

13 August 2023

IP Australia  
Discovery House  
47 Bowes Street  
Phillip ACT 2606

Registrar

**Submissions from the Institute of Patent and Trade Mark Attorneys (IPTA):**

**IP AUSTRALIA PUBLIC CONSULTATION FOR THE PROTECTION OF INCREMENTAL DESIGNS**

We thank IP Australia for the opportunity to provide feedback on the proposed changes to allow for protection of incremental designs.

IPTA is an organization that represents registered patent attorneys and registered trade mark attorneys in Australia. The membership of IPTA includes Australian patent attorneys and trade mark attorneys in private practice, as well as patent attorneys and trade mark attorneys in industry, in public sector organisations, in universities, and others practicing as barristers.

IPTA members represent a multitude of large corporations, SMEs, universities, research institutes and individual inventors, all of both Australian and foreign nationalities, with a deep interest in IP rights in Australia.

IPTA provides the following comments for consideration by IP Australia.

**I GENERAL - Protection of incremental designs**

The proposal is set out in two parts, the introduction of:

- (i) A new preliminary design, and
- (ii) The reintroduction of a design of addition as "post-registration linking".

The two proposals have been considered separately, and the following points of note have been discussed by the IPTA Designs Committee, and subsequently collated for submission herein.

IPTA considers that the ability to allow designers to amend/update their initial design to capture subsequent changes in preparation for manufacture and finalising of a commercial design is an important step, and should be incorporated into the design system. However, the manner in which the preliminary design is proposed to be incorporated has raised some potential issues and concerns, as set forth herein.

IPTA considers the reintroduction of a “design of addition” or post-registration linking as a welcome change to the design system, and an important change to allow advancements in a design to be captured and protected, with certainty. However, there is a question of how much this would be used, some potential for abuse and a potential for the linking to be utilised only as a fallback position after a non-favourable examination report.

In summary IPTA is in favour of adopting protection of incremental designs but does not consider Proposal 1, introducing a preliminary design right, to provide a suitable framework.

## **II The grace period is in addition to the preliminary protection period**

IPTA considers that a grace period of 12 months and a subsequent 6-month preliminary design protection period place the proposed regime out of step with other IP rights.

- For example, where disclosure of patentable subject matter occurs, the applicant has 12 months in which to file a complete application, not 12 months and a subsequent 6 months.
- Where a designer has disclosed their design, Proposal 1 contemplates a 12-month grace period, and a 6-month preliminary period. This leaves nothing on the Register for third parties to find for up to 18 months.

IPTA acknowledges the difficulties in assessing the right time to file a design application and the balance between an early priority date and the maturity of the design; however, the current problem is somewhat overstated because IPTA considers that the recently introduced grace period has provided designers with some cover in this respect.

IPTA considers the cumulative benefit of a grace period, and a preliminary protection period provides a long period in which a third party could be using/commercialising a product without any knowledge that they may be in breach of another party’s IP rights. To this end, there must be a defence to infringement **and** there should be a right to a prior use exemption, if a registered design right can appear on the Register 18 months after conception with no prior publication or opportunity for the third party to have found this information.

When the preliminary design is published (after filing a main design) IPTA is interested to know how/where is it published and whether copies will be available on request or whether copies will be made available on an e-dossier for third parties looking to contest priority of any given design.

IPTA requests that IP Australia consider whether the designs system should be offering such additional IP rights to designers over those offered to inventors and whether this lack of consistency will cause issues for applicants foreign and domestic.

### **III Does post registration linking negate the need for a preliminary design**

IPTA considers that the ability for a designer to register advancements in their design that are substantially similar to the initial design filed (post-registration linking), creates some redundancy in the need for a preliminary design.

If a subsequent filing can be made for any incremental changes to an originally filed design, and selectively linked post-registration, then any applicant can use Proposal 2 to capture incremental changes to their design within Australia without the need for a preliminary design process.

A question arises as to whether multiple preliminary designs could be filed and then combined into a single main application. For example, where a designer has contemplated a number of incremental changes to different aspects of a design (a fork, having a head, a body and a handle) but has not yet committed to a given direction. Could the designer file preliminary designs for three separate forks (each with a different, but substantially similar head, body and handle) and then combine a head, a body and handle from each of the three preliminary applications, claiming priority from each in a single "*main application*". This may not be a valid concern, given the short 6 month period for preliminary protection, but it is not uncommon for some applicants to file a raft of designs to incrementally different products: the only different being that under the current system all need to be filed on the same date.

IPTA notes that Proposal 1 envisages no amendments to the preliminary design, but recognises that the ability to correct obvious mistakes or clerical errors may be needed for functionality.

### **IV Low cost option**

IPTA considers that a proposed "low-cost" filing option for the preliminary design would probably not save the applicant a great deal. The bulk of costs within a design application are in relation to the cost of preparing formal representations and attorney service/consultation fees in determining what is to be protected and how. As such, these fees would still be incurred in preparation of a preliminary design, and would be incurred again when preparing the "main design" where new formal representations are required.

IPTA considers this on face value, this low-cost option may be appealing to self-filers; however, these applicants would be most at risk of potentially damaging their future IP rights and particularly overseas IP rights if using the system without the guidance of a professional attorney.

While IP Australia's Proposal notes that the Designs Office proposes to call the applicant and to assist in the process, IPTA recognises that the Office will be making decisions and providing guidance based on validity and formalities, i.e. advising the applicant whether formalities and deadlines are met. This is to be contrasted to the attorney's role in understanding the client's business and commercial needs and advising the applicant on what can/should be protected, and how to best align with the client's needs, risk appetite

and interests. Further, provided such level of assistance may be outside of the Designs Office's role in providing information as opposed to advice.

## **V Infringement exemption for prior use**

IPTA considers that not allowing third parties to raise the prior use defence to infringement after the filing of a preliminary design creates potential issues. Because the preliminary design is not published or available to any third party, there is no way for the third party to be aware that their conduct is potentially infringing, as there has been no publication. As such, they should be allowed to avail themselves of the infringement exemption for prior use.

The consultation brochure states (p8):

*...the priority date is set by the preliminary design, so ...**prior use cannot be triggered** by third party use after the filing of the preliminary design...*

*Third party use after filing of the preliminary design, but before filing of the main design, cannot infringe.*

*Prior use rights must occur before the preliminary design is filed.*

IPTA is in agreement, that the innocent third party cannot be taken to infringe the preliminary design after filing, as they cannot know what is in the application. However, with nothing to place the third party on notice of the preliminary design filing contents or scope, it is questionable whether the innocent third party should also be deprived of prior use rights on the basis of the preliminary design filing; particularly as they may have been exploiting the design for 18 months before any such publication occurs (cf. Gilette Defence).

## **VI Overseas convention filings will not accept amendments to the representations as filed**

IPTA considers that not publishing the preliminary design will assist with overseas convention filings, as lack of publication will reduce disclosure. However, the aim of the preliminary design is to allow the designer to start displaying, advertising and otherwise exploiting the design after filing the preliminary design. As such, the designer is likely to disclose their own design, even if IP Australia does not publish. This initial design will still be capable of overseas protection within a 6-month period, but amended versions of the design will not. And depending on the extent of the variation, the amended version of the design may be considered disclosed from the designer's own disclosure/use of the initial design.

IPTA notes that Australian self-represented filers could inadvertently disadvantage their overseas filings by using the preliminary design filing route without professional guidance.

IPTA submits that it may be simpler for a designer to file an initial design for protection as a standard application (under the current regime) and should the design change in the next 6 months, they can elect to file a design of addition to capture these changes in Australia (Proposal 2). In the event that the amendments are significant, and the subsequent design is

not substantially similar to the original design, a new application can be filed in each of Australia or the relevant overseas jurisdictions. Alternatively, where the design does not change, there is no issue to claiming the 6-month convention filing date overseas.

Present practice allows for designers to submit multiple designs in a single application, and to defer registration for 6 months. This already provides designers an opportunity to protect a number of designs without selecting which one to pursue until after 6 months of sales, or market feedback. The proposed preliminary design will only cover designers who make changes to the design that were not envisaged at the time of filing, and only if said changes are substantially similar, which under the current rules for infringement should already be covered. In this manner, there are questions as to the advantages of the preliminary design.

The newly introduced grace period allows a designer to commercialise a design without filing an application, and then, when/if the commercial product is successful (within 12 months), to file for registration. Proposal 1 does not stop a designer taking this route, in Australia.

## VII Generous interpretation of Paris Convention

On page 20 of the consultation brochure, it is stated that:

*If the Paris Convention requirements for claiming priority are met, the priority date of the first application can be shared with the subsequent application.*

Under the Paris Convention, the right of priority can only be claimed for subsequent filings for the **same subject as a previous first application**, which is typically construed to mean the same design as the priority application (*Article. 4C* reproduced below for reference).

This is interpreted to mean that IP Australia would be open to recognising a priority right for a design application where the design has been incrementally changed (but still substantially identical) from the initial filing.

It is further posited on page 21, that *foreign claims for priority from earlier applications filed in other countries would be assessed using the same standard as domestic applications.*

In this manner, IP Australia would be offering foreign designers registering designs in Australia the same generous standard for recognising priority claims, regardless of where the earlier application was filed.

In the event that such generous construction *can be afforded* to the Paris Convention, there is a larger question as to whether this innovative direction is a way for Australia to reflect real world issues with the designs system and a forward-thinking approach, or whether this generous interpretation takes Australia detrimentally out of step with the global IP community.

IPTA notes that any activities that advance anti-harmonisation between Australian practice and the Hague agreement may be in breach of obligations and commitments already made to adopt the Hague agreement.

**Paris 4C****C.**

(1) The periods of priority referred to above shall be twelve months for patents and utility models, and six months for industrial designs and trademarks.

(2) These periods shall start from the date of filing of the first application; the day of filing shall not be included in the period.

(3) If the last day of the period is an official holiday, or a day when the Office is not open for the filing of applications in the country where protection is claimed, the period shall be extended until the first following working day.

(4) A subsequent application concerning the same subject as a previous first application within the meaning of paragraph (2), above, filed in the same country of the Union shall be considered as the first application, of which the filing date shall be the starting point of the period of priority, if, at the time of filing the subsequent application, the said previous application has been withdrawn, abandoned, or refused, without having been laid open to public inspection and without leaving any rights outstanding, and if it has not yet served as a basis for claiming a right of priority. The previous application may not thereafter serve as a basis for claiming a right of priority.

IPTA reasons that this proposed ability to stretch priority rights to subject matter not initially disclosed is open to abuse. Furthermore, this abuse will be open to all applicant's filing into Australia: providing overseas applicants with an ability to play the system that is not conversely provided to Australian applicants when filing overseas.

For example, after an applicant files a preliminary design, they may become aware of a competitor operating in this field. Providing action is taken within 6 months, and providing that the competitor product is substantially similar to that disclosed in the preliminary application, the applicant is then enabled to file a main application to the subject matter of the competitor product. This action is facilitated, even where the original subject matter was not contemplated by the designer when filing the preliminary application. This is indeed a *generous* interpretation.

While Proposal 2 is drafted in such manner that the applicant is confined to post-registration linking to their own conceived original design, Proposal 1 is not so confined, allowing any and every product substantially similar in overall appearance to be claimed within the main application. IPTA cannot suggest a known jurisdiction where a complete application is so entitled to claim more than was filed in the originating application.

In summary IPTA considers filing a complete or "main application" in Australia with different subject matter to the complete applications filed elsewhere is likely to be problematic.

## VIII Post-registration linking

IPTA considers that the design of addition is a welcome step and would likely be more used than the current patent of addition. Due to the reduced nature of the scope of design protection, the ability to protect iterations of the design over time, provides certainty to the owner. Presumably, where a design advances significantly, a new design registration will be filed, so the design of addition will only operate to protect incremental changes to a design.

IPTA submits that because the design of addition must be substantially similar in overall impression, then theoretically, the scope of anyone copying the subsequent design should also be covered by the original filing. To this end it appears necessary that all linked registrations always remain with a single owner.

As the scope of a design is determined based on the prior art and the crowding in the prior art base, this could raise uncertainty as to how much change is acceptable. IP Australia has sought to reduce the impact of this question, by determining that the registrant can elect to link the application if and when an objection is raised during examination based on the owner's earlier application preventing certification.

As such, the post-linking would only occur:

- (i) where a designer files a subsequent design; and
- (ii) where the registrant (or third party) request examination of the subsequent design; and
- (iii) where the Registrar considers the initial design to constitute prior art.

IPTA suspect's that attorneys will be reluctant to suggest a design of addition to clients at the outset, as this has the potential to limit a client's rights. If there is no need to limit the term of protection to an earlier, initial application, there is no motivation to do so. In Addition, the current two-stage system does not encourage registrants to proceed to examination, unless there is a foreseeable risk of infringement.

As such, it is envisaged that the conversion to a design of addition will only occur when the three criteria (i)-(iii) above occur. As such, the uptake of this option may not be widely adopted. The operation of Proposal 2 could be equated to a fall-back position, similar to the conversion of a standard patent application to an innovation patent, where inventive step objection/s prevent the application from proceeding to acceptance.

IPTA suggests that asking applicants to declare the intention to link the design on filing of the subsequent design or on requesting registration may provide more clarity (similar to making a declaration of intention to use the grace period – although this can be done at any time before or during examination). Applicants who know that they are working on an iteration to a currently protected product are in a position to make this declaration upfront, this could stop designs sitting on the Register unexamined, that may or may not be linked, providing more clarity/certainty to third parties.

Page 10 of the consultation brochure suggests that this proposal is well suited to industries with longer product life cycles; however, because the subsequent designs are all limited to

the initial 10-year term of the initial design, this is unlikely to offer any incentive. The same paragraph goes on to state that more time may be required for manufacturing; however, it is considered that Proposal 1 (the preliminary design) would be better suited to this aspect of protection, i.e. iteratively amending a design pre-production (generally for compliance or ease of volume manufacture).

A further effect that will dissuade a client from utilising Proposal 2 is the vulnerability of linking, as the subsequent designs are presumably also vulnerable to any attack on the parent. As such, even if the registrant does not request exam, a third party can, thus placing the initial and any subsequent design/s in jeopardy for their entire term.

In summary IPTA is not opposed to adopting a post-registration linking system but is unsure as to how much uptake there may be. As each subsequent post-registration linking can allow the protected design to deviate further and further from the original, the owner has an improved certainty over the scope of their protection. But all deviation is still restricted to the same 10-year term of the initial design.

## **IX Chains of linked designs**

In reviewing page 25 of the consultation brochure, there is a daisy-chaining option and a linking option provided in Figure 13.

IPTA is not in favour of this daisy-chaining option, as it allows each subsequent design to diverge incrementally further and further from the initial filing and introduces a risk of abuse of the system, allowing a registrant to file an incremental design iteration purely for the sake of stopping an infringer/competitor and not for a product actually contemplated for commercialisation. In this manner a competitor product could be targeted by virtue of one or more incremental filings to converge on a targeted competitor product.

IPTA envisages that these linked filings could be filed to target copiers/competitors after the fact, where the infringing product is more than one iteration of "substantially similar" from the registered design. The applicant continues to file incremental changes, each iteration of the linked design jumping closer and closer to the competitor product. IPTA does not believe Proposal 2 should be unbounded such that its use can target an alleged infringer/copier. In addition, if such an amendment to the design's regime were introduced, anyone prior using must be entitled to a defence to infringement and a right to continue their prior use.

To avoid such abuse or unintended "scope creep" the second chaining option would be preferred where each design to be linked cannot vary from the initial filing by more than one iteration, i.e. all linked designs are substantially similar to the parent application. However, IPTA recognises that this limitation to some extent detracts from the purpose of reintroducing designs of addition.

In the event that an abuse of the system becomes apparent an added control could be introduced requiring an applicant to declare their intent to use post-registration linking on filing of the subsequent application.



Proposal 2 also contemplates (as page 24) that *“There would be no requirement that the product be the same or similar. This could permit the registrant to protect an already protected design that is re-used for a different product.”*

## **IX Interpretation of the prior art base for infringement**

Set out above, IPTA considers that applicants may use the post-registration linking to capture infringers. In addition, this protection strategy could encourage filing of multiple, incremental designs giving rise to design “thickets”: where an applicant files a plurality of applications for any and all contemplated incremental changes. While this is not an unacceptable use or abuse of Proposal 2, it will potentially reduce the existing rights of all in the field, as the crowding within the prior art base would necessarily affect the assessment of the prior art base for infringement purposes.

## **X CONCLUSIONS**

In relation to the questions posed by IP Australia:

- ***Would you use it?***
  - Proposal 1 – maybe, but predominantly where the client intends to commercialise in Australia. Where overseas protection is sought, there would be added complications for the client to consider and added costs in preparing additional drawings and assessing how best to extend this cover overseas.
  - Proposal 2 – yes, where and when the Registrar deems it necessary.
- ***Do the benefits outweigh the complexities?***
  - Proposal 1 – yes, for Australian applicants doing business in Australia. For those wishing to exploit their design overseas, maybe not. The complexities appear to outweigh the benefits, particularly in view of the grace period.
  - Proposal 2 – yes, in the limited circumstances that this option would be used.
- ***Do preliminary designs add complexity for exporters?***
  - Proposal 1 – yes, for those wishing to exploit their design overseas their initial design is protected and any subsequent o/s filings within 6 months.

The new design as filed in the “main application” is unlikely to receive priority o/s from the preliminary filing if the design has changed – even incrementally. Notwithstanding the lack of publication of the preliminary design, there is a risk that the applicant’s own actions and exploitation of the design in the 6 month “preliminary period” could be held against their future o/s filings if the design of the main application is substantially similar to the exploited product but different from the preliminary filing.

IP Australia's proposed generous interpretation of the Paris Convention may not be allowable. This interpretation also gives rise to concern for anti-harmonisation with the world IP community and potential negative consequences for Australian right holders.

- ***Are there unintended consequences?***

- Proposal 1 – There is a risk that a third party could be using and spending money to commercialise a product in Australia for 18 months before an application is published and subsequently puts them on notice. They should be entitled to a defence to infringement and a prior use exemption, as they have no way of knowing their actions were in breach until publication.
- There is a risk of abuse, as the applicant is essentially entitled to claim for matter in the main application that is essentially not disclosed in the originally filing.
- There is a risk of damaging future IP rights overseas for Australian applicants.
- There is a risk of damaging Australia's harmonisation globally.
- Proposal 2 – In allowing subsequent designs to be post-registration linked, there is more minimal risk than Proposal 1, because only the registrant of the initial design is entitled to post-registration link a subsequent design, and the scope within which they can amend the design is limited.
- There is a positive outcome, being an increased certainty on the scope of protection for the registrant, and the opportunity to continue to incrementally protect a product as it is developed (within limits).
- There is a risk of abuse, depending on the implementation of Proposal 2 as registrants may be able to tailor future registrations to target competitors.

- ***What are the alternative options?***

- Proposal 1

Instead of filing an initial priority application, allow applicants to amend the design at any time prior to the request for registration. This would avoid the need for a 'provisional' design application (which is inconsistent with most other jurisdictions and causes potential problems for those wishing to file overseas) while providing much the same beneficial effect as the proposed 'provisional' system. It can also apply to applications coming in from overseas, as differences between the Australian Convention application and the priority application could be treated in the same way as amendments (provided they are made before registration is requested – which is coincident with the convention deadline).

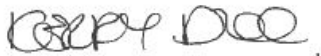
Abandon the preliminary design proposal and rely on post-registration linking for future iterations, thereby maintaining harmony with other global IP Offices.

- Proposal 2
- Allow post-registration linking, as a means of allowing designers to seek protection for incremental changes to their initial filing in Australia.
- If a subsequent design can be linked in Australia, the applicant may avail themselves of this option in lieu of filing a preliminary design.
- Impose some limitations around daisy-chaining and whether the intent to link should be declared to reduce the opportunity for abuse.

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IPTA looks forward to an opportunity to comment on the proposed incremental designs amendments before they are implemented.

Yours faithfully

A handwritten signature in black ink, appearing to read "Kerry Dick".

Kerry Dick  
**IPTA Councillor**