
Copyright for designers — why do they miss out?

Anika Valenti and Tom Häkkinen ARTS LAW CENTRE OF AUSTRALIA

Tips

- Inform your clients of the practical effects of the current copyright and design overlap provisions.
- Remain abreast of changes to international copyright and design laws.
- Remain abreast of the Advisory Council on Intellectual Property's Review of the Designs System and consider making a submission on the upcoming Discussion Paper.

What this article does

This article highlights the need for review of the Australian system of protection for designs under both the Copyright Act 1968 (Cth) and the Designs Act 2003 (Cth).

What the points are

Artists and designers may be being unfairly penalised because of the current copyright and designs overlap provisions limiting protection for registrable designs under the Copyright Act.

The Australian system of protection for designs is in need of review in light of the international trend towards joint protection under both copyright and design law and advances in manufacturing technology.

The field of design embraces a wide range of different types of artists, including industrial designers, makers of craftworks, artisanal workers, fashion designers, sculptors and other visual artists whose work has a 3D element. In Australia, as in many other places around the world, artists working in these fields have access to regulatory regimes to protect their intellectual property, in particular through design registration or under copyright law. In Australia, an original work of art will automatically fall under copyright protection upon creation.¹ Additionally, artists creating new and distinctive designs that have an industrial or commercial use may register their work under design law.²

However, in contrast to the growing trend internationally, the copyright and design overlap provisions in ss 74–77A of the Copyright Act prevent dual protection under both design and copyright law for most works that are, or could be, registered as a design.³

The effect of s 77 of the Copyright Act is that if an artist elects to produce their work “industrially”, for example if an artist were to apply their design to more than 50 products, they could lose their copyright protection over that work. The reasoning behind this policy distinction under Australian law has been described as “things which are essentially functional and intended for mass production should not get the very extensive protection of copyright law”.⁴ Thus, artists working in the field of design may be unfairly penalised for seeking to commercially exploit their works.

The international context

The trend internationally is towards harmonisation of laws, so that where a work is capable of dual protections under both copyright and design laws the artist may rely to some extent on both regimes, without the one restricting the effects of the other.⁵

Major Australian trading partners, such as the United States⁶ and New Zealand,⁷ “provide copyright protection for at least some industrially applied designs”.⁸ In an article released shortly after the passing of the Designs Act 2003, Peter Knight from the law firm Clayton Utz noted that such trading partners, including New Zealand and the United Kingdom, “have accepted dual copyright and designs laws without any adverse effects”.⁹

Following Directive 98/71/EC¹⁰ on the legal protections of designs, European Union member states, including France, Italy and the UK, modified their regimes in accordance with art 17¹¹ and created or expanded copyright protection for industrially applied designs.¹² Italy has made many changes to its national regime since implementation of the Directive in 2001,¹³ and recently the UK undertook further amendments to its law with the aim of “updating and clarifying legislation in line with EU law”.¹⁴

EU copyright protection and designs

Pursuant to s 74 of the Enterprise and Regulatory Reform Act 2013 (UK), the UK will repeal s 52 of the Copyright, Designs and Patents Act 1988 (UK), which limits the duration of copyright protection for industrially applied artistic designs to 25 years (as previously

mentioned, in Australia an artist who applies their design industrially may lose copyright protection entirely). This will mean that, in addition to the protections available from design registration in the UK, a design that is capable of copyright protection will retain such protection for the full duration of copyright (generally, the life of the author plus 70 years), rather than the previous 25 years.¹⁵ In its current form, the UK legislation far outstrips that of Australia in its recognition and protection of designs under both copyright and design regulations.

By way of background, the recent changes in both the UK and Italy were precipitated by *Flos SpA v Semeraro Casa e Famiglia SpA*,¹⁶ a 2009 case in the Court of Justice of the European Union (CJEU) over the production of copies of the “Arco” lamp.

The Arco lamp

Achille and Pier Giacomo Castiglioni’s classic Arco lamp is a design that has been the subject of countless imitations. When SamCam (as the British Prime Minister’s wife, Samantha Cameron, is affectionately known in the UK) was revealed to have bought a replica Arco lamp for £250 instead of the £1500 asking price for an original, the editor of *Elle Decoration* denounced her as “cheap, hypocritical and fake” for supporting the “faux furniture” industry.¹⁷ However, until the UK amendments come into effect, in the UK, as in Australia, this design can be legally reproduced by any manufacturer and marketed as a reproduction or replica of the original product after the term of design registration has expired, as copyright will also be considered to have expired.¹⁸

In Italy, the furniture retailer Semeraro Casa e Famiglia SpA had been selling an imitation of the Arco lamp that was being made in China and marketed as the “Fluida” lamp. In 2006, the manufacturer of the original Arco lamp, Flos SpA, brought proceedings against Semeraro. As neither the Castiglioni brothers nor Flos had ever registered the Arco lamp design, Flos claimed that the manufacturing and sale of the Fluida lamp by Semeraro amounted to copyright infringement. The dispute focused on whether the design was eligible for copyright protection, with the Court of Milan finding in favour of Flos.¹⁹

However, in subsequent proceedings, the court questioned whether a conflict existed between Directive 98/71/EC and the Italian provisions enacting the Directive (such that after 19 April 2001, copyright applies to industrial designs that have creative character and artistic value, and design registration is combinable with copyright protection).²⁰ Prior to the Directive being implemented, “it was debatable whether designs were protected under Italian copyright law”.²¹

The Court of Milan requested that the CJEU determine whether art 17 of the Directive barred member

states such as Italy from excluding copyright protection to eligible designs that had fallen into the public domain (ie, where duration of protection under designs law had expired) prior to the Italian provisions taking effect. Article 239 of the Italian Industrial Property Code²² allows for a long grace period in which copyright protection for designs may not be enforced against infringers who commenced their activities before 2001, being the time the provisions granting copyright protection to works of industrial design were implemented.

In its 2011 judgment, the CJEU clarified that for member states to limit copyright protection for designs in this way would be inconsistent with the principles established by art 17 of Directive 98/71/EC.²³

After the decision in *Flos v Semeraro*, the following occurred:

- The Italian government made its fifth amendment to the Industrial Property Code in March 2012, extending the grace period in art 239 from 5–13 years such that infringing activity can continue until 19 April 2014.²⁴ It would appear that this latest amendment conflicts with Directive 98/71/EC and the CJEU’s decision.²⁵
- The UK government considered s 52 of the Copyright, Designs and Patents Act 1988 (Cth) to be in conflict with the Copyright Term Directive,²⁶ being the Directive that standardised the term of copyright protection in the European Union to the life of the author plus 70 years and, as discussed above, passed legislation repealing the section in 2013.²⁷

3D printing

Another challenge for Australian designers trying to protect their works in the future comes from the technological changes precipitated by the advent of additive manufacturing, also known as 3D printing. This is the process by which a three-dimensional digital model is recreated in the form of a solid object by the layering of a material (such as photopolymers or thermoplastics) in many successive layers. It has been used to create anything from jewellery, shoes and clothing to sculptures, furniture, machine parts and even musical instruments.

Such technologies offer new and unique ways in which artists may be able to commercially benefit from their designs, but also increase the ability of unauthorised copying and printing. As mentioned, under the existing legal framework in Australia, industrially applied designs generally lose the added benefit of copyright protection. At the point design protection expires (after only 10 years — unlike copyright, which lasts for the life of the author plus 70 years), no further protection mechanisms exist.

In our November 2013 submission to the Advisory Council on Intellectual Property's *Review of the Designs System* issues paper, Arts Law explained that "[t]his technological advance has the potential to pose similar challenges to our intellectual property regime as changes to the digital economy have been posing in Australia for the past decade".²⁸

The need for reform

A comparison between Australian and foreign jurisdictional regimes and a look to the future of design and manufacturing technology demonstrate that the Australian policy justification for the copyright and design overlap provisions is outdated and out of step with our international counterparts. The consequence of our laws remaining static is that Australia risks possessing a regime of intellectual property rights that is (1) unnecessarily burdensome on artists in the design sphere; (2) increasingly alien in a converging area of international law; and (3) unable to cope with the challenges posed by new technological developments.

Next steps

As mentioned above, the Advisory Council on Intellectual Property is currently conducting a review of the Australian designs system,²⁹ which includes considering the effectiveness of the current copyright and design overlap provisions. Arts Law concluded its submission by commenting that the review was the perfect opportunity for the Council to consider whether it is necessary to repeal or amend ss 74–77A of the Copyright Act to provide greater protection to designers. A discussion paper will be made available for public comment in February 2014. The Council is due to report to the Attorney-General by 30 June 2014.



Anika Valenti

Solicitor

Arts Law Centre of Australia

avalenti@artslaw.com.au

www.artslaw.com.au



Tom Häkkinen

Intern

Arts Law Centre of Australia

artslaw@artslaw.com.au

www.artslaw.com.au

Footnotes

1. Copyright Act 1968 (Cth), s 32.
2. Designs Act 2003 (Cth).

3. Australian Copyright Council *Designs for Functional Articles* Information Sheet G027v07, February 2012, available at www.copyright.org.au. It should be noted that in relation to some limited works (such as works of artistic craftsmanship, and buildings or models of buildings), the creator has the option of registering a design or continuing to rely on copyright protection.
4. Above, n 3.
5. For example, under the laws of the US, France, Italy, the UK and New Zealand. For details of the relevant legislation, see the Arts Law Centre of Australia's submission to the Advisory Council on Intellectual Property's *Review of the Designs System* issues paper, 7 November 2013, available at www.artslaw.com.au.
6. See 17 USC § 102. Under US law, there still exists a separability requirement for industrial designs to receive copyright protection. See US Copyright Office *Copyright Law* ch 1, 4–5, available at www.copyright.gov: "Pictorial, graphic, and sculptural works' include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article."
7. Copyright Act 1994 (NZ), s 75.
8. L Lennon, L Eade and A Smyth "3D printing: design revolution or intellectual property nightmare?" (2013) 51(9) *Law Society Journal* 60 p 63.
9. P Knight "Fixing the copyright/design overlap?" *Intellectual Property and IT Insights* Clayton Utz, 12 March 2004, available at www.claytonutz.com.au.
10. Directive 98/71/EC of the European Parliament and the Council of 13 October 1998 on the legal protection of designs, available at www.eur-lex.europa.eu.
11. "[G]ranted protection to industrial designs under both registered design laws and copyright laws, while leaving member states free to establish the extent of copyright protection and the conditions under which such protection can be granted." See A Naia "Copyright and industrial designs: the saga continues — international report" *Intellectual Asset Management* 11 April 2012, available at www.iam-magazine.com.
12. In France, Intellectual Property Code, art L 112-1; in Italy, Copyright Law (Law No 633/1941), art 2, para 1, No 10 and the Industrial Property Code (Legislative Decree No 30, 10 February 2005), arts 44 and 239; in the UK, Copyright, Designs and Patents Act 1988 (UK), s 52.
13. Above, n 11, and Società Italiana Brevetti "Copyright in industrial designs, the endless saga of Italy's transitional provisions" 5 March 2012, available at www.sib.it.

14. Intellectual Property Office “Call for evidence: transitional provisions for repeal of section 52 of the Copyright, Designs and Patents Act 1988”, available at www.ipo.gov.uk.
15. Above, n 14. For articles about the repeal of s 52, see Design Council “Good news for design: changes to copyright law”, available at www.designcouncil.org.uk; O Wainwright “An end to faking it: could a new law damage the world of design?” *The Guardian* 16 November 2012, available at www.theguardian.com; J Isherwood and D Litterick “McDonald’s accused of piracy by chair firm” *The Telegraph* 9 October 2007, available at www.telegraph.co.uk.
16. *Flos SpA v Semeraro Casa e Famiglia SpA* Case C-168/09.
17. S Morris “Lounge life: take a seat ... and then copy it” *The Independent* 25 November 2011, available at www.independent.co.uk.
18. For the UK, see the Registered Designs Act 1949 (UK), ss 7 and 8, and the Copyright, Designs and Patents Act 1988 (UK), s 52. For Australia, see the Designs Act 2004 (Cth), ss 10 and 49, and the Copyright Act 1968 (Cth), s 77.
19. M L Piattelli and A Bellan “The Arco lamp case: the never-ending story of copyright protection for design works in Italy” *Lexology* 14 April 2011, available at www.lexology.com.
20. Industrial Property Code (Legislative Decree No 30, 10 February 2005), arts 44 and 239, as enacted by Legislative Decrees 95/2001 and 164/2001.
21. Società Italiana Brevetti “Copyright protection for designs must be enforceable in Italy, says Court of Justice” 2 February 2011, available at www.sib.it.
22. Industrial Property Code (Legislative Decree No 30, 10 February 2005). By this time, art 239 had already been amended multiple times. Above, n 11.
23. Court of Justice of the European Union, decision of 27 January 2011, C-168/09, available at www.curia.europa.eu. See also G Spedicato “Italy: copyright protection only for ‘high level’ industrial design” *Wolters Kluwer Copyright Blog* 11 October 2012, available at www.kluwercopyrightblog.com.
24. Article 22 bis of Law 14/2012, which converted into law Law Decree 216/2011, amended art 239 of the Italian Industrial Property Code. “Immediately after publication of the law, Federlegno Arredo (a manufacturers’ association) and INDICAM (an anti-counterfeiting NGO) filed an official complaint with the European Union against the Italian State, claiming that the extension of the transitional term is incompatible with EU legislation and case law”: Società Italiana Brevetti “Copyright in industrial designs, the endless saga of Italy’s transitional provisions” 5 March 2012, available at www.sib.it.
25. Above, n 23.
26. Directive 2006/116/EC of the European Parliament and of the Council of 12 December 2006 on the term of protection of copyright and certain related rights, available at www.eur-lex.europa.eu.
27. Above, n 10, and Enterprise and Regulatory Reform Act 2013 (UK), s 74.
28. Above, n 5.
29. Advisory Council on Intellectual Property, Review of the Designs System: see www.acip.gov.au.