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The Parliament of the  
Commonwealth of Australia

THE SENATE

*Presented and read a first time*

**Designs Amendment (Advisory Council  
on Intellectual Property Response) Bill  
2020**

**No.     , 2020**

*(Industry, Science, Energy and Resources)*

**A Bill for an Act to amend the *Designs Act 2003*,  
and for related purposes**



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## Contents

1	Short title.....	1
2	Commencement.....	1
3	Schedules.....	2
<b>Schedule 1—Grace period</b>		<b>3</b>
	<i>Designs Act 2003</i>	3
<b>Schedule 2—Infringement exemption for prior use</b>		<b>6</b>
	<i>Designs Act 2003</i>	6
<b>Schedule 3—Registration of designs—removal of publication option</b>		<b>9</b>
	<i>Designs Act 2003</i>	9
<b>Schedule 4—Relief from infringement before registration</b>		<b>15</b>
	<i>Designs Act 2003</i>	15
<b>Schedule 5—Right of exclusive licensee to bring infringement proceedings</b>		<b>17</b>
	<i>Designs Act 2003</i>	17
<b>Schedule 6—Formal requirements</b>		<b>20</b>
	<i>Designs Act 2003</i>	20
<b>Schedule 7—Other amendments</b>		<b>22</b>
	Part 1—Standard of the informed user	22
	<i>Designs Act 2003</i>	22
	Part 2—Revocation of registration of design	23
	<i>Designs Act 2003</i>	23
	Part 3—Renewal of registration of design	24
	<i>Designs Act 2003</i>	24



# **A Bill for an Act to amend the *Designs Act 2003*, and for related purposes**

The Parliament of Australia enacts:

## **1 Short title**

This Act is the *Designs Amendment (Advisory Council on Intellectual Property Response) Act 2020*.

## **2 Commencement**

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

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<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedules 1 to 6	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	
3. Schedule 7, Parts 1 and 2	The day after this Act receives the Royal Assent.	
4. Schedule 7, Part 3	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

### 3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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## Schedule 1—Grace period

### *Designs Act 2003*

#### **1 Subsection 17(1)**

Repeal the subsection, substitute:

- (1) For the purpose of deciding whether a design (the *subject design*) is new and distinctive, the person making the decision must disregard any of the following publications or uses that occur in the period of 12 months ending at the end of the day before the priority date in relation to the subject design:
  - (a) a publication or use of a design (which may or may not be the subject design) by a relevant entity;
  - (b) a publication or use of a design (which may or may not be the subject design) by another person or body that derived or obtained the design from a relevant entity.

Note: For *relevant entity*, see subsection (1D).

- (1A) Subsection (1) applies in relation to a publication or use that occurs on or after the commencement of Schedule 1 to the *Designs Amendment (Advisory Council on Intellectual Property Response) Act 2020* (whether the 12-month period referred to in that subsection begins before, on or after that commencement).
- (1B) Paragraph (1)(b) does not apply to the following publications:
  - (a) a publication by the Registrar under this Act;
  - (b) a publication by a person or body in a foreign country if:
    - (i) the person or body has functions similar to the Registrar's functions; and
    - (ii) the publication is under a law of that foreign country relating to designs;
  - (c) a publication by an agency or organisation that is established under, or in accordance with, an international agreement if:
    - (i) the agency or organisation has functions including publishing designs to the public; and

- (ii) the publication is in accordance with an international agreement relating to designs or with a law relating to designs.

(1C) For the purposes of paragraph (1)(b), if:

- (a) the registered owner of the subject design establishes that:
  - (i) a relevant entity; or
  - (ii) another entity in accordance with an authorisation from a relevant entity;

published or publicly used a design (the *first design* and which may or may not be the subject design) before a particular publication or use of a design (the *other design*) by another person or body; and

- (b) the other design is identical to, or substantially similar in overall impression to, the first design;

then it must be presumed that the other person or body derived or obtained the other design from the relevant entity, unless it is established that the other person or body created the other design without reference to, or knowledge of, the first design.

(1D) For the purposes of this section, a *relevant entity* is:

- (a) the registered owner of the subject design; or
- (b) any predecessor in title of the registered owner; or
- (c) the person who created the subject design if that person is not covered by paragraph (a) or (b).

(1E) If a use of a design is to be disregarded because of subsection (1), then that use must also be disregarded for the purposes of section 18.

## 2 At the end of subsection 18(2)

Add:

Note: Certain uses of the design are disregarded: see subsection 17(1E).

### **3 Saving provision**

Subsection 17(1) of the *Designs Act 2003* and regulations made for the purposes of paragraph 17(1)(a) or subsection 17(1) of that Act, as in force immediately before the commencement of this item, continue to apply on and after that commencement in relation to a publication or use that occurred before that commencement.

## Schedule 2—Infringement exemption for prior use

### *Designs Act 2003*

#### **1 At the end of subsection 71(1)**

Add:

Note: See section 4 for the application of this Act.

#### **2 After section 71**

Insert:

#### **71A Infringement exemption—prior use**

- (1) In relation to a registered design where the priority date of the design is on or after the commencement of this section, a person may, without infringing the registered design, do an act:
- (a) that is referred to in paragraph 71(1)(a), (b), (c), (d) or (e); and
  - (b) that would infringe that registered design apart from this subsection;
- if before that priority date:
- (c) the person had:
    - (i) made a product, in relation to which the design became registered, which embodied a design (the *comparable design*) that was identical to, or substantially similar in overall impression to, the design that became registered; or
    - (ii) imported such a product into Australia for sale, or for use for the purposes of any trade or business; or
    - (iii) sold, hired or otherwise disposed of such a product; or
    - (iv) used such a product in any way for the purposes of any trade or business; or
    - (v) kept such a product for the purpose of doing any of the things mentioned in subparagraph (iii) or (iv); or

- (d) the person had taken definite steps (contractually or otherwise and whether or not in Australia) to do an act covered by paragraph (c).

Note: For paragraph (c)—see section 4 for the application of this Act.

- (2) Subsection (1) does not apply unless immediately before the priority date of the registered design:
  - (a) either:
    - (i) the person was doing an act covered by paragraph (1)(c); or
    - (ii) the person was not doing such an act only because the person had temporarily stopped the doing of such an act; or
  - (b) either:
    - (i) the person was taking the steps covered by paragraph (1)(d); or
    - (ii) the person was not taking such steps only because the person had temporarily stopped the taking of such steps.

*Limit if comparable design derived from registered owner etc.*

- (3) Subsection (1) does not apply if the person derived the comparable design from one of the following entities:
  - (a) the person who became the registered owner of the registered design referred to in subsection (1);
  - (b) any predecessor in title of the person referred to in paragraph (a);
  - (c) the person who created that registered design if that person is not covered by paragraph (a) or (b);unless the derivation was from information made publicly available by or with the consent of an entity covered by paragraph (a) or (b).

*Exemption for successors in title*

- (4) A person (the **disposer**) may dispose to another person the whole of the disposer's entitlement under subsection (1) or this subsection to do an act without infringing the registered design referred to in subsection (1). If there is such a disposal, the other person may, without infringing that registered design, do an act:

- (a) that is referred to in paragraph 71(1)(a), (b), (c), (d) or (e);  
and
- (b) that would infringe that registered design apart from this subsection.

*Exemption for persons who obtain products*

- (5) If a person sells or otherwise disposes of a particular product to another person:
  - (a) in accordance with subsection (1) or (4) or this subsection;  
and
  - (b) without infringing the registered design referred to in subsection (1);the other person may, without infringing that registered design, do an act:
  - (c) that is referred to in paragraph 71(1)(c), (d) or (e) in relation to that product; and
  - (d) that would infringe that registered design apart from this subsection.

**3 Section 72 (heading)**

Repeal the heading, substitute:

**72 Infringement exemption—repairs**

## **Schedule 3—Registration of designs— removal of publication option**

### *Designs Act 2003*

#### **1 Section 20**

Omit “or publication”.

#### **2 Paragraph 23(1)(d)**

Omit “, or published under section 57”.

#### **3 Subsection 23(3)**

Omit “or publication”.

#### **4 Paragraph 24(1)(c)**

Omit “or publication”.

#### **5 At the end of paragraph 24(1)(c)**

Add “and state the effect of subsections 35(4) and (5)”.

#### **6 Subsection 32(4)**

Omit “or publication”.

#### **7 Subsection 33(1)**

Repeal the subsection, substitute:

- (1) A design application lapses if the Registrar has given the applicant a notification under section 41 in respect of the application, and the applicant has not, within the period prescribed by the regulations:
  - (a) requested that the application be amended; or
  - (b) responded in writing to the notification as mentioned in subparagraph 41(c)(ii);in such a way that the Registrar is satisfied that the application meets the applicable requirements of Chapter 4.

**8 Subsection 33(3)**

Repeal the subsection.

**9 Chapter 4 (heading)**

Repeal the heading, substitute:

**Chapter 4—Registration of designs**

**10 Section 34**

Omit:

Part 2 permits an applicant to request registration or publication of all or any of the designs disclosed in a design application.

substitute:

Part 2 permits an applicant to request registration of all or any of the designs disclosed in a design application. If the applicant does not request registration of a design within a period prescribed by the regulations, the applicant is taken to have made the request.

**11 Section 34**

Omit “or publish”.

**12 Section 34**

Omit “or 4”.

**13 Part 2 of Chapter 4 (heading)**

Repeal the heading, substitute:

**Part 2—Requests for registration**

**14 Section 35 (heading)**

Repeal the heading, substitute:

### **35 Request for registration**

#### **15 Before subsection 35(1)**

Insert:

*Actual requests for registration*

#### **16 Subsection 35(1)**

Omit “or publication”.

#### **17 Paragraph 35(2)(b)**

Omit “(but see sections 37 and 38)”.

#### **18 At the end of section 35**

Add:

*Deemed requests for registration*

(4) If:

- (a) one design is disclosed in a design application; and
- (b) at the end of the period applicable under paragraph (2)(b):
  - (i) the applicant has not made a request in relation to the design in accordance with subsections (1) to (3); and
  - (ii) the applicant has not withdrawn the application in accordance with section 32;

then the applicant is taken to have requested that the design be registered.

(5) If:

- (a) more than one design is disclosed in a design application; and
- (b) for a design (the *subject design*) disclosed in the application, at the end of the period applicable under paragraph (2)(b) in relation to the subject design:
  - (i) the applicant has not made a request in relation to the subject design in accordance with subsections (1) to (3); and
  - (ii) the subject design has not been excluded from the application by an amendment under section 28; and

(iii) the applicant has not withdrawn the application in accordance with section 32; and

(iv) the applicant has not withdrawn the subject design from the application in accordance with section 32;

then the applicant is taken to have requested that the subject design be registered.

Note: Subsection (5) applies separately in relation to each design that is disclosed in the design application.

*Relationship with section 36*

(6) This section is subject to section 36.

## **19 Sections 36 to 38**

Repeal the sections, substitute:

### **36 Request in respect of designs excluded from an application in respect of more than one design**

A person who files a design application (the *later application*) in respect of designs excluded from an initial application is taken, at the time the later application is filed, to have requested registration of all the designs disclosed in the later application.

### **20 At the end of paragraph 39(1)(b)**

Add “(including a request taken to have been made under subsection 35(4))”.

### **21 At the end of paragraph 40(1)(b)**

Add “(including a request taken to have been made under subsection 35(5))”.

### **22 Paragraph 41(c)**

Omit “paragraph 33(1)(b)”, substitute “subsection 33(1)”.

### **23 Part 4 of Chapter 4**

Repeal the Part.

**24 Subsection 60(1)**

Omit “or published”.

**25 Paragraphs 60(1)(d) and (e)**

Omit “or publication”.

**26 Subparagraph 60(4)(b)(iii)**

Omit “was neither registered nor published”, substitute “have not been registered”.

**27 Subsection 60(4)**

Omit “were not registered or published”, substitute “have not been registered”.

**28 Subsection 61(3)**

Omit “or publication”.

**29 Subsection 108(3)**

Omit “or published”.

**30 Paragraph 108(4)(b)**

Omit “or published”.

**31 Subsection 108(4)**

Omit “or published” (last occurring).

**32 Paragraph 136(1)(e)**

Repeal the paragraph.

**33 Subsection 137(7) (paragraph (b) of the definition of *relevant act*)**

Omit “or publication”.

**34 Section 146**

Omit “or publication”.

**35 Paragraph 149(2)(i)**

Omit “or publication”.

**36 Application provisions**

- (1) The amendments of section 23 of the *Designs Act 2003* made by this Schedule apply in relation to initial applications filed under section 21 of that Act on or after the commencement of this item.
- (2) The amendments of sections 24, 32, 33, 35, 39, 40, 41, 60, 61, 108, 136, 137 and 146 of the *Designs Act 2003*, the repeal of sections 36 to 38 and of Part 4 of Chapter 4 of that Act and the substitution of section 36 of that Act made by this Schedule apply in relation to design applications filed under section 21 of that Act on or after the commencement of this item.

## **Schedule 4—Relief from infringement before registration**

### ***Designs Act 2003***

#### **1 After subsection 75(1)**

Insert:

*Relief for defendant—infringement before date of registration*

- (1A) To the extent that the infringement proceedings relate to an infringement occurring before the date on which the design was registered, the court may:
- (a) refuse to award damages; or
  - (b) reduce the damages that would otherwise be awarded; or
  - (c) refuse to make an order for an account of profits;
- if the defendant satisfies the court that, at the time of the infringement, the defendant was not aware, and could not reasonably have been expected to be aware, that an application in respect of the design had been filed under section 21.

#### **2 Before subsection 75(2)**

Insert:

*Relief for defendant—infringement on or after date of registration*

#### **3 Subsection 75(2)**

Omit “The court”, substitute “To the extent that the infringement proceedings relate to an infringement occurring on or after the date on which the design was registered, the court”.

#### **4 Before subsection 75(3)**

Insert:

*Additional damages*

**5 Before subsection 75(4)**

Insert:

*Prima facie evidence*

**6 Before subsection 75(5)**

Insert:

*Definitions*

**7 Application provision**

The amendments made by this Schedule apply in relation to a design that becomes a registered design on or after the commencement of this item, where the design application was filed under section 21 of the *Designs Act 2003* on or after that commencement.

## **Schedule 5—Right of exclusive licensee to bring infringement proceedings**

### ***Designs Act 2003***

#### **1 Section 5**

Insert:

*exclusive licensee* has the meaning given by section 5B.

#### **2 After section 5A**

Insert:

#### **5B Definition of *exclusive licensee***

- (1) For the purposes of this Act, an *exclusive licensee* is a licensee under a licence granted by the registered owner of a registered design that confers on the licensee, or on the licensee and persons authorised by the licensee, the exclusive rights in the design mentioned in paragraphs 10(1)(a) to (e) to the exclusion of the registered owner and all other persons.
- (2) Subsection (1) applies whether or not the licence also confers on the licensee the exclusive right in the design mentioned in paragraph 10(1)(f) to the exclusion of the registered owner and all other persons.

#### **3 Section 70**

After “Part 2 also provides that the registered owner of a design”, insert “or an exclusive licensee”.

#### **4 Subsection 71(1)**

After “registered owner of the design”, insert “or an exclusive licensee”.

#### **5 At the end of paragraph 71(2)(b)**

Add “or an exclusive licensee”.

**6 Paragraph 72(2)(a)**

After “a person”, insert “(the *first person*)”.

**7 Paragraph 72(2)(b)**

Omit “the person”, substitute “the first person”.

**8 Subsection 72(2)**

Omit “the registered owner of the design”, substitute “the person bringing the infringement proceedings”.

**9 Subsection 72(2)**

Omit “the person knew”, substitute “the first person knew”.

**10 Subsection 73(1)**

After “registered owner of a registered design”, insert “, or an exclusive licensee,”.

**11 After subsection 73(2)**

Insert:

- (2A) If an exclusive licensee brings infringement proceedings, the licensee must make the registered owner of the registered design a defendant in the proceedings, unless the registered owner is joined as a plaintiff.
- (2B) If the registered owner of the registered design is made a defendant in the proceedings, the registered owner is not liable for costs if the registered owner does not take part in the proceedings.

**12 Subsection 73(3)**

Omit “However, infringement”, substitute “Infringement”.

**13 Application and transitional provisions**

- (1) The amendments of section 71 of the *Designs Act 2003* made by this Schedule apply in relation to working out whether a registered design is infringed on or after the commencement of this item in relation to conduct engaged in on or after that commencement.

- (2) The amendments of section 72 of the *Designs Act 2003* made by this Schedule apply in relation to infringement proceedings brought on or after the commencement of this item.
- (3) The amendments of section 73 of the *Designs Act 2003* made by this Schedule apply in relation to infringement proceedings brought by an exclusive licensee on or after the commencement of this item in relation to conduct engaged in on or after that commencement.
- (4) If, on or after the commencement of this item, an exclusive licensee brings infringement proceedings in relation to conduct engaged in before and on or after that commencement, a court may grant relief under section 75 of the *Designs Act 2003* only in relation to the conduct that was engaged in on or after that commencement.

## Schedule 6—Formal requirements

### *Designs Act 2003*

#### **1 After paragraph 39(2)(a)**

Insert:

- (aa) the design application complies with the formal requirements determined in an instrument under section 149A; and

#### **2 After paragraph 40(2)(c)**

Insert:

- (ca) that the design application complies with the formal requirements determined in an instrument under section 149A;

#### **3 Subsection 144B(2)**

Repeal the subsection.

#### **4 At the end of Part 6 of Chapter 11**

Add:

#### **149A Instrument determining formal requirements for design applications etc.**

- (1) The Registrar may, by written instrument, determine formal requirements for the purposes of the following:
  - (a) paragraphs 39(2)(aa) and 40(2)(ca);
  - (b) a provision of the regulations, if that provision refers to this section.
- (2) The Registrar must publish a notice, in accordance with the regulations, setting out the determination.
- (3) A determination under subsection (1) is not a legislative instrument.

## **5 Application provision**

The amendments of sections 39 and 40 of the *Designs Act 2003* made by this Schedule apply in relation to design applications filed under section 21 of that Act on or after the commencement of this item.

## Schedule 7—Other amendments

### Part 1—Standard of the informed user

#### *Designs Act 2003*

##### **1 Subsection 19(4)**

After “standard of a person”, insert “(the *familiar person*)”.

##### **2 Subsection 19(4)**

Omit “(the *standard of the informed user*)”, substitute “(whether or not the familiar person is a user of the product to which the design relates or of products similar to the product to which the design relates)”.

##### **3 Subsection 72(4)**

Omit “of the informed user”, substitute “of a person who is familiar with the complex product, or products similar to the complex product (whether or not the person is a user of the complex product or of products similar to the complex product)”.

##### **4 Subsection 72(5) (definition of *standard of the informed user*)**

Repeal the definition.

##### **5 Application provisions**

- (1) The amendments of section 19 of the *Designs Act 2003* made by this Part apply in relation to design applications filed under section 21 of that Act on or after the commencement of this item.
- (2) The amendments of section 72 of the *Designs Act 2003* made by this Part apply in relation to a design that becomes a registered design on or after the commencement of this item, where the design application was filed under section 21 of that Act on or after that commencement.

## **Part 2—Revocation of registration of design**

### ***Designs Act 2003***

#### **6 Paragraph 93(3)(d)**

After “design”, insert “, or the certificate of examination,”.

#### **7 After subsection 93(3)**

Insert:

- (3A) A court must not make an order under this section on the ground covered by paragraph (3)(b) or (c) unless the court is satisfied that, in all the circumstances, it is just and equitable to do so.

#### **8 Application provision**

The amendments made by this Part apply in relation to applications made under subsection 93(1) of the *Designs Act 2003* on or after the commencement of this item.

## **Part 3—Renewal of registration of design**

### *Designs Act 2003*

#### **9 At the end of section 47**

Add:

(4) To avoid doubt, if:

- (a) the registered owner of a registered design applies for renewal of the registration of the design; and
- (b) the application is made within the period prescribed for the purposes of subsection (2) and the application is in the form prescribed for the purposes of subsection (3); and
- (c) the Registrar renews the registration of the design; and
- (d) the renewal occurs after the end of the period mentioned in paragraph 46(1)(a);

then the registration of the design does not cease during the period beginning on the day after the end of the period mentioned in paragraph 46(1)(a) and ending on the day the renewal occurs.

#### **10 Application provision**

The amendment made by this Part applies in relation to a registered design, where the period mentioned in paragraph 46(1)(a) of the *Designs Act 2003* ends on or after the commencement of this item (whether the application for renewal of the registration of the design is made before, on or after that commencement).