

8 October 2024

IP Australia
47 Bowes Street
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By email: consultation@ipaaustralia.gov.au

Dear IP Australia

Response to IP Australia Public Consultation—Design Law Treaty (DLT)

1. The Intellectual Property Committee of the Business Law Section of the Law Council of Australia (**IPC**) welcomes the opportunity to make this submission concerning the proposed Design Law Treaty.
2. In the time available, the IPC has focused upon the matters outlined below. However, we would be happy to consult with IP Australia on any other aspects of the Design Law Treaty upon which the IPC's views would be of assistance.

Article 3(1)(a)(ix)—traditional cultural expressions, traditional knowledge, and biological and genetic resources

3. The IPC supports the inclusion of the Alternative A version of this proposed provision.
4. Careful consideration will need to be given to the manner in which this provision is implemented under Australian domestic law, assuming Australia were to decide to do so. For example, the consequences (if any) of non-disclosure will need to be considered. The nature of those consequences will depend, to a significant extent, on whether disclosure is only required where the applicant has actual or constructive knowledge of the relevant information.
5. Another consideration will be whether, if a design does utilise traditional knowledge and/or traditional cultural expressions, some form of consent is required (and, if so, the nature of the consent required and from whom that consent may be obtained). Consideration should also be given to ensuring that any implementation is harmonious with forthcoming proposed stand-alone legislation for the protection of Indigenous cultural and intellectual property rights.
6. However, the IPC considers that these are matters of detail—albeit important ones—which can be considered further when it comes to deciding whether (and, if so, how) any such requirement is implemented under Australian domestic law. In that context, the IPC notes that this provision is merely permissive, and not mandatory, in nature.

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Article 5—filing date

7. The IPC considers that paragraph (v)—which would permit a contracting party to mandate any additional filing requirements it chooses as requirements that must be satisfied before a filing date is assigned—is undesirable as it would have the potential to substantially undermine the benefits of harmonisation sought to be achieved by the proposed Treaty. Achieving certainty regarding a filing date across the designs systems of contracting parties is of fundamental importance.

Article 6—grace period

8. The IPC supports either of the formulations of Article 6 that have been supported by Australia (identified by footnotes 5 and 7), noting that in the IPC’s view the two proposals are to very similar effect, albeit slightly differently worded. These proposals are consistent with Australian domestic law as it currently stands.
9. The IPC considers that it is desirable for Australia to negotiate for Australian resident designers to benefit from the same grace period under the laws of other countries as Australian domestic law currently provides.
10. Additionally, international harmonisation of a grace period along these lines is desirable to achieve consistent treatment.

Article 9bis—term of protection

11. The IPC supports the inclusion of the first formulation of this provision, which would require a term of protection of 15 years. The IPC acknowledges that this would require a change to Australian domestic law. However, this is a change that has been under consideration for some time. It would be a necessary step were Australia to decide to join the Hague Agreement. Currently, as Australia is not a signatory to the Hague Agreement, Australian designers are unable to take advantage of the Hague centralised filing system to seek protection in multiple jurisdictions. This means that Australian designers need to incur additional professional adviser fees when compared to residents of Hague countries.
12. Australia has deliberately taken a “wait and see” approach to the issue of whether to join the Hague Agreement. However, since IP Australia prepared the cost/benefit analysis in relation to joining the Hague Agreement in 2018, the case for Australia to join has become more compelling. It is clear that a term of protection of 15 years has now become the de facto global standard and that Australia is very much the outlier in this regard, falling out of step with almost all of its major trading partners.
13. We note that a significant concern raised by the Productivity Commission was that the lack of harmonisation of filing requirements under the Hague Agreement meant that the efficiency gains and costs savings from the single application process “would be largely illusory for most applicants”.¹ The draft Design Law Treaty could be an important step in addressing this issue. However, as discussed below, there are some aspects, particularly in some options under consideration in the draft Regulations, which would reduce or undermine those potential benefits.

¹ Productivity Commission, Intellectual Property Arrangements: Final Report, 349 and Box 11.3.

14. We have attached a copy of our submission dated 4 June 2018, which outlines why the IPC considers that Australia should join the Hague Agreement. The considerations outlined in that submission apply *a fortiori* given countries such as the United Kingdom, Canada, China, Israel and Brazil have joined in the past 6 years. Adopting that policy stance, the IPC considers that there is no reason why Australia should not support the first formulation of Article 9bis.

Articles 9ter—electronic system

Article 22—assistance to developing countries

15. It is in the long-term interests of Australian designers and industry that overseas countries have electronic systems for filing design applications (in order to enable easier lodgement) and electronic registers of design rights (in order to enable (i) applicants/owners to monitor the status of their applications/registrations, (ii) interested parties to verify rights (e.g. when obtaining an assignment or licence of such rights), and (iii) interested parties to conduct electronic searches to assess freedom-to-operate).
16. Accordingly, the IPC supports in principle the inclusion of Article 9ter, while noting that there are costs associated with developing such systems. For that reason, the IPC considers that a provision along the lines of Article 22 should be also included in order to assist developing countries to update their systems to the point where they are able to comply with Article 9ter, and further considers it appropriate that this is included as a substantive article rather than as a conference resolution.

Harmonisation of filing requirements

17. Rules 2 and 3 set out an indicative list of details that may be required when filing a new design. The IPC stresses the importance of harmonising these matters in achieving the efficiencies and costs savings that we understand to be important objectives of the DLT.
18. Under the current Australian design filing formalities requirements, design applicants seeking to extend protection into Australia for designs originally filed with formalities approval through WIPO (using WIPO formalities approved drawings, design names, and newness and distinctiveness descriptions), frequently receive formalities notices, including in relation to the representation/drawings, design names and descriptions. For example, examiners at IP Australia will object to WIPO formalities-approved drawings on the basis that they contain material extraneous to the product in dotted lines, whereas Rule 3(2)(i) specifically identifies dotted lines as a means of indicating matter that does not form part of the design. To overcome this specific formality issue, global design applicants can frequently be required to redo professional drawings to remove dotted line extraneous matter. This increases costs and causes delays.
19. Further, as IP Australia's portal only accepts JPEG images for the filing of design applications, and frequently different formats are used (such as editable PDFs to edit the drawings efficiently), this creates additional administrative burdens on applicants to amend and convert drawings into an acceptable form for filing with IP Australia. As a result, the Australian design application (and registration) details no longer match those of the corresponding WIPO-approved convention applications, or corresponding designs in other countries.

20. The IPC therefore proposes that IP Australia should adopt a position under the Design Law Treaty that design applications filed in accordance with its requirements under Rules 2, 3 and 4, and accepted as meeting these requirements by WIPO, should be presumed to have met local Australian formalities requirements. This would prevent issues such as those identified above from arising, and deal with some of the Productivity Commission concerns raised in relation to the Hague Agreement that the lack of harmonisation of filing requirements reduces efficiency gains and costs savings for applicants.

21. We trust that this submission is of assistance. If you would like to discuss our submission, please contact the Chair of IPC, Richard Hoad, [REDACTED].

Yours faithfully

A handwritten signature in black ink, appearing to read 'Pamela Hanrahan', with a long horizontal flourish extending to the right.

Professor Pamela Hanrahan
Chair
Business Law Section