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The Parliament of the Commonwealth of Australia
House of Representatives

Designs Amendment Bill 1981
Explanatory Memorandum

(Circulated by the authority of the Minister for Science
and Technology, the Honourable David Thomson, M.P.)

DESIGNS AMENDMENT BILL 1981

OUTLINE

The purpose of this Bill is to amend the Designs Act 1906 so as to incorporate a number of important changes.

The Bill provides that the initial period of registration of a design should be for one year only from the date of registration, and that this period should be capable of extension to give a maximum period of protection of 16 years. During the initial one year period of registration members of the public will be given the opportunity to notify the Registrar in writing of any matters that affect the validity of the design.

In relation to the registration of designs the Bill provides for the abolition of the present requirement of registration according to a class system. The abolition of the class system will afford wider protection to designs without affecting the test of novelty or originality.

The Bill introduces a new definition of "design" which is coupled with a new provision, the combined effect of which makes it clear that design features which serve a functional purpose should not be taken into account when determining the registrability or validity of the design.

The Bill also includes provisions:-

- . analogous to those in the Patents Act 1952 allowing the Crown, subject to compensation, to use a design and allowing the Registrar to prohibit publication of a design in the interests of the defence of the Commonwealth; and
- . conferring jurisdiction in respect of designs on the Supreme Courts of the States and the Territories.

NOTES ON CLAUSES

Introduction

1. Clauses 1 and 2 provide for the short title and commencement of the various sections of the Act.

Principal Act

2. Clause 3 defines the Designs Act 1906 as being the Principal Act.

Clause 4 - Title

3. This clause amends the title of the Principal Act, and is one of the provisions designed to clarify the differences between the rights conferred by the Principal Act and the copyright conferred by the Copyright Act 1968.

Clause 5

4. Section 4, 4A, 4B and 5 of the Principal Act which dealt with certain definitions and the scope of that Act are repealed by clause 5, and a new interpretation section is inserted together with sections which indicate the scope of the Act and the fact that the Act binds the Crown.

Clauses 6 and 7 - Registrar and his powers

5. Clause 6 amends section 8 of the Principal Act, which deals with Officers of the Designs Office, so as to simplify the administration of the Designs Office, whilst clause 7 inserts new section 8A clarifying the powers and functions of the Registrar.

Clause 8

6. This clause repeals Part III of the Principal Act, the substantive provisions of which are now incorporated in new sections 19, 20 and 25C.

Clause 9 - New or original design may be registered

7. Clause 9 substantially amends section 17 of the Principal Act, particularly by incorporating the effects of a number of decisions of the courts interpreting what is meant by a "new or original" design, and by abolition of the present system of registration according to class.

Clause 10

8. This clause makes minor amendments to section 17A of the Principal Act to delete now redundant words.

Clause 11

9. This clause inserts new section 18 to 22C into the Principal Act.

Section 18 - Design may include functional features

10. This section makes it clear that a design may include features of shape or configuration that serve a functional purpose, and that the decision of the House of Lords interpreting the corresponding U.K. legislation in AMP Inc. v. Utilux [1972] RPC 103 does not apply to the interpretation of the Principal Act.

Section 19 - Owner of unregistered design

11. This section provides that the author of a design which has not been registered is the owner of that design. Similarly in an employer-employee relationship, the employer is the owner of the design.

12. Sub-section (4) provides that the owner of the design can assign all or part of his interest in that design.

Section 20 - Application for registration

13. This section sets out who is entitled to make application for registration of a design and the procedures to be followed in making that application.

Section 21 - Priority date

14. This section introduces the concept of priority dates and subject to new section 22C and new section 49, the priority date shall be the date on which the application for registration was lodged.

Section 22 - Registered design not to be invalid
by reason of certain circumstances

15. This section makes it clear that publication or use of the design in Australia after the priority date will not invalidate any subsequent registration of a design. Similarly, registration of a design with the same or a later priority date will not invalidate a registration.

Section 22A - Death of applicant

16. This section determines ownership of a design in the event of the death of an applicant.

Section 22B - Amendment of application

17. This section provides for amendment of an application for registration of a design, and also provides for appeal to a prescribed court should the Registrar refuse to amend the application.

Section 22C - Division of application after
amendment

18. This section introduces the concept of a divisional application in respect of a design excluded from an application as a result of an amendment under section 22B. The section also includes provision for determining the priority date and the date of registration of divisional applications.

Clause 12 - Registrar may register design

19. Section 23 of the Principal Act empowers the Registrar to register a design. This clause makes minor amendments to this section including specific reference empowering the Registrar to cause whatever searches he thinks fit to be conducted in determining whether a design is new or original.

Clause 13

20. This clause repeals section 24, 24A and 25 of the Principal Act and inserts new sections 24 to 25D.

Section 24 - Registrar may refuse to register design

21. This section empowers the Registrar to refuse to register a design, subject to a right of the applicant to be heard, and subject to a right of appeal to a prescribed court.

Section 25 - Monopoly in design

22. Section 25, when read with the definition of "monopoly" in section 4, confers rights on the owner of a registered design.

Section 25A - Co-ownership of registered design

23. This section sets out the relative rights of co-owners of a registered design.

Section 25B - Power of Registrar to give directions to co-owners

24. This section empowers the Registrar to give directions to co-owners of registered designs to settle disputes between those owners, subject to a right of the parties to be heard. A direction of the Registrar under this section is reviewable by the Administrative Appeals Tribunal under the provision of new section 40K.

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Section 25C - Rights of registered owner to be personal property

25. This section establishes the nature of an owners rights in a registered design and indicates in particular they are personal property rights capable of assignment and transmission by operation of law.

Section 25D - Subsequent registration of design in respect of other articles

26. This section provides a mechanism whereby owners of a registered design may extend their rights to cover other articles or to designs which are obvious adaptations of the registered design. The section makes it clear that the registration of this further design remains in force so long as the registration of the original design and no longer, but in the event of the registration of the original design being cancelled by a prescribed court, such cancellation does not of itself cancel the registration of the further design.

Clause 14 - Certification of registration of design

27. This clause amends section 26 of the Principal Act by deleting sub-sections (2), (2a), (2b), and (2c). These sub-sections relate to the renewal of the registration of a design; the procedure for renewal of a design is now regulated by new section 27A.

Clause 15

28. This clause repeals section 27 of the Principal Act and substitutes new sections 27, 27A, 27B and 27C.

Section 27 - Registered designs open to public inspection

29. This section sets out the particular documents which become available for public scrutiny upon the design being registered.

Section 27A - Period during which registration is in force

30. This section regulates the period of the registration of a design. It provides an initial period of registration of 12 months from the date of registration; during this period any person may lodge at the Designs Office a notice setting out any matter relevant to the validity of the design registration. After considering any such material the Registrar may renew the period of registration for a further period expiring 6 years after the date on which the application for registration was lodged. After the expiry of this period of 6 years, the registration may be renewed for two further periods each of 5 years.

Section 27B - Application for restoration of registered design

31. This section prescribes who may make an application for restoration of the registration of a design where the registration has lapsed, and the manner of making that application. The section also provides for third party opposition to the restoration of the registration.

Section 27C - Registrar to deal with application

32. This section prescribes how the Registrar should deal with the restoration of a registration of a design subject to a right of the parties to be heard. A decision of the

Registrar under this section is reviewable by the Administrative Appeals Tribunal under the provisions of new section 40K. The section also provides for the protection or compensation of persons who availed themselves of the design during the period the design had ceased to be in force.

Clause 16 - Applications to prescribed court

33. This clause amends section 28 of the Principal Act consequent on the insertion of a definition of "prescribed court" in section 4.

Clause 17 - Duty of owner of registered design

34. This clause repeals the requirement for the owner of a registered design to cause articles to be marked with the prescribed mark denoting that the design is registered.

Clause 18 - Heading to Part V

35. This clause amends the heading to Part V of the Principal Act and is one of the provisions which seek to clarify the nature of the rights conferred by the Designs Act.

Clause 19 - Infringement of monopoly in designs

36. Clause 19 makes a consequential amendment to subsection 30(1) of the Principal Act and confers a right of action in respect of infringement (which currently appears in section 31).

Clause 20

37. This clause repeals sections 31 and 32 of the Principal Act and inserts new sections 31 to 32B.

Section 31 - Infringement actions

38. This section confers jurisdiction in infringement actions on prescribed courts whilst at the same time indicating that other courts are not deprived of any jurisdiction it might already possess.

Section 32 - Defendant may counter-claim for
rectification of register

39. This section allows a defendant in an infringement action to counter-claim for rectification of the register by expunging of the entry of the registration of the design from the register.

Section 32A - Intervention by Registrar in
infringement action

40. This section empowers a prescribed court to grant leave to the Registrar to intervene in any proceeding for the infringement of the monopoly in a registered design.

Section 32B - Remedies for infringement of monopoly
in designs

41. This section sets out the remedies available to a plaintiff in an infringement action. These include an injunction, and at the option of the plaintiff, either damages or an account of profits. The section also provides that neither an award for damages nor an order for account of profits will be necessarily made if the defendant satisfies the court he was not aware that the design was registered or if he had taken all reasonable steps to ascertain whether a monopoly in the design had existed.

Clause 21 - Correction of register

42. This clause amends section 37 of the Principal Act relating to correction of the register in consequence of amended definitions in section 4.

Clause 22

43. Clause 22 repeals section 38 of the Principal Act and inserts new sections 38, 38A and 38B.

Section 38 - Registration of assignments, transmissions

44. This section clarifies the power of the Registrar to register a change in the title to a design.

Section 38A - Registration of mortgages, licences

45. Section 38A is a new provision empowering the Registrar to register a mortgage, licence or other interest in a registered design.

Section 38B - Unregistered instruments not to be admitted in evidence

46. This section provides that any document or instrument which has not been entered into the register is not admissible in evidence in a court unless the court otherwise directs. This does not apply to applications for rectification of the register.

Clause 23 - Rectification of Register

47. This clause amends section 39 of the Principal Act (relating to rectification of the register), consequent on the amended definitions, and incorporates the provisions currently appearing in section 40 of the Principal Act.

Clause 24

48. This clause repeals section 40 and Part VIA of the Principal Act and substitutes new parts VIA, VIB and VIC.

Section 40A - Use of designs for services of the Commonwealth or a State

49. This section empowers the Commonwealth or a State to

make use of a design for the services of the Commonwealth or that State, subject to a right of compensation. In the event of a dispute as to the amount of compensation, a prescribed court is empowered to adjudicate.

Section 40B - Declaration may be sought as to use of registered design

50. This section allows the owner of a design to apply to a prescribed court for a declaration that a design has been used under section 40A. It also permits the Commonwealth or a State to apply for expunging of the registration from the register by way of a counterclaim.

Section 40C - Forfeited articles

51. This section clarifies the rights of the Commonwealth or of a State in respect of articles forfeited under a law of the Commonwealth.

Section 40D - Acquisition of designs by the Commonwealth

52. This section empowers the Commonwealth to acquire a design the subject of an application or of a registration subject to compensation as is agreed upon or determined by a prescribed court.

Section 40C - Assignment of design to the Commonwealth

53. This section relates to the assignment of a design to the Commonwealth and makes provisions relating to the terms of the assignment.

Section 40F - Prohibition of publication of information with respect to designs

54. This section allows the Registrar, subject to any

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direction of the Minister to prohibit the publication of information with respect to the subject matter of an application for the registration of a design in the interests of the defence of the Commonwealth. The section further provides that no person should publish or communicate information in contravention of the prohibition except with the written consent of the Registrar and prescribes the penalties.

55. The section also makes provision for the revoking of the prohibition of publication.

Section 40G - Jurisdiction of prescribed courts

56. This section confers jurisdiction under the Principal Act on prescribed courts and provides for the exercise of that jurisdiction.

Section 40H - Transfer of proceedings

57. This section permits the transfer of proceedings between different prescribed courts and provides for the transfer between those courts of documents relating to the proceedings.

Section 40I - Appeals

58. Section 40I confers appellate jurisdiction from a prescribed court on the Federal Court and on the High Court subject to the leave of the respective Court.

Section 40J - Powers of prescribed courts

59. This section sets out the powers of a prescribed court on the hearing of an appeal from a decision or a direction of the Registrar.

Section 40K - Applications for review

60. Section 40K confers jurisdiction on the Administrative Appeals Tribunal to review a direction of the Registrar given under section 25B (relating to directions given to co-owners), section 27B(3) (relating to dismissal of an application for restoration) and a decision by the Registrar under section 27C (relating to reinstatement of a lapsed registration).

Clause 25 - Governor-General may make regulations

61. This clause deletes the fee-setting power from the general regulations making power appearing in section 41 of the Principal Act.

Clause 26

62. This clause repeals section 42 of the Principal Act and inserts new sections 42 to 42D.

Section 42 - Fees

63. This section provides for the setting of fees and the effects of a failure to pay the prescribed fees.

Section 42A - Powers of Registrar

64. This section allows the Registrar to summon witnesses, take evidence on oath, require the production of documents or articles, and award costs.

Section 42B - Disobedience to summons an offence

65. This section creates offences and prescribes penalties in respect of an unlawful failure to appear in answer to a summons or an unlawful failure to produce documents or articles.

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Section 42C - Refusal to give evidence an offence

66. This section creates an offence and prescribes a penalty in respect of a refusal to give evidence which has been lawfully required by the Registrar.

Section 42D - Recovery of Costs

67. This section provides a mechanism for recovery of costs awarded by the Registrar.

Clause 27 - Registrar may recognise agents

68. This clause amends section 44 of the Principal Act consequent on the amended definition.

Clause 28 - False representation that a design is registered

69. This clause amends section 45 of the Principal Act by prescribing a higher penalty for falsely representing that any design applied to an article is registered.

Clause 29

70. This clause inserts new sections 46, 46A and 46B after section 45 of the Principal Act.

Section 46 - Exercise of discretionary power

by Registrar

71. This section requires the Registrar to give a hearing to any person who would be adversely affected by the exercise of a discretionary power.

Section 46A - Objection to validity of design not

to be taken in certain circumstances

72. This section provides for the prevention of the invalidation of the registration of a design and the prevention of objection to an application for registration of a design in certain limited circumstances where publication of the design

was made without the owners consent.

Section 46B - Notice of appeal to prescribed
court to be given to Registrar

73. This section provides that notice of appeal to a prescribed court from a decision of the Registrar shall be given to the Registrar and that the Registrar is entitled to appear and be heard.

Clause 30 - Exhibiting of designs at official or
international exhibitions

74. This clause amends section 47 of the Principal Act consequent on the amended definitions.

Clause 31

75. This clause repeals sections 48 and 49 and substitutes modernised provisions relating to international conventions.

Section 48 - Convention countries

76. Since Australia is now a member of the Paris Convention for the Protection of Industrial Property, section 48 now gives effect to the provisions of the Convention, and provides for member countries of that Convention to be proclaimed as such under the Act.

Section 49 - Applications under International
Conventions

77. Section 49 prescribes procedures in relation to applications under international conventions including who may apply, what documents are required in support of the application, and determination of the priority date of applications made.

Section 50 - Withdrawn applications not to be
used as basic application in certain circumstances

78. This section provides for the disregarding of an earlier basic application in certain limited circumstances and brings Australian designs law into line with the requirements set out in Article 4C(4) of the Paris Convention.

Clauses 32 and 33 - Amendments of the Copyright Act 1968

79. These clauses introduce the amendments set out in the Schedule to amend the Copyright Act 1968 consequent on the amendment of the definitions in the Designs Act 1906.

Clauses 34 and 35 - Amendment of the Patents,
Trade Marks, Designs and Copyright Act 1939

80. These clauses repeal section 15 of the Patents, Trade Marks, Designs and Copyright Act 1939 consequent on the new provisions appearing in sections 48, 49 and 50 of the Designs Act 1906.

Clauses 36 and 37 - Transitional

81. These clauses are transitional provisions preserving the position of those parties who made application for registration of designs before the commencement of the Act.