PROTECTION OF TWO DIMENSIONAL DESIGNS IN HONG KONG

Introduction

Many companies see innovation as vital to sustain and improve market shares, and are therefore willing to invest significant amount of time, resources and money to develop new and original products. The value of such new products depends heavily on the originality of their respective designs. Accordingly, it is crucial that such respective designs be protected from infringement through effective use of intellectual property rights ("**IPRs**").

Under the current Hong Kong IPRs laws regime, owners of a two dimensions design drawings can rely on the Copyright Ordinance Cap. 528 ("**CO**") and the Registered Design Ordinance Cap. 522 ("**RDO**") to protect their design drawings against infringement by third parties.

This paper considers the relationship of copyright and design right in so far as they subsist in designs. First, it will discuss the copyright and design right law in Hong Kong. Second, it will examine the relationship between these two areas of IPRs laws, and how two dimensional designs are protected in Hong Kong. Third, it will analysis the court's approach in design law cases. Last, it will put forward suggestions of measures two dimensional design owners could consider for the purpose of protecting their two dimensional designs from infringement by third parties.

(1) INTELLECTUAL PROPERTY LAW IN HONG KONG

Hong Kong undertook major changes in its IPRs laws in July 1997. Today, Hong Kong's IPRs laws regime which comprises of the CO, the Patents Ordinance Cap. 514 and the RDO meet the standards of the World Trade Organisation's TRIPS's Agreement and other international Intellectual Property conventions.

Overview of Copyright law

Apart from the CO, copyright legislation in Hong Kong includes the Prevention of Copyright Piracy Ordinance Cap. 544, the Intellectual Property (Miscellaneous Amendments) Ordinance 2000 (No. 64 of 2000), the Copyright (Suspension of Amendments) Ordinance Cap. 568 and the Intellectual Property (Miscellaneous Amendments) Ordinance 2001 (No. 2 of 2001).

Copyright in Hong Kong arises automatically upon creation of the relevant copyright work by its author; no registration or formal notification is required. Copyright applies to all works recorded in any form provided that such works are original- i.e. that some degree of skill, labour and judgement has been exercised in relation to the creation of the works and that they are not copied from other works: *Ascot Jocky Club Ltd v Simons* (1968) 64 WWR 411

According to section 3 of the CO, copyright comprises both moral rights (right to be identified as author or director and right to object to derogatory treatment of work) and economic rights (rights to reproduce). This paper is concerned with the latter.

What is protected under the Copyright Ordinance?

Copyright subsists in, *inter alia*, artistic work: section 2(1) of the CO. Artistic works are defined under section 5 of the CO to be:

(a) a graphic work (i.e. painting, drawing, diagram, map, chart, plan, engraving, etching, lithograph, woodcut or similar work), photograph, sculpture (includes a cast or model made for the purpose of sculpture) or collage, irrespective of artistic quality;
(b) a work of architecture being a building or a model for a building; or
(c) a work of artistic craftsmanship.

The definition of artistic work is exclusive- i.e. a work has to fit into one of the above (a) to (c) categories to be an "artistic work". The phrase "artistic work" does not generally require the work to have any aesthetic merit, except for the last category of artistic work: "works of artistic craftsmanship". Whether a work is of artistic craftsmanship depends on whether a substantial section of the general public would obtain pleasure and satisfaction from that work. The intention of the maker of the work is a factor to be taken into account, but it is not conclusive: *George Hensher Ltd v Restawile Upholstery (Lancs) Ltd* [1976] AC 64

In practice, there is likely to be overlaps between the categories (a) to (c). "Works of artistic craftsmanship" have traditionally been recognised to include works such as furniture, jewellery, pottery and embroidery etc. Pottery, as an example, is a work of artistic craftsmanship as well as a species of sculpture, and therefore could also be categorised under categories (a) and (c). It seems the Court's approach is to use category (c) to catch those works of artistic craftsmanship which would not already fall within works in categories (a) and (b).

Duration of Copyright

Copyright in artistic work is generally valid for the life of the author plus 50 years: section 17(2) of the CO. If the author of the work is unknown, the duration is 50 years from the end of the calendar year in which the work was first made or, if during that period the work is made available to the public, 50 years from the end of the calendar year in which it is first made available: section 7(3) of the CO.

Rights conferred by Copyright

Rights conferred by copyright in an artistic work includes, *inter alia*, the reproduction right of the work in a material form. Hence, copyright owner's permission is a prerequisite for any reproduction of work. "Reproduction" includes in the case of an artistic work, a version produced by converting the work into a three dimensional form, or if it is in three dimensions, by converting it into a two dimensional form: section 23(3) of the CO. In general, it is an infringement not only to reproduce a work in the same form, but also to reproduce it in another medium.

There are exceptional cases in which permission is needed- for example, in relation to dealing with artworks for research or study and for criticism or review; etc. This paper does not to explore these exceptions, but only mention them to give an indication of the limitations to which the rights of copyright owners are subjected to.

Overview of Design law

Prior to the RDO, designs in Hong Kong were protected under the United Kingdom Designs (Protection) Ordinance (Cap. 44), whereby protection was dependent upon obtaining a UK design registration and keeping it in force by payment of renewal fees in the United Kingdom. The new RDO establishes a Hong Kong Designs Registry. Applications for design registrations are now made directly to the Hong Kong Designs Registry.

What is protected by Registered Designs Ordinance?

RDO protects rights of "designs" meaning "any features of *shape, configuration, pattern or ornamentation* applicable to an article, being features that, in the finished article, can be judged by the eye, but does not include:
(a) a method or principle of construction;
(b) features of shape or configuration of an article which-
(c) are dictated solely by the function which the articles ahs to perform; or
(d) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part." are capable of being registered as a design under section 2(1) of the RDO.
An "article" means any article of manufacture and include any part of an article if that part is made and sold separately: section 2(1) of the RDO.

Certain classes of designs are excluded from registration under the RDO, namely works of sculpture, casts or models (not used or intended to be used as models to be multiplied by an industrial process), wall plaques, medals, medallions and printed matter primarily of a literary or artistic character, including book jackets, calendars, certificates, coupons, greeting cards, labels, leaflets, maps, playing cards, postcards, stamps and trade cards and similar articles: Registered Designs Rules Cap. 522 Section 4.

A design is not registrable in respect of an article if the appearance of the article is not material. That is, if aesthetic considerations are not normally taken into account to a material extent by persons acquiring or using articles of that description, and would not be taken into account if the design were to be applied to the article: section 6 of the RDO. Designs contrary to public order or morality are also not registrable: section 7 of the RDO. Computer programmes, protected layout-designs (topographies) and designs for articles of a primarily literary or artistic character are also not registrable: section 8 of the RDO.

Requirement of Novelty

In order to be registrable, a design must be "new". Under section 5(2) of the RDO, a design will not be regarded as 'new' if it is the same as:
"(1) a design that has been registered in pursuance of a prior application, whether or not that design has been registered in respect of the same article for which the application is made or in respect of any other article; o r
(2) a design that has been published in Hong Kong or elsewhere before the filing date of the application, whether or not that design ahs been published in respect of the same article for which the application is made or in respect of any other article,
Or if it differs from such a design only in immaterial details or in features which are variants *commonly used* in the trade."

Duration of rights in Registered Designs

The rights in a registered design subsists for five years beginning on the filing date of the application. The registration may be extended for additional periods of five years, with the total period not exceeding 25 years, subject to payment of renewal fees every five years: section 28 of the RDO. If the registered design is in relation to an artistic work which was previously used and would not have been registrated but for the existence of the artistic work, the period of registration of the design expires when the copyright in that artistic work expires, if that is earlier than the time at which the registered design would otherwise expire, and it may not thereafter be renewed: section 29 of the RDO.

Rights conferred by Registration

The registered owner of a design enjoys the exclusive right:
(a) to make in Hong Kong or import into Hong Kong-
(i) for sale or hire; or
(ii) for use for the purpose of trade or business; or
(b) to sell, hire, or offer or expose for sale or hire in Hong Kong, any article in respect of which the design is registered and to which that design or a design not substantially different from it has been applied: section 31(1) of the RDO.

Test of Infringement

The court when asked to decide whether there has been infringement will compare the article in issue with the registered design. The court must ask whether the design of the alleged infringement is the same, or "not substantially different from the registered design": *Gaskell & Chamber Ltd v Measure Master Ltd* [1993] RPC 76. The statement of novelty gives guidance as to the scope of protection of the design, drawing special attention to those parts which are considered novel, but it is not intended to define the scope of protection.

Knowledge of the registration of a design is in general immaterial to infringement. An innocent infringer may however be exempt from liability for damages or to account for profits.

(2) AREA OF OVERLAP BETWEEN COPYRIGHT LAW AND REGISTERED DESIGNS LAW

Designs could be applied in many kinds of human production that could be at the same time copyrightable, patentable or protectable under trademark. For this reason, designs are often the subject matters of a law in the intersection of copyright, patent and trademark, sharing elements of the three as well as its own proper elements. The ambiguity of such situation is reflected in the law: in many countries, designs are granted an ambiguous hybrid status. The protection allowed to design are often a mix of categories, there are patent-like regimes, copyright-like regimes and trademark-like regimes.

How are two dimensions designs protected in Hong Kong?

Two dimensions design drawings can be protected by copyright and registered design rights in Hong Kong. Note however, an infringement of the copyright does not automatically entail an infringement of design right.

Two dimensional design drawings can be categorised into the following 4 categories:

- Original designs drawings which constitute artistic works
- Original designs drawings which are subject to industrial process by copyright owner or licensee
- Original designs drawings which are based on an adaptation of an earlier artistic work by the copyright owner

Original design drawings which constitute artistic works

For design drawings, even though there may not be any aspect of artistic quality, as long as it is a drawing of originality, it will attract copyright protection under the CO. Where the work constitutes a work that has both artistic intent and aspects of craftsmanship, it will attract copyright protection as a work of artistic craftsmanship.

The unauthorised reproduction by a third party of these designs drawings either in two dimensional or three dimensional forms will constitute an infringement of copyright.

Further, if such design drawings are registered under the RDO, they will also attract design rights under the RDO.

Original designs drawings subject to an industrial process by copyright owner or licensee

These are the designs drawings in which artists and manufacturers wish to "apply industrially" (i.e. to apply to more than 50 articles which do not all together constitute a single set of articles or to articles manufactured in lengths or pieces, not being hand-made articles: Registered Designs Rules s.5.), or to merchandise either in association with a functional item, or as an item which has both functional and visual appeal. (the "**Industrial Drawings**") Examples include all sculptural items and 'works of artistic craftsmanship" such as furniture, mouldings, jewellery, glass work and functional garden ornaments such as fountains or planters.

These Industrial Drawings sets out the shape and configuration of an article, usually may be based on a work which is subject to copyright protection, and are created solely with the intent that it is a blueprint for the production by an industrial process of an article in three dimensions. The purpose of these Industrial Drawings is to provide a means of exploiting commercially any artistic work created by the original drawings.

The copyright owner or a licensee will then produce and market articles from these Industrial Drawings and creates what is termed as "corresponding designs" under section 86 of the CO. Essentially, a "corresponding design" is a reproduction of an artistic work as the shape or form of an article. Any subsequent unauthorised reproduction by a third party of articles based on these articles is subject to section 87 of the CO, which provides that:

"where an artistic work has been exploited, by or with the licence of the copyright owner, by-

(a) making by an industrial process articles falling to be treated for the purposes of this Part as copies of the work; and
(b) marketing such articles, in Hong Kong or elsewhere.

(2) After the end of the period of 25 years from the end of the calendar year in which such articles incorporating a registered corresponding design are first marketed, the work may be copied by making articles of any description, or doing anything for the purpose of making articles of any description, and anything may be done in relation to articles so made, without infringing copyright in the work.

(3) After the end of the period of 15 years from the end of the calendar year in which such articles incorporating an unregistered corresponding design are first marketed, the work may be copied by making articles of any description, or doing anything for the purpose of making articles of any description, and anything may be done in relation to articles so made, without infringing copyright in the work.

(4) Where only part of an artistic work is exploited as mentioned in subsection (1), subsection (2) or (3) applies only in relation to that part."

To summarise, section 87(2) of the CO provides design drawings, aside from rights acquired through the registration of the design, also copyright as artistic works in the following manners:

- For an artistic work which has been registered as a registered design, copyright continues to subsists for a period of 25 years from the end of the calendar year in which articles incorporating the registered design are first marketed: section 87(2) of the CO.
- For an artistic work which has not been registered as a registered design, the period of copyright protection is reduced to 15 years from the end of the calendar year in which the articles incorporating the unregistered design are first marketed: section 87(3) of the CO. Therefore, a registrable design that is unregistered, although will still enjoy copyright protection, the period of such protection is reduced to 15 years instead of the life of author plus 50 years.

RDO was drafted to ensure sufficient copyright protection for essentially 'artistic" uses of artistic works, while at the same time providing a defence to possible actions for copyright infringement arising from the copyright of functional products based on Industrial Drawings which are also "artistic works".

Original designs drawings which are based on an adaptation of an earlier artistic work by the copyright owner

Section 87 of the CO applies only to artistic works which have been exploited by, or with the licence of the copyright owner. Hence, it does not apply where a copyright owner produces drawings, intended to form the blueprint for the industrial production of an article, based on the basis of an earlier work.

In such circumstances, where the third party copies either exactly or substantially such designs drawings, the unauthorised copying will be an infringement of the copyright in the drawings and an infringement of any design right if the designs have been registered. Relevant here is whether such designs drawings based on an adaptation of an earlier work is registrable under the requirement of "new" under section 5(2) of the RDO. Where an application is made by or with the consent of copyright owner of an artistic work for the registration of a corresponding design, the design is not treated as being other than new by reason only of any use made of the artistic work, save where the previous use consisted of or included the sale, letting for hire or offer or exposure for sale or hire of articles to which had been *applied industrially* the design in question or a design differing from it only in immaterial details or in features which re variants commonly used in the trade, and that pervious use was made by or with the consent of the copyright owner.

Whether sales have taken place is irrelevant to the question of whether a design has been applied industrially. It is sufficient that the articles have been produced: *Bampal materials Handling Ltd's Design* [1981] RPC 44.

Copyright vs. Registered Design Rights

Since copyright subsists automatically in designs drawings, and for artistic works the period of protection is the life of the author plus 50 years, one could rightly query the justification of the costs of obtaining a registered design which gives, at most, 25 years of protection.

Firstly, the scope of protection of copyright and registered designs is different.

Copyright is only good against copying. It does not provide a monopoly right. Therefore, if a similar or identical work to the copyright work is produced, it will not infringe the copyright work provided that it is not a copy of it. On the other hand, registered deign is protected even against an independent creation if that creation results in a design which is not substantially different from the registered design.

Secondly, the test of infringement is relatively easier in a registered design.

A plaintiff for an infringement of registered design case needs only to prove that the infringing design is not substantially different, whereas in a copyright case the plaintiff has to prove that the defendants' work is substantial similar to the copyright work.

Thirdly, registered designs cover only the shape, configuration, pattern and ornament of an article which has eye appeal, and exclude functional design. Copyright protects artistic work, such as drawing, sculptures and photographs, irrespective of their artistic merits.

(3) HONG KONG CASES ON DESIGN AND COPYRIGHT INFRINGEMENT

Swatch AG (also known as Swatch SA) v Captoon Industries Ltd [1995] HKEC 219 11th May 1995 CA

The Plaintiff is a Swiss corporation that produces and markets its well-known "Swatch" watches. The Defendant is a private limited company in Hong Kong conducting the business of "sourcing plastic style watches". The Plaintiff issued a writ against the Defendant in respect of infringement of copyright of its "Swatch Scuba 200" original drawings and of registered designs and also in respect of passing off. The plaintiff took out a summons for interlocutory injunctions and ancillary relief in respect of the claims in its writ.

The Court granted the Plaintiff's application in respect of registered designs and passing-off claim, but refused the Plaintiff's application for interlocutory injunction to restrain the defendant's alleged infringement of copyright. The Plaintiff claimed copyright to two sets of drawings: (i) drawings of a new line of Swatch watches to be known as "Swatch Scuba 200" series; and (ii) drawings consisted of seven engineering drawings. The Court rejected claimed of copyright on (i) the drawings are too simple to attract copyright and (ii) lack of originality. The Plaintiff appeals against the refusal.

Counsel for Plaintiff in the appeal put forwarded that "artistic work" includes a drawing irrespective of artistic quality, and that copyright has been accorded to very simple drawings, e.g. three concentric circles in *Solar Thompson Engineering Co Ltd v Barton* [1977] RPC 537. In relation to the second ground of lack of originality, the appeal court was satisfied on the totality of material before it, the Plaintiff does have a real prospect of success that the drawings are original. The appeal court ruled in favour of the Plaintiff.

Meaning of article
The definition of "article" under the RDO was considered in *Samsonite Corpn v Make Rich Ltd* [2002] 1 HKC 692. The plaintiff's registration for 'a wheel assembly for an upright luggage case' was held to be invalid in that there was no evidence that the assemblies were made and sold separately from the cases.

(4) SUGGESTIVE PROTECTIVE MEASURE

Make known your design registration

Under section 5(1) of the RDO: In proceedings for the infringement of a registered design, damages will not be awarded and no order will be made for an account of profits against a defendant who can prove that, at the date of the infringement, he was not aware and had no reasonable grounds for believing, that the design was registered. It is thus advisable to have the registered design number either printed on the packaging or advertising material and/or have it engraved or embossed on the product.

Make known of your copyright

On the same note, even though there is no legal requirement to put any copyright notice on the work, it is advisable to put a notice to warn others from copying. The purpose of such notice is to remind others that although access to the work is given, the copyright owner does not waive any claim to assert his or her ownership and exclusive rights to disallow any unauthorised reproduction of the work. Neither the absence of a copyright notice nor a "rights reserved "notice prejudice a copyright owner's right.

Keep record of process of creation

Due to the lack of requirement of any registration for copyright to arise, author or copyright owners are advised and should keep a complete record of the process of creation of work from inception to completion. This is not only useful for enforcement purposes, but would be valuable in proving independent creation if faced with an allegation of copying.

From past cases, proof of infringement is made more difficult, but not fatal, in the event of loss of original copyright works:

The leading authority is the Court of Appeal's decision in *Lucas v Williams & Sons* [1892] 2 QB 113, where the plaintiff could not produce an original two dimensional drawing to compare it against the defendant's infringing photograph. Lord Esher MR was of the opinion that the most satisfactory evidence of imitation, but not the only evidence which can be given to the court is to produce the original picture an the alleged copy so that the two can be compared. It does, however, follow that evidence given by the plaintiff without the original work was secondary evidence. Different kinds of evidence may be used to prove the same fact. Lopes LJ also held that in such cases witnesses may be called to say that they know the original picture well and that the imitation is

exactly like the original. Such evidence is clearly admissible and the only objection would be in respect of the weight attached to it.

In *Allibert SA v O'Connor and Another* [1981] FSR 613, the plaintiffs claimed to be the owners of the copyright in two drawings relating to fish boxes and a drawing for a mould for one such box, and sued for copyright infringements in the drawings. The original product drawing of one of the boxes had been lost and was therefore not produced at the hearing. The drawing relied upon was a later drawing updated to show minor modifications to the original. The High Court of Ireland was satisfied that the improvements were in respect of minor technical points and the modifications which were incorporated in the new drawings were not extensive. The court held that the plaintiffs could rely on the updated drawings and, although it could not be certain as to the extent of the labour and skill involved in the production of the original drawing, it was satisfied on the balance of probability that the labour and skill involved was significant enough to claim copyright protection.

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