7. Applied designs

This chapter describes the protection of rights in a work that is going to be “industrially applied”. The relationship between the Designs Act and the Copyright Act is complicated but it is important to grasp. Important changes may soon simplify and diminish the importance of Designs Act protection for visual artists.

(a) General

If a work is to be put to an industrial application, consideration should be given to registering the design under the Designs Act 1906 (Cth). This gives the person registering the design a monopoly over its use for the particular categories of application for which the design is registered. Registration is particularly important if the artist fears any competitive commercial exploitation of the design.

(b) What is a design?

Section 4 of the Designs Act states that “design” means features of shape configuration, pattern or ornamentation applicable to an article, being features that, in the finished article, can be judged by the eye.

It does not include a method of construction. Thus, the manufacture of an article often involves the implementation of at least two designs - the design or shape of the object itself, and the design or ornamentation that is applied to the article. For example, the shape of a vase may be registered and so may the pattern applied to the surface of a vase.

(c) The meaning of “industrial application”

A design is deemed to be industrially applied if it is applied to:
• more than 50 articles; or

• one or more articles (other than handmade articles) manufactured in lengths or pieces. (A common example of this would be wallpaper and lengths of fabric.)

The design may be utilised by actually making an article from it or by applying it “in any way or by any means, to the purpose of the ornamentation, or pattern, or shape, or configuration, of the article”.

An example of the former may be the application of a design on a tee-shirt, scarf or vase; an example of the latter would be the making of a toy likeness of a cartoon character, or the manufacture of chairs from the usual scale drawings. It does not include a method or principle of construction: s. 4.

The most important factor which indicates that a design has been industrially applied is its application to more than 50 articles. The number is somewhat arbitrary. Thus, if one applies a design to 50 tee-shirts or makes 50 articles from a design, there is no need to register the design. However, if 51 are made, then the design must be registered if it is to enjoy protection.

(d) Exclusions

Regulation 11 (Design Regulations 1982) sets out a list of articles that are primarily of a literary or artistic character, the designs for which are not registerable. The list is exhaustive:

“(a) articles on which there is printing, being –

(i) book jackets;
(ii) calendars;
(iii) certificates, forms or other documents;
(iv) dressmaking patterns;
(v) greeting cards;
(vi) labels;
(vii) leaflets;
(viii) maps;
(ix) plans;
(x) postcards;
(xi) stamps; or
(xii) transfers that are for the purpose, and are capable of being transferred to the surface of objects;

(b) medals.”

Why the list should include book jackets but not record covers is anomalous. Artists who design a record cover should register the design (or at least attempt to do so).

(e) The interrelationship of the Copyright and Designs Acts

The protection provided by the Copyright Act 1968 (Cth) is different from that of the Designs Act. Under the Copyright Act, the copyright owner does not have a monopoly over the work. For example, if another person independently comes up with the same image or shape, they too can enjoy copyright protection for that work because it is original, even though it is not novel. In the case of a registered design, the owner has a monopoly. If other persons later independently conceive of the same design, they cannot use it, for to do so would be to breach the rights of the monopoly owner.

The interrelationship of the Designs Act and the Copyright Act is a matter of considerable legal complexity. However, it becomes important when somebody allegedly copies a design that could and should have been registered, but was not.

(i) Works created before 1 May 1969
If the artistic work was created prior to 1 May 1969, intention is extremely important. If the author did not intend to industrialise the artistic work at the time it was made, then its subsequent industrialisation does not detract from the protection provided by the Copyright Act. However, if it was intended to apply the work industrially right from the outset (and it was capable of registration) then the author will lose Copyright Act protection if it is applied industrially without being registered: see s. 218(2) and the *Popeye case* [1941] A.C. 417.

(ii) Works created after 1 May 1969

With works made after this date, the intention of the artist is irrelevant. The only factor that will cause an artistic work to lose its protection under the Copyright Act is the actual industrial application of that work. Section 77 of the Copyright Act states that copyright protection is lost for an artistic work that is applied industrially without being registered.

(iii) The present consequences of non-registration

At the moment if the copyright owner applies a work industrially without first registering it under the Designs Act and those articles are “let for hire or offered or exposed for sale or hire in Australia”, then the opportunity to enjoy a monopoly is lost. For 16 years after the date that the goods are “let for hire or offered or exposed for sale or hire”, it will not be an infringement of the copyright in the work to do anything that would have been within the scope of the monopoly had it been registered (Ricketson, pp. 519-520). After 16 years the copyright owner will lose all residue copyright protection for all categories. Then anyone can copy the idea. Anyone can then apply the work for their own industrial purpose in whatever way they choose and without its original creator having any control over the application or enjoying any recognition or financial reward for the work.

Copyright protection will not be lost if the design is industrially applied to an article that is excluded from registration (Designs Act, s. 17(2), reg. 11) or is not registerable because of functionality or lack of novelty or originality or if the design is industrially applied outside Australia (Copyright Act, s. 77(1)(b)(c)). In these situations, although the owner...
will not enjoy monopoly as provided by the Designs Act, he or she will still retain all of the protection offered by the Copyright Act.

(iv) Likely changes

An amendment to the Copyright Act was introduced into the House of Representatives in late 1988 and is expected to go to the Senate in early 1989. The Bill changes the present relationship of copyright and design by providing more protection to artistic works reproduced in two dimensions than to those that are reproduced in three. The reason for this is simple enough: for a long time there has been much criticism that the laws of copyright (which were originally intended to protect artistic, literary, theatrical and musical creativity) have been increasingly used to protect industrial inventions and processes. These latter sorts of things were supposedly to be primarily protected by the Designs Act and Patents Act. The new legislation seeks to restore the original scheme of things.

If the legislation passes the Senate in its present form, in order to determine the effect of industrial application upon copyright protection, it will be important to ask whether the industrial application was made in two or three dimensions. (For example, a two-dimensional application might be the reproduction of artistic works as ornamentation on vases or designs on tee-shirts. A three-dimensional reproduction might be the making of chairs or suits from a two-dimensional sketch.) More protection will be available for the former than the latter.

Thus, if a two-dimensional artistic work is registered under the Designs Act and is applied industrially in two dimensions it will be protected under the Designs Act for those industrial purposes and will still be protected under the Copyright Act for all other purposes. If that artistic work is registerable but is not registered the owner gets no protection from the Designs Act but retains protection from the Copyright Act.

By contrast, if a two-dimensional artistic work is registered under the Designs Act and is applied industrially in three dimensions it will be protected under the Designs Act for
those industrial purposes but will not be protected under the Copyright Act for any purpose at all. This means that a drawing for say an exhaust pipe, which is applied industrially, will be protected only under the Designs Act but will get no protection from the Copyright Act.

Makers of craft objects will fall within an exception. Designs for works of artistic craftsmanship will not lose copyright protection when such a design is transformed into a three-dimensional work.

There is no such exception for sculpture. This should not, however, cause a problem for so long as the sculptor does not make limited editions of more than 50 there will have been no “industrial application” of the design and it will remain protected under the Copyright Act.

All of this simplifies the life of artists such as those who have from time to time allowed their work to be put on tee-shirts and fabric designers. Up to now they have had to register their designs in order to protect them. After the amendments, when the copyright owner of a two-dimensional work wishes to “industrially apply” it in a two-dimensional form, he or she will not need to register it under the Designs Act for it will remain protected under the Copyright Act.

Given the uncertainty in this area at time of writing, those with problems with design and copyright overlap should contact the Australian Copyright Council and check the current position.

(f) Period of protection

If the artistic work is registered as a design, the monopoly lasts for a maximum of 16 years. After that, anyone can use it.
The initial registration is for a year. This can be extended for three further periods of five years. It is useful to note that the period of protection runs from the time of application not the actual date of registration.

(g) Infringement

The registered owner enjoys a monopoly. Thus, if another person applies the design (or a fraudulent or obvious imitation of the design) to any article in respect of which the design is registered, the monopoly is infringed.

Similarly, a person infringes that monopoly by importing (for the purpose of sale, trade, etc.), or offering for sale or hire, an object to which a registered design has been applied without the permission of the owner of that registered design. In this way, the registered owner may attack not only the manufacturer of articles which breach the monopoly but also those who seek to profit from that breach. It must also be emphasised that innocence and ignorance is no defence. If the monopoly is unintentionally violated the judge may exercise his or her discretion with respect to the amount of damages awarded but the defendant would have to prove that he or she had taken all reasonable steps to find out whether or not the design was registered. As a matter of evidence, this always includes searching the register. Thus, the most common instance in which the courts hold that the infringing party should not pay damages is where the initial infringement took place between the lodging of the application and formal entry on the register.