

THE DRAFT DESIGNS BILL, 1992

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The registrable designs

By
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The government is presently contemplating repealing the Designs Act 57 of 1967 and replacing it with a new Designs Act, which it envisages will be passed by Parliament next year. The new bill, designated the Draft Designs Bill, 1992, was recently published in the *Government Gazette* with a view to eliciting comments upon and alternative proposals to it.¹ The form in which it now appears is an adaptation or variation of an earlier draft bill that was published for comment in the *Gazette* during August 1990.²

But while the new version of the bill is substantially similar to the earlier one, there are some important differences. The more fundamental provisions of the new bill and the effect that its provisions will have on the law relating to designs are discussed in the two articles that comprise this series.

The new bill perpetuates the administrative arrangements for the registration of designs set out in the 1967 Act and preserves the register of designs kept under s 9 of the Act. The bill will, upon commencement, apply to all designs no matter when registered, save that a design registered pursuant to an application made under the 1967 Act may not be revoked (cancelled) otherwise than on grounds for which provision is made in the 1967 legislation.³ The register of designs kept under the 1967 Act is to be incorporated as part of the register that will have to be maintained under the proposed 1992 legislation, and all designs presently registered will be deemed to have been registered in Part A of the new register.⁴ For the most part the bill, in dealing with so-called aesthetic designs and the general aspects of design registration, echoes the present Designs Act.

There are, however, several important innovations.

First, the register provided for in the bill will consist of two parts, A and F. Part A will relate to 'aesthetic designs' while 'functional designs' will be registrable in Part F (see below). The same design may, however, be registered in both parts and a pending application for registration of a design may be amended from a Part A application to a Part F one or vice versa,⁵ although no such conversion may take place after the application has been granted.⁶ While the bill provides for the registration of a design to be amended 'by way of correction, including the correction of a mistake',⁷ an amendment will not be possible if, for example, it will have the effect of altering an existing registration under the 1967 Act from a Part A to a Part F registration.⁸

Designs are registered in prescribed classes and a single design may be registered in more than one class.

An aesthetic design is 'any design applied to any article, whether for the pattern, shape, configuration or ornamentation thereof or for any two or more of such purposes, and by whatever means it can be applied', having features that 'appeal to and are judged solely by the eye irrespective of the aesthetic quality

¹ See General Notice 588 GG 13328 of 28 June 1991.

² See General Notice 700 GG 12703 of 24 August 1990.

³ Clause 3(1).

⁴ Clause 9(4) and (6). On the parts of which the new register will be comprised, see below.

⁵ Clause 20(2).

⁶ Clause 33(8).

⁷ Clause 33(5).

⁸ Clause 33(6)(c).

thereof'.⁹ What the bill refers to as an aesthetic design is substantially the same as the type of design that may be registered under the 1967 Act. Any feature of an article dictated solely by the function that the item is intended to perform or any method or principle of construction is not afforded protection by an aesthetic-design registration.¹⁰

In order to qualify for registration, an aesthetic design must be new at the date of application and must be for an article intended to be multiplied by an industrial process.¹¹

The duration of an aesthetic-design registration is fifteen years from the date of registration, subject to the payment of prescribed renewal fees.¹²

The effect of an aesthetic-design registration is to grant the proprietor, in the Republic, the right to exclude others from making, importing, using or disposing of any article of the class in which the design is registered if that article embodies the design in question, or a design not substantially different from it: the proprietor should 'have and enjoy the whole profit and advantage accruing by reason of the registration'.¹³

A functional design is 'any design applied to any article, whether for the pattern, shape or configuration thereof or for any two or more of such purposes, and by whatever means it can be applied', having features that 'are dictated by the function which an article to which the design has been applied is intended to perform'.¹⁴

In order to qualify for registration, a functional design must be new at the date of application for registration or at a prior 'release date' if the application is made within two years after the release date, and the design must be for an article intended to be multiplied by an industrial process.¹⁵

The duration of a functional-design registration is a period of ten years from the date of application or from the release date, whichever is earlier, subject to the payment of prescribed renewal fees.¹⁶

Registration of a functional design will confer upon the proprietor in the Republic the right, for the duration of the registration, to exclude others from:

- (a) reproducing the registered design or a substantial part of it in making any article included in the class in which the design is registered; and
- (b) using, importing or disposing of any article included in the class in which the design is registered if the article in question embodies a reproduction or a substantial part of the design and if, to the knowledge of the alleged infringer, the making of the article in question constituted a reproduction of the registered design or of a substantial part of the design without authority or, in the case of an imported article, would have been such had the article been made in South Africa by the importer.¹⁷

A functional-design registration thus affords the design a form of protection comparable to that given to drawings and prototypes of technical articles under the Copyright Act 98 of 1978 prior to its amendment by s 2 of the Copyright Amendment Act 13 of 1988.¹⁸ This can be contrasted with the absolute protection afforded to an aesthetic design registered in Part A of the register.

By affording protection after registration to a functional design that was created up to two years prior to the date of the application for registration, the bill poses difficulties for persons who copy a functional design prior to its registration. In order to cater for this situation it provides that the proprietor of a registered functional design may not interfere with any person who does or restrain any person from doing any act reserved exclusively for the proprietor of the design if the alleged infringer commenced doing that act before the date on which the functional design was registered.¹⁹

In addition, anyone who before the date of registration of a functional design expends any money, time or labour with a view to doing any of the acts reserved exclusively for the proprietor of the design and is subsequently prevented from doing any such act by virtue of the registration of the design may apply to the Supreme Court for compensation from the proprietor for the money, time and labour so expended.²⁰

A functional design registered in Part F of the register is in essence a second-class design, afforded a shorter period of protection than an aesthetic, or first-class, design and enjoying a lesser form of protection: the functional design

⁹ Clauses 15(2) and 1(i).

¹⁰ Clause 15(3).

¹¹ Clause 15(1).

¹² Clause 28(1). The registration of any design, whether in Part A or Part F, will lapse at the end of a period prescribed for the payment of renewal fees if they are not paid within that period, although the registrar of designs may, upon application and subject to the payment of an additional fee, extend the payment period by up to six months: clause 28(3).

¹³ Clause 25(1).

¹⁴ Clauses 16(2) and 1(x).

¹⁵ Clause 16(1) read with clause 17(2). The term 'release date' is defined in clause 1(xxiii) to mean the date on which the design was first made available to the public, whether in South Africa or elsewhere, by public disclosure of it with the consent of the proprietor or any predecessor in title.

¹⁶ Clause 28(2). On the lapse of a registration for non-payment of renewal fees, see note 12 above.

¹⁷ Clause 25(2).

¹⁸ On the extent to which the provisions of the Copyright Act now restrain 'reverse-engineering', see Owen H Dean 'Copying Industrial Products — I: Protection Under Copyright' (1990) 19 *BML* 159 and 'Copying Industrial Products — III: Sitting on a Stolen Design: The Copyright Angle' (1991) 20 *BML* 141.

¹⁹ Clause 41(9).

²⁰ Clause 41(10) read with clause 1(vi).

A drought of consensus

'It is said that you can lead a horse to the water but you cannot make him drink; so too you can require the experts to meet, but you cannot make them agree.'

— *per Morris AJ in Maja v South African Eagle Insurance Co Ltd* 1990 (2) SA 701 (W) at 704G–H.

is protected against copying and dealing in copied articles, while the aesthetic design is protected by the bill against making or dealing in an article of a substantially similar design whether copying has occurred or the later design has been conceived quite independently. Protection of functional designs is something of a sop to copyright owners who lost the ability to protect their functional designs against 'reverse-engineering' when the Copyright Act was amended in 1988.²¹

As I have mentioned, an aesthetic design must be new at the date of application in order to be registrable in Part A, while a functional design, registrable in Part F, must be new either at the date of application or at an earlier release date. The requirement of novelty will be satisfied if the design does not form part of or is different from the state of the art immediately before the date in question.²² The state of the art comprises all matter that has been made available to the public, whether in the Republic or elsewhere, by written description, by use or in any other way, as well as matter contained in an application for a registration of a design in South Africa, or in a convention country if the foreign application is followed up by an application for registration of the design in South Africa within six months.²³

In terms of the 1967 Act a design is deemed to be new or original if, on or before the date of application for registration of the design, it has not been used or registered in the Republic, been described in any publication or formed the subject of a design-registration application either in South Africa or in a convention country prior to the making of a corresponding South African application within six months.²⁴ The meaning of novelty in the new bill thus differs from that in the present Act.

An international treaty providing for the protection of microchips was signed recently, and it seems that South Africa will accede to it. The treaty leaves it open to signatories to determine the manner in which microchips will be protected in accordance with the treaty, although one of the possibilities mooted is for protection to be granted under the domestic law of designs. South Africa has opted for this approach and the draft bill accordingly makes

provision for the protection of designs of microchips by treating them as a species of functional design.

The definition of 'functional design' in the bill specifically includes 'an integrated circuit topography, a mask work and a series of mask works'.²⁵ '[I]ntegrated circuit topography' is in turn defined to mean 'a functional design which consists of the pattern, shape or configuration of the three-dimensional disposition of the electrical, electromagnetic or optical elements and circuitry of an integrated circuit'.²⁶ The term 'integrated circuit' is further defined to mean 'an article, in final or intermediate form, containing electrical, electromagnetic or optical elements and circuitry, which is capable of performing an electrical or optical function, and in which at least a part of the electrical, electromagnetic or optical elements and circuitry are integrally formed, in accordance with a predetermined topography, in a semiconductor material'.²⁷

The expression 'mask work' is defined as 'a functional design which consists of the pattern of an image however fixed or encoded, having or representing at least part of an integrated circuit',²⁸ while a 'series of mask works' means 'a related group of mask works which, together, represent the three-dimensional disposition of the electrical, electromagnetic or optical elements and circuitry of an integrated circuit'.²⁹

These works, which we describe broadly as microchips, are therefore protected in the new bill as functional designs. Other countries, such as the United States and Japan, have adopted a different approach, creating instead separate registers and registration systems for microchips. The proposed new system of registration of functional designs is, however, unique, making it possible for microchips to be accommodated within the design-registration system.

The provisions of the bill dealing with infringement and abuse of rights afforded by the registration of a design and various related matters will be dealt with in the next article.

²¹ See note 18 above.

²² Clause 17(1) and (2).

²³ Clause 17(3) read with clause 50(1). In terms of clause 49(1), which corresponds to s 17(1) of the 1967 Act, the State President is empowered, 'with a view to the fulfilment of a treaty, convention, arrangement or engagement', by proclamation in the *Gazette* to declare any country or group of countries to be a 'convention country' or convention countries for the purposes of any or all of the provisions of the proposed Act.

²⁴ Section 4(2) read with s 18(1).

²⁵ Clause 1(xi).

²⁶ Clause 1(xiii).

²⁷ Clause 1(xii).

²⁸ Clause 1(xv).

²⁹ Clause 1(xxv).