

Registered Designs in New Zealand: Changes allowing restoration and publication

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New Zealand has amended the Designs Act 1953 (the Designs Act) to allow:

1. restoration of lapsed registered designs;
2. restoration of lapsed registered design applications; and
3. publication of registered design application details.

The amendment gives the Commissioner of Designs the discretion to restore; the lapse must have been unintentional by the owner and the application for restoration made without undue delay. Before the amendment, the Designs Act omitted inclusion of restoration of a lapsed design application or a lapsed design registration.

The Design Amendment Act 2010 (the Amendment Act) received its royal assent on 19 April 2010 and comes into force on 19 April 2011 (or an earlier date if appointed by the Governor-General).

So far there is no guidance on how the Commissioner will treat designs that lapse between now and the amendment coming into force, and there are no relevant transitional rules or guidance on this in the Amendment Act.

1. RESTORATION – HOW?

The owner must provide evidence satisfying the Commissioner the lapse was unintentional and, once the owner detected the lapse, the owner applied for restoration without undue delay. The Commissioner will then exercise his or her discretion, and if for the owner, the Commissioner will then publish the application for restoration. Any person may oppose the application for restoration within the set time limit, but only because the lapse was not unintentional and there was undue delay.

2. RESTORATION – A TWOFOLD REASON FOR ITS IMPORTANCE

Lapsing of a registered design in New Zealand has a twofold impact. When the registered design lapses it also effectively destroys the protection given to three-dimensional shapes under New Zealand's Copyright Act 1994.

The Copyright Act 1994 ("Copyright Act") protects original drawings and prototypes from which three-dimensional products are made or derived. This is often referred to as "design copyright". Under New Zealand law, a third-party infringes copyright in the original drawings and prototypes if they copy without permission from either the,

- a) original drawings or prototypes; or
- b) three-dimensional products made or derived from those original drawings or prototypes.

Therefore, copyright law in New Zealand protects the three-dimensional products themselves. This is a unique feature of New Zealand intellectual property law. In many other jurisdictions (for example, Australia), copyright protection is 'lost' once the relevant work is 'industrially applied' (which usually means applied to 50 or more articles).

Under New Zealand law the double protection of the Copyright Act and Designs Act effectively crumbles when design registration lapses.

This is because section 74 of the Copyright Act provides a defence to copyright infringement if the copying was from a lapsed patent or registered design. Therefore, third parties can avoid copyright infringement, provided they copied from the lapsed registered design.

Therefore, the ability to restore registered designs and registered design applications in New Zealand is an important one.

3. RESTORATION – THE BEGINNING AND ITS CODIFICATION

A recent hearing by the Commissioner corrected what the position under the Designs Act should have been all along. At the hearing, the Commissioner allowed restoration of a lapsed design registration, where the owner did not pay the renewal fee within required time frame, including the six-month extension of time.

Owners of a registered design in New Zealand have a six-month extension of time available to pay the renewal fees on the registered design. Historically, once this

extension expired, the registration irrevocably lapsed. This occurred even if the failure to pay the renewal fee was unintentional.

The amendment to the Designs Act codifies the approach taken at the hearing by the Commissioner. In the Tweco Products Inc.(i) hearing the owner asked the Commissioner to reconsider whether a design registration could be restored on application by the owner for a correction of a mistake in the register. Specifically, the owner filed an earlier application asking for:

“...correction of a mistake under section 29(3) of the Designs Act 1953. We wish to correct the status of the design register of New Zealand design 29157 showing the status as ‘Registration Expired’. The expiry of the design arose from an error or omission on behalf of the proprietor or another person(s) concerned which led to the non-payment of the renewal fee normally ... Hence, the mistake in the register .”(ii)

The Commissioner rejected this application because the register was correct – the registration lapsed through failure to pay the renewal fee by the final deadline. The owner then requested a hearing in which the Commissioner held:

“...in a case such as this, when comprehensive evidence has been adduced to show that the owner of a registered design intended the design to be extended for a further five year period and, because of a mistake in any proceedings in connection with the design, caused by an error or omission on the part of the proprietor or applicant or any other person, the extension was not applied for within the time allowed by section 12(3), the mistake may be corrected under the provisions of section 29(3), and the register amended accordingly. I am satisfied that, in this case, the owners of the design have adequately established that they intended to extend the period of copyright, that an error or omission has occurred, and that, once the mistake was discovered, they acted diligently in pursuing the request for correction .”(iii)

As a result the Commissioner allowed the application for correction of the error, despite the fact the Designs Act did not provide for restoration at the time.

4. RESTORATION - AMENDMENT TO THE COPYRIGHT ACT 1994

The Amendment Act also amends section 74 of the Copyright Act by adding subsection (4). The added subsection bars action against a third-party who works the design during the period it is lapsed.

5. PUBLICATION - REGISTERED DESIGN APPLICATION DETAILS

The amendment to the Designs Act also clears up the confusion over publication of the details of registered design applications. For a period before the amendment, the Commissioner would not publish the details of applications until registered.

Publication is important at least from the prospect of identifying potential infringement.

(i) *Tweco Products Inc* [2009] NZIPODES 1 (2 February 2009)

(ii) *Tweco Products Inc* [2009] NZIPODES 1 (2 February 2009) at para 2

(iii) *Tweco Products Inc* [2009] NZIPODES 1 (2 February 2009) at para 59

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