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SUBMISSION TO THE ADVISORY COUNCIL ON INTELLECTUAL PROPERTY'S REVIEW OF THE  
DESIGNS SYSTEM

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**RESPONSE TO THE OPTIONS PAPER PUBLISHED 3 DECEMBER 2014**

## Introduction

The Design Institute of Australia ("the DIA") thanks the Advisory Council on Intellectual Property ("the ACIP") for the opportunity to respond to its Options Paper, released to the public on 3 December 2014. The DIA congratulates the ACIP on its progress to date in comprehensively reviewing the Australian Designs System.

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

As a professional body, the DIA is run and funded by Designers for Designers. The DIA champions Design and design thinking as an imperative element of the flourishing digital economy and of the creation of Australia's commercial and cultural wealth. The DIA is uniquely placed as a professional body to both educate and promote the use of the *Designs Act 2003* in the community of professional Designers.

## Background

The DIA previously responded to the ACIP's Issues Paper in November 2013 and also attended the roundtable discussion session held in Brisbane on 29 October 2013.

In the DIA's submission, the DIA supported:-

- increasing the term of protection for Designs from ten years to fifteen years, in line with the term of protection stipulated in the *Hague System for the International Registration of Industrial Designs (Hague)*;
- clarifying the definition, purpose and utility of Statements of Newness and Distinctiveness (SoNDs) and making the SoNDs mandatory;
- harmonising Australia's Design System with *Hague*, in relation to grace periods and deferral of publication;
- adopting elements of the UK and European Community Unregistered Design Right systems;
- Customs border protection measures for designs equivalent to the existing systems for copyright and trade marks;
- reforming the Copyright/Designs Overlap Provisions to anticipate the increasing use of 3D printing and scanning, and digital blueprint files;
- clarifying the multi-step registration process;
- introducing an opposition process similar to that available in the Trade Marks system; and
- allowing new technologies and forms of Design, such as Graphical User Interfaces (GUIs), to be registrable under the *Designs Act 2003*.

The DIA registered its concerns in relation to:-

- the danger to Designers registering Designs abroad if Australia introduced grace and publication deferral periods where foreign jurisdictions had not;
- the confusion and vague references to SoNDs in the *Designs Act 2003*;
- unintended consequences that could arise from implementing a system of Unregistered Design Rights (UDRs);
- the narrow protection of Registered Designs despite the changes to the threshold for registrability;
- confusing, unclear and misleading classifications of Designs progressing through the multi-step registration process; and
- the loopholes inherent in the Copyright/Designs Overlap Provisions which are vulnerable to the arrival of new technologies such as 3D printing and scanning.

The DIA expressly rejected any proposed restrictions on registering registered designs as trade marks under the *Trade Marks Act 1995*.

Overall, the DIA supports a strong, flexible Designs Protection System in Australia that benefits the important and valuable creative contributions which Designers make to the Australian economy. The DIA is eager to see the consolidation and expansion of Design Rights in Australia and their harmonisation with *Hague*.

Since the DIA submitted its response to the ACIP Issues Paper, the DIA has reviewed the IP Australia research paper "The market for design"<sup>1</sup>. The DIA notes in particular that the research highlights the disconnect between Designers' contemporary design practices and the importance of formal Design Protection. The results of the research from "The market for design" suggests that further review of the Designs System would be desirable in order to optimise the function of Design Rights. The scope of Design Rights should better reflect the intellectual property that Designers produce today.

The DIA has now reviewed the ACIP's Options Paper and carefully considered the Options outlined in pages 59 to 62 of the Paper.

The DIA supports the adoption of Option 2 to strengthen the Australian Designs System and also supports adopting elements of Option 3 that would offer intellectual property protection to Designers that is more consistent with the designs systems of foreign jurisdictions. The DIA elaborates on its response to Options 2 and 3 in greater detail below.

## **Adopting Option 2**

In line with the DIA's previous Submission, the DIA supports adopting all of the elements of Option 2 as outlined in the Options Paper. This would include not only rectifying existing deficiencies in the *Designs Act 2003*, as outlined in Option 1, but also implementing:-

- a 12-month grace period from the date of filing the Design Application, with a prior user defence;
- a publication deferral period of six months;
- a longer maximum term of protection of 15 years (renewable at 5 and 10 years);
- a system of opposition, similar to that available for trade marks;
- border protection measures similar to those available for copyright and trade marks;

and accession to *Hague*.

Adopting Option 2 would broadly meet the measures that the DIA currently supports and would also address the concerns that the DIA has in regards to the *Designs Act 2003* in its current form. In particular, the DIA is eager to see the adoption from Option 1 of:-

- expanding the application of the prior art base to include products other than the product which is the subject of the Registered Design;
- expanding the grounds for revocation of a Registered Design;
- reorganising the fee structure in respect of Multiple Design Applications;
- improving the terminology for registered but uncertified Designs, and clarifying the scope of rights conferred in each stage of the multi-step registration process; and
- reforming the Copyright/Designs Overlap Provisions.

Adopting the above elements will result, in the DIA's view, in a Designs System that is:-

- clearer, and more consistent and coherent both internally and in relation to other limbs of Australia's intellectual property rights regime;
- harmonised with international designs systems through the World Intellectual Property Organisation (WIPO);
- closer in effect to the operation of the Trade Marks system; and
- easier, simpler, more stream-lined and cost-effective to use.

The DIA notes however that even with the adoption of the above elements, the Designs System will still contain inherent weaknesses and rigidity in respect of:-

- disruptive technologies that exploit the gaps in protection which exist by virtue of the Copyright/Designs Overlap Provisions;
- contemporary Design practices favouring virtual and/or partial designs;
- Design practices that emphasise a dynamic process of development as opposed to a single finished industrial product.

For these reasons, the DIA also supports adopting elements of Option 3, as elaborated below.

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<sup>1</sup> Lim, Kwanghui, O'Sullivan, Don and Falk, Michael R. "The market for design: insights from interviews with Australian firms" IP Australia Economic Research Paper 03, IP Australia, Canberra: 29 October 2014.

### Adopting elements of Option 3

The weaknesses in the current Australian Designs System identified above could be addressed through adopting selected elements of Option 3 to supplement the measures proposed for adoption in Option 2. In particular, it is necessary for today's Design System to reflect the advances in copying technologies, such as 3D scanning and printing, as well as the ways in which they are used. The Designs System should also reflect a broader understanding of contemporary design by including protection for virtual, non-physical and partial designs.

#### *Technological advances*

As outlined by Matthew Hall in his paper "3D Printing - some of the IP challenges"<sup>2</sup>, and to which the DIA referred in its previous submission, the current provisions of the *Designs Act 2003* and the *Copyright Act 1968* do not protect designs from being copied by individual users of 3D printers. The ACIP has expressed in the Options Paper that it may not be worth revising the Designs System when developments in 3D printing remain "unsettled". Arguably however, the main features of:-

- 3D printing;
- 3D scanning; and
- digital blueprint files

are already known. If the features of 3D printing and scanning are already known, then there is no reason why policy cannot be formulated now in response to the emergence of the technology. The risk is that the Designs System will remain unchanged after this important Review and reflect an out of date understanding of Design Piracy practices. To this end, the DIA supports a reconsideration of the scope of design protection in the context of these technological developments.

#### *A broader understanding of design*

The increasing importance of design in the IT and technology sectors has become apparent especially in light of products whose dominant visual features are interactive light displays on portable screens. Differentiation and investment in the design of GUIs is an important source of competitive advantage. In addition, User Interface Design is an important emerging Design discipline in software engineering and website design.

For the Designs System to reflect a broader understanding of design, the Designs System should anticipate and accommodate the digital uses and distribution of Designs before new technologies become more widely available to members of the public. The *Designs Act 2003* should therefore be amended to protect Designs embodied in products in both their active and resting states, to take into account Designs that are embodied in digital technologies.

This broader understanding of design should also include consideration of partial designs. The ACIP's concern that introducing partial designs could lead to broad protection for different-looking products could be mitigated by allowing partial designs for classes of common products, as represented in dotted or dashed lines. In addition, introducing protection for partial designs would harmonise Australia's Design System with those of the United States, the United Kingdom and the European Union.

### Further Comment

The DIA takes note of the ACIP's comment in Option 3 of the Options Paper where it says "*ACIP has also received feedback ... to suggest that many Australian designers and design firms are presently not well-educated in intellectual property law. Arguably, there is little point in significantly expanding the legal options for designers without simultaneously ensuring that designers have the legal knowledge and resources to take advantages of new rights.*"<sup>3</sup> The DIA agrees that Designers and their clients should have, or have access to, legal knowledge of intellectual property rights that protect the products of their practice.

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<sup>2</sup> Hall, Matthew '3D printing - some of the IP challenges' *Australian Intellectual Property Law Bulletin* 25(1) June 2013.

<sup>3</sup> Advisory Council on Intellectual Property, "*Review of the Designs System: OPTIONS PAPER*", 3 December 2014, pg 62.

To this end, the DIA advocates for the Commonwealth Government to:-

- consult with the DIA in association with IP Australia;
- create an education program about a new *Designs Act* and its provisions; and
- roll out the education program to Australian Designers in a collaboration between the DIA and IP Australia.

This education program would seek to provide the legal knowledge and practice protocols to Australian Designers about the Design Registration rights available to them. Designers, as well as all stakeholders in the Design process, having greater and practical knowledge and awareness of the revised Designs System will be more likely to use and adopt the Designs Registration System with better expectations of what the system will deliver for them.

### **Recommendation**

As outlined above, the DIA recommends the adoption of Option 2 as outlined in the ACIP Options Paper. In addition to Option 2, the DIA supports adopting from Option 3 a reconsideration of the scope of designs protection in light of:-

- technological advances such as 3D scanning and printing;
- virtual and non-physical designs; and
- partial designs.

The DIA also advocates for the Commonwealth Government and IP Australia to create and roll out an education program for Australian designers, in consultation with the DIA, upon enacting a new *Designs Act* or amendments to the current Act.

The DIA recommends that the Designs System offer a strong, broad and flexible regime of Designs Protection for Australian Designers that reflects contemporary Design practices and anticipates technology use.

### **Conclusion**

The DIA is again encouraged by and grateful for the ACIP's review of the *Designs Act 2003*. The DIA supports the consolidation and broadening of Design Rights in Australia to be consistent with international standards as established by *Hague*. Designers continue to need access to internationally consistent and effective Design Rights under the *Designs Act 2003*.

In addition to designers having access to effective Design Rights, Designers need knowledge and awareness of those rights. The DIA therefore encourages the Commonwealth Government to supplement amendments to, or a new version of, the *Designs Act* with an education program for Designers created in consultation with the DIA.

The DIA therefore considers that supporting the adoption of Option 2 and reconsideration of the scope of designs protection in Option 3 to be in the best interests of Australian designers and the Design System.

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