Public consultation:
1. Scope of designs protection

October 2019

Executive Summary

The purpose of this paper is to seek feedback on options for implementing the Australian Government’s response to Recommendations 10, 13 and 14 of the former Advisory Council on Intellectual Property (ACIP) report on the review of the Designs system. The proposed options relate to the protection of partial and virtual designs and the distinctiveness requirements under the Designs Act. The below table summarises ACIP’s recommendations and proposed options in this paper to implement these recommendations.

**Overall Summary of ACIP recommendations and proposed options in this paper**

<table>
<thead>
<tr>
<th>ACIP Recommendation</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10</strong> Retain the requirement of distinctiveness and section 19 of the Designs Act in its current form.</td>
<td>No change</td>
<td>Clarify identity of the ‘informed user’, who needs only to be familiar with the product or similar products, and does not have to be an actual user of said products (current Australian approach)</td>
<td>Revise to specify the standard of the informed user must be a user of the product. (Previous approach taken by Australian courts, where guidance was based on European and UK case law)</td>
</tr>
<tr>
<td>ACIP noted the Law Council of Australia IP Committee’s suggestion to clarify section 19 to provide more guidance and recommended IP Australia consider the LCA’s suggested revisions to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Standard of informed user</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>• Clarify how various factors in section 19 are weighed or assessed</td>
<td>No change</td>
<td>Clarify how various factors in section 19 are weighed or assessed.</td>
<td>-</td>
</tr>
<tr>
<td>• Amend the use of the Statement of Newness and Distinctiveness (SoND)</td>
<td>No change</td>
<td>Make the SoND mandatory</td>
<td>Remove the use of the SoND</td>
</tr>
<tr>
<td><strong>13</strong> Retain the current requirement that protection relates to the visual appearance of a (whole) product. Consider whether allowing partial product registrations would enhance harmonisation of application requirements in a way that would substantially advantage Australian applicants.</td>
<td>No change</td>
<td>Protection for partial designs extends to <em>similar</em> products</td>
<td>Protection for partial designs extends to <em>any</em> product</td>
</tr>
</tbody>
</table>
Reconsider the treatment of virtual or non-physical designs, for example by allowing consideration of the product in its active state, not just its resting state, when considering validity.

| No change | Protect virtual designs as a visual feature of a product, i.e. protection is tied to a physical product | Protect virtual designs as a standalone product, i.e. protection is not tied to a physical product |

Where IP Australia has a preferred option, this is indicated with a dark grey background.

The designs system should encourage innovation in Australian industry to Australia’s economic benefit, including through the creation of new designs. Notably, there are a number of aspects in which Australia’s design protection differs from other jurisdictions. Additionally, the key legislative test for whether a design is distinctive may be causing some uncertainty.

The paper addresses options to expand the scope of design protection in Australia, while acknowledging the need to balance these benefits to design applicants with the interests of other parties. It brings together several proposals that seek to assess the scope of design protection and ensure that the system is adaptable to new technologies and modes of design.

- The Protection of partial designs proposal (part 1.1 of this paper) considers whether protection should be expanded to include designs for parts of products to increase alignment of Australia’s designs system with key trading partners.
- The Virtual, non-physical and active state designs proposal (part 1.2 of this paper) considers whether protection should be extended to new types of designs (such as GUIs and other non-physical or virtual designs).
- The Clarify section 19 of the Designs Act proposal (part 1.3 of this paper) considers whether the approach for assessing the distinctiveness of a design should be clarified to address any uncertainty.

There are linkages between the three proposals, which are also considered.

Written submissions should be sent to consultation@ipaustralia.gov.au.

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

The contact officer is:
Brett Massey, who may be contacted on (02) 6285 0721, or via email on brett.massey@ipaustralia.gov.au

This paper is also available at:

Submissions should be received no later than 20 December 2019.
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Introduction

The current designs system has been in operation since the commencement of the Designs Act 2003 (Designs Act) on 17 June 2004. Concerns have been raised about the effectiveness of the designs system and whether it is meeting its original policy objectives.

In May 2012, the former Advisory Council on Intellectual Property (ACIP) was asked to investigate the effectiveness of the designs system in stimulating innovation by Australian users and the impact the designs system has on economic growth. As part of its investigations, ACIP released an Issues paper in September 2013 to seek views from stakeholders, including users of the designs system. ACIP released an Options Paper for public consultation in December 2014 and a final report in March 2015.

On 6 May 2016, the Australian Government responded to ACIP report and agreed to the majority of the recommendations. IP Australia is now seeking feedback on options for implementing a number of the accepted recommendations in the form of three options papers:

- Paper 1: Scope of Designs (this paper)
- Paper 2: Early Flexibility for Designers
- Paper 3: Simplifying and Clarifying the Designs System

IP Australia invites interested parties to make written submissions in response to the questions and options presented in this paper by 20 December 2019. IP Australia will consider the submissions and undertake further consultation as necessary.

IP Australia is undertaking other activities in relation to designs in parallel, including the Designs Review Project and modernisation of the database of registered designs through the recently released Australian Design Search. Further information on these activities can be found on IP Australia’s website here [https://www.ipaustralia.gov.au/beta/designs-review](https://www.ipaustralia.gov.au/beta/designs-review).

IP Australia acknowledges the Aboriginal and Torres Strait Islander peoples of Australia. We acknowledge the traditional custodians of the lands on which our agency is located and where we conduct our business. We pay our respects to ancestors and Elders, past, present and emerging. IP Australia is committed to honouring Australian Aboriginal and Torres Strait Islander peoples’ unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

IP Australia acknowledges that the cultural expressions of Aboriginal and Torres Strait Islander people such as art, crafts, stories, symbols and icons can inspire, or be used in, designs. Where these cultural expressions are used inappropriately, it can cause great offense and hurt to the custodians of that knowledge. IP Australia is looking at the protection and management of the Indigenous Knowledge (IK) in the IP system and what we can do to support new economic opportunities and promote cultural integrity. Information about our IK work is available on the IP Australia website at [www.ipaustralia.gov.au/indigenous-knowledge](http://www.ipaustralia.gov.au/indigenous-knowledge). You can also register to our mailing list if you would like to be updated on our IK work, including future consultations.

We always want to hear from you. If you have any input on issues not covered by this consultation, please let us know via our policy register, which details the issues we are considering or working on for policy or legislative action.
Principles for formulating designs policy

The Productivity Commission (PC) undertook a comprehensive inquiry into Australia’s intellectual property arrangements, completing its final report in 2016. The PC recommended, in formulating intellectual property policy, that the Australian Government should be informed by a robust evidence base and be guided by the principles of effectiveness; efficiency; adaptability and accountability.¹ The Government response supported the recommendation in August 2017.²

These principles complement the Government’s principle of Best Practice Regulation, which include a Regulation Impact Statement process that requires the assessment of economic, social and environmental costs and benefits to business and the community in determining the net benefit of a regulatory proposal.

We encourage readers to keep the PC’s principles in mind when providing submissions, which are briefly explained below.³ You can find more guidance on things to keep in mind when providing input in the Guide to commenting on IP Australia’s policy register.

Effectiveness
- The designs system should be effective in encouraging additional ideas and in providing incentives that ensure knowledge is disseminated through the economy and community.
- Key questions to ask in assessing effectiveness:
  - Does the system lead to additional designs being generated?
  - Is the system effective in disseminating designs?

Efficiency
- The designs system should provide incentives for designs to be created at the lowest cost to society.
- Key questions to ask in assessing efficiency:
  - Is the system ensuring designs are being generated at the lowest cost?
  - Is the system ensuring that designs are traded so that those that can use them most efficiently can do so?
  - Is the system appropriately balancing the long-term costs and benefits that stem from the system’s effects on competition and innovation?

Adaptability
- The designs system should adapt to changes in economic conditions, technology, markets and costs of innovating.
- Key question to ask in assessing adaptability:
  - Can the system adapt as the nature of innovation, competition and broader economic conditions change?

Accountability
- The policies and institutions that govern the designs system, and the way that changes are made to them, need to be evidence based, transparent, and reflect community values.
- Key questions to ask in assessing accountability:
  - Are the policies and changes made to the designs system evidence based, transparent, and do they reflect community values?

1.1 Protection of partial designs

Overview

Currently, protection of partial designs is not available in Australia. Under the Designs Act, a design means the overall appearance of the product resulting from one or more visual features of the product. Consequently, a separate part of the design is unable to be assessed in its own right. Australia’s lack of partial design protection can create issues with international harmonisation, due to a disparity in filing requirements, examination and enforcement of partial designs with a number of Australia’s key trading partners. It also has implications for the treatment of virtual designs, an issue discussed in section 1.2.

The Productivity Commission (PC) has indicated the need for further evidence to better inform policy decisions regarding partial design protection. The former Advisory Council on Intellectual Property (ACIP) highlighted that partial design protection could provide greater international harmonisation with key trading partners. The paper outlines three options in addressing partial design protection that would require legislative change to improve protection of partial designs, and one option to delay change until further evidence is acquired.

Background

Under the current Designs Act, protection relates to the overall visual appearance of a product, where a product is a thing that is manufactured, or hand made. If a component part of a complex product is made separately from the product, it can be considered a product itself. For the purposes of this paper, a partial design is a design for a portion or portions of a whole product (excluding component parts of a complex product).

In Australia, based on the definition of a design, the overall appearance of the product determines both the registrability and infringement of a design. Consequently, the overall appearance is a key consideration for determining the scope of registration or protection. While several mechanisms can be used to focus on particular parts of the design – the choice of product name; the way a design is shown in its representation(s); and the statement of newness and distinctiveness (SoND) – ultimately, it is the requirement to consider the product as a whole which limits how far a designer can focus the scope of the monopoly on a particular part.

The Australian approach relies on definitions in the current Designs Act that focus on the overall appearance of the whole product. Under section 5, a design, in relation to a product, is defined as the...

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4 See Section 5, Designs Act 2003
7 See sections 5 and 6, Designs Act 2003
8 ‘complex product means a product comprising at least 2 replaceable component parts permitting disassembly and re-assembly of the product’, see Section 5 Designs Act 2003
9 The product name can be used to interpret the ambit of the product for searching purposes during substantive examination (Australian Designs Examiner Manual D04.3.1). Visual features can be identified in representations by using a combination of dashed and solid lines or by highlighting, shading or colour. There is currently no international standard for drawings and representations which can create confusion and lead to errors (2018 AIPPI study on partial designs). The SoND can be used to identify features relating to only part of the product so that distinctiveness is assessed having particular regard to these features in the context of the design as a whole. It is noted that the SoND in the current Act replaced the ‘statement of monopoly’ under the 1906 Act, which defined the scope of monopoly claimed.
overall appearance of the product resulting from one or more visual features of the product. This means that the handle of a mug cannot be specifically registered or certified, even if it is only the handle which is new and distinctive. The whole shape of the mug must be registered or certified. When assessing whether a design is distinctive, the overall impression of the design must be considered through the eyes of an informed user.\textsuperscript{10} In the example of the mug handle, courts must judge whether a defendant’s design is substantially similar in overall impression, by considering the whole mug shape.

Unlike several other jurisdictions, Australia does not offer protection for partial designs. The European Union (EU), United Kingdom (UK), United States (US), Canada, Singapore, Japan and South Korea provide protection for partial designs (see Table 1 in Appendix 1). Australia’s position currently aligns with the practice taken by other jurisdictions such as China and India. The options provided in this paper consider the approaches taken by other jurisdictions in protecting partial designs. We note that both the Hague Agreement and draft Designs Law Treaty (DLT) represent relevant efforts at international consistency in designs, but do not define what must be protected by registered designs or identify requirements to protect partial designs.\textsuperscript{11}

Problem

In its review of the Designs Act 1906, the Australian Law Reform Commission (ALRC) concluded that distinctive portions of products that are not made or sold separately or not separable from the complete product (i.e. ‘partial designs’) should not be registrable. It recommended that it should only be possible to register partial designs in relation to the whole product.\textsuperscript{12} The current Designs Act adopts this approach, where partial design protection is not available. This approach may no longer be appropriate, given the rapidly changing environment businesses face today and growing importance of form in developing new products and services.

Twenty years after the ALRC review, ACIP identified that allowing protection of partial designs would provide greater international harmonisation and make it easier for Australian applicants to export their designs overseas.\textsuperscript{13} However, the PC noted that increasing exports should not be the central consideration driving the development of Australia’s domestic IP policies.\textsuperscript{14} It further highlighted the lack of evidence that partial design protection is needed to stimulate socially beneficial innovations in Australia. As a result, the PC concluded that retaining the current requirement is appropriate until further evidence of the problem and better information to inform policy decisions is available.

ACIP recommended that IP Australia continue to investigate whether allowing partial design registrations would enhance harmonisation of application requirements in a way that would substantially advantage Australian applicants. If significant advantages to Australian applicants can be shown and IP Australia can confirm that such protection does not give rise to substantial practical or legal issues overseas, then ACIP would support reform of Australian law. However, the PC in its draft report on Australia’s IP arrangements recognized that there is currently little evidence that supports a need for protecting partial designs to stimulate innovation in Australia.\textsuperscript{15}

\textsuperscript{10} See section 19 of the Designs Act 2003, D09.4 of the Australian Designs Examiner’s Manual and further discussion below in section 2.5
\textsuperscript{11} Advisory Council on Intellectual Property 2014, Review of the Designs System: Options paper, December, Canberra. See Table 12 on page 40
The following issues have been identified by ACIP and others regarding the lack of partial design protection in Australia:

**Incentive to create**

- The ability to protect parts of a product may confer commercial advantages. The incentive to protect a specific part of a product may enable market actors to differentiate their products within their own and competitors’ product lines.\(^\text{16}\) Without partial design protection, Australia’s design system may be failing to meet current business needs and may be failing to adequately incentivise the creation of new partial designs.

**Recognising Priority claimed from a Convention country**

- There are potential difficulties with assessing priority and meeting formality requirements in Australia. For example, complications may arise if an application in Australia claims a Paris Convention priority and includes representations without showing a whole product. Any amendment to the design to rectify this would alter the scope of the design, by including matter that was not in substance disclosed in the original design application. This may not be allowed because representations would no longer match the convention priority document. To ensure recognition of a partial design convention priority claim, some attorneys have advised providing a SoND which outlines the non-claimed part(s) of the representations (which is an additional cost to applicants).\(^\text{17}\)

- Overseas applicants may file in Australia based on what is permitted in their own country. For example, the US and the UK allow dotted lines to be ignored\(^\text{18}\) to clearly define what is being claimed and what is disclaimed, while Australia does not. In Australia, broken or dashed lines are used to highlight parts of the designs that are referred to in the SoND; elements of the product that are not bearing the visual features of the design; patterns applied to part of a surface, stitching and perforations; and features establishing an environmental context. In all instances, the representations are interpreted in the context of the design as a whole.\(^\text{19}\) Consequently, Australia’s difference in approach may be creating confusion and unnecessary complexity for design applicants who wish to seek protection in Australia.

**Using Australian applications to provide priority overseas**

- Australian applicants may struggle to seek protection overseas in other Convention countries where broader partial protection is available. They may be unable to rely on their narrower Australian application to provide priority for their partial design applications.\(^\text{20}\) To overcome the differing requirements between countries, some attorneys have advised filing extra drawings in the

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\(^\text{16}\) As identified in *Singapore’s design review 2014* and 2018 *AIPPI Summary Report on Partial Designs*.

\(^\text{17}\) Houlihan Patent & Trade Mark Attorneys, see ‘General’ under Designs section.

\(^\text{18}\) See section 1503 of the USPTO Manual of Patent Examining Procedure and section 12.07-12.10 of the *UK Registered Designs Examination Practice guide*.

\(^\text{19}\) See D04.3 of the Australian Design Examiners manual and guidance at https://www.ipaustralia.gov.au/designs/applying-design/prepare-drawings

\(^\text{20}\) Page 48, ACIP Review on Designs System (Options paper) 2014 (Baker & McKenzie, Freehills, LCA)
priority application, to ensure convention priority can later be claimed in each country of interest (which is an additional cost to applicants).\textsuperscript{21}

\textit{Discrimination against certain manufacturing methods}

- The existing provision for registration of component parts may discriminate against certain ways of manufacturing products, including those by which component parts are not separately manufactured because they are created or moulded as a single item.\textsuperscript{22} This may become more important as the use of 3D printing becomes more widespread.

\textit{Limited scope of protection}

- If a designer is seeking to protect a partial design, it may be difficult and costly to anticipate all the possible variations and permutations of different environmental contexts that create a new and distinctive product as a whole. For example, slight modifications that change the overall impression of a design may arise during the product development phase that cannot be accounted for at the time a designer chooses to file a design application. Another example is a design for a screen that could form part of different devices such as a TV, computer, tablet or kitchen appliance. This in turn limits the scope of protection and disadvantages designers of partial designs.

\textit{Impact on virtual designs}

- The lack of partial design protection can impact on the treatment of virtual designs such as Graphical User Interfaces (GUIs). For example, the lack of partial design protection in China has been reported as impacting on the ability to effectively enforce GUIs\textsuperscript{23} (see further discussion in section 1.2 below). Some stakeholders have noted that implementing partial designs may provide an administratively simple approach to protecting GUIs.\textsuperscript{24}

\section*{Options}

This paper identifies three options: no change and two options for change. The options for change vary in their approach to how partial designs are protected. The table below summarises the options.

\textsuperscript{22} See DIA’s submission to the ACIP Review of the Designs System (Options paper) 2014
\textsuperscript{23} https://www.worldipreview.com/contributed-article/effective-gui-protection-in-china
\textsuperscript{24} See IPTA’s submission to the ACIP Review of the Designs System (Issues paper) 2013
### Overall summary of options

<table>
<thead>
<tr>
<th>Option</th>
<th>What does the Prior Art base include?</th>
<th>Representation example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1</strong>&lt;br&gt;No change</td>
<td>• Designs for a whole product: more weight given to visual features identified in the SoND which can be highlighted using solid lines but comparisons would be made to ‘whole’ mugs and not to mug handles specifically.</td>
<td>![Example Image]</td>
</tr>
<tr>
<td><strong>Option 2</strong>&lt;br&gt;Protect partial designs for similar products</td>
<td>• Designs for products or parts of a product in the same or similar Locarno class: handles of cups and other household goods (class 7) e.g. water jug</td>
<td>![Example Image]</td>
</tr>
<tr>
<td><strong>Option 3</strong>&lt;br&gt;Protect partial designs for any product</td>
<td>• Designs for any product or part of a product, i.e. handles of cups, handbags, cabinets, car doors</td>
<td>![Example Image]</td>
</tr>
</tbody>
</table>

International approaches to these aspects are provided for comparison purposes in Table 2, Appendix 2.

**Option 1 – No Change**

**Summary**

Under this option, there would be no change at this time to the existing practice of examining and determining infringement of partial designs, where registration and protection relates to the visual appearance of a whole product.

IP Australia would continue to monitor developments including whether allowing partial design registrations would substantially advantage Australian applicants and stimulate socially beneficial innovations in Australia.

**Discussion**

No change to the designs system would be required. Under this option, no additional costs or benefits would be incurred beyond business as usual.

Designers would remain unable to protect partial designs in Australia. Australia would remain inconsistent with a number of major trading partners in relation to protection for partial designs. Designers would continue to face complexity in filing their applications due to Australia’s inconsistent approach of not registering partial designs and differences in claiming requirements. Applicants claiming priority in Australia and Australian applicants claiming priority internally will continue to face difficulties regarding partial designs.
**Option 2 - Protect partial designs for similar products**

**Summary**

Under this option, partial designs for similar products within the same class under the Locarno Agreement would be protected. For example, protection of a cup handle design would be limited to its application to the cups or other products under the household goods class.

There are two features requiring consideration when protecting partial designs: (1) how a partial design is indicated; and (2) limitations on the scope of protection for a partial design. These are discussed below.

**Indication**

Mechanisms other than the SoND would be required to clearly indicate the partial design being claimed. In the EU, UK, US, Japan, Korea and Singapore, partial designs can be indicated using visual disclaimers and, in some cases, written disclaimers as well. Under this option, applicants would use a statement of monopoly to indicate which features of the design they are claiming as an exclusive right. Where broken lines are presently used to highlight parts of the design referred to in the SoND they would now be used as visual disclaimers to support the statement of monopoly. Where broken lines cannot be used due to technical reasons (such as, to indicate stitching on clothing or patterns, or where photographs are used) other visual disclaimers including colour shading, boundaries and blurring may be used to identify claimed and unclaimed parts, similar to the guidelines specified in the 2018 AIPPI resolution.

**Limitations**

In Australia, the current practice for classifying designs includes consideration of whether a product could be classified in more than one class. On rare occasions, it is acceptable for a product to have more than one classification, depending on use. Under this option, partial design protection would only apply to similar products within the same classification under the Locarno Agreement. This approach is taken by Singapore, where a partial design in a particular class should be able to enforce its rights against an accused product (in the same Locarno classification) which uses the Partial Design.

However, in assessing the validity and the scope of protection of the partial design, the (i) nature and the use of the partial design; (ii) relevant prior art; and (iii) relevant informed user would be determined by considering the claimed part and unclaimed part. These factors are currently considered under similar criteria outlined in the test for distinctiveness. Further discussion of these factors is found under the Clarifying section 19 of the Designs Act section 1.3 below.

**Discussion**

By introducing protection for partial designs, both Australian and non-resident designers would benefit from having reduced internal costs through better international harmonisation of formality requirements. For example, both guidance from the EU and the UK indicate that graphic or photographic representations showing only the claimed designs are preferred, while the entire product must be shown in Australia.

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25 See former Designs Act 1906 (Cth), section 4 which describes the Statement of Monopoly
28 See Singapore’s study report from the 2018 AIPPI study on partial designs, question 16 response
29 See Section 19, Designs Act 2003
30 See UK Registered Designs Examination Practice guide, Part C: Formalities at section 12.06 and EU Guidelines for examination of registered Community Designs at section 5.3
Designers would also have more confidence to use their Australian application as a priority document for partial design applications in other jurisdictions offering partial design protection.

Replacing the SoND with the former Statement of Monopoly and making it mandatory could increase red tape costs and uncertainty. Under the Designs Act 1906, there was considerable uncertainty about the scope permitted by the courts to applicants in specifying the extent of monopoly and statements added cost and complexity to the registration process. There would be costs associated with individuals becoming familiar with the new legislative changes.

This option differs from Option 3 in the limitation applied on the scope of protection for a partial design. That is, the monopoly being sought for a partial design is limited to products under the same class of the Locarno Agreement. Compared to Option 3, competitors would face smaller costs associated with searching due to the narrower monopoly being claimed. There would be greater clarity during examination as to how partial designs would be searched, based on Locarno classes.

**Option 3 - Protect partial designs for any product**

**Summary**

This option would allow partial designs for any product to be protected, where a product would include ‘any part of a product’. Partial designs would no longer need to be registered in relation to the whole product. For example, a partial design for a handle would be protected when it forms part of a cup, handbag, cabinet or car door.

As in Option 2, the same approach to indicating the claimed partial design would be taken by reintroducing statements of monopoly and making them mandatory.

Under this option, partial design protection would be applicable in respect of any type of product without limitation to a particular class under the Locarno Agreement. This approach is taken in the EU, UK, Japan, Korea and US, where protection of partial designs is not based on the class of the design.31

**Discussion**

This option would offer a broader scope of protection than Option 2. The approach under this option would align Australia with some of its major trading partners such as the EU, UK, US, Japan and Korea. While broader protection for partial designs may encourage greater availability of certain products for Australian consumers, there would be costs associated with the broader monopoly being sought for a partial design. Competitors may have to forgo opportunities to compete in respect of partial designs where they can currently now operate and search costs may increase. The PC considered that there is currently little evidence that supports a need for protecting partial designs to stimulate innovation in Australia.32 If correct, there are uncertain benefits to weigh against the inherent costs and risks of legislative change.

**Preferred Option**

Currently, IP Australia does not have a preferred option and welcomes further evidence. We note that ACIP indicated the need to demonstrate significant advantages to Australian applicants and confirmation that such protection does not give rise to substantial practical or legal issues overseas for ACIP to support

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reform of Australian law. The PC has noted that there is currently little evidence that supports a need for protecting partial designs to stimulate innovation in Australia.33

Questions for consultation

P1. Do you consider that Australia’s approach to partial designs should be reformed? Why or why not?

P2. What is your preferred option, and do you see any additional options for addressing the problem?

P3. Has someone ever copied a part of your design and if so, can you describe your experiences?

P4. In relation to partial designs, have you found claiming priority from an overseas application problematic in Australia and if so, can you describe your experiences?

P5. Have you found claiming priority from an Australian application problematic when seeking partial protection overseas and if so, can you share your experiences?

P6. Are you aware of additional costs and benefits that have not been identified in this paper? If so, please provide further detail.

1.2 Virtual, non-physical and active state designs

Overview

Currently, virtual or non-physical design protection (the term ‘virtual designs’ will be used) in Australia creates uncertainty. There is a lack of clarity around how the definition of product in the Designs Act applies to virtual designs. Virtual designs can be registered but cannot be certified and enforced in most cases. This creates inconsistency in allowing virtual designs to be registered at the formalities stage, but not certified at the examination stage (despite payment for registration). ACIP has recommended that virtual design protection be reconsidered by allowing consideration of a virtual design in its ‘active state’.34 The PC supported the Government’s intention to build the evidence base in this area, while highlighting that virtual design registration in Australia has been limited predominantly to multinational companies.35 Virtual design protection would increase harmonisation with a number of Australia’s key trading partners and may contribute to advancement in the technology sector in Australia. The paper outlines three options, being no change, providing protection for virtual designs embodied in a product, or expanding protection to standalone virtual designs not necessarily tied to a product.

Background

Virtual designs include screen displays, graphical user interfaces (GUIs), screen icons, fonts, holographic designs, projected images, animated characters and virtual three-dimensional designs. Virtual designs can be static or dynamic (moving). Separate Locarno subclasses exist for different types of virtual designs without the need to be related to a specific product, for example subclass 14-04 specifically corresponds to screen displays and icons.36 Uncertainty regarding virtual design protection relates to a lack of consideration by the courts about whether the definition of a product as being something ‘manufactured or handmade’ applies to virtual designs (i.e. non-physical designs).

In 1995, the ALRC recommended that screen displays should not be protectable via a designs system.37 Under IP Australia’s interpretation of the current Designs Act, a virtual design may be registered but may not be certified. At the formalities stage, a virtual design, such as a screensaver, a GUI or screen icon, must be linked to a tangible product. Each differing representation of a GUI is counted as a separate design and requires additional fees for each separate design. However, at examination, visual features of a ‘product’ are assessed in the context of the product being ‘at rest’ rather than ‘in use.’38 This practice is based on 2017 hearing decisions39 and case law prior to the current Designs Act.40 Limited protection of virtual

36 See http://www.wipo.int/classifications/locarno/en/
37 Australian Law Reform Commission, 74, 1995
38 IP Australia, Designs Examiners’ Manual of Practice and Procedure, accessed 20 March 2019 (Designs Manual), part 2 section D04.4.3.1
40 Firmagroup Australia Pty Ltd v Byrne & Davidson Doors (Vic) Pty Ltd (1987) 180 CLR 483 and see also New Zealand: Altoweb Inc. v The Commissioner of Designs [2000] NZIPODES 1 (7 December 2000)
designs may be possible under copyright or trade mark law and may overlap with design protection. For example, virtual designs (such as a GUI or icon) may be protected as a trade mark where they are sufficiently distinctive or under copyright law if the designs are sufficiently original.\textsuperscript{41}

The level of virtual design protection is varied across jurisdictions. For example, China offers protection for virtual designs with limitations (without partial design protection). In Canada, the US, Japan, South Korea and New Zealand, the designs legislation provides definitions for an ‘article of manufacture’ and ‘design’ but not a ‘product’. In these jurisdictions, virtual designs are protectable if they are embodied in a product. The EU and the UK have extended the meaning of ‘product’ to include virtual designs excluding computer software. It is also noted that the World Intellectual Property Organization (WIPO) Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications is currently working on potential recommendations on the protection of GUIs and icon design practice.\textsuperscript{42}

**Problem**

Currently, the scope of protection provided by the Designs Act for virtual designs in Australia is not clear. Guidance and previous hearings on virtual designs outline that virtual designs can be registered but cannot be certified and enforced in most cases. The Designs Act does not expressly reference virtual designs under the definition of ‘product’ or ‘design.’

ACIP recommended that the treatment of virtual designs be reconsidered, for example by allowing consideration of the product in its active state, not just its resting state, when assessing validity.\textsuperscript{43} The Government accepted this recommendation and committed to assess if specific consideration for the treatment of virtual or non-physical designs would benefit Australia’s interests. ACIP also highlighted the need for some protection in the face of changing technologies, noting that other jurisdictions, including China, the European Union and the United States already allow design protection for GUIs.\textsuperscript{44}

However, the Productivity Commission (PC) considered that the additional effect on innovation from Australia providing virtual design protection may be limited if the main users of this protection are multinational businesses. The PC remained unconvinced that protection of virtual designs is required to stimulate socially beneficial innovation, indicating that small companies are either not relying on IP protection or relying heavily on copyright or trade marks for their generated images.\textsuperscript{45} Some recent anecdotal evidence suggests that while smaller businesses wish to protect their virtual designs, they decide not to invest in seeking protection, knowing that they are not enforceable.

As mentioned above, there is an inconsistency in allowing virtual designs to be registered at the formalities stage, but not permitting them to be certified at the examination stage. This may be causing applicants to waste money on registering ultimately uncertifiable designs. While such activity may clutter the Designs Register and impose unnecessary search costs on third parties seeking to determine their freedom to operate, only 107 design applications relating to GUI’s and icons were received between 2004 and 2014 (Locarno Classification 14, subclass 04 (14–04)). This amounted to less than 0.2 per cent of all registrations. The majority of these registrations were from multinational companies, rather than Australian residents.

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\textsuperscript{41} See Section 18 of the *Designs Act 2003* and Part III Division 8 of the *Copyright Act 1968*
\textsuperscript{42} WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, 39th Session, 22 February 2018.
\textsuperscript{44} Advisory Council on Intellectual Property, Review of the Designs System, Final Report, March 2015 (ACIP Designs Review), section 2.5.2 pages 31-33
For example, Microsoft alone accounted for over 60 (more than half of all) registrations. None of these registrations were from Australian residents.\textsuperscript{46} However, the data relating to the number of virtual design applications (outlined above), indicates that there is some demand for registration of GUI’s in Australia. This demand may increase as technology based services grow in economic importance among Australia’s major trading partners (for example in the US).\textsuperscript{47}

The International Chamber of Commerce (ICC) report on \textit{Design Protection for Graphical User Interfaces} points to notable growth in GUI design applications globally (between 1999-2017, the European Union, China, United states and Korea were among the top five jurisdictions).\textsuperscript{48} The ICC suggests that this increased growth reflects the increasing importance and value of GUIs as strategic assets for companies and relevance of design rights as a means of protecting the visual appearance of GUIs.\textsuperscript{49} However, when undertaking further comparative analysis at the subclass level to identify growth or any correlation of virtual designs protection with stimulating innovation, it is difficult to draw confident quantitative conclusions across different jurisdictions due to variations in practice. For example, while many GUI designs are found in subclass 14-04 (screen displays and icons) in the EU and US, other jurisdictions classify these designs with the products they are part of, such as subclass 14-03 (telecommunication products such as smartphones).

Recent qualitative research by IP Australia (forthcoming) has provided anecdotal evidence that a number of Australian companies are investing heavily in digital design innovation (even if they are not registering designs). The research has found that the Value Added generated by digital design activities were worth between 1.59 and 1.71 per cent of GDP between 2009 and 2016.\textsuperscript{50} In 2016, 94 per cent of the total Value Added through digital design activities came from software and interactive content industries and the remaining six percent from digital design workers embedded in non-speciality industries. Taken together, these findings suggest there is a market for this activity, but that growth has not been very high in recent years.

If protection were introduced for virtual designs, the issue as to what constitutes a virtual design, would also need to be considered, as well as any exclusions to virtual design protection. For example, the equivalent Designs Acts in the EU and UK excludes computer programs in their definition of a product.\textsuperscript{51}

\textsuperscript{47} See \textit{Designs Law and Practice}, IP Australia and IPRIA, Michael Falk and Haiyang Zang, page 16.
\textsuperscript{48} See International Chamber of Commerce, 2018, \textit{Design Protection for Graphical User Interfaces}, Annex, Fig. 1 and 2
\textsuperscript{49} See International Chamber of Commerce, 2018, \textit{Design Protection for Graphical User Interfaces}, page 5
\textsuperscript{50} Noting that the economic value of digital design activity is measured by Value Added, defined as the market value of goods and services produced through a set of activities minus the cost of goods and services used in production.
\textsuperscript{51} \textit{Design Regulation 2001 Article 3} (European Union) and \textit{Registered Designs Act 1949 Article 1 (3)} (United Kingdom).
### Options

This paper identifies three options.

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<th>Approach</th>
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<tr>
<td>Option 1</td>
<td>No change to guidance or legislation relating to virtual designs.</td>
<td>Retain current Australian approach</td>
<td>Virtual designs can be registered but not certified.</td>
</tr>
<tr>
<td>Option 2</td>
<td>Protect virtual designs as a visual feature of a product (protection is tied to a product)</td>
<td>Align with the United States/Canadian approach</td>
<td>Static/dynamic GUls; static screensavers; static/dynamic icons; transitional images, animated characters, computer related typeface type font and screen display designs are protected</td>
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<tr>
<td>Option 3</td>
<td>Protect virtual designs by including them in the definition of product (protection is not tied to a product)</td>
<td>Align with the European Union/United Kingdom approach (excludes computer software)</td>
<td>Static/dynamic GUls; screen savers; static/dynamic computer-generated icons; transitional computer-generated GUls and icons; animated characters: computer related typeface type font; screen display designs; holographic designs; projected image designs and virtual 3D designs are protected</td>
</tr>
</tbody>
</table>

### Option 1: No Change

**Summary**

Under this option, there would be no change made to the guidance regarding graphics and electronic screens in the *Designs Examiners' Manual of Practice and Procedure* (see D04.4.3.1 Designs Manual) or the Designs Act. Designers would be able to register virtual designs but be unable to certify or enforce them. IP Australia would continue to monitor developments in this area with Australia’s best interests in mind.

**Discussion**

The benefit of this option would be that no change to the designs system would be required. However, virtual designs would continue to be assessed in their ‘resting state’ and therefore be registered at cost to the applicant but are unlikely to be certified and protected in Australia. The issue of whether virtual designs can be protected would remain uncertain in Australia until the courts clarify whether the definition of a product as something ‘manufactured or handmade’ applies to virtual designs (i.e. non-physical designs).
Australia would remain inconsistent with other jurisdictions (including key trading partners) in relation to providing protection of virtual designs and risk falling behind with virtual design protection internationally. The current designs system would remain at risk of being outdated and out of step with international IP office trends and potentially disadvantage certain industries from protecting their new technologies in Australia. Virtual design protection in other jurisdictions, particularly Australia’s key trading partners such as the European Union, United Kingdom, United States, Canada and China, would continue to be closely reviewed and discussed at an international level.

Australia may be missing the chance to support innovation in non-specialty industries that embed digital designs in their products, particularly as the importance of digital designs in emerging technologies grows. On the other hand, innovations such as those embodied in popular smartphones may continue regardless of whether Australia protects virtual designs.

Protection of virtual designs may be supported by other IP rights such as trade marks (in cases where virtual designs are registered as trade marks) or copyright (for example, if the virtual design comprises an original artistic work that is fixed in a material form). However, protection may be limited or uncertain, particularly for virtual designs such as computer-generated screen displays and virtual reality components given their intangible nature; or for whole GUIs given their functional features (See Appendix 4). On one hand, if virtual designs were to be protected under the Designs Act, there may be a potential overlap with protection provided by the Copyright Act 1968 or Trade Marks Act 1995. For example, this may be the case for virtual designs considered to be two dimensional surface patterning or ornamentation.52 On the other hand, as in Europe, Singapore, China and the United States, virtual design protection may be more appropriate under designs legislation rather than under copyright or trade mark protection (See Appendix 4 for further analysis).

**Option 2: Protect virtual designs as a visual feature of a product (protection is tied to a product)**

**Summary**

Under this option, virtual designs would be protected as a visual feature of a product, because they would be identified as surface ornamentation. This option would allow consideration of virtual designs in their active state and only provide protection if a virtual design is tied to a physical product. To address the current uncertainty concerning the enforceability of registered virtual designs, changes to the legislation and Design Office Manual would be needed.

The current definition of ‘product’ would also be maintained, and GUIs would be enforceable based on a broader interpretation of a visual feature. In applying this interpretation, a GUI would be a visual feature that can be transitory in nature, that can disappear and reappear depending on the state of the product when it is not active or in use respectively.

*Definition of Design and Visual feature*

Based on the Australian definition, a design must relate to the ‘overall appearance of a product’ resulting from one or more ‘visual features’ of the product. As visual features include ‘ornamentation’ of the product,53 changes to the legislation and Design Examiners’ Manual would need to state that such ornamentation encompasses ‘surface ornamentation’ which would include GUIs. Guidance in the Manual could take a similar approach like that provided by the USPTO regarding the treatment of virtual designs.54

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52 Copyright Act 1968 (Cth), sections 74 and 75.
53 See subsection 7(1) of the Designs Act 2003
54 See part 1504.01(a) of the USPTO Manual of Patent Examining Procedure
Given the lack of jurisprudence for virtual designs in Australian courts, it would be necessary to amend the definition of ‘visual feature’ in the legislation to include virtual designs as a form of ornamentation.

The design definition would need amendment to limit virtual design protection in the context of physical/tangible products. The current definition of ‘design’ requires visual features to be applied to the product. Amendments to the definition of design could take a US-style approach, where visual features do not necessarily have to be physically applied to the product but are instead embodied in the product.

**Assessment of virtual designs in their ‘active state’**

The current Design Office practice of assessing visual features of the product in the context of the product ‘at rest’, as opposed to ‘in use’ was challenged by ACIP, who considered it outdated. Under this option, amending the definitions of design and visual feature in the legislation together with updates to the Designs Manual would allow virtual designs (including GUI’s) during examination to be assessed in their ‘active state’ rather than ‘resting state.’ In practice, at the formalities stage, this would also involve allowing multiple representations of the virtual design that correspond to sequential images (for example a transitional GUI) against the one design. Currently this is not standard practice, and each differing representation is considered as a separate design which must be filed separately and requires additional fees for each separate design. The guidance would be changed to allow multiple representations to be filed under the one design.

Under this option, the logistics of searching prior art would require further guidance. For example, a computerised searching system could be used for virtual designs based on the information indicated in the application such as the class number of the Locarno Classification and the product identification. Catalogues, trade journals and any available foreign databases could also be searched.

Virtual designs would be examined as a ‘visual feature’ of a product in its ‘active state’. However, the impact of introducing such guidance on other tests carried out during examination would need to be further investigated (for example the criteria required for distinctiveness under section 19 of the Designs Act).

This option would allow consideration of virtual designs in their active state and ensure the scope of protection remains tied to a physical product. The link between a virtual design (such as a GUI) and an article/product is a necessary requirement for registration in a number of countries including China, Japan, Korea, Singapore and the United States.

**Discussion**

Applicants would benefit from having their virtual designs examined in the ‘in use’ state, rather than ‘at rest’ state. This would allow for greater design protection and harmonisation with international jurisdictions (including key trading partners). The current requirement to identify the product or products in relation to which each design is sought to be registered would continue to apply. The relationship between the virtual design and with the product to which it is applied would be extended to the considerations made at examination. Applicants would also need to ensure their virtual designs are adequately

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56 See section 1502 of the USPTO Manual of Patent Examining Procedure, Definition of a Design [R-07.2015], where the design for an article consists of the visual characteristics embodied in or applied to an article.
57 This is common practice in the United States and Canada.
59 See answer to Question 2 of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications Questionnaire on Graphical User Interface (GUI), Icon and Typeface/Type Font designs, Forty-First Session, April 8-11, 2019.
represented in a way that enables examiners and the public to understand and search them, particularly online. In order to meet this need, the current description requirements for designs would require updating. Applicants may therefore incur additional costs to comply with such requirements.

Applicants would have the certainty to proceed requesting certification of their registered designs, in line with their commercial needs as part of their business strategy. This option may however increase complexity for other parties including in determining freedom to operate and/or challenging the validity of relevant designs. There may also be costs associated in becoming familiar with the changes to the legislation and associated guidance.

**Option 3: Protect virtual designs independently by including them in the definition of product**

**Summary**

Under this option the definition of ‘product’ (section 6) in the Designs Act would be changed. The current definition describes a product as ‘a thing that is manufactured or hand-made.’ The definition of ‘product’ would be broadened to expressly include virtual designs with possible exceptions (such as the source code for computer programs which is already protected by copyright). The inclusion of exceptions would emphasise the intent of the designs legislation to only provide protection for the overall appearance of a product and not its function. Broadening the definition of product to include virtual designs would mean that there would be no requirement for the virtual design to be tied to a physical product. Other definitions may require amendment to ensure they are compliant with the extended definition of product. Definitions such as ‘design’ (section 5), ‘visual feature’ (section 7), ‘references to a design’ (section 8) and ‘registerable designs’ (sections 15 and 16) under the Designs Act, would need to be consistent with the new wording of ‘product.’

The criteria and standard used for determining whether a design is substantially similar in overall impression under section 19 of the Designs Act would need to account for virtual design protection. Any amendments made to the Designs Act to include partial design protection (for example changing the definition of ‘design’ and ‘product’ to allow registration of part of a product), would strengthen protection of virtual designs. For example, a virtual design such as a phone screen icon, would be afforded protection as a part of a design, rather than having to be considered in the context of the overall product, such as the whole phone screen or the phone.

**Discussion**

Largely the same costs and benefits that would be expected to apply if Option 2 were successfully implemented would apply to Option 3. However, given virtual designs would be protected independent of the product they are used in or applied to, there would be additional costs associated with searching and determining the freedom to operate.

Broader protection may be better suited to virtual designs given the number of potential products they can apply to, the speed at which technology is progressing and the rapid development of emerging technologies. For example, GUIs displayed through virtual reality technology are often displayed in the virtual environment in which the user’s presence is simulated, not on a screen or other physical product which can be shown in a design representation. In several countries, GUIs can be registered.

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61 See International Chamber of Commerce, 2018, *Design Protection for Graphical User Interfaces*, Page 8
independently of the product to which it is applied (for e.g. Brazil, the United Kingdom, the European Union, Denmark, France, Germany, Romania, Sweden and Switzerland).  

Equivalent designs legislation from the European Union and United Kingdom

This option would be similar to that taken in European Union and the United Kingdom, where ‘product’ is defined in their equivalent Designs legislation. This contrasts with the United States, China, Canada and New Zealand, where ‘product’ is not defined in legislation.

The European Union equivalent Designs Act defines product as:

“any industrial product or handicraft item, including inter alia parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs.”

The Designs Act (Registered Designs Act 1949) in the United Kingdom has a very similar definition applying to community registered designs. However, the provisions do not apply to unregistered designs in the United Kingdom. In the case of the European Union and United Kingdom, computer programs are excluded from the definition of a ‘product’.

This option would create an exception to the rule that a design must relate to a ‘product’, as the virtual design would be a product in itself. In other words, a virtual design would not need to be tied to a physical/tangible product for it be protected, as certification of stand-alone virtual designs would be possible.

Potential Australian approach

The Australian Designs Act could also include exceptions caught under the definition of ‘design’ to limit the scope of protection of virtual designs. For example, two-dimensional as well as three-dimensional products could be protected, while the source code driving the computer programs would not be protected. Virtual designs would include fonts, holographic designs, projected images and animated characters (both static and moving). Products resulting from 3D printing may not require additional protection as these are considered a product in themselves and therefore are able to be protected under the current Designs Act.

Allowing protection of virtual designs in Australia would lead to greater harmonisation with other jurisdictions including the European Union, United Kingdom, China, Canada, New Zealand, Japan, Korea and Singapore. However, this option may need to consider the broader impacts of such reforms, including whether the narrow defences under the Designs Act, would be sufficient if virtual designs were protected.

Preferred Option

Currently, IP Australia does not have a preferred option and welcomes further evidence and stakeholder feedback. We note that ACIP indicated the need to build the evidence base prior to affording virtual design protection.

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62 See answer to Question 2 of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications Questionnaire on Graphical User interface (GUI), Icon and Typeface/Type Font designs, Forty-First Session, April 8-11, 2019.
63 Design Regulation 2001 Article 3 (European Union).
64 Unregistered designs fall under the Copyright Designs and Patents Act 1988 (United Kingdom).
66 These jurisdictions have virtual design protection to varying degrees, see also World Trademark Review, Table 1: Subset of results from WIPO questionnaire on GUIs, icons and typefaces, accessed January 2019.
protection, but recommended reviewing examination procedures (for example a product to be examined in its ‘active’ rather than ‘resting’ state). ACIP noted that China, Europe and United States allow virtual design protection.

Questions for consultation

V1. What is your preferred option, and do you see any additional options for addressing the problem?

V2. Should protection for virtual designs be linked to a physical product? Why or why not?

V3. What types of virtual designs should or shouldn’t be protected? e.g. (computer programs and/or other types virtual designs such as fonts, holograms, animations etc)?

V4. Do you consider other existing forms of IP protection (such as copyright or trade mark protection) are sufficient for protection of virtual designs in Australia? Why or why not?

V5. Would partial design protection need to be provided as well to protect virtual designs effectively? Why or why not?

V6. Are you aware of additional costs and benefits that have not been identified in this paper? If so, please provide further detail.
1.3 Clarify section 19 of the Designs Act

Overview

Section 19 of the Designs Act sets out the criteria and standard used for determining whether a design is substantially similar in overall impression (distinctive). Distinctiveness is considered in examination and in determining infringement. ACIP recommended retaining the requirement of distinctiveness and section 19 of the Designs Act in its current form.\(^\text{67}\) However, ACIP noted the concerns of the Law Council of Australia (LCA) IP committee on the need to clarify section 19 to provide more guidance. It recommended that IP Australia consider the LCA’s suggested revisions to:

- clarify the standard of the informed user;
- clarify how the listed factors are to be weighed or assessed; and
- amend the use of a Statement of Newness and Distinctiveness

IP Australia has assessed these issues (which are discussed in detail below) and considers there is insufficient evidence which suggests uncertainty around the application of section 19. While IP Australia considers no change is required, stakeholder views and experiences are welcomed to provide evidence of problems relating to applying the distinctiveness test.

Background

Apart from being new, the threshold for innovation for designs in Australia requires that designs must also be distinctive.\(^\text{68}\) As noted by the ALRC, the aim of the distinctiveness test is to recognise innovation.\(^\text{69}\)

Section 19 provides guidance on assessing distinctiveness having regard to several matters:

- that common elements are to be given more weight than differences between the designs being compared,\(^\text{70}\)
- the state of the development of the prior art for the design,\(^\text{71}\)
- if there is a SoND identifying particular visual features of the design as new and distinctive, the informed user must have particular regard to these features.\(^\text{72}\) If these relate to only part of the design, the informed user must consider the significance of the identified part in relation to the overall design,\(^\text{73}\)
- If there is substantial similarity of part of a design to another, consider the amount, quality and importance of that part in the context of the overall design.\(^\text{74}\)

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\(^\text{68}\) Designs Act 2003, s 15.
\(^\text{69}\) Australian Law Reform Commission (ALRC), Report No 74, Designs (Sydney, 1995), paras 5.9-5.16
\(^\text{70}\) Designs Act 2003, s 19(1).
\(^\text{71}\) Designs Act 2003, s 19(2)(a).
\(^\text{72}\) Designs Act 2003, s 19(2)(b)(i).
\(^\text{73}\) Designs Act 2003, s 19(2)(b)(ii).
\(^\text{74}\) Designs Act 2003, s 19(2)(c).
• the freedom of the designer to innovate.  

If there is no SoND provided, the informed person must consider the overall appearance of the design.

**Problem**

As noted above, while ACIP considered the threshold requirement for distinctiveness and was not prepared to propose specific amendments at the time of the report, ACIP did note concerns raised by the LCA IP Committee and suggested that IP Australia could consult on any proposals by the LCA.

Three different issues with the current section 19 have been raised by the LCA: standard of the informed user; the weighting of factors; and the meaning of factors.

**Standard of the informed user**

There are two different interpretations of subsection 19(4) which outline the test used to assess if a design is substantially similar in overall impression to another design. Both relate to the standard used for assessing whether a design is distinctive:

- The European approach to the standard of an informed user (UK and EU) was applied by Australian courts in earlier decisions, as this concept was originally adopted from the UK Registered Designs Act 1949. It requires identifying potential ‘users’ of the product to which the design relates first, and then selecting from that user group who is ‘informed’ as to the product to which the design relates to.

- The Multisteps decision established that guidance from European and UK case law should not be taken due to the difference in the way the Australian legislation is framed. This ‘Australian’ approach does not require a person to be a user of the product (or similar products) to which the design relates to; rather the person needs only to be familiar with the product or similar products. For example, a design expert may be sufficiently familiar with a product, despite not being an actual user of that product or similar products.

As mentioned, despite a reference to ‘user’ in the tag contained in subsection 19(4), its content makes no reference to use, only familiarity. This was the approach adopted by Yates J in the Multisteps case where his Honour stated “the necessary and only qualification is that the person be familiar with [the product]”.  

The LCA has proposed amending subsection 19(4) to resolve any perceived uncertainty caused by the simultaneous operation of the two approaches. The LCA has stated that this uncertainty increases costs for parties to retain experts and prepare evidence, potentially increasing the length and complexity of hearings. The LCA has stated that it prefers the European approach (that is, requiring the informed user be

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75 Designs Act 2003, s 19(2)(d).
76 Designs Act 2003, s 19(3).
77 Recommendation 10.
78 For example, as outlined in Woodhouse UK Plc v Architectural Lighting Systems [2006] RPC 1 at [50], and applied in Review 2 Pty Ltd v Redberry Enterprise Pty Ltd (2008) 173 FCA 450.
79 This approach was followed in Multisteps Pty Ltd v Source & Sell Pty Ltd (2013) 309 ALR 83 and Hunter Pacific International Pty Ltd v Martec Pty Ltd [2016] FCA 796.
80 Further, Yates J articulated that “[s]ection 19(4) uses the expression ‘standard of the informed user’ ... merely as a tag [and] it is not a statement of the content of the test”: at [63].
81 See Yates J in Multisteps, [70].
a user of the product), noting it is a standard consistent with international norms and reflects the ALRC position that distinctiveness should be assessed by the standard of the informed user. The ALRC defines the informed user as “a person who is reasonably familiar with the nature, appearance and use of products of the relevant kind”.82 This definition aligns with the two-step European approach mentioned above. Since the release of the ALRC report, the Government has accepted ACIP's recommendation to retain the requirement of distinctiveness and section 19 of the Designs Act in its current form.

In November 2016, IP Australia responded to an LCA submission.83 At that time, IP Australia considered that in the absence of sufficient evidence showing an increased burden on users of the designs system it would be premature to consider changing legislation. IP Australia agreed to continue monitoring further court decisions in this area to assess the need for any future changes. IP Australia maintains the position that there is insufficient evidence to suggest a need to amend legislation.

**Weight and meaning of factors**

Other issues the LCA raised with IP Australia were:

- the lack of guidance as to how the various factors in section 19 interact and are to be weighted, and
- the meaning of some of the factors enumerated in subsection 19(2).

The LCA suggested amendments to the legislation to clarify that the person making the decision must have regard to the factors listed in subsection 19(2) when applying subsection 19(1) where more weight must be given to similarities between designs rather than differences. However, IP Australia notes that this decision-making approach which includes a holistic consideration of the factors under subsection 19(2) is already consistent with that exercised in the *Multisteps* decision.

It is arguable that providing a SoND would reduce the level of uncertainty associated with making the decision in subsection 19(1). While the intention of the SoND is to highlight visual features that are new and distinctive, others have used it to disclaim features from consideration and it is uncertain how a court will view such statements.84 The Designs Act does not currently provide for elements of the design to be disclaimed. If a SoND is provided by the applicant, a decision maker must have particular regard to the visual features of the design disclosed in the SoND.85

Regarding subsection 19(2), the LCA expressed concern regarding (i) whether the state of development of the prior art base allows for features commonly used in the trade to be considered when designs are compared; and (ii) uncertainty about the meaning of freedom of the creator to innovate. The LCA questioned if features used in the trade would be covered as a consideration under the subsection 19(2)(a) factor, such that similarities between two designs based on similarities common in the trade are discounted. It is noted that there is some guidance on these matters provided in the Design Examiner’s Manual.86 However, in the absence of evidence suggesting that there is confusion in how these matters are considered, legislative change may not be warranted. The LCA did acknowledge that introducing additional

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82 ALRC report, [5.17].
83 Trade marks and designs consultation group (TMDCG) discussion paper on 10 November 2016.
84 LCA submission to IP Australia and TMDCG dated 27 July 2016.
85 Designs Act 2003, s 19(2)(b).
86 IP Australia, Designs Examiners’ Manual Practice and Procedure (Designs Manual), D09.4.2 and D09.4.5.
factors or prescriptive amendments could increase costs and uncertainty and does not support amendment of section 19(2) regarding these factors.

As noted by ACIP, it may not be possible to provide further guidance on the section 19 factors without introducing new uncertainty into the Designs Act.

**Options**

If there is evidence to suggest a need to reform section 19, the options summarised below are proposed to address any uncertainty around the application of section 19:

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<td>Standard of Informed user – s19(4)</td>
<td>No change</td>
<td>Clarify that the informed user must be familiar with the product, consistent with the current approach taken by Australian courts (Multisteps and Hunter Pacific decisions)(^\text{87}) and routinely applied by the Designs office in practice.</td>
<td>Revise to specify European approach where the informed user must be an actual user of the product(^\text{88})</td>
</tr>
<tr>
<td>How listed factors are to be weighed/assessed – s19(2)</td>
<td>No change</td>
<td>Revise to clarify how listed factors are weighed/assessed</td>
<td>-</td>
</tr>
<tr>
<td>Statement of Newness and Distinctiveness (SoND)</td>
<td>No change</td>
<td>Make a SoND compulsory</td>
<td>Remove use of a SoND</td>
</tr>
</tbody>
</table>

**Revise subsection 19(4) to clarify the standard of the informed user**

**Option 1: No change**

**Summary**

Under this option, there will be no legislative change to section 19(4) of the Designs Act. The Designs Examiner’s Manual will continue to provide guidance on the Australian approach taken to subsection 19(4) and how the various factors listed under section 19 are to be weighed and assessed.\(^\text{89}\) The Australian approach is based on that applied in the *Multisteps* and *Hunter Pacific* decisions.

**Discussion**

---

\(^{87}\) This approach was followed in *Multisteps Pty Ltd v Source & Sell Pty Ltd* (2013) 309 ALR 83 and *Hunter Pacific International Pty Ltd v Martec Pty Ltd* [2016] FCA 796.

\(^{88}\) For example, as outlined in *Woodhouse UK Plc v Architectural Lighting Systems* [2006] RPC 1 at [50], and applied in *Review 2 Pty Ltd v Redberry Enterprise Pty Ltd* (2008) 173 FCA 450.

\(^{89}\) See Designs Manual, D09.4.
The benefit of this option is that no legislative change would be required. Under this option there would be no additional costs incurred. However, some degree of uncertainty may remain and the existing practice for litigants in relation to adducing expert evidence would remain unchanged. Furthermore, if changes were made to subsections 19(1), (2) or (3) it is worth noting that the elements contained in these subsections are assessed from the perspective of the standard of the informed user.

Option 2: Revise subsection 19(4) with reference to the *Multisteps* approach

**Summary**

Under this option, subsection 19(4) of the Designs Act would be amended to clarify that the standard of the informed user *does not* require the person to be a user of the product. Given that this is already the approach adopted by the Designs Office, any clarification would be essentially for the benefit of stakeholders who may be unfamiliar with current practice based on the *Multisteps* decision.

**Discussion**

There may be a minor benefit of confirming the current approach to the standard of the informed user given that recent court decisions have affirmed the *Multisteps* approach. To the extent that there is uncertainty with the current law, there may be reduced costs for litigants under this option, as they would not be required to obtain expert evidence from numerous experts and users. Based on submissions made to the ACIP review on designs, most stakeholders did not see a need to amend section 19. It is considered that clarifying the legislation in this manner would provide no meaningful difference compared to what is already routinely applied by the Designs Office in practice.

Option 3: Revise subsection 19(4) to specify that the informed user be a user of the product

**Summary**

Under this option, subsection 19(4) of the Designs Act would be amended to specify that the standard of the informed user *would* require a person to be a user of the product (or similar products) to which the design relates to. Such a revision to subsection 19(4) would mean a change of approach for the Designs Office, and possibly the courts.

**Discussion**

Amending subsection 19(4) to specify that the informed user be a user of the product is a shift away from the Australian approach and towards a European model. This option may bring an added burden for applicants and their attorneys to determine who a user of a product in the context of the standard of the informed user is, before turning to the question of whether they are familiar with the product (or products) to which the design relates to.

Revise subsection 19(2) to clarify how the listed factors are to be weighed or assessed

Option 1: No change

**Summary**

---

Under this option, there will be no legislative change to subsection 19(2) of the Designs Act. The Designs Examiner’s Manual will continue to provide guidance on how the various factors listed under section 19(2) are to be weighed and assessed.91

Notably, any decision to clarify subsection 19(2) should take into consideration whether changes are made to the requirement of a SoND.

Discussion

The benefit of this option is that no legislative change would be required. Under this option there would be no additional costs incurred. However, some degree of uncertainty may remain, and litigants may continue to incur costs in relation to seeking professional advice on the various listed factors under subsection 19(2).

However, if changes such as introducing protection for partial designs were contemplated, regard should be directed at the references to “design as a whole” contained in section 19.

Option 2: Revise subsection 19(2) to clarify how the listed factors are to be weighed or assessed

Summary

Under this option, subsection 19(2) of the Designs Act would be amended to clarify its interpretation of the listed factors. As a suggested amendment to subsection 19(2), the phrase “The person must also” would be replaced with “In applying subsection (1), the person must have regard to the following matters”.

Discussion

This amendment clearly indicates that the factors listed under subsection 19(2) must be considered in deciding if a design is substantially similar in overall impression to another design. However, any amendment to clarify this provision would require careful attention to avoid an overly prescriptive approach that could mislead applicants and attorneys to prepare evidence for irrelevant factors. This option may provide a minor benefit to applicants and attorneys in relation to the nature of the evidence to prepare for disputes arising in relation to subsection 19(2). Consequently, this amendment may deliver minor cost savings to an applicant facing a dispute involving an issue of infringement or entitlement.

Revise section 19 to require the use of a SoND

Option 1: No change

Summary

Under this option, there will be no legislative change to section 19 in relation to the SoND. The use of a SoND would remain voluntary for applicants to consider when filing their design application. In the context of section 19, a SoND is a positive assertion with respect to certain features. If a statement is worded as a negative statement (for example, that certain features in the representations are not part of the design) the statement will be interpreted as a positive statement with respect to all the other features of the design shown in the representations.

However, one of the key concerns to emerge from the ACIP review on designs in relation to the use of the SoND was that applicants were unable to amend the details contained in their SoND after the design was

91 See Designs Manual, D09.4.
registered. The practical effect of this is once a SoND is filed along with a design it cannot be amended prior to any subsequent examination of the design.

Discussion

The benefit of this option is that no legislative change would be required. Under this option there would be no additional costs or benefits incurred. However, some degree of ambiguity may remain for self-filers who choose to make use of a SoND. For example, statements provided by self-represented applicants are often in the form of a general description of the design without any emphasis on particular visual features, and without adding anything to what is disclosed in the representations.

A further question is whether we should return to the ‘statement of monopoly’ which existed as a voluntary statement under the Designs Act 1906 if partial design protection were to be introduced. On this point, the ALRC found that the use of statements of monopoly was unsatisfactory and often added to the cost and complexity of the registration process. If the statement of monopoly was re-introduced, it would be in the context of providing a mechanism to clearly disclaim parts of a product and clear guidance would be needed to clarify which statements would qualify.

Option 2: Revise section 19 to make a SoND compulsory

Summary

Under this option, use of a SoND would be compulsory for all new design applications. To reflect this, subsection 19(3) would be deleted, and subsection 19(2)(b) be amended to reflect the compulsory requirement to provide a SoND. Consequently, the listed factors under subsection 19(2)(b) would apply in each instance when assessing substantial similarity in overall impression.

Discussion

While this option may have the benefit of reducing uncertainty associated with the use of the SoND, it may lead to further costs for applicants in preparation of their design applications.

Option 3: Revise section 19 to remove the reference to a SoND

Summary

Under this option, use of a SoND would be removed from the Designs Act. To reflect this, paragraph 19(2)(b) and subsection 19(3) would be amended to remove any reference to a SoND. As a consequence, the test for substantial similarity will be determined with regard to the appearance of the design as whole.

Discussion

A SoND is not an essential component of a design. Where no statement has been filed, subsection 19(3) specifies that distinctiveness must be determined by having regard to the appearance of the design as a whole. This option may have the benefit of reducing uncertainty associated with providing a SoND, however, it removes any advantage that an applicant may derive from the use a SoND at examination or in asserting their designs rights.

Preferred Option

The no change option is preferred because there is insufficient evidence suggesting that uncertainty regarding the application of section 19 is increasing burden on users of the designs system. Without such...
evidence, there appears to be little benefit in making legislative amendments to clarify the operation of the legislation, particularly in light of current office practice and recent court decisions.

IP Australia notes that any change to section 19 would impact on ACIP recommendations 13 (partial designs) and recommendation 14 (virtual designs). Consequently, if no protection was introduced for partial and virtual, non-physical designs, the preferred option would be option 1 – no change. This would be consistent with ACIP’s recommendation to retain section 19 of the Designs Act in its current form.

On the other hand, if protection were to be introduced for partial and/or virtual, non-physical designs, IP Australia does not have a preferred option. In this case, further consideration must be given to what the consequential impacts would be on section 19 by enabling protection of partial and/or virtual designs. IP Australia welcomes further evidence and stakeholder feedback.

Questions for consultation

C1. Given the concerns raised by the LCA IP Committee, and the preceding discussion, do you see a need to further clarify certain elements of section 19?

C2. How do you see the suggested changes to the use of the SoND (Options 2 and 3) impacting on the administrative burden of applicants?

C3. If protection for partial designs was introduced, how do you see this impacting on the operation of subsection 19(2)? Would the introduction of partial designs cause the SoND to be redundant?

C4. If protection for partial designs was introduced, do you see any problems in retaining the expression ‘design as a whole’ as it appears in subparagraph 19(2)(b)(ii), paragraph 19(2)(c), and subsection 19(3)?

C5. If protection for virtual designs was introduced, how would you see this impacting on the definition of ‘product’ as it currently appears in subsection 19(4)?
Conclusion: Scope of designs protection

In this digital age, there is a need to ensure the designs system can support and encourage the development of new and emerging industrial designs. In certain markets, designers may need the ability to protect a new design for certain parts or portions of a product, particularly when they are seeking a commercial or competitive advantage. There also appears to be a growing use of digital designs to add value to emerging technologies in Australia. The above proposals examine potential options to further broaden the design monopoly in order to support the creation of new designs and accommodate designs for future or emerging technologies. The complex nature of ensuring the correct level of protection of these types of designs is reflected in the varying approaches applied by other jurisdictions around the world. This underscores the need to consider these proposals carefully, and we invite your feedback on these questions.
## Appendix 1

### Table 1– International Comparisons

<table>
<thead>
<tr>
<th>Country</th>
<th>Partial designs protection</th>
<th>Virtual designs protection</th>
<th>Dual protection under Copyright</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia (Designs Act 2003)</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>EU (Community Design Regulation)</td>
<td>✓</td>
<td>✓</td>
<td>Subject to national laws</td>
</tr>
<tr>
<td>UK (Registered Designs Act 1949)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>US (35 USC § 171)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Canada (Industrial Design Act 1985)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>China (Patent Law of China)</td>
<td>✗</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Singapore (Registered Designs Act Ch 266)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>New Zealand (Designs Act 1953)</td>
<td>✗</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Japan (Design Act 1959)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>South Korea (Design Protection Act)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 2

### Table 2: Comparison across different jurisdictions on visual disclaimers applied to Partial Designs

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Scope of Protection</th>
<th>Visual Disclaimers</th>
</tr>
</thead>
</table>
| **European Union**   | No requirement to provide product name, prior designs can come from any field       | • A ‘part’ or ‘portion’ without context is preferred  
• Use dotted lines and shading to exclude parts if a whole product is shown  
• If broken lines can’t be used due to technical reasons, other disclaimers such as colour shading, boundaries and blurring can be used. |
|                      | Protects against any use                                                           |                                                                                                                                                                                                             |
| **United Kingdom**   | Product indication does not affect scope of protection  
• Monopoly applies to all sectors and products, where no linkage is required between different products with the same part  
• Protects against any use, whatever its intended purpose | • A ‘part’ or ‘portion’ without context is preferred  
• Use dotted lines and shading to exclude parts if a whole product is shown  
• If broken lines can’t be used due to technical reasons, other disclaimers such as colour shading, boundaries and blurring can be used. |
|                      |                                                                                                                                                        |                                                                                                                                                                                                             |
| **Japan**            | Product name influences scope of protection  
• Novelty assessed against designs from same field  
• Inventive step assessed against designs in any field | • Solid lines to indicate claimed portion, and broken lines or colouring to indicate unclaimed portions  
• A set of 6 views must be submitted                                                                                                                                 |
|                      |                                                                                                                                                        |                                                                                                                                                                                                             |
| **South Korea**      | Limited to identical or similar products (can be compared against designs from other fields which have the same purpose but differ in function) | • Solid lines to indicate claimed portion, and broken lines or colouring/boundary lines to indicate unclaimed portions                                                                                                                                 |
|                      |                                                                                                                                                        |                                                                                                                                                                                                             |
| **Singapore**        | Generally limited to products from the same Locarno class  
• Clearly identify the part or parts of the article by means of broken or stippled lines, or shaded portions |                                                                                                                                                                                                             |
| **United States**    | Protects against any use, whatever its intended purpose  
• Prior art can come from any field for novelty but must be analogous for obviousness | • Claimed portions in solid lines, unclaimed portions within dashed broken lines  
• Arbitrary boundary lines shown using dot-dash broken lines  
• Stipple shading used to show claimed portions  
• If different lines are used, must be explained in specification.                                                                                                                                 |

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<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Design</th>
<th>Article/Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>A <em>design</em> means the appearance of the whole or a part of a <em>product</em> resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation.</td>
<td><em>A product</em> means any industrial or handicraft item, including, inter alia, parts intended to be assembled in a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs.</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>A <em>design</em> means the appearance of the whole or a part of a <em>product</em> resulting from the features of, in particular, the lines, contours, colours, shape, texture or materials of the product or its ornamentation.</td>
<td><em>A product</em> means any industrial or handicraft item other than a computer program, and, in particular, includes packaging, get-up, graphic symbols, typographic type-faces and parts intended to be assembled into a complex product.</td>
</tr>
<tr>
<td>Japan</td>
<td><em>Design</em> means the shape, patterns or colours, or any combination thereof, of an article, including a part of an article, which creates an aesthetic impression through the eye.</td>
<td>-</td>
</tr>
<tr>
<td>South Korea</td>
<td>The term &quot;<em>design</em>&quot; means a shape, pattern, or colour of an article (including parts of an article (excluding those defined under Article 42) and fonts; the same shall apply hereinafter), which invokes a sense of beauty through visual perception;</td>
<td>-</td>
</tr>
<tr>
<td>Singapore</td>
<td><em>Design</em> means features of shape, configuration, colours, pattern or ornament applied to any article or non-physical product that give that article or non-physical product its appearance.</td>
<td><em>Article</em> means any thing that is manufactured (whether by an industrial process, by hand or otherwise), and includes – (a) any part of an article, if that part is made and sold separately; and any set of articles</td>
</tr>
<tr>
<td>United States</td>
<td>The design for an article consists of the visual characteristics embodied in or applied to an article. The subject matter of a design patent application may relate to the configuration or shape of an article, to the surface ornamentation applied to an article, or the combination of configuration and surface ornamentation.</td>
<td>Designs must be for an article of manufacture</td>
</tr>
</tbody>
</table>
### Appendix 3: Table 4 - Example List of Locarno Classes (WIPO)

#### LOC12 data for “EPIC” view mode not yet available

<table>
<thead>
<tr>
<th>Class</th>
<th>Alphabetic</th>
<th>Class And Subclass Headings</th>
<th>General Remarks</th>
<th>Recommendations</th>
<th>Modifications</th>
<th>Search</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>SOLAR EQUIPMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not including solar heat collectors (Cl. 23-03).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-99</td>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Class 14

**Recording, telecommunication or data processing equipment**

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-01</td>
<td>EQUIPMENT FOR THE RECORDING OR REPRODUCTION OF SOUNDS OR PICTURES</td>
</tr>
<tr>
<td></td>
<td>Not including photographic or cinematographic apparatus (Cl. 16).</td>
</tr>
<tr>
<td>14-02</td>
<td>DATA PROCESSING EQUIPMENT AS WELL AS PERIPHERAL APPARATUS AND DEVICES</td>
</tr>
<tr>
<td>14-03</td>
<td>TELECOMMUNICATIONS EQUIPMENT, WIRELESS REMOTE CONTROLS AND RADIO AMPLIFIERS</td>
</tr>
<tr>
<td></td>
<td>Including telephone and television apparatus, as well as radio sets.</td>
</tr>
<tr>
<td>14-04</td>
<td>SCREEN DISPLAYS AND ICONS</td>
</tr>
<tr>
<td></td>
<td>Including those for goods belonging to other classes.</td>
</tr>
<tr>
<td>14-05</td>
<td>RECORDING AND DATA STORAGE MEDIA</td>
</tr>
<tr>
<td>14-06</td>
<td>HOLDERS, STANDS AND SUPPORTS FOR ELECTRONIC EQUIPMENT, NOT INCLUDED IN OTHER CLASSES</td>
</tr>
<tr>
<td></td>
<td>MISCELLANEOUS</td>
</tr>
</tbody>
</table>

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**LOC PUB Version:** 2.1.14  
**Last modified:** 2019.06.11
Appendix 4: Legislative overlap between the Designs Act and Copyright Act

Copyright protection in Australia

In Australia, virtual designs, such as graphical content in GUIs, icons and typefaces/type fonts, which comprise an ‘artistic work’ may be protected by copyright if they are sufficiently original and fixed in material form. Familiar symbols or designs, and most typefaces, fonts and lettering are unlikely to qualify as original artistic works. Some other elements of screen displays which may form part of a GUI, such as dialog boxes (literary work), animations (cinematograph film) and sound recordings, may be copyrightable. The underlying source and object code of the computer program used to generate the GUI may also be protected by copyright as a literary work. The protection of computer-generated screen displays and virtual reality components is less certain given their intangible nature. It also remains uncertain whether a GUI as a whole may be entitled to copyright protection, particularly given their functional nature.

Copyright protection is limited for artistic works that are commercially exploited as industrial designs. Generally, once a product design is registered under the Designs Act copyright protection will be lost unless the design consists solely of features of two dimensional surface patterning or ornamentation. Copyright protection may also be lost in artistic works (other than ‘works of artistic craftsmanship’) used as designs for three-dimensional features of products if the design is ‘applied industrially’ and the resulting products are sold or offered for sale. Relevantly, a design is taken to be applied industrially when, with consent of the copyright owner, 50 or more articles are made.

Copyright protection in Europe

Other jurisdictions also have limited protection for virtual designs under copyright and trade marks. For example, Europe has some harmonisation of copyright protection through international treaties (such as the Berne Convention) yet differences exist between EU member states regarding the originality threshold and copyright protection of virtual designs remains limited. Virtual designs may also be protected as a trademark in Europe if distinguishable from other products or services. However, like copyright protection, trade mark protection in Europe offers limited protection to a narrow group of very distinguishable designs (for example the Facebook ‘like’ button).

Copyright protection in United States, China and Singapore

The United States, China and Singapore also have limited protection of virtual designs to varying degrees. Singapore’s recent review of the registered designs regime is aiming for a minimal overlap between protection of registered designs and copyright. The report reaffirms Singapore’s policy position that the designs of ‘useful articles’ or ‘products’ are more appropriately protected under the registered designs regime rather than under copyright. For example, if the article has no intrinsic function other than to carry the design (such as an artistic work such as a sculpture) then protection will fall under copyright, rather

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93 An artistic work is defined to include a painting, sculpture, drawing, engraving or photograph, a building or model of a building, or a work or artistic craftsmanship: see Copyright Act 1968 (Cth), subsection 10(1).
94 Copyright Act 1968 (Cth), sections 74 and 75.
95 See for example: Burge v Swarbrick [2007] HCA 17; (2007) 234 ALR 204; 81 ALJR 950 (26 April 2007)
96 Copyright Act 1968 (Cth), subsection 77(4) and Copyright Regulations 1969 (Cth), section 12
97 Rainer Filitz, Joachim Henkel, Jörg Ohnemus, Centre for European Economic Research, Digital Design Protection in Europe: Low, Trends, and Emerging Issues, Item 2.1 page 3-4.
98 Rainer Filitz, Joachim Henkel, Jörg Ohnemus, Centre for European Economic Research, Digital Design Protection in Europe: Low, Trends, and Emerging Issues, Item 2.2 page 4-5.
than the designs regime. Singapore resembles the current Australian approach to copyright protection by applying a threshold. In cases where the volume of the article or product is 50 or less, it is not considered to be industrially applied.\footnote{Review of Singapore’s Registered Designs Regime (Final Report) March 2016, pp 13-16.}
### Appendix 5

**Table 5: Comparison across different jurisdictions on approach to protecting Virtual Designs**

<table>
<thead>
<tr>
<th></th>
<th>EU and UK</th>
<th>China&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Japan&lt;sup&gt;b&lt;/sup&gt;</th>
<th>South Korea&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Singapore&lt;sup&gt;a&lt;/sup&gt;</th>
<th>United States&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Static GUIs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dynamic GUIs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Static icons</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dynamic icons</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Transitional images</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Animated characters</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Holographic designs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>#</td>
</tr>
<tr>
<td>Projected image designs*</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>#</td>
</tr>
<tr>
<td>Screen Display Designs</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>without human interaction**</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Computer related typeface type font</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Screen display designs (in a network environment)</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Screensavers</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Virtual 3D designs</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>#</td>
</tr>
</tbody>
</table>

<sup>a</sup> These designs must be applied to or embodied in an article or product

<sup>b</sup> Currently under policy consideration

*projections onto a windshield, optical/laser projection keyboard

**e.g. ornamental patterns (including wallpapers), photo, a scene of computer games and/or movies, etc.