow indicate the part of the product(s) the partial design relates to.

In addition to representations of the design, IP Australia proposes that the applicant may use either or both of the following means to clearly indicate this:

- visual indicators in representations of the product embodying the partial design
- a written claim, which could refer to visual indicators.

Visual indicators in representations

Visual indicators could include:

- solid, dotted or dashed lines
- blurring, colouring, or shading
- circling and boundaries around claimed parts.

Written claims specifying the relevant part of the product

The scope of protection of a design for an entire product would normally be clear from the representations, but for partial designs the scope of protection might be unclear. For example, two kinds of dotted lines might be used in representations of a partial design: one type indicating a part of the product that is claimed but not visible in that view, the other type indicating a part of the product that is not being claimed at all.

To make it clear what is to be protected, a written claim could specify the part of the product for which design protection is sought. The applicant could claim specified features, could disclaim specified features or could do both (see Figure 3 below).

⁷ IP Australia, *Design Right Fees*, IP Australia website, no date, accessed 11 May 2023.

Page 7 of 22

Figure 3 — Example of claim used with representation including a visual indicator



Claim: Only those features of pattern and ornamentation within the red rectangle are claimed. The red rectangle does not form part of the design. No features of shape or configuration are claimed.

Written claims would not be required in all cases. If the partial design is clear from the representations, the applicant could define the scope of the design right without any written claim.

It is proposed that the option of including a written claim in an application to clarify the scope of protection being sought would be available for both partial designs and designs for entire products.⁸

Clarity of protection of partial designs

Clarity of the scope of rights is important for any IP right, for both owners and third parties. The scope of rights is determined by what is entered on the designs register. Currently there is no express standard of clarity for registered designs,⁹ beyond the formal requirements for representations.¹⁰

Registering partial designs might raise new issues with clarity that could not be addressed by the existing formal requirements. For some applications for partial designs, it could be difficult to work out what part of the product is being claimed in the representations. If those partial designs are registered, it could cause uncertainty for registered owners and for third parties.

To address this issue, IP Australia proposes to introduce a new clarity requirement.¹¹ The scope of protection sought in a design application must be clear to the *familiar person*, considering the representations and any written claim. The concept of familiar person is discussed below in Box 1 below.

For consistency, the new clarity requirement is proposed to apply to all design applications, whether for partial designs or for designs for entire products, filed on or after commencement of the amending legislation.

⁸ Designs for entire products include designs for component parts of complex products: notes 3, 5.

⁹ Section 15 of the Designs Act defines the expression 'registrable design', referring only to the standards of newness and distinctiveness. ¹⁰ IP Australia, *Designs (Formal Requirements for Designs Documents) Instrument 2022* [PDF 153 KB], IP Australia, 18 January 2022, accessed 11 May 2023.

¹¹ The consultation paper 'Protection for virtual designs' notes this proposal.

Box 1: A 'familiar person'

This is a person familiar with the product to which the design relates or similar products.¹² A familiar person does not have to be a user of the product, but can be a consumer, expert, specialist or skilled tradesperson.¹³ This depends on who might be expected to have to routinely differentiate a product or design from other products or designs.

The standard of a familiar person is currently used for assessing whether designs are substantially similar in overall impression (Box 3 below).

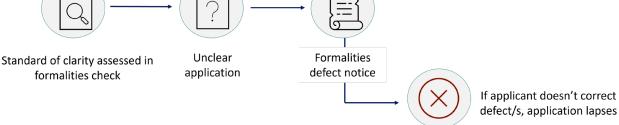
It is proposed to be used for determining several new matters:

- whether the scope of protection is clear (see above)
- whether the identification of a product is clear enough to determine the product's nature and intended use (see below)
- whether products are similar (see below).

The proposed process for assessing clarity is shown in Figure 4 below, noting that where there is a clarity issue raised, a written claim could be provided or the representations amended, to make the scope of a partial design clear and thereby correcting that defect.







¹² Defined in the Designs Act, subsection 19(4), for assessing substantial similarity in overall impression.

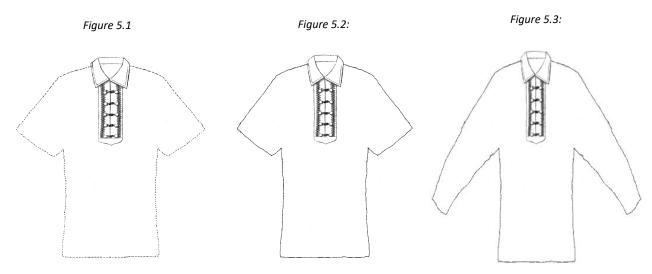
¹³ Explanatory memorandum to the Designs Amendment (Advisory Council on Intellectual Property Response) Bill 2020, <u>Notes on clauses</u>, para 223.

Figure 5 provides an example of how the proposed clarity requirement would apply to a partial design.

Figure 5 – Example of proposed clarity requirement applying to a partial design

Charlie designs a placket and collar for a shirt. Charlie wishes to protect the design for any shirt, dress or top without having to seek many design registrations. Charlie applies to register the placket and collar as a partial design: as part of a shirt, dress or top.

Charlie prepares representations. One representation (figure 5.1) shows the collar and placket in solid lines to indicate that they are the only features being claimed, with the other features of a notional garment in broken lines. The application also includes a written claim to the features of shape and configuration in solid lines and expressly disclaims all the features in broken lines.



Charlie mistakenly attaches the representation in figure 5.2, not the representation in figure 5.1. As a result, the visual indicators in the representation do not match the written claim, as there are no features in broken lines to be disclaimed.

When conducting the formalities check, the Registrar considers whether the design is clear: applying the standard of a familiar person. Applying the standard of a person who purchases garments from retail outlets, the Registrar decides that the partial design is unclear and issues Charlie a formalities notice.

Charlie replaces the representation in figure 5.2 with that in figure 5.1, allowing the now-clear partial design to be registered promptly. Charlie now has exclusive rights in the pattern and ornamentation of the placket and collar embodied in any shirt, dress or top: whether it is a hip length polo shirt, an ankle-length dress with long sleeves or a knee-length shirt with long sleeves (figure 5.3).

It is also clear to the importers of clothes that the design registration does not somehow give Charlie any rights in the shape and configuration of shirts, dresses or tops generally. The importers can lawfully continue to import and sell those garments, provided these do not embody the placket and collar.

Identifying products for partial designs

Currently, every design application must identify the product(s) each design is for, so that the product(s) can be classified in accordance with the Locarno Agreement.¹⁴ The name and classification of the product(s) are included in each entry for a registered design in the Australia Design Search (ADS) database. Those details can be used to search for registered designs.¹⁵ This assists third parties to work out what designs are protected in the Australian marketplace, so that they can avoid infringing them.

However, this level of identifying products is unlikely to suffice for partial designs. IP Australia considers that the similarity of a partial design's product(s) to other products should affect whether the partial design is validly registered or has been infringed.¹⁶ Unclear identification of a partial design's product(s) could make its validity and infringement unclear.

To address that, IP Australia proposes that any product in a design application must be identified clearly so that a familiar person (discussed above) can determine the product's nature and intended use. For simplest practice, IP Australia proposes that this requirement should apply to partial designs and to designs for entire products: whether physical or virtual, as discussed in the consultation paper 'Protection for virtual designs'. IP Australia proposes that it would apply to design applications filed on or after commencement of the amending legislation.

Examples of how this standard might be applied to identifying products follows:

-				
Δ	CCE	DT	ΆR	I F
	CCI			

- Part of a coffee machine
- Chair (part of)
- Handbag strap
- Fibre-optic coupler
- Pipette array
- Femoral stem of hip implant
- Pacemaker (part of)

NOT ACCEPTABLE

- Part of a machine
- Furnishing (part of)
- Leather good
- Optical apparatus
- Laboratory equipment
- Medical device (part of)
- Electronic device (part of)

In the table above, the product names listed in the orange column are not acceptable because the familiar person would not be able to clearly determine the product's nature and intended use.

Multiple products for partial designs

Currently, the Designs Act allows a design application for multiple products in two cases:

- multiple designs for multiple products *in one Locarno class*¹⁷
- a common design for multiple though not the same products, in any Locarno class.¹⁸

An example of a common design for multiple products in several Locarno classes follows in Figure 6.¹⁹

¹⁴ Designs Regulations 2004, regs 4.04(1)(c) and 4.05(1)(c). The Locarno Agreement establishes the international classification for industrial designs: Designs Act, s 5 (definition of 'Locarno Agreement').

¹⁵ IP Australia, <u>Australian Design Search</u>, IP Australia website, no date, accessed 11 May 2023.

¹⁶ Discussed below under the headings: Assessing newness and distinctiveness of partial designs; Determining infringement of registered partial designs.

¹⁷ Designs Act, s 22(1)(d).

¹⁸ Designs Act, s 22(1)(b).

¹⁹ The t-shirt is in class 02-02. The mug is in class 07-01. The bag is in class 03-01.

Figure 6: Representation of common design



Consistent with a common design, it is proposed that the application for registration of a partial design can be for multiple products in one or more Locarno classes. The successful outcome of the application to register the partial design would be its registration for all the identified products. This would depend on the application for the partial design having identified the products clearly (discussion above).

In Figure 7 below, are details of a partial design as if registered for several products in several Locarno classes.



Figure 7: Example of partial design registered for several products

Claim: Only those features of pattern and ornamentation within the red rectangle are claimed. The red rectangle does not form part of the design. No features of shape of configuration are claimed. **Products:** apron, bathing costume, dressing gown, kimono, negligee, shorts, t-shirt (all in class 2-02), bag (class 03-01), mug (07-01).

Balancing requirements and protection of partial designs

Designs for entire products and partial designs will have some real differences. A design for all features of shape and configuration of a product is very unlikely to be embodied in another product. For example, a design for the shape and configuration of a teapot is very unlikely to be embodied in another product, such as a teacup or a mug. This is because a teapot must be able to brew and pour tea; a teacup or mug must allow the user to sip a hot beverage. In contrast, a partial design for the handle of a teapot could be embodied in a range of other products — including teacups, mugs and beer steins — without compromising their function. This means that a partial design could be developed independently by other designers in a broader range of products than a design for a whole product. Rights in a partial design could also extend more broadly than rights in a design for an entire product.

IP Australia considers that any proposal for partial designs should balance the interests of the designer, other designers and third parties. IP Australia proposes to do this by matching the following:

- how hard it is for a partial design to be protected the *newness and distinctiveness* it must have to be an enforceable design right
- the rights given by that protection what counts as an *infringement* of a registered partial design.

Box 2: Newness and distinctiveness of a design (current approach)

A registered design must be new and distinctive to be *certified* (discussed in Appendix 1).

A design is **new** unless it is identical to anything in its prior art base before its priority date.²⁰

A design is **distinctive** *unless* it is substantially similar in overall impression to anything in its prior art base before its priority date.²¹

A design has a **priority date.** This is the date of first filing a design application for the design. The first filing can be in Australia. Or the first filing can be overseas, if the Australian application validly claims priority from it.

The **prior art base** for a design consists of the following²²:

- designs publicly used in Australia
- designs published in a document anywhere in the world
- designs in other Australian applications with earlier priority dates but only once they are registered.

There is a **grace period** of 12 months ending at the priority date of the design. Some public disclosures of the design in that period do not affect its newness and distinctiveness. These are public disclosures by any of the following persons:

- the designer(s) or someone else who owns the design. For example, by the employer of the designer(s), or by the client who commissioned the design
- someone authorised by the design owner. For example, if the design owner has authorised a marketing company to publish the design on a website
- someone who obtains the design from the design owner without permission. For example, an employee who steals the design and makes and sells products embodying it in Australia.

To work out if a design is substantially similar in overall impression to another design, the Registrar or a court must²³:

- give more weight to the features that are similar, than to the features that are different
- consider the state of development of the prior art base of the design (discussed above). That is:
 - if there are few designs that are all very different, then the design is only distinctive if it is very different to each of them
 - If there are many designs that are all very similar, then the design can be distinctive although it is very similar to each of them
- focus on particular visual features identified as new and distinctive in any statement of newness and distinctiveness (SOND) in the design application. A SOND is not required but can help the Registrar or the court
- if there is no SOND consider the appearance of the design as a whole
- if only part of the design is substantially similar to another design consider the amount, quality and importance of that part in the design as a whole
- consider the freedom of the designer to innovate.

In making this assessment, the Registrar or court must apply the standard of a familiar person (discussed in Box 1).

Assessing newness and distinctiveness of partial designs

The existing tests for assessing newness and distinctiveness (discussed in Box 2) would apply to partial designs, but with several modifications to balance requirements for, and rights from, protection.

Prior art base for partial designs

IP Australia considers that the prior art base of any design for an entire product is not limited to the product(s) identified in the design registration being examined. For example, if the Registrar is examining a design registration for the pattern of a fabric, its prior art base includes any garments made of that fabric but also

²⁰ Designs Act s 16 (1).

²¹ Designs Act s 16 (2).

²² Designs Act s 15(2).

²³ Designs Act s 19(1) – (3).

includes any use of the pattern on other products. For partial designs, this could result in a very broad prior art base, making it difficult for designers to be certain that their partial designs can be protected. This is particularly so if a partial design is registered for multiple different products (discussed above).

To address this uncertainty, IP Australia proposes that the prior art base for partial designs would consist of designs or partial designs for products that are the same or similar to the product(s) for which the partial design is registered. This would use a proposed new 'similar products' test, described in Box 3 below.

Box 3: Proposed new 'similar products' test

IP Australia proposes a new 'similar products' test equivalent to that used in the *Trade Marks Act 1995* for determining whether goods are similar. There is well-developed case law on similarity of compared goods,²⁴ which could provide a reasonable degree of certainty for all parties.

The Registrar or a court would find one product similar to another product — if they are of the same description. To find this, the Registrar or the court would consider the following factors:

- the nature and characteristics of the products
- their respective uses and purposes
- whether they are regarded as belonging to the same trade.

No single factor should be conclusive.

In making this assessment, IP Australia proposes that the Registrar or court would apply the standard of a familiar person (discussed in Box 1).

Figure 8 below gives an example of how the prior art base of a partial design would be determined.

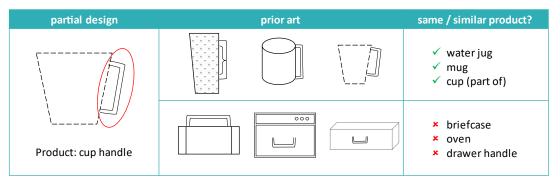


Figure 8 — Prior art base of partial design

In this example, the prior art base consists of products that are the same as, or similar to the cup whose handle is claimed as a partial design. The water jug and mug are similar to the cup; the cup (part of) is the same product as the cup (top row). In contrast, the briefcase, oven or drawer (whose handle is claimed as a partial design) are not the same as, or similar, to a cup. They are not designed to hold or serve beverages for drinking, and their manufacture, wholesaling and retailing would not be regarded as belonging to the same trade as the manufacture, wholesaling and retailing of cups (bottom row).

No change is proposed to the prior art base for a registered design for an entire product. IP Australia would continue to consider all products in which the design for an entire product is embodied (for example the design of a cup could be prior art for the design of a novelty flowerpot). This means that there would be different tests applied to determine the prior art base for partial designs as compared with designs for entire products (see also Appendix 2).

Substantial similarity in overall impression of designs

²⁴ *Re John Crowther & Sons (Milnsbridge) Ltd* (1948) 65 RPC 369 at 372 adopted in *Southern Cross Refrigerating Co v Toowomba Foundry Pty Ltd* (1954) 91 CLR 592 at 606; *Reckitt & Colman (Aust) Ltd v Boden* (1945) 70 CLR 84 at 94.

As discussed above, IP Australia proposes that a written claim to a partial design be able to disclaim or simply not claim some feature(s) of the product. There could be uncertainty about how the disclaimed or unclaimed features could be used to assess substantial similarity in overall impression. In some cases, it could be useful for the Registrar or a court to be able to consider the disclaimed or unclaimed features just to be able to work out what the claimed part is for and where it might be on similar products. These might happen if the applicant is claiming the features of only a small part of a product.

IP Australia proposes that the test for substantial similarity in overall impression (discussed in Box 2) be adapted to partial designs as follows. The Registrar or the court:

- must focus on the visual features of the partial design in the claimed part of the product(s)
- could consider the unclaimed part of the product but only for the purpose of understanding what the claimed part is for, and where it might be found on comparable products.

The other elements of the test would be the same for partial designs as they are for designs for entire products:

- The familiar person would be familiar with the whole product(s), not just the claimed parts. For example, someone familiar with jugs, not jug handles alone. There are likely to be more people familiar with jugs than there are experts specialised in jug handles.
- The state of development of the prior art base, and the freedom of the designer to innovate, would consider the whole product(s) the partial design is embodied in.

Figure 9 below provides an example of how to work out if a partial design is new and distinctive.

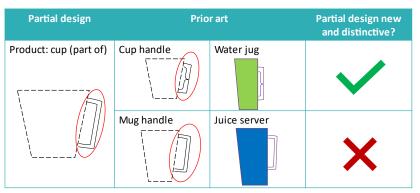


Figure 9 — Working out if a partial design is new and distinctive

In this example, the partial design being assessed is for a cup (part of). The prior art base consists of cups and products similar to cups. The Registrar applies the standard of a person familiar with cups in a domestic or retail setting to determine that mugs, water jugs and other vessels for storing and serving beverages at home are all similar to cups.

The Registrar searches the ADS database and the internet for cups, mugs, water jugs and other vessels for storing and serving beverages at home. The Registrar must focus on the handles of any prior art when working out if it is substantial similar in overall impression to the partial design.

If the only prior art the Registrar finds is a registered partial design of a cup handle and an online publication of the water jug (top row), then the Registrar must decide that the partial design is new and distinctive. Both handles in the instances of prior art have a double ogee profile, which is quite different to the rectangular handle of the partial design being assessed.

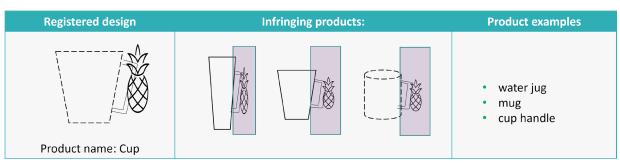
In contrast, if the Registrar also finds a registered partial design of a mug handle and an online publication of the juice server (bottom row), then the Registrar must decide that the partial design is *not* new and distinctive. Both handles in those instances of prior art are rectangular, just like the rectangular handle of the partial design being assessed.

Determining infringement of registered partial designs

A registered design is infringed by someone making, or commercially dealing with, a product that embodies a design that is identical to, or substantially similar in overall impression to, the registered design.²⁵ For a product to infringe a registered design, it must be the product for which the design is registered. For example, a hairbrush could not infringe the registered design of a toothbrush.

As discussed above, a partial design could be embodied in a range of different products. IP Australia proposes that the existing test for infringement of registered designs be adapted to registered partial designs, but infringing products could include any product that is *similar to* the product(s) in the registration.

This means that a registered partial design would be infringed by a similar product with a part that embodies the partial design. To be infringed, the registered partial design must be identical or substantially similar in overall impression to the part of the product. As with assessing newness and distinctiveness above, the court hearing the infringement action must focus on the part of the product equivalent to the registered partial design. In Figure 10 below, the overall impression of the handle of the water jug, mug or cup (all highlighted in purple) would be relevant for assessing substantial similarity, not the entire water jug, mug or cup. As a result, each product in the middle column would infringe the registered partial design for a cup handle.





Copyright protection for partial designs

Many designs for products will qualify as 'artistic works' that are protected under the *Copyright Act 1968* (Cth) (Copyright Act): for example, drawings for the design of a wallpaper.²⁶ Two-dimensional (2D) designs —the visual features of pattern and ornamentation of a product — can be protected under the Copyright Act and can also be protected under the Designs Act by registering them. This means that the design of the wallpaper can be protected under copyright law even if it is not registered under designs law. IP Australia proposes that 2D partial designs be able to be protected in the same way as 2D designs for whole products can be now. This means that an element of the wallpaper pattern could be protected under the Copyright Act and could also be registered under the Designs Act.

Three-dimensional (3D) designs — the shape and configuration of a product, such as a water jug — are treated differently to 2D designs. Generally, they must be registered under the Designs Act to keep IP protection when they are commercialised. This is because of the longstanding provisions in the Copyright Act and Designs Act that govern the overlap between designs and copyright protection (overlap provisions).²⁷ Under the overlap provisions, things that are essentially functional and intended for mass production in 3D versions are generally not entitled to ongoing protection under the Copyright Act.²⁸

²⁵ Designs Act s 71(1).

²⁶ Copyright Act ss 10(1) (definition of 'artistic work'), 32.

²⁷ Copyright Act Part III Division 8 ss 74-77A; Designs Act s 18

²⁸ D Price, C Bodkin, and F Aoun, Intellectual property: commentary and materials, 6th edn, Thomson Reuters, 2017, at [14.270].

The distinction between 2D ('pattern and ornamentation') and 3D ('shape and configuration') designs reflects that designs applied to the surface of products usually have an aesthetic purpose, while designs applied to the shape of products usually have an industrial purpose. Unlike copyright, design protection requires registration and has a shorter 10-year maximum term of protection, providing greater certainty to manufacturers and others in the industrial property field.

Under the overlap provisions, copyright protection for an artistic work applied as a 3D design in a product may be lost²⁹ when either of the following happens:

- the design is registered under the Designs Act³⁰
 OR
- the design (unless the artistic work is a building or model of a building, or work of artistic craftsmanship) is 'applied industrially' to products that have been sold or let for hire, or offered or exposed for sale or hire, by or with the consent of the copyright owner. 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.³¹

IP Australia proposes that the overlap provisions should apply to partial 3D designs in the same way as they apply to 3D designs for whole products now. For example, the designer of a handle of a water jug should consider registering the partial design, before commercially producing and wholesaling water jugs with that handle. This is because, selling the 3D product commercially could result in a loss of copyright under the existing overlap provisions.

IP Australia is interested to know whether the interaction between the existing overlap provisions and the proposed extension of designs protection to partial designs would be administratively burdensome or likely to have unintended consequences. Note that feedback is sought specifically on how the overlap provisions relate to the partial designs proposal, rather than the operation of the overlap provisions more generally.

For discussion on how copyright protection would apply to parts of virtual designs, see 'Copyright protection for virtual designs' section in the *Protection of virtual designs consultation paper*.³²

Reducing confusion from introducing protection of partial designs

Introducing protection of partial designs could create some confusion about how certain existing features of the designs system would operate for partial designs and designs for entire products. The following proposals are intended to reduce that possibility of confusion.

Abolish statements of newness and distinctiveness

As discussed in Box 2, a design application can include a SOND identifying particular visual features of a design as new and distinctive. The Registrar or a court must have particular regard to the identified visual features, when considering whether the design is substantially similar to another design.³³ For example, a court would consider the SOND when deciding whether a design is validly registered.

²⁹ The overlap provisions do not operate to extinguish the copyright the artistic work, rather they provide defences to claims of infringement if a third party makes a product in which the artistic work is substantially reproduced.

³⁰ Copyright Act, s 75.

 ³¹ Copyright Act, s 77; Copyright Regulations 2017, reg 12. Industrial application may in some circumstances involve less than 50 applications of the design: see example Burge v Swarbrick (2007) 232 CLR 336 (involving the manufacture of 32 yacht hulls)
 ³² IP Australia, Protection for virtual designs, also currently being consulted on.

³³ Designs Act, s 19(2)(b).

Currently, applicants regularly use SONDs to purportedly claim and disclaim the features of parts of products rather than to identify the new and distinctive features of designs.³⁴ However, a design is currently defined as the overall appearance of a product, not the appearance of any part of a product. A SOND cannot create rights in part of a design and does not permit the decision-maker to disregard the features of portions of the product shown in the representations.

As discussed above, the proposed protection of partial designs would allow a claim to define the features of a partial design that are to be protected. This would remove any need for applicants to use SONDs to purportedly claim or disclaim features of designs. Further, it would be desirable to abolish SONDs entirely, because of a risk of confusion between SONDs and claims — once these are introduced. This approach could also reduce confusion for Australian designers seeking designs protection overseas, since SONDs do not exist in other jurisdictions.

Accordingly, when providing for protection of partial designs, IP Australia proposes to abolish SONDs for partial designs and designs for entire products. This would apply to new design applications filed on or after commencement of any amending legislation.

Abolish common designs

A common design application is for a design (a common design) in relation to more than one product, which can be in more than one Locarno class.³⁵ If the application meets formal requirements, there is a single registration for the common design.³⁶ An example of a common design can be viewed in Figure 6 above.

Under the proposed protection of partial designs, it appears that there would be little need to maintain a system for registering common designs for entire products. This is because it appears that common designs for entire products could be adequately protected as partial designs for multiple products, as discussed above (see also Figure 7).

Further, it would be desirable to abolish common designs, considering the existing confusion about the expression 'common' and the requirements for common designs.³⁷ Abolishing common designs when introducing protection of partial designs could help to avoid confusion between the different requirements of the two systems.

IP Australia notes that some applicants register common designs that could not be registered as partial designs: that is, the common design is for all the visual features of each of several products. For example, an application for registration of the shape and configuration of a car and of a toy car.³⁸ It is also noted that some overseas jurisdictions allow for protection of 'sets' from which the Australian system of common designs originates. Common designs may provide some applicants with a low-cost way of protecting *overall* appearances which are different yet share a common design, as *overall* appearances. Non-identical common designs may be better protected under the common designs system compared to protection gained under a single partial design. Nevertheless, those applicants could still obtain separate registrations for their products in different Locarno classes, by making separate applications for them.

³⁴ The Australian Design Search system returns over 1,800 designs registrations, filed under the Designs Act, whose SONDs includes the word 'monopoly'. For over 1,300 of those registrations, the SONDs do not include the words 'new', 'newness', 'novel', 'novelty', 'distinct', 'distinctive', 'distinctiveness', 'original' or 'originality'.

³⁵ Designs Act, s 22(1)(b).

³⁶ See for example Design 201711269, which is for a picture applied to a range of products including clothing, kitchen items, a bag and a phone case.

³⁷ IP Australia, <u>Legislative uncertainty about the requirements of a common design</u> (Policy ID:92), IP Australia website, 2021, accessed 11 May 2023.

³⁸ This is one of the most frequent types of common designs. See, for example, registered design 202115176.

IP Australia considers that the advantages of abolishing common designs outweigh the disadvantages. Registrations for common designs are rare and appear to be ineffective in providing incentives for innovation.

Accordingly, IP Australia proposes to abolish common designs, when providing for protection of partial designs. This would be proposed to apply to new design applications filed on or after commencement of any amending legislation. That is, common designs filed in applications before that commencement could be registered.

Benefits of the proposals

Amending the designs legislation to include partial designs would mean that designers can economically and efficiently protect their innovation in the design of parts of products. It would allow designers to protect signature features across multiple products without having to file separate applications for each product they wish to protect. The ability to protect partial designs would provide an incentive to businesses and designers to continue developing new and innovative design products. Allowing protection of partial designs in Australia would lead to greater harmonisation with many of Australia's major trading partners who already provide protection for partial designs.

Questions

The principal questions to consider are as follows:

- 1. Do you support IP Australia's approach (outlined in this paper) to implementing partial designs protection in Australia? If not, why not?
- 2. Would you register your partial designs using the proposed system? If not, why not?
- 3. Are there any particular risks or unintended consequences that would arise from this proposal?
- 4. Would the copyright/design overlap provisions have any adverse effect on how design businesses commercialise their partial designs?

In addition, IP Australia would also welcome any general comments about the proposal in this paper.

Appendix 1

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 11 below outlines the sequence of the process.





When a design application meets formal requirements, each design in it is registered (Figure 4 in the paper). 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.

Newness and distinctiveness of a design is discussed in Box 2 above.

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

Appendix 2

Changes proposed for partial designs and for designs for entire products

Proposed change (where discussed in paper)	Applies to partial designs?	Applies to designs for entire products?
Expanding definition of 'design' (p 6)	✓	×
Visual indicators (p 7)	\checkmark	×
Written claims (p 7)	\checkmark	✓
Scope of design protection must be clear to a familiar person (p 8)	\checkmark	✓
Products must be identified clearly (p 11)	✓	✓
Multiple products for partial designs (p 11)	✓	×
Prior art base limited to same and similar products (p 13)	✓	×
Assessing similar products (p 14)	✓	×
Focussed consideration of substantial similarity in overall impression (p 14)	~	×
A design registered for part of a product is infringed by parts of similar products embodying the design (p 16)	~	×
The designs/copyright overlap provisions apply to 3D features embodied in part of a product – just as for whole products (p 16)	~	✓
Abolish statements of newness and distinctiveness (p 17)	✓	✓
Abolish common designs (p 18)	\checkmark	✓

Appendix 3

Protection of partial designs in other countries³⁹

Country/Regional organisation	Protects partial designs?	Details
Canada	\checkmark	
China	✓	since 2021 (Patent Law)
European Union	✓	since at least 2001
Japan	✓	since 1998
New Zealand	*	
Republic of Korea	✓	since at least 2001
Singapore	✓	
United Kingdom	✓	
United States of America	✓	since at least 1980 (Design Patents)

³⁹ Industrial Design 5 Forum, <u>Project Outcomes: Comparative study of partial designs as effective means of protection industrial design</u> <u>innovation</u>, ID5, 1 November 2016, accessed 11 May 2023. See also Association Internationale pour la Protection de la Propriété Intellectuelle (AIPPI), <u>Partial Designs</u>, AIPPI, 15 July 2018, accessed 11 May 2023.