

The Great Danes: can Australia learn from Denmark on design protection?

Marina Olsen *BANKI HADDOCK FIORA LAWYERS*

Key points

- Australia's legal protection for industrial designs has come under scrutiny in recent years, with many viewing our copyright/design overlap and design laws as lax compared with other jurisdictions. Denmark lies at the other end of the spectrum, with strong protection granted to articles like furniture and lighting.
- Australian designers should be mindful of the risk that their creations are not protected under copyright law if they have been commercialised. If design registration has not been sought prior to public disclosure, they may have no legal recourse at all.
- Australian companies that export replica furniture and lighting should be aware that marketing and sale of those items in countries with stricter design protection may be at risk of infringing intellectual property (IP) laws in those countries.

Legal protection for the applied arts is one of the least harmonised areas of IP protection in the world.¹ There is significant disparity across the globe in terms of IP protection for product design, and particularly the intersection between copyright and designs law. At one end of the spectrum lies Denmark, where furniture and other industrial design benefits from some of the strongest IP protection in the world. Many would consider Australia to be at the other end of this spectrum. This article compares the two systems, questioning whether Denmark's generous protection for designs has gone too far, or whether Australia can learn something from its approach. Australian designers should be aware of the potential for their designs to be unprotected by IP laws if no proactive registration steps have been taken. On the other side of the coin, Australian manufacturers should be advised of the risk of infringing the IP laws of jurisdictions with more generous protection for the applied arts.

Danish design

The Scandinavian countries, and particularly Denmark, are renowned for their strong design culture, especially in the field of furniture and lighting. Iconic

pieces such as Arne Jacobsen's Egg chair, Hans Wegner's Wishbone chair, Verner Panton's Flower Pot lamp and the Poul Henningsen-designed Artichoke light were all designed by Danes in the mid-20th century and remain popular today, demonstrating the enduring legacy of great design. Other successful Scandinavian design brands include Danish firms Georg Jensen, Bodum and Bang & Olufsen, Finnish brands Iittala and Marimekko, and IKEA from Sweden.

Figure 1: The Wishbone Chair or Y Chair, designed by Hans Wegner for Carl Hansen & Son in 1949²



Much of the ongoing success of Danish design derives from the fundamental place given to furniture and lighting in the Danish cultural identity. Danes spend a sizeable proportion of their income on classic design pieces. These items, while not inexpensive, are considered worthy of the investment. They occupy a place in the home (and in doctors' surgeries, banks and hotels) that satisfies both artistic and utilitarian purposes. In the many gallery exhibitions around the world that have

celebrated Danish design, these chairs, lamps and tables are treated as no less “artistic” than a painting or sculpture.

Applied arts

Most of Denmark’s well-known design pieces fall within the realm of the “applied arts”, utilitarian objects in everyday use to which artistic design has been applied. They are generally the creation of industrial design, the decorative arts, crafts, and handicrafts. While works of fine art have no function beyond aesthetic or intellectual stimulation, works of applied art tend to be functional objects that have been creatively designed with both aesthetics and function in mind. They are generally mass-produced.

The high esteem given to these iconic pieces by design lovers around the world demonstrates the difficulties of attempts to delineate between the fine arts and applied arts. Works of applied art, and particularly furniture and lighting pieces that have achieved iconic status, sit uncomfortably within the landscape of Australia’s copyright/design overlap. The justification for Australia’s current legal position, after years of legislative attempts to find an appropriate balance, is that items that are essentially functional and intended for mass production should not be entitled to the broad and long-lasting protection of copyright law. Instead, designs law, with its focus on appearance and its shorter term of protection, is considered a better fit for mass-produced design objects.

Figure 2: The Flower Pot table lamp, designed by Verner Panton in 1968³



Australian legal protection for designs under copyright law

Copyright in furniture and lighting is generally found in the underlying design drawings (which might be hand-drawn or computer-generated).⁴ Three-dimensional reproductions of two-dimensional artistic works (ie, the manufacture of articles that substantially reproduce the drawings) will infringe those work,⁵ however the copyright/design overlap provisions found in Div 8 of the Copyright Act 1968 (Cth) (Copyright Act) significantly diminish this protection.

The copyright/design overlap is a complex area of IP law that has been canvassed in detail a number of times in this bulletin. By way of overview, copyright in an artistic work becomes unenforceable when a three-dimensional design embodying the artistic work is mass-produced⁶ or is registered as a design.⁷ A narrow exception to this rule is made for “works of artistic craftsmanship”, works that have artistic quality and display an exercise of a particular skill by a craftsperson in using materials to create the work.⁸ While furniture makers may in theory qualify for this carve-out, meaning their creations may be protected by copyright despite industrial application, in practice it extends to few articles and is limited to unique, bespoke pieces rather than commercial products.⁹

Applying the overlap to an article of furniture, an original design drawing for a chair might qualify for copyright protection as an artistic work. If the designer produces more than 50 chairs according to the design,¹⁰ they cannot rely on copyright protection so must turn to design protection. As there are no unregistered design rights in Australia, a design registration must have been obtained for the product before disclosing it to the public to have any protection at all. Given the low take-up of registered designs in Australia,¹¹ the result is that a number of designers have either no IP protection for their designs (if they fail to register a design or do not qualify for protection) or a maximum of 10 years under designs law (if registration is obtained). This position is subject to any rights that designers may have under trade mark or consumer protection/passing off laws. However, replica manufacturers can protect against this risk by referring to their products, for example as “replica Hans Wegner” or “Hans Wegner-inspired” (as opposed to suggesting that it emanates from, or is licensed by, the original designer).

On the other hand, an artist is entitled to make an unlimited number of two-dimensional reproductions of their design and remain within the protection of copyright law. For example, a lamp designer will gain 70 years of protection following their death for the two-dimensional designs appearing on a lampshade. Design

registration may also be sought for the lampshade print, entitling them to dual protection under copyright and designs law.¹² This contrasts with the three-dimensional design for the shape of the lamp and the lampshade, which will attract 10 years' protection at best.

On 22 January 2015, the Arts Law Centre of Australia (ALCA) submitted its response to the Advisory Council on Intellectual Property (ACIP) "Review of the Designs System". While the copyright/design overlap provisions were not the prime focus of that review, ALCA submitted that the current provisions are increasingly outdated given the international trend towards protection of industrially-applied designs through copyright.¹³ This trend is being led by the European Union (EU), where the principle of cumulative protection has been adopted.

Cumulative protection in Denmark and the EU

In Denmark, an article may be simultaneously protected by copyright and design law (whether as a registered or an unregistered design); there is no loss of copyright following design registration or industrial application. The European Community Designs Directive¹⁴ (CDD) and Community Designs Regulation¹⁵ (CDR), and the Danish Consolidated Design Act 2009 (DDA)¹⁶ and Consolidated Act on Copyright 2014¹⁷ (DCA) all expressly stipulate that a design shall also be eligible for protection under the law of copyright. Further, Recital 8 of the CDD states:¹⁸

Whereas, in the absence of harmonisation of copyright law, it is important to establish the principle of cumulation of protection under specific registered design protection law and under copyright law, whilst leaving Member States free to establish the extent of copyright protection and the conditions under which such protection is conferred ...

The origins of cumulative protection lie in the French theory of "unity of art", that there should be no distinction between artistic creations on the basis of aesthetic merit or mode of expression. The policy is based on the idea that the purpose, requirements, effects and scope of protection differ between copyright and design protection; the two systems are seen as complementary rather than mutually exclusive. Proponents of cumulative protection say that it allows industrial products to be protected in their diversity and offers the flexibility necessary for combating the various types of infringement.

In 2012, an Association Internationale pour la Protection de la Propriété Intellectuelle (International Association for the Protection of Intellectual Property) (AIPPI) Study Committee was tasked with examining the interplay between design and copyright protection for indus-

trial products, with submissions received from working groups from 42 countries including Australia and Denmark. The Danish working group argued:¹⁹

If one were to deny copyright protection for an industrial product, because it had previously enjoyed design protection, through registration or by making the product available to the public, copyright in industrial products would effectively become "second-rate" compared to fine arts. The fact that one is able to use a work of art should ... not have as a consequence that the copyright protection hereof becomes "second rate".

Having considered submissions from around the world, the Study Committee resolved that: "Cumulative protection should be available for industrial products by both copyright and design rights" and that: "[the] term of copyright protection for industrial products should be independent of the term of design right protection for such products."²⁰

Designs law

As noted above, Australia's Designs Act 2003 (Cth) (Designs Act) does not recognise the concept of an unregistered design right.²¹ Rights are obtained only upon registration, with 10 years maximum protection following the filing date.²² This position is substantially weaker than in EU member states including Denmark, where a design may enjoy EU-wide protection as a registered community design or an unregistered community design. Under EU law, once registered, a community design is protected for a period of 5 years from filing, and may be renewed up to a maximum of 25 years.²³ An unregistered community design is protected for 3 years from the date on which it was first made available to the public within the EU Community²⁴ and may be converted to a registered design within 12 months. Danish designers can also apply for a national design registration, valid for up to 25 years (15 years for spare parts).²⁵

Checks and balances

Danish IP laws include certain checks and balances to limit their potential to be exploited to gain extensive and long-lasting IP protection for everyday articles such as hammers and ladders. To qualify for Danish copyright protection, in addition to being original an industrial product must be considered a "work of art".²⁶ While this does not involve a qualitative assessment of the aesthetic merits of the work, the artistic element of the work must be so obvious that it is clearly more art than a technical solution. In copyright infringement proceedings, determining whether or not something is a "work of art" is ordinarily assessed by the court having regard to the opinion of a court-appointed independent expert in the relevant field. In addition, a higher threshold is imposed

for copyright infringement of an industrial product, which covers only “a very close imitation”.²⁷ This contrasts with the position in Australia and many other countries, where copyright law grants the same, or substantially the same, scope of protection for fine arts and applied arts articles (subject to the operation of the copyright/design overlap).

Danish designs law similarly limits the capacity for everyday articles to enjoy extensive IP protection, with appearances dictated solely by technical function excluded from design protection.²⁸ Similarly, while Danish designers may rely on unregistered design rights, those rights confer a narrow form of protection: they can be used to prohibit only the commercial exploitation of a similar design. It is insufficient if another design gives users the same overall impression (which is an infringement of a registered design). Unlike registered designs, infringement of an unregistered community design requires actual copying of the protected design and an independent work of creation by a designer will not infringe.²⁹

Replica furniture

A booming industry has grown up around the production of replica furniture, which developed around the turn of the century as a way to legally manufacture furniture according to designs that were not protected by IP laws. Naturally, the industry has gravitated towards jurisdictions with a relaxed approach to design protection. Danish design firms in particular have faced the challenge of competition from replica furniture manufacturers, particularly those based in the UK and China. Australia has also seen an increase in replica furniture manufacturers.

Despite operating from a jurisdiction with relatively relaxed protection for industrial designs, Australian manufacturers of replica furniture should bear in mind the risk of selling that furniture into countries with more strict regulation. For example, the Danish Maritime and Commercial Court ruled in 2014 that the British replica furniture company Voga Ltd had infringed the copyright and trade marks of five Danish design manufacturers.³⁰ Voga had sold copies of famous Danish design furniture for a number of years. Although legal in the UK, the products were found to be targeted at the Danish public as the company advertised its website containing infringing material using Google Adwords, advertised directly in Denmark and enabled delivery to Denmark.

Reviews and alternative positions

The Productivity Commission’s current inquiry into Australia’s IP arrangements will examine (among other issues) whether there are “continuing issues with the overlap between design rights and copyright or other

forms of protection” and whether “the protections afforded under design rights [are] proportional to the efforts of innovators”.³¹ The Issues Paper refers to the ACIP “Review of the Designs System”, which noted that the current design system “is expensive for what it offers, and is, as a result, neglected by designers who find it does not offer the rights they need”.³² When the Productivity Commission issues its final report later this year, perhaps it will consider options sitting somewhere between those adopted in Denmark and Australia.

For example, New Zealand’s IP laws allow a limited term of copyright protection for an industrially applied design similar to that under the registered designs system (16 years for copyright and 15 years for a registered design).³³ This position was endorsed by The ALCA in its submission to the ACIP Review. According to that submission, this position:³⁴

... would alleviate the current copyright/design confusion without extending copyright protection to purely utilitarian designs (e.g. utensils, tools and machinery parts)... [and] could assist artists who wished to industrially apply their designs but could not afford formal registration under the Designs Act to retain some protection under copyright laws.

At present, the UK’s Copyright Designs and Patents Act 1988 (CDPA) also adopts a compromise position. Section 52 of the CDPA limits the period of copyright protection for artistic works (excluding films) produced by an industrial process and marketed for sale to 25 years.³⁵ However, in 2013 the UK Government enacted legislation to repeal this section,³⁶ effectively extending the period of copyright protection for mass-produced artistic works to 70 years. While the amending legislation originally delayed the repeal until 2020, the government later announced a review of this date and a consultation with interested parties was held at the end of 2015. In announcing the change in legal position, IP Minister Baroness Lucy Neville-Rolfe said that limiting the term of copyright protection for artistic works that have been mass-produced to 25 years “is unfair in comparison to other artistic works, like literature and music, which are protected for the life of the creator and 70 years”.³⁷

Conclusion

In Denmark, the legal protection afforded to designs reflects the strong value placed on the applied arts and creative industries. By offering lesser protection for innovative designs, is Australia representing that it does not value good design? Or is the position simply a reflection of the economic reality that Australia is a mass importer, rather than exporter, of design?³⁸ Either way, the current lack of certainty in Australia creates a difficult environment for Australian designers. The ACIP

Designs Review vented a number of criticisms of our designs system, however no results have flown (and in fact the ACIP has been disbanded). It is hoped that the Productivity Commission inquiry will lead to a more positive outcome for Australia's design industry.



Marina Olsen
Senior Associate
Banki Haddock Fiora Lawyers
olsen@bhf.com.au
www.bhf.com.au

Footnotes

1. Advisory Council on Intellectual Property (ACIP) *Review of the Designs System* Final Report, March 2015, p 15 available at www.acip.gov.au.
2. "Hans Wegner Wishbone chair" by Robert B Moffatt (www.flickr.com/photos/55050575@N06/5149327810/in/dateposted/). Made available under a Creative Commons public licence (see <http://creativecommons.org/licenses/by/2.0>).
3. Photograph by the author.
4. An "artistic work" is defined in s 10 of the Copyright Act to include: "a painting, sculpture, drawing, engraving or photograph, whether the work is of artistic quality or not."
5. Section 21(3) of the Copyright Act.
6. Section 77 of the Copyright Act.
7. Section 75 of the Copyright Act.
8. Section 77(1)(a) of the Copyright Act.
9. "Works of artistic craftsmanship" are not defined in the Copyright Act or in any concrete form in case law, although the High Court provided some insight in *Burge v Swarbrick* (2007) 234 ALR 950; 72 IPR 235; [2007] HCA 17; BC200702894. The constraints of this article prevent a more comprehensive discussion of this complex area.
10. Under reg 17(1)(a) of the Copyright Regulations 1969 (Cth), a design is taken to be applied industrially if it is applied to more than 50 articles.
11. In "The market for design: insights from interviews with Australian firms" a 2014 survey of participants in the Australian design industry commissioned by IP Australia, applying for registered design rights was not seen as a valuable use of time compared with efforts to get to market first (Kwanghui Lim, Don O'Sullivan and Michael R Falk (2014)).
12. The "visual feature" of a product for which a design is registrable is defined to include its "pattern and ornamentation" (s 7(1) of the Designs Act 2003 (Cth)).
13. Arts Law Centre of Australia "Response to ACIP Options Paper" 22 January 2015, p 2 available at www.artslaw.com.au.
14. EUR-Lex, Art 17 of EC Directive 98/71 on the legal protection of designs available at <http://eur-lex.europa.eu/>.
15. Article 96(2) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs.
16. Section 50 of the DDA.
17. Article 10 of the DCA.
18. European Union Intellectual Property Office *Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs* 31998L0071 available at <https://euipo.europa.eu>.
19. AIPPI *The interplay between design and copyright protection for industrial products* Student Committee, Q321 Group Report (Denmark) (2012) p 5, available at <http://aippi.org>.
20. AIPPI *Resolutions* adopted on 23 October 2012 at the AIPPI Seoul Congress 2012.
21. This remains a contentious issue in design law. The ACIP *Review of the Designs System* Options Paper, December 2014 at p 56, recommended against one, stating: "On balance, ACIP does not consider that a UDR should be introduced in Australia at this time, although such protection could be considered as part of a more general review."
22. Section 46(1) of the Designs Act.
23. Article 12 of the CDR.
24. Article 11(1) of the CDR.
25. Section 23(1) of the DDA; s 23(2) of the DDA.
26. Both a "work of fine art" and a "work ... of applied art" are included as a type of "artistic work" in s 1(1) of the DCA.
27. Above n 18, at p 3.
28. Article 8(1) of the CDR and s 8(1)(i) of the DDA.
29. Article 19(2) of the CDR.
30. *Fritz Hansen A/S v VOGA Ltd*, Danish Maritime and Commercial High Court Case A-25-14 (12 November 2014).
31. Productivity Commission *Intellectual Property Arrangements* Issues Papers (released October 2015) at p 22, available at www.pc.gov.au.
32. Above n 1, at p 41.
33. Section 75(1) of the Copyright Act 1994 (NZ) and s 12 of the Designs Act 1953 (NZ).
34. Arts Law Centre of Australia "Arts Law supports revising Copyright/Design Overlap Provisions — Response to ACIP Designs Review" 2 February 2015 available at www.artslaw.com.au.
35. This concept of "industrial process" mirrors that of "industrial application" in Australia, and captures works of which more than 50 copies are produced.
36. The reforms of the CDPA adopted by the Enterprise and Regulatory Reform Act 2013.
37. Foreword to the "Transitional provisions for the repeal of s 52 of the Copyright, Designs and Patents Act 1988" released by the UK IP Office. The results of this consultation are likely to be released later in 2016, available at www.gov.uk.
38. When the design registration lifespan was reduced from 16 years to 10 years (contrary to the Australian Law Reform Commission recommendation of 15 years), it was noted that Australia is a mass importer of IP. See Explanatory Memorandum for the Designs Bill 2002 at para 16.