

IPSP055 - Essential Industrial Design Law

Assignment 03

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NOTE

Please note that footnotes will be denoted as ¹ and will appear at the bottom of the page.

References will be denoted by [1] and will appear at the end of the document.

¹This is a footnote

1 Will the Vision 100 Motorrad design qualify substantially for either functional or aesthetic design protection in South Africa?

As per the definitions of [section 2(1)][1] and given that the Republic is both a Paris Convention as well as a World Intellectual Property Organisation (WIPO) Member State, [article 15(1)][2], [article 1(2)][3], [4], South African statutory design legislation is in compliance with International Conventions and legal instruments.

1.1 Requirements for design protection

Holger Hampf, acting on behalf of BMW, who will henceforth be referred to as the “**proprietor**” of the Vision 100 Motorrad design which will in turn be referred to as the “**article**”, as per the provisions of [section 1(1)][1]. BMW and Holger’s design and customer experience team, should be advised that the legislation makes provision for both aesthetic designs (Part A) as well as functional designs (Part F) registrations, as per the provisions of [section 14(1)(a-b)][1], for the protection of the physical form of articles of manufacture intended to be multiplied by industrial processes, [section 14(4)][1].

1.1.1 Aesthetic designs

As per the provisions of [section 1(1)][1], which stipulates that “...*any design applied to any article, whether for the pattern or the shape or the configuration or the ornamentation thereof, or for any two or more of these purposes, and by whatever means is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality thereof...*”, as was stipulated by Judge Corbett in *Homecraft Steel Industries (Pty) Ltd v SM Hare & Son (Pty) Ltd and Another* [5]:

To qualify as a design, an article must have some special feature which appeals to the eye and distinguishes it from others of its class.”

Based on the images supplied in **Figures 1 & 3**, the **proprietor** would be advised to pursue aesthetic design registrations for a number of aesthetic design elements of their **article**.

1.1.2 Functional designs

Again as per the provisions of [section 1(1)][1], the definition of a functional design is “...*any design applied to any article, either for the pattern or the shape or the configuration thereof, or for any two or more of these purposes, and by whatever means it is applied, having features which are necessitated by the function which the article to which the design is applied, is to perform, and includes an integrated circuit topography, a mask work and a series of mask works...*”.

It is recommended that the **proprietor** lodge both functional and aesthetic design registration applications in respect of their **article**, as per the provisions of [section 14(1)(b)(ii)][1]. From the description of the Vision 100 Motorrad, there are a number of purely functional design features, methods and principles of it’s construction [section 14(4)][1], “*that are not commonplace in the art in question*”, requiring purely functional design protection. Such as:

- Advanced technology to enhance safety and the thrill of riding, event allowing for safe helmet-less riding,
- Expanding block housing the bike’s electric motor,
- Reduction of mechanical elements, brake cables and buttons,
- Triangular frame and it’s bendable ‘Flexframe’ material.

1.1.3 Originality

As per the provisions of [section 14(1)(a)][1], should Holger and BMW be able to demonstrate that the design features of their Vision 100 Motorrad are both **new** and **original**, they may in the prescribed manner and on payment of the prescribed fee, apply for aesthetic and functional design registrations.

Moreover the Vision 100 Motorrad must be different from or not form part of the **state of the art** within a grace period of six months from the date of first disclosure, or release date [section 14(2)(b)][1]. Where state of the art comprises of all matter which has been made available to the public, within or outside the Republic, by written means, usage or any other form [section 14(3)(a)][1], including all matter contained in pending registration applications [section 14(3)(b)][1].

Courts of the Republic have interpreted the meaning of ‘*original*’ to coincide with that definition outlined in [6], and which was further elaborated on by Judge Van Heerden in *Xactics (Pty) Ltd v Tailored Containers (Pty) Ltd* [7], where he explained that:

“I have accordingly come to the conclusion that applicant’s registered design 68/346 was not new or original by reason of the fact that a design not substantially different therefrom had already been described in a printed publication before the date of application for registration.”

Lastly in respect of the prior art depicted in **Figure 2**, it could be argued that the commonplace in the art elements and aspects demonstrated therein, describe features that are necessarily determined by the function of the article in question and are **not** registrable as designs in and of themselves. In relation to case law heard within the Republic, this was succinctly articulated by Judge Advocate Corbett in *Homecraft Steel Industries (Pty) Ltd v SM Hare & Son (Pty) Ltd and Another* [5],

“In terms of the definition of F "design" in s 1 (1) of the Act, any feature which is dictated solely by the function which the article is intended to perform, is excluded from protection under the Act. The top and bottom flanges and the return lip on the bottom flange are purely functional in that they provide the requisite rigidity and facilitate handling of the fascias. The fluting on the face G of the design serves the functional purpose of providing additional rigidity. In regard to the question of when functional features are excluded from protection, see Amp Incorporated v Unilux (Pty) Ltd [1972] RPC 103; Swisstool Manufacturing Co v Omega Africa Plastics (supra). See also the commentary on "method or principle of construction" in Russel-Clarke (supra at 27 - 28) and Kestos Ltd v Kempat Ltd & H Kemp [1936] 53 RPC 139 at 151.”

Irrespective of the fact that the Vision 100 incorporates registrable as well as unregistrable features, it is the registrable features that the BMW would be encouraged to pursue.

2 Are there any other forms of intellectual property protection available to BMW for the Vision 100 Motorrad?

Yes indeed a number of alternative forms of intellectual property protection exist, namely **Patent**, **Trademark** and **Copyright** protection as discussed below.

As per the definition specified in [Article 27(1)][2] and [section 2][8], BMW’s Vision 100 Motorrad need satisfy the provisions for patents to be granted under [section 25][8], wherein subsection (1) of that section of the Act stipulates that a patent may be granted for a **new** invention, involving an **inventive step** and has application to trade or industry.

The content of the concept “patentable subject-matter” is usually established in the negative sense by statute, i.e. inventions explicitly ‘excluded’ from qualification for the purposes of patent protection. The HUD² display and operating concept, the expanding block house (and its controlling circuitry and semiconductor chip), the triangular frame and ‘Flexframe’ material, to name but a few, neither fall into any of the categories listed under [Article 27(2) and Article 27(3)][2], nor those articulated in [subsections (2) and (3) of section 25][8]. BMW would be strongly advised to seek patent protection for various aspects of the Vision 100 Motorrad.

Given that the Republic is a Paris Convention Member State, [article 15(1)][2], [article 1(2)][3], and per the definitions of [section 2(1)][9], it follows that ‘*Vision 100 Motorrad*’ as well as ‘*Flexframe*’ will be understood to be **marks**, in that they are either names or signs capable of being represented graphically. Moreover they constitute **trade marks**, as they have been proposed by BMW, in relation to distinguishing their trade or use from other goods or services connected in the course of trade regarding ‘*class 12: motors and engines for land vehicles*’ and ‘*class 6: common metals and their alloys*’ respectively, [10]. Therefore as per [section 9(1)][9], BMW would be advised to pursue trademark registration of the **Vision 100 Motorrad** and **Flexframe** marks, subject to the limitations and provisions of [paragraphs (1), (4), (5), (8), (9), (10) or (11) of section 10][9].

Lastly as per the provisions of [2], [6], [11], [12], copyright would subsist in any promotional material that BMW prepares in relation to their Vision 100 Motorrad.

3 State whether the actions of Carsmart International amount to infringement of the South African design for the Vision 100 Motorrad lights, to which Carsmart counterclaims.

As per the provisions of [section 20(1)][1], the effect of registration of the design for replacement lights for the Vision 100 Motorrad in **Figure 3** shall grant the registered proprietor in the Republic, for the duration of registration [section 22(1)][1], the exclusive right to exclude others from **using, importing or disposing (or distributing)** of any article included in the class in which their design is registered and embodying the registered design or a design not substantially different from the registered design.

3.1 Infringement

As per the provisions of [section 35(1)][1], the registered proprietor BMW, of the registered design in **Figure 3** may institute proceedings for infringement against Carsmart International, for the **unauthorised importation, use and disposal** of their registered design. Which by its very nature ‘*as a replacement part*’, must necessarily bear resemblance to, and not be substantially different from BMW’s registered design as an article of the same class.

3.2 Visual Judgement of Similarity

As per *Homecraft Steel Industries (Pty) Ltd v SM Hare & Son (Pty) Ltd and Another* [5], the test for infringement is a purely visual judgement according to the observation of the likely customer where Judge Corbett referred to Judge Eloff in preceding case law,

“to hold that while the eye is to be the eye of the Court, the Court should view the design through the spectacles of the customer”

wherein the designs are viewed and considered both independently as well as side by side,

²Heads Up Display.

“an article must have some special feature which appeals to the eye and distinguishes it from other of its class... This must be decided by the eye; and in applying this visual test the Court must bear in mind the reaction of the likely customer. The two designs must be viewed and compared side by side and also separately.”

3.3 Novelty and Originality

When analysing the possibility of infringement, the state of the art and the degree of novelty and originality achieved by the registered design is also an important factor, in reference to preceding case law, Judge Corbett stipulates, [5] that,

“If only small differences separate the registered design from what has gone before, then equally small differences between the alleged infringement and the registered design will be held to be sufficient to avoid infringement...”

Given the very nature of the **infringing article**, in that it is a replacement part, there must necessarily exist insignificant differences between the two designs, in **shape** and/or **configuration**, and hence there is a high level of risk that a member of the public or a likely customer will confuse the two designs.

3.4 Prescribed cases applicable to infringement and relief

Where in substantiating proceedings for design infringement applicants have in the past relied on alleged infringement of their registered designs as well as on the delict of passing off, *Homecraft Steel Industries (Pty) Ltd v SM Hare & Son (Pty) Ltd and Another* [5], *Slavepak Holdings (Pty) Ltd and Another v Buddy Manufacturers CC* [13], *Koninklijke Phillips Electronics NV and Another v Kenwood Home Appliances (pty) Ltd* [14]. As per the provisions of [section 35(3)(a-d respectively)][1], the plaintiff BMW, would likely seek relief in the form of:

- **an interdict** instructing Carsmart to cease importation, use and disposal of the infringing articles,
- **surrender** of the infringing replacement lights,
- **damages or in lieu of damages, an amount calculated on the basis of a reasonable licensee’s royalty**, specifically with regards to unfair competition resulting from *passing of* as per [article 16(1)][2], [article 10^{bis}(3)(1)][3] and [article 2(1)][15]; and *dilution of their goodwill and / or reputation* as per [article 3(2)][15].

3.5 Counterclaim and revocation of design registration

Given the above considerations it is clear that the actions of Carsmart International amount to infringement, however as per the provisions of [section 35(5)][1], Carsmart may counterclaim for the revocation of the registration of the design. Furthermore Carsmart International may at any time, in the prescribed manner apply to the court for the revocation of BMW’s design registration for the Vision 100 Motorrad lights, as per [section 31(1)(c)][1]. In both cases it would be argued that BMW’s aesthetic design for the lights is ineligible for registration in that it constitutes a **spare part for a vehicle**, as per [section 14(6)][1].

With this in mind BMW would be advised to voluntarily withdraw the registered design for the Vision 100 Motorrad lights in question as per [section 34][1].

4 Is it possible to register a design right for the semiconductor chip that regulates the control of the ‘Flexframe’ of the Vision 100 Motorrad?

As per the provisions of [section 1][1], [17 U.S.C. 901(a)(1,2)][16] and [Article 2][17] the semiconductor chip will be understood to be an **integrated circuit (topography)** or **layout-design (topography)** or **mask work** or **semiconductor chip product** constituting an article or pattern, shape or configuration of the three-dimensional disposition, in final or intermediate form containing electrical, electromagnetic or optical elements and circuitry, capable of performing an opto-electromagnetic function in a semiconductor material.

As per the provisions of [17 U.S.C. 902(b)][16] and [Article 3(2)][17], in order for BMW’s semiconductor chip to enjoy layout-design (topography) protection it must satisfy the *requirement of originality*, in that it³ must be the result of Holger’s and BMW’s own intellectual effort and not be commonplace among designers and manufactures of integrated circuits at the time of its creation. Where as per [17 U.S.C. 904(a)][16] and [Article 7(2)][17], BMW may commence protecting their semiconductor chip either upon first commercial exploitation or once registration has been applied for.

In contrast to the International precedent discussed above, the Republic instead introduces specific protection for integrated circuits, defined and protected as functional designs as per [section 1][1]. Therefore it follows that BMW’s semiconductor chip will be registrable as a functional design if Holger and BMW can demonstrate that it is **new** and **not commonplace in the art** and **multiplied by and industrial process**, as per [sections 14(1)(b)(i-ii) and 24(4)][1] respectively.

With the above considerations, BMW would be advised to pursue intellectual property protection of this semiconductor chip in Union Member States and the United States, and to concurrently pursue **functional design protection** within the Republic.

References

- [1] Designs Act No. 195, 1993.
- [2] Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994.
- [3] Paris Convention for the Protection of Industrial Property, 1883.
- [4] Hague Agreement Concerning the International Registration of Industrial Designs, 1925.
- [5] *Homecraft Steel Industries (Pty) Ltd v SM Hare & Son (Pty) Ltd and Another*, 1984 1984 (3) SA 681 (A).
- [6] Copyright Act No. 98, 1978.
- [7] *Xactics (Pty) Ltd v Tailored Containers (Pty) Ltd*, 1971 (2) SA 562 (C).
- [8] Patents Act No. 57, 1978.
- [9] Trade Marks Act No. 194, 1993.
- [10] NICE Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, 1957.
- [11] WIPO Copyright Treaty, 1996.
- [12] Berne Convention for the Protection of Literary and Artistic Works, 1886.
- [13] *Slavepak Holdings (Pty) Ltd and Another v Buddy Manufacturers CC*, 2002 BIP 221 (T).

³Or a combination of elements and interconnections taken as a whole.

- [14] *Koninklijke Phillips Electronics NV and Another v Kenwood Home Appliances (pty) Ltd*, 2002 BIP 206 (T).
- [15] Model Provisions on Protection Against Unfair Competition, 1996.
- [16] Title 17 of the United States Code: Chapter 9 - Protection of Semiconductor Chip Products, 1947.
- [17] Washington Treaty on Intellectual Property in Respect of Integrated Circuits, 1989.