

Study unit 2

Is there an International System for the Protection of Designs?

Overview

In this unit you will be able introduced to the international protection of industrial designs. We will explain the differentiation between industrial designs and artistic designs and the impact it has on the national and international protection of designs.

<i>Learning outcomes</i>	<p>After completion of this study unit, you should be able to c</p> <ul style="list-style-type: none"><input type="checkbox"/> identify the various international instruments for the protection of designs<input type="checkbox"/> understand the relationship between these instruments amongst themselves, and between these instruments and national law<input type="checkbox"/> understand the interdependence between individual national laws and the provisions of international instruments
------------------------------	--

Setting the scene

In our ongoing story the threesome's design activities grow. They are considering the possibilities of expanding the market for their products internationally. They are unsure whether their art works and designs will enjoy protection in other countries. They do not know whether there are international instruments that protect designs and how individual national laws differ.

They will approach you for legal advice when difficulties arise.

Discussion

International system for the protection of designs

There is no formal international definition of the term *design*. A distinction is made on the one hand, between

International Conventions

Six international conventions and agreements relate to artistic works and industrial designs:

- the Berne Convention (Berne Convention for the Protection of Literary and Artistic Works (1886))
- the Universal Copyright Convention
- the Paris Convention (Paris Convention for the Protection of Industrial Property (1833))
- the Hague Convention (The Hague Agreement Concerning the International Deposit of Industrial Designs (1925))
- the Locarno Agreement
- the TRIPS Agreement (1996) and
- the Washington IPICT Treaty (Treaty on Intellectual Property in Respect of Integrated Circuits (1989)).

The manner and extent to which these agreements and conventions protect industrial designs will be explored.

Berne Convention

Introduction

The Berne Convention for the Protection of Literary and Artistic Works is the oldest international treaty in the field of copyright. The Berne Convention emerged on 9 September 1886 in Berne, following the initiative taken by German and French authors and publishers to set up a union to provide some measure of international protection for their works.

The protection of works of applied art

Article 2 of the Berne Convention (Paris Revision of 24 July 1971) provides:

“The expression ‘literary and artistic works’ shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as ... works of drawings, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous

to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science”.

The list of works mentioned in the Convention is only there by way of example and not exhaustive. Two good reasons exist for this proposition. Firstly, due to the inventiveness of the human mind and the rapid progress of technology the future holds new materials and works unimaginable at present. The “categories of works” are never closed. Secondly, many countries protect works which are not protected as works in other countries (Stephen M Steward International Copyright and Neighbouring Rights 2nd edition (1989)).

Article 2(7) of the Berne Convention provides that it shall be a matter for legislation in the member countries to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models are protected. This means that the protection of three-dimensional works of art that are works of applied art, industrial designs and models, is restricted. Works of applied art shall only be protected as far as the domestic legislation of each country allows (Hughes & Richard *Appropriateness* 31). Works protected in the country of origin solely as designs and models shall be entitled in another country only to such special protection as is granted in that country to designs and models. Article 2(7) furthermore provides that where no special protection is granted to works of applied art, designs and models in that country, such works shall be protected as artistic works.

The reason for this particular provision is that national laws differ greatly. Some have a special system for the regulation of such creations that exclude copyright protection; others have a cumulative system. In some countries works of art that have functional features, such as lamp shades, are not protected as artistic works but may be protected as industrial designs, whereas lamp shades may be protected as both works of art and industrial designs in other countries. This provision is a reflection of the respect the Convention wishes to show for these differences, by leaving sovereignty with the national legislator, except as far as the minimal term is concerned (Claude Colombet Major Principles of Copyright and Neighbouring Rights in the World A Comparative Law Approach (1987)).

Stewart (*International Copyright* 115) notes that Article 2(7) points to three possible ways of protecting works of applied art: first, those that are protected in the country of origin as works are protected as works in all Union countries. Secondly, where the works are protected in the country of origin *solely* as designs and models² (usually by special legislation), and where they are also protected in the country where protection is claimed, the country where protection is claimed will extend only the protection which that country (*i.e.* the country where protection is claimed) gives to designs and models; and thirdly, where the country of origin protects them *solely* as designs and models², but the country where protection is claimed does not grant such special protection, such works get protection by force of the conventions. In the last-mentioned instance the work is protected for a minimum period of 25 years from the making of the work (see Art 7(4)).

The first instance that Stewart mentions, namely where the work of applied art is protected in the country of origin as works, he notes that: *“They are protected as works in all Union countries”* (Stewart *International Copyright* 115). Where a country of origin extends copyright protection works, such works from other Union countries are also protected as works in that country of origin even if they are not protected as works in their own country. For example, up to 1987, a manufacturer of a member country of the Union could enforce her copyright in spare parts in South Africa, notwithstanding the fact that such protection was not available in the country of origin. Prior to 1987 copyright protection was granted to all artistic works in South Africa irrespective of the utilitarian or functional features of such works. No similar protection for utilitarian works of art was available in terms of US copyright law. However, a US manufacturer of spare parts could enforce its copyright in spare part drawings in South Africa (for example where the drawings were copied to make spare parts in South Africa), notwithstanding the fact that no such protection existed in the US.

Note that the Convention imposes a counterpart on the freedom to determine the nature of protection of works of applied art: if a contrary system for the applied arts is established in the country of origin of the work, then reciprocity applies. But there shall be no greater entitlement - for example by a cumulative system in another country of the Union. It is noted that it would indeed be absurd if works were better

protected or even covered by other, foreign legal systems. This is one example of a situation where the principle of national treatment may lead to unequal treatment because of differences in national laws (see ALRC *Issues Paper* 14-15). It is proposed that the overriding problem is the fact that no clear definition exists of a copyrightable work that qualify as “works of applied art”.

Paris Convention

The Paris Convention was formed in 1883 and is also administered by WIPO. Industrial designs receive the same general protection under the Paris Convention as patents and trade marks. Most industrialized countries are members of the Paris Convention. The deposit of a single design application in WIPO by contracting states became a reality in 1928. This ensured national treatment for the industrial designs of nationals of member countries. The same rules apply for protection of designs regardless of whether the design originated within or outside the country. The contracting states have the obligation to grant reciprocal benefits to nationals of other states, regardless of the protection provided by those states (see art 4). Registration of a design also creates a right of priority.

Industrial designs are dealt with very scantily in the Paris Convention. Article 5*quinquies* merely states that member states are obliged to protect industrial designs of other member states. An important aspect of the Convention is the concept of independence. The grant of design rights in one country does not oblige any other country to grant such rights for the same design. Furthermore, validity is determined according to the domestic law and there is thus still scope for considerable variation in the design protection made available in various countries.

The Hague Convention

The Hague Agreement Concerning the International Deposit of Industrial Designs was established in 1925 (see Hague Agreement Concerning the International Deposit of Industrial

Designs (1925) as amended by the Act of the Hague Agreement (1934); Act of the Hague Agreement (1960); 1961 Additional Act (1961); Complementary Act of 1967 (1967)) and brought within the framework of the Paris Convention in 1960. The Hague Agreement makes provision for a single international deposit with the International Bureau of WIPO. Where a country retains a registration system and examining office, an application may first be filed in that country, and thereafter international registration may be sought under the Hague Agreement.

As a general rule, industrial design protection is limited to the country where protection is sought and granted. If protection is desired in several countries, separate national applications (or >deposits=) must be made and the procedures will normally be different in each country. However, the Hague agreement concerning the International Deposit of Industrial Design helps to facilitate this process.

How does this agreement work?

This Agreement which is administered by WIPO allows nationals and residents of, or companies established in a State party to the agreement, to obtain industrial design protection in a number of countries also party to the agreement through a simple procedure. A single international deposit, in one language (English or French), involving a single payment and filed with one office is all that is needed. The office can be the International Bureau of WIPO or possibly the national office of the contracting state.

Once the industrial design is the subject of such an international deposit it enjoys the protection that would be obtained in each of the countries listed, as if the applicant had applied directly to that country provided the particular country does not explicitly refuse protection.

What other advantage does international deposit offer?

The international deposit facilitates the maintenance of protection, as there is just one deposit for renewal, one renewal fee and one recording of any changes such as a

change in the ownership of the design registration.

The subject matter of protection

It has been said that accession to the Hague Agreement holds advantages for member countries in that it will promote trade deliver economic and financial benefits and result in administrative savings. This belief is based upon the premise that international deposits will eventually result in encouraging domestic manufacturers to turn to foreign markets. But the Hague has not been very successful, due to tensions between the non-examining countries and the examining countries.

The definition of designs is Acreations of shape or configuration, destined to result in visual effect. Features of “mere technical function” have been excluded from protection.

The Locarno Agreement

Locarno Agreement Establishing an International Classification for Industrial Designs is an international multilateral treaty. It entered into force in 1971. The Locarno Agreement provides that each member country of the Locarno Union (namely all States that are party to the agreement) may use the Locarno Classification system either as a principal, or as a subsidiary system. WIPO administers the Locarno Agreement for the international classification of designs.

It is also noted that each country may attribute legal consequences, if any, to such classification which it considers appropriate. The Locarno Classification does not bind the countries of the Locarno Union as to the nature and scope of protection afforded to designs in those countries (see art 2(1)). Although the Locarno Agreement permits countries to adapt the Locarno Classification according to their national interests and technical development, it hasn't made a significant contribution to the international harmonisation of the scope and nature of design protection. South Africa has adopted the Locarno Classification, but is not an official member of the Locarno Agreement.

Activity 2.1

Refer to your domestic design legislation. Determine what system of industrial design classification is used in your country.

Feedback

Read tutorial letter 201 for feedback on this activity.

Discussion

TRIPS Agreement

The importance of protecting intellectual property has become an international trade issue. There is a multinational regime between most nations governing international trade, called the General Agreement on Tariffs and Trade (GATT). GATT was formed after the Second World War in 1947. GATT is a binding Agreement between governments, which account for the governments of nearly 90 percent of the current world trade.

On 31 December 1994 eighty GATT members completed their ratification of the Uruguay Round and accepted the agreement that establishes the World Trade Organisation (WTO). The WTO formally entered into force on 1 January 1995 and replaced GATT within a transitional period of two years. The establishment of the WTO completes the Bretton-Woods plan of more than fifty years ago, that envisaged an international trade institution that has international status equal to that of the International Monetary Fund and the World Bank (see Sanford "World Trade Organisation Opens Global Markets, Protects U.S. Rights" [1995] 116 *Business America* 4).

The objectives of the negotiations surrounding the Uruguay Round Multilateral Trade Agreement were inter alia, to establish substantive standards for intellectual property-rights as an integral part of the members' GATT obligations. These standards are based on standards in existing international

agreements, or if international standards are inadequate, or non-existent, the standards in national laws.

One of the most impressive feats of the Uruguay Rounds was the conclusion of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (see Annex III of the new GATT) in 1996. The TRIPS Agreement is based on three key principles:

- the establishment of minimum standards for the protection and enforcement of intellectual property rights (these cover copyright and related rights, trade marks, geographical indications, industrial designs, patents, integrated circuit layouts and trade secrets);
- the principle of national treatment (each country should protect nationals of other parties by granting them the rights set out in the Agreement); and
- the “most favoured nation” principle (nationals of other parties should enjoy intellectual property protection no less favourable than is provided to their own nationals, or any other party). The intellectual property laws of all members of the WTO will have to be amended, some more than others, to bring them into line with the TRIPS Agreement.

Design Protection

The TRIPS Agreement provides a few basic guidelines regarding the protection of industrial designs. This is the area of the Agreement which contains the least detail of all the regimes of protection. The general nature of the provisions seems curious given the level of interest the subject has received in the United Kingdom and the European Union these past years, not to mention the controversy this subject has stirred locally. But it is noted that the outcome is a reflection of the degree of controversy at the international level on the most suitable approach, and the scope of protection for industrial designs.

Article 25 of the TRIPS Agreement provides for the protection of independently created industrial designs that are new or original. During the negotiations many countries were in favour of a cumulative test - namely novelty *and* originality, but the EU delegation=s objection that this requirement is too restrictive,

was carried through. The threshold of protection was set at new or original independently created industrial designs. A design will be deemed to be new or original if they significantly differ from known designs or combinations of known design features (see art 25(1)).

The protection of textile designs was emphasized and singled out for special consideration (see Ringo 1995 130). Parties are obliged to ensure that the costs, examination and publication requirements for protecting designs are not prohibitive. It is interesting to note that also the proposed new Hague Agreement was drafted with the specific objective to make it a more efficient instrument for obtaining international design protection, especially for the textile and fashion industries (see WIPO 1995a 2).

The period of protection of industrial designs is for at least ten years (see art 26(3)). The scope of protection provided for is the right to prohibit third parties from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy of the protected design (see art 26(1)). Article 26(1) also provides that the acts are only prohibited in so far as they are undertaken for commercial purposes.

It is noted that the American automotive industry became concerned with the possibility of design protection for spare parts (see Worthy 1994 197). As a result, it was provided that signatory countries may exclude from protection designs dictated essentially by technical or functional considerations (see art 25(1) of the TRIPS Agreement). The TRIPS Agreement does not explain when a design will be deemed to have been dictated by technical considerations and when it will be deemed to have been dictated by functional considerations.

It is proposed that a design will be dictated by technical considerations when the designing elements relate to the method or principle underlying the construction or operation of the functional design (for example the placement of resistors and capacitors in a certain order that is necessary to create an electromagnetic field). One may also argue that designing elements will be dictated by functional considerations if they relate to the purpose of the article. Let's take the example of a pencil sharpener: it must have a blade which is placed at a

certain angle to facilitate the sharpening of pencils, as well as an opening to insert the pencils in and an encasing to catch the debris generated in the process of sharpening pencils. These features are all dictated by the function of the article. The specific shape of the encasing be it is a form of a dolphin or a telephone, fall outside the functional considerations.

Article 35 of the TRIPS Agreement determines that members must protect layout-designs in accordance with articles 2 to 7, 12 and 16(3) of the IPIC Treaty, with the exception of article 6(3) (see the discussion under Study Unit 5 *infra*).

Activity 2.2

Traditionally, there has been a few comprehensive international instruments to establish an international framework for design protection.

- ☐ What were these instruments?
- ☐ What is the main difference between them as far the requirements for the subsistence of design protection are concerned?
- ☐ Which one has gained the widest application on an international level? In what way has it done so? How has the extent of its application increased over the last decade?

Feedback

Read tutorial letter 201 for feedback on this activity.

Activity 2.3

Toni, Kepi and Shalimar approach you for legal advice.

- ☐ They want to know to what extent their respective creations and design activities will enjoy international protection?
- ☐ Do they need to take any steps to ensure protection of their designs and art works?

Feedback

Read tutorial letter 201 for feedback on this activity.

Discussion

The IPIC Treaty

The Treaty on Intellectual Property in Respect of Integrated Circuits (ICIP Treaty) was adopted at the Diplomatic Conference convened under the auspices of WIPO for that purpose during May 1989 in Washington, United States. Seventy-three states were represented at the conference and the IPIC Treaty was approved by a favourable majority of forty-nine states, with the notable exceptions of the United States and Japan. The IPIC Treaty represents a major step towards the internationalisation of the *sui generis* approach to the protection of integrated circuit designs. In essence it created a new form of intellectual property protection. The IPIC Treaty

has not been ratified, but its inclusion in the TRIPS Agreement has elevated it to "international intellectual property law" status and ratification has become unnecessary. The provisions of this treaty and the TRIPS Agreement relating to the protection of integrated circuit designs are discussed in Study Unit 5 under the protection of the layout design of integrated circuits.

Conclusion You should by now be able to identify the various international instruments relevant to copyright protection, and to determine their relationship to each other. You should also appreciate that copyright, like other intellectual property rights, is *territorial* by nature. The rights of an author in each country is determined by the law of that country, completely independently of equivalent rights governing the same subject-matter in other countries. From this follows that the rights of an author may be asserted only by the nationals of the country for which they are granted, and by such others as the law also includes. It is for this reason that we have international instruments (essentially, multiparty agreements) in terms of which states undertake to accord copyright protection to the citizens of other states. The principle of national treatment then operates to seek a uniform level of protection for all people, irrespective of their countries of citizenship.

The same is true of design protection. You should also appreciate that design protection, like other intellectual property rights, is *territorial* by nature. The rights of a designer in each country is determined by the law of that country, completely independently of equivalent rights governing the same subject-matter in other countries. However, the importance of the Hague Agreement, which is administered by WIPO, in the international protection of designs, must be stressed. The Hague Agreement allows nationals and residents of, or companies established in a

State party to the agreement, to obtain industrial design protection in a number of countries also party to the agreement through a simple procedure. The advantages of a single international deposit, in one language, involving a single payment and filed with one office, are obvious.