Legal Practitioners’ Admission Board – Diploma in Law

INTELLECTUAL PROPERTY COURSE

Lecture 5 – Industrial Designs (Pt 2)

Infringement of monopoly in designs


2. The operation of Section 71 – the test for infringement; interrelationship with Section 19.


Defences

4. Overview of two main defences:
   a. ‘Right of repair’ defence: Section 72.
   b. Exclusion of parallel imports: Section 71(2).

Remedies

5. Basic outline of remedies available.

Copyright/design overlap

6. Overview of copyright/design overlap provisions in Copyright Act.

7. The definition of ‘corresponding design’.

8. Operation of Section 75: where a corresponding design has been registered.

9. Operation of Section 77: where a corresponding design has not been registered, including the meaning of ‘applied industrially’.

10. Statutory loophole for ‘works of artistic craftsmanship’.

11. Defence established by Section 77A.

Group discussion – past exam question (designs)

12. A past exam question dealing with design issues (attached) will be discussed.
Past exam question - designs

Students must answer both Part A and Part B of this question.

Part A

Cool Designs Pty Limited (“Cool Designs”) is a company which specialises in creating new designs applicable in the automotive industry. Cool Designs was approached by a leading car manufacturer to design a special row of seats to be secured in the rear of people-mover motor vehicles. These vehicles have become popular amongst families with more than three children.

Cool Designs identified a problem with existing rear seats in these people-mover vehicles, namely, that the seats (once installed) could not be folded up in a way which maximised boot space. Cool Designs’ rear seat is shaped differently to existing rear seats, in such a way that when it is folded up it takes less space in the rear of the vehicle and so allows for maximum boot space in the rear compartment.

During the course of developing the product, Cool Designs installed two examples of its newly designed seats into two vehicles which were then driven around Adelaide by two families. The families tested the seats for about a month. Each of the families signed confidentiality agreements which restrained them from informing anybody regarding the nature or origin of the rear seats installed in the cars they had been provided by Cool Designs.

In light of the above information, Cool Designs seeks your advice regarding whether it is able to apply for registration of the design for its rear seat under the Designs Act 2003 (Cth). In providing your advice you should consider the relevant principles and provisions regarding registration of a design under the Act and whether Cool Designs has engaged in any conduct which might mean that it will not be able to obtain registration for the design of its rear seat. [15 marks]

Part B

Regardless of the conclusion you reach in respect of Part A above, assume that Cool Designs files an application to register the design for its rear seat.

‘Cars R Us’ is a major competitor of Cool Designs in the automotive industry and has recently commenced selling a range of rear seats which are capable of being installed in various makes of people-mover vehicles sold in Australia. ‘Cars R Us’ started manufacturing and selling the seat as it saw there was a real opportunity to market ‘replaceable’ seats in people-movers.

‘Cars R Us’ has become aware of Cool Designs’ design application to register the design for its new rear seat. Cool Designs’ design application is still pending before the Designs Office. ‘Cars R Us’ is concerned that should Cool Designs obtain registration for the design of its rear seat then, because of the similarities between the
two products, this will make ‘Cars R Us’ vulnerable to an action for design infringement.

‘Cars R Us’ has heard about a new ‘spare parts’ defence which might be able to assist it in avoiding a design infringement action.

Advise ‘Cars R Us’ in relation to whether the ‘spare parts’ defence under the Designs Act 2003 (Cth) might assist it in avoiding an infringement action which might be commenced in due course by Cool Designs. In answering this question, students are not required to discuss the issue of design infringement which may arise in respect of the similarities between the two rear seats. [10 marks].