Industrial Design and Copyright—Recent Developments

by

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Recent decisions in New Zealand[1] highlight the increasing use of the Copyright Act 1962[2] to protect industrial designs. The distinction between ideas and the expression of ideas, and the appropriate method of protecting each, has become clouded since the landmark decision of the Supreme Court in *Johnson & Associates Ltd.* v. *Bucko Enterprises Ltd.*[3] which widened the protection given to industrial designs by classifying them as "artistic works" within section 2(1) of the Act. Not surprisingly this case has received considerable attention, both from the academics[4] and in the recent cases. The rapid development of copyright protection from *Johnson* v. *Bucko*[5] to the present will be evaluated in this paper.

I. The Designs Act 1953

Before considering the Copyright Act 1962, a brief review of the ambit of the Designs Act 1953 is required. This Act gives protection to registered "designs". To be registerable, a design must be "new or

[1] *Beazley Homes Ltd.* v. *Arrowsmith* [1978] 1 N.Z.L.R. 394; *Dennison Manufacturing Co.* v. *Prestige Toys Ltd.*, High Court, Auckland, 5 September and 15 September 1980, (A.543/80); *Wham-O MFG Co.* v. *Lincoln Industries Ltd.* [1981] 2 N.Z.L.R. 628; *A.H.I. Operations Ltd.* v. *New Lynn Metalcraft*, High Court, Auckland, 28 May 1982, (A.604/80); *Bendon Industries Ltd.* v. *Presslok Industries Ltd.* High Court, Auckland, 29 October 1982, (A.883/82); *Crystal Glass Industries Ltd.* v. *Alwinco Products Ltd.*, High Court, Hamilton, 15 April 1983, (A.236/78).

[2] Hereinafter referred to as the Act.

[3] [1975] 1 N.Z.L.R. 311.

[4] McCrew, "Undesirable in Theory, Absurd in Practice—the Protection of Industrial Designs in England and New Zealand" (1975) 2 A.U.L.R. 1; K. R. Moon, "Copyright in Artistic Works: The Extension to Mechanical Design" [1979] N.Z.L.J. 282.

[5] *Supra.*

original" and must be materially different (outside the common variants used in the trade) from existing registered or published designs.[6] The meaning of "new or original" has been considered judicially in relation to the equivalent United Kingdom legislation by Graham J. in *Aspro-Nicholas Limited's Design Application:*

> The word "original" does not to my mind in this context carry the matter much further than "new", but it does import something more than mere novelty stricto sensu. It is directing the mind and eye to the fact that there is a difference of form or character which is a departure from previous designs and which is therefore of some significance or substance.[7]

This is a stricter test than the Copyright Act 1962 (N.Z.) which requires only that the work *originate* from the author to qualify as *original.* In addition the design must comply with the statutory definition contained in section 2 of the Designs Act:

> "Design" means features of shape, configuration, pattern, or ornament applied to an article by any industrial process or means, being features which in the finished article appeal to and are judged solely by the eye; but does not include a method of principle of construction or features of shape or configuration which are dictated solely by the function which the article to be made in that shape or configuration has to perform:

It would appear that this definition further restricts what is registerable under this Act. An illustration of judicial interpretation of this definition is found in *Amp Inc.* v. *Utilux Pty Ltd.*[8] In this case a new electrical terminal consisting of a design not displeasing to the eye and extremely efficient, but by coincidence dictated by its function, was held to be incapable of design registration because its design did not incorporate a feature appealing solely to the eye. Lord Reid said:

> . . . the words "judged solely by the eye" must be intended to exclude cases where a customer might choose an article of that shape not because of its appearance but because he thought that the shape made it more useful to him.[9]

The emphasis of design protection under the Designs Act 1953 is the antithesis of functionality and demonstrates why proprietors of designs have sought protection instead under the Copyright Act 1962.

II. The Copyright Act 1962

This Act offers two alternative avenues for the protection of industrial designs. Both involve the classification of the design as an "artistic work" within the definition in the interpretation section of the Act, the relevant provisions are as follows:

> "Artistic work" means a work of any of the following descriptions, that is to say,—
> (a) The following, irrespective of artistic quality, namely, paintings, sculptures, drawings, engravings, and photographs:
> (c) Works of artistic craftsmanship, not falling within either of the preceding paragraphs of this definition . . .[10]

[6] Designs Act 1953 (N.Z.), s.5(2).
[7] [1974] R.P.C. 645, 652.
[8] [1972] R.P.C. 103.
[9] *Ibid.* 108.
[10] s.2.

Each of the terms "sculptures", "drawings", "engravings", and "photographs" in the first limb of the definition are in turn defined in section 2. As will be seen later in this paper, since these definitions are not exhaustive, they allow for wide judicial interpretation.[11]

The Act affords protection from the copying of "substantial" parts of a work, which includes reproducing the work in any material form.[12] The Act defines "reproduction" as follows:

> "Reproduction" . . . in the case of an artistic work, includes 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, and references to reproducing a work should be construed accordingly . . .[13]

From the above it is clear that the potential existed for the law of copyright to make immense inroads into the arena of industrial design protection.

III. Artistic Works Irrespective Of Artistic Quality

In *Johnson* v. *Bucko*[14] Chilwell J. laid down four requirements necessary to establish infringement of copyright:

> For a plaintiff to succeed in an action for infringement of copyright he must establish:
> (a) That there is a work in which copyright can subsist;
> (b) That copyright does subsist in such a work;
> (c) That the plaintiff owns such copyright;
> (d) That such copyright has been infringed.[15]

Generally copyright subsists in unpublished works if the author is a New Zealand citizen or resident at the time the work was made.[16] If the work has been published, copyright will subsist if the first publication took place in New Zealand or the author was resident in or a citizen of New Zealand when the work was first published.[17] Extensions of the operation of the Act to works published in other countries or by citizens of other countries are contained in sections 49 to 51 and the regulations made under these sections.

As to actual subsistence, the first requirement is "originality" of the work.[18] Chilwell J. has said in relation to a lavatory pan connector product drawing:

> Mr Johnson's plan . . . contained the expression of his thoughts in a sufficiently precise way for the employee of Reid New Zealand Rubber Mills Ltd., by the exercise of time, skill, judgment and labour, to translate Mr Johnson's thoughts [the sketch plan] into a detailed engineering plan . . . The product drawing was not a copy of any other drawing. It was an original execution.[19]

[11] See Moller J. in *Wham-O MFG Co.* v. *Lincoln Indutries Ltd.* [1981] 2 N.Z.L.R. 628.
[12] ss.3(1), 7(4)(a) and (b).
[13] *Ibid.*, s.2(1).
[14] *Supra.*
[15] *Ibid.*, 315.
[16] S.7(1) Copyright Act, 1962.
[17] *Ibid.*, s.7(2).
[18] *Ibid.*, s.7(1).
[19] *Supra*, 316.

Once originality is established, the plaintiff must show that the work he claims protection for is an "artistic work". The issue arises as to what is meant by the expression "artistic work" in this context. Does it have an aesthetic meaning, or is the expression "artistic" merely a reference to the methods used to create the work rather than the "artistic" intention? In *Johnson* v. *Bucko*[20] an industrial engineering drawing was held to be an "artistic work", thus interpreting "irrespective of artistic quality" to mean regardless of aesthetic merit. It would be a strange taste indeed that would see aesthetic merit in an effluent pipe connector.

Any reproduction including a three-dimensional one would be an infringement of copyright. This raises the issue of the curiously worded section 20(8) which is one of the general defences to an action for infringement of artistic works. The section provides that:

> The making of an object of any description which is in three dimensions shall not be taken to infringe the copyright in an artistic work in two dimensions, if the object would not appear, to persons who are not experts in relation to objects of that description, to be a reproduction of the artistic work.

Much confusion has arisen from the apparent series of negatives. Some writers have referred to the "triple" and others to the "double" negative. It is suggested that rather than collate the number of negatives it is better to abstract the meaning by replacing inessential negatives with other characters. If this is done one is left with a less perplexing reading, thus—"A three-dimensional object won't infringe a two-dimensional copyright if the object would not appear to the average person to be a copy". While a certain amount of literary licence is taken, this simplification still retains the essence of the subsection. Such an interpretation was mentioned by Chilwell J. in *Johnson* v. *Bucko:*

> If you have to be an expert to see that the object is a reproduction of the drawing then it is not an infringement . . . . This formula gives the negative emphasis referred to in the section. If the non-expert cannot say the object is a reproduction then there is no infringement.[21]

It can be seen that there will inevitably be much debate over who is the qualified non-expert. While semantically simple, this section gives little interpretive assistance. The judges themselves have generally maintained a certain pride in being "fully qualified non-experts" for the purposes of this section. Megarry J. said in *British Northrop Ltd.* v. *Texteam Blackburn Ltd.:*

> I can at least say, with no feelings of embarrassment, that in my judgment I am well qualified as one of the persons mentioned in the subsection.[22]

Chilwell J. similarly stated in *Johnson* v. *Bucko:*

> The authorities indicate that I am not confined to the evidence adduced at the hear-

[20] *Idem.*
[21] *Supra,* 319.
[22] [1973] F.S.R. 241.

> ing and am entitled to bring my own non-expert eye to bear.[23]

The subjective licence of such a section is horrifying as the "non-expertise" of judges will be infinitely variable. Furthermore, by using non-expert appraisal as the test, the section poses a threat to the basic idea/expression dichotomy which fundamentally underlies copyright law. Copyright is the protection of the expression of an idea, not the idea itself. Section 20(8) blurs this distinction by not excepting from protection an object in which the utilization of the same idea results in a necessarily similar appearance. A very persuasive argument was put forward by the counsel for the defence in *Johnson* v. *Bucko:*

> [Mr Prichard suggested] . . . the Court should always be careful before arriving at the conclusion that there has been a reproduction of the drawing in three-dimensional form. He instanced the case of a ball bearing which may be drawn. A ball bearing is a simple utilitarian object of no real artistic worth . . . There is, he submitted, only one way of drawing a ball bearing; its shape is the idea . . . The drawing is the mere expression of the idea and has no merit as a drawing. The Act does not protect ideas and because the drawing is the expression of the idea without separate merit as a drawing there could be no copyright in a drawing of a utilitarian object such as a ball bearing.[24]

The Judge, however, rejected the analogy with the lavatory pan connector:

> . . .but in these days who knows but that a modern artist may find artistic beauty in a lavatory pan connector: even the humble ball bearing may excite his interest. Suffice it to say that in my judgment a substantial amount of time, skill, judgment and labour went into the preparation of the production drawing from which a die or mould requiring a substantial degree of engineering skill was made.[25]

This statement rejects any conception of artistic intent, and places "artistic", as used in the Copyright Act, on the mundane level of industrial draughting. It is submitted that His Honour has not dealt adequately with the analogy put forward by the defendant and has firmly entrenched the test to be applied as one of technical effort rather than artistic intent.

The third requirement is ownership. This is covered by section 9 of the Act which provides that the author is usually the owner unless the author has been commissioned by someone else to make the drawings for consideration,[26] or where the works were made in the course of the author's employment.[27]

The last requirement is, of course, infringement. This is a question of fact for the judge or jury. Under sections 6(2) and 7(4) an artistic work will be infringed if it is reproduced in any material form, including three-dimensional publication of the work, inclusion of the work in a T.V. broadcast or other transmission.

With respect to remedies, Part IV of the Act provides a comprehen-

[23] *Supra,* 319.
[24] *Ibid.,* 320.
[25] *Ibid.,* 321.
[26] s.9(3).
[27] s.9(4).

sive arsenal of these for infringement. They include damages, accounts of profit, conversion damages, and destruction or delivery up of an infringing copies of the instruments of their manufacture.

IV. Works Of Artistic Craftsmanship: The Second Avenue Of Protection

Before considering the five major cases since 1975[28], it remains to consider the protection given by the other relevant arm of section 2(1)—"artistic craftsmanship". The definitive case in this area is *George Hensher Ltd.* v. *Restawhle Upholstery (Lanes) Ltd.*[29] This case involved a consideration of section 3(1)(c) of the Copyright Act 1956 (U.K.), which is equivalent to the definition in the New Zealand Act. The plaintiffs had alleged infringement by the defendants of their copyright in a lounge suite prototype which consisted of a wooden frame nailed together and upholstered. The lounge suite was considered by expert witnesses to be basically a good commercial design but of mediocre aesthetic value. Works of "artistic craftsmanship", unlike the definition of paintings, sculptures, drawings, engravings and photographs as artistic works, are not defined with the rider "irrespective of artistic quality". The issue for the court was what degree of artistic quality qualified a work as one of "artistic craftsmanship"?

In the House of Lords, Viscount Dilhorne restated an established principle of statutory interpretation:

> The phrase 'works of artistic craftsmanship' is made up of words in ordinary use in the English language. Unless the context otherwise requires, they must be given their ordinary and natural meaning.[30]

This stolid assertion is, however, followed by an unfortunately worded paragraph:

> I am conscious, as was the Court of Appeal, of the need to avoid judicial assessment of artistic merits or quality, but I do not think that any such assessment is involved in deciding whether a work is an artistic work.

What is meant is that the question is one of fact to be decided on the evidence of expert witnesses and the facts of the case.

Lord Simon is more concise:

> Since the tribunal will not attempt a personal aesthetic judgment. . . it follows again, that whether the subject-matter is or is not a work of artistic craftsmanship is a matter of evidence; and the most cogent evidence is likely to be either from those who are themselves acknowledged artist-craftsmen or from those who are concerned with the training of artist-craftsmen—in other words, expert evidence.[32]

He also considers artistic talent important in deciding this question of fact:

> Given the craftsmanship, it is the presence of such aim and impact—what Stewart J.

[28] *Supra.*
[29] [1974] 2 All E.R. 420.
[30] *Ibid.*, 430.
[31] *Idem.*
[32] *Ibid.*, 437.

[(1957) 16 Fox Pat. C. 185 at 190] called 'the intent of the creator and its result'—which will determine that the work is one of artistic craftsmanship.[33]

This case, then, is authority that whether or not a work is one of artistic craftsmanship is a question of fact to be determined by expert witnesses and the conscious intention of the craftsperson who produced the work. In such cases, the message to craftspersons is that to found a claim for protection under copyright it will be necessary simply to make production drawings, as these will confer copyright protection regardless of artistic merit. The alternative is to base a claim for protection on the "artistic craftsmanship" limb of section 2(1), but as has been seen, a strong case will have to be made to prove that the work is deserving of the title "artistic".

V. The Cases Since 1975

The following discussion will be concerned with an analysis of the further development of the Act's application to industrial design since the Supreme Court's decision in *Johnson* v. *Bucko.*[34]

A. Beazley Homes Ltd. v. Arrowsmith[35]

Beazley Homes v. *Arrowsmith,* is a first instance judgment of McMullin J. In this case, the defendants, one of whom had previously been the plaintiff's agent in Hastings, were alleged to have infringed the plaintiff's copyright in certain plans for low cost housing. The plaintiff's operated on the catalogue principle whereby the customer could choose a suitable plan from a catalogue of house plans. The defendants, allegedly, had pirated several of these plans by building houses which were reproductions in three-dimensional form of the plaintiff's original plans. Several issues required consideration. The first was whether the plans were "artistic works" as "works of architecture" within the meaning of the Act. Second, there were two plans in which the ownership of the copyright was disputed. Third, the substantiality issue in regard to copying was discussed. Finally, the notorious section 20(8) came up for consideration.

On the first issue, the Court referred to *Johnson* v. *Bucko*[36] and had no difficulty in deciding that the house plans were "artistic works" within the definition of section 2(1)(a). Deciding whether the houses erected in accordance with these plans were "works of architecture" caused more difficulty. Works of architecture are "artistic works" in section 2 of the Act, but not, it is noted, "irrespective of artistic quality". In the result McMullin J. decided that the houses were

[33] *Idem.*
[34] *Supra.*
[35] [1978] 1 N.Z.L.R. 394.
[36] *Supra.*

within the definition of works of architecture. In a comment that echoed the decision of Graham J. at first instance in the *Restawhle* case[37], he said:

> What then, is a work of architecture? In my view it is a work in the design of which some skill is apparent.[38]

It is submitted that this approach is inconsistent with the House of Lords decision in the *Restawhile*[39] case, where it was held that artistic works to which the phrase "irrespective of artistic quality" did not apply, required as a decision of fact, the existence of an artistic element as evidenced by expert witnesses and artistic intentions. Functionality of design, albeit commercially successful, would not of itself quality as a "work of architecture" under the *Restawhile* doctrine. However, this part of the decision is obiter as it was unnecessary to decide whether or not copyright vested in the plans.

The second issue concerned both the ownership of a plan made before the 1962 Act, and one made by employees for their own use in their own time.

The first of these plans had been drawn in the mid-1950's under the regime of the 1913 Copyright Act. Under this Act, the copyright remains with the author. The plaintiffs therefore withdrew their plan from litigation as they did not own the copyright. The second plan was drawn by an employee of the company, but in his own time and for his own use. Thus, he was not caught by section 9(4) as it was not made in the course of the author's employment. The author, therefore, had to be joined as a plaintiff in the action.

The third problem concerned the effect of dissimilarities in plans. Section 3(1) of the Act states that a "copy" includes:

> . . . a reference to a reproduction, adaptation, or copy of a substantial part of the work . . .

What, then, is "substantial reproduction"? McMullin J. came to this conclusion:

> In proving that the one set of plans have (*sic*) been copied from the other, the plaintiffs do not have to negative dissimilarities between their plans and houses and the defendants' plans and houses. There are dissimilarities and these were listed by various witnesses. It seems to me that the question is whether the defendants have incorporated into their plans and houses a substantial proportion of the plaintiff's plans. Dissimilarities do not destroy the notion of copying, once established. They may, indeed, further establish it.[40]

With reference to the houses themselves, the Judge found that the use of different materials on the exterior were of little relevance, as the floor plans of the defendants' houses and profiles were similar to those of the plaintiffs.

This leads to the final issue of three-dimensional reproduction and

[37] *Supra.*
[38] *Supra,* 400.
[39] *Supra.*
[40] *Supra,* 404.

the defence of section 20(8). McMullin J. slipped smoothly into the role of the non-expert and came to the conclusion "having regard to the evidence, and all the surrounding circumstances",[41] that the buildings were reproductions of Beazley plans. It is assumed that expert witnesses and the Judge's own appraisal of the buildings combined in this finding.

This case then, offers little enlightenment on section 20(8), but does confirm some minor issues. "Originality" was seen in the context of skill and effort rather than concept,[42] and "reproduction" was "substantial", even if attempts had been made to disguise the copying by genuine improvements or cosmetic alterations.

B. Wham-O MFG Co. & others v. Lincoln Industries Ltd.[43]

Wham-O, the American company that produces "Frisbees", or flying discs, claimed along with its Australian licensee and New Zealand sub-licensee, that Lincoln Industries Ltd. had infringed their copyright in artistic and literary works. These works related to three models of flying discs and included preliminary drawings, wooden models used for the purposes of sculpture and/or engraving, and dies described as engravings. The "Frisbees" themselves were also claimed to be covered by copyright protection as "sculptures and/or engravings (print)".

The defendants claimed, inter alia, the flying discs they manufactured were not an infringement of the plaintiff's product and attempted to invoke the defence raised in *Catnic Components Ltd.* v. *Hill & Smith Ltd.*[44] Further defences included the assertion that as the "works" were published prior to the Copyright (International Convention) Order 1964, they were not capable of protection in New Zealand and also that Lincoln had a partly oral, partly written licence from the first plaintiff's Australian licensee to produce the flying discs in New Zealand.

Moller J. dealt shortly with the issue of artistic works in relation to the original drawings and the packaging holding that the drawings were artistic works and that the wording on the packaging was a literary work within the meaning of the Act. He then considered whether the wooden models could be brought within the definition of "sculptures" and/or "engravings"; whether the dies could be brought within "engravings"; and whether the final discs were "sculptures" or "engravings" (in the sense of a "print") within the meaning of the Act. Interestingly, noting no doubt the decision in

[41] *Ibid.*, 405.
[42] *Ibid.*, 401-402.
[43] [1981] 1 N.Z.L.R. 628.
[44] [1978] F.S.R. 405, 427-428; in the Court of Appeal, [1979] F.S.R. 619.

Restawhile[45] the plaintiffs chose not to attempt to call the finished discs works of "artistic craftsmanship", but sought only the protection of paragraph (a) of the definition of "artistic works" in section 2 of the Act.

Relying on a text[46] and two recent cases[47] Moller J. classed the wooden models as "sculptures" and the dies as "engravings" for the purposes of the Act. This represents an interesting extension of the Act to cover prototypes of a design and the dies from which they are to be reproduced as "artistic works". There will be far reaching effects from this decision and the decision in *Restawhile* will lose much of its effect by allowing such prototypes to bypass the strict test of "artistic craftsmanship" by reclassifying them as sculptures "irrespective of artistic quality".

Dealing with the flying discs themselves, Moller J. decided that each disc was an engraving as it was "an image produced from an engraving plate".[48] What is more startling however, is the classification of the discs as "prints" in terms of the Act. His Honour cited *Martin* v. *Polyplas*[49] as assisting in this conclusion, but it is open to serious doubt whether the plastic coins in that case were considered to be "prints". Nothing appears in the judgment of Wild C. J. to this effect, and subject to further clarification, it must be concluded that MollerJ. has extended the meaning of "print" in this regard.

On the issue of original publication in the U.S.A., Moller J. held that the copyright protection in New Zealand was to be judged by the New Zealand requirements for protection having been satisfied. Thus the designs were entitled to New Zealand copyright even though not complying with the American registration requirements.

Next, His Honour considered the "Catnic" defence. This defence arises from a first instance judgment of Whitford J. The essence of the defence is that when drawings are published in support of a patent application, the plaintiffs must have necessarily abandoned their copyright. Whitford J. said:

> In my view, by applying for a patent and accepting the statutory obligation to describe and if necessary illustrate embodiments of his invention, a patentee necessarily makes an election accepting that, in return for a potential monopoly, upon publication, the material disclosed by him in the specification must be deemed to be open to be used by the public [subject to his monopoly rights for 15 years] . . .[50]

The rationale is that to the extent that the Patents Act 1953 conflicts with Copyright Act provisions, the former prevails. In the Court of

[45] *Supra.*
[46] Laddie, Prescott and Vitoria, *The Modern Law of Copyright,* (1980).
[47] *Martin* v. *Polyplas Manufacturers Ltd.* [1969] N.Z.L.R. 1046; *James Arnold & Co. Ltd.* v. *Miafern Ltd.* [1980] R.P.C. 397.
[48] *Supra,* 635.
[49] *Supra.*
[50] *Supra,* 427.

Appeal no assistance was forthcoming from Buckley L. J.:

> . . . Whitford J. expressed the opinion that in the present case upon publication of the complete specification of the patent in suit the plaintiffs must be deemed to have abandoned their copyright in any drawings equivalent to the drawings in the complete specification. I do not wish to express any concluded view on this question.[51]

However, Moller J. held that the "Catnic" defence was not available in cases such as this.[52] It should be noted that here a true "Catnic" situation did not exist.

This left the question of infringement of Wham-O's copyright to be decided. Apparently unimpressed with the defendant's evidence, Moller J. relied heavily on the plaintiff's expert witness and his own judgment in deciding that substantial copying had taken place.[53] He further found the defendant unable to succeed on the alternative defences of estoppel, acquiescence and laches. These being equitable defences, Moller J. had some doubt as to the defendant's "clean hands".

The remedies granted by Moller J. included an injunction against Lincoln to restrain them from manufacturing, selling, distributing by way of trade or offering for sale the flying discs or any other connected packaging or materials, and otherwise infringing that copyright. An order was made for destruction of all such materials still under Lincoln's control and any sketches, drawings, moulds, patterns etc. used solely in the production of these flying discs and complementary materials. The trademark "Frisbee" was expunged from the register and an inquiry ordered into damages, being the total market value of the offending items sold and not otherwise destroyed by the defendants.

At the time of writing this case was being taken on appeal and the finding of the Court of Appeal is eagerly awaited. It is also noted that a new company, Disc Sport Ltd., is manufacturing eleven types of flying discs, and has sold over 100,000 in New Zealand and exported 550,000 to Australia, the U.S.A., and the United Kingdom. Toltoys have now imported moulds and are continuing to sell discs as are Lincoln Toys who are said to have "increased their range".[54]

C. A.H.I. Operations Ltd. v. New Lynn Metalcraft Ltd.[55]

This case concerned an alleged infringement of the plaintiff's copyright by the defendant's production (in three-dimensional form) of filing cabinets and components in three-dimensional form. The plaintiffs claimed copyright by virtue of their production drawings of such

[51] [1979] F.S.R. 619, 628 (emphasis mine).
[52] *Supra,* 642.
[53] *Supra,* 650.
[54] *Insight* (American Express Magazine), May—June 1982, Vol. 2, Issue 4, 55, 56.
[55] High Court, Auckland, 28 May 1982, (A.604/80).

articles. Thorp J. found in the plaintiff's favour in respect of approximately half the drawings. Bearing in mind the potential defence of section 20(8), he considered that this defence was relevant in assessing how substantial the similarity was. A fundamental problem accordingly arose for consideration. Here there were many component drawings and production designs which together comprised "design". Thorp J. had to decide whether similarity of a three-dimensional design to two-dimensional drawings was confined to a holistic type drawing or whether several component drawings could be considered *together* to make up one "design entity" against which the reproduction could be tested. Thorp J. was quite decisive:

> For my part, I cannot accept that the boundaries of copyright should be affected, let alone determined, by the number of pieces of paper used to draw a particular article, and believe that the solution to this question is to be found in development of the principle stated in *Temple Instruments* [(1973) R.P.C. 15, 17] that "related drawings must be considered together" . . . [W]here a combination of drawings of components of a particular article considered together disclose and portray a combined form and configuration, then in my view the Court is also bound to consider and assess whether allegedly infringing articles constitute reproduction of the artistic work comprised in the combined drawings or a substantial part of that artistic work.[56]

Thorp J. has again extended the ambit of protection to industrial designs afforded by the Copyright Act. The infinitely variable entity, the non-expert, is now entitled to refer to detailed drawings aimed at the expert reader (and presumably instructions of interpretation of these drawings) to the extent that he *must necessarily lose his non-expert status* during the course of such analysis. Thorp J. recognized this danger but was not unduly perturbed:

> It has now become the convention of a Judge asked to apply this provision, first to criticise it's construction, secondly to question its purpose, thirdly to express doubts whether evidence of non-experts can really assist him in this task, and finally, to declare that at least he qualifies as a non-expert. I am content to observe that convention.
>
> As it appeared possible that detailed study of the evidence and detailed consideration of the submission of counsel might lessen my suitability for this task, I took the first available opportunity following the hearing to make the required comparison between the Plaintiff's drawings and the Defendant's products . . .[57]

On this basis, Thorp J. decided that a "drawer pull" was a substantial reproduction in three-dimensional form of the plaintiff's design drawing. He decided that some components of card cabinets and carcases were copies, as was a vertical filing cabinet carcase, but not the drawers. Later he said:

> Had I not had in front of me products *which the experts assured me* were representations in three-dimensional form of the information contained in the drawings, the task may have been completely beyond my expertise . . . [I]ndustrial drawings . . . must denote and convey a three-dimensional form *to the trained observer.*[58]

Indeed, these observations are appropriate when determining substan-

[56] *Ibid.*, 24—25, 27.
[57] *Ibid.*, 27, 28.
[58] *Supra*, 44 (emphasis mine).

tial reproduction but are inappropriate in the test put forward by section 20(8). Thorp J. appears to be saying that the copyright resides in the three-dimensional form which the drawings represent, rather than the drawings themselves. The danger in such an approach is that it underplays the fundamental basis of copyright protection, that is, the expression of the "work" rather than the idea it represents. The ramifications of such an approach for protection of, for example, copyright in computer software are immense. The expert must decipher the meaning of the "two-dimensional" work in a "three-dimensional metaphysical plane" before the non-expert can compare the "reproduction".

Thorp J. further, dismissed the defence of "innocent infringement" embodied in sections 24 and 25, reaffirming the established proposition that ignorance of the law is no excuse. He ordered an injunction restraining the defendant from manufacturing, selling or otherwise dealing with the infringing drawer pulls, card cabinets and vertical filing cabinet carcases. He made an order for delivery up of all such articles in the defendant's control, and all sketches, drawings, tools and other articles used for the production of these articles. The question of damages was left to the parties with leave to apply to the Court for determination if required.

D. Bendon Indutries Ltd. v. Presslok Industries Ltd.[59]

The plaintiffs were manufacturers of plastic bags which could be resealed by means of an interlocking rib and groove mechanism integral to the bag itself. The defendants had commenced manufacture of similar bags in 1981. The plaintiffs claimed they were the sole licensees in New Zealand of the owner of the copyright in the design of the bags, and alleged infringement by the defendants. They sought an interim injunction to restrain the defendants from manufacturing and dealing with such bags. They also sought an injunction to prevent the defendants from using sales material allegedly copied from material of the plaintiffs, canvassing the plaintiffs' customers for orders and divulging allegedly confidential information. The second and third defendants had been in prior employment with the plaintiffs.

On the copyright issue, Barker J. followed the approach of Chilwell J. in *Johnson* v. *Bucko*[60] for establishing industrial copyright infringement. While making no finding on the substantive issues, he decided there was a "serious question" to be tried on the issue of copyright infringement. However, on the balance of convenience he decided not to issue the injunction pending the hearing of the action. Among the factors considered were the relative business strengths of the parties;

[59] High Court, Auckland, 29 October 1982, (A.883/82).
[60] *Supra.*

the strength of the "Catnic" defence raised by counsel for the defendants; and their undertaking to provide security to the plaintiffs for damages if the plaintiffs succeeded in their claim.

The importance of this case is in the careful consideration given by Barker J. to the "Catnic" defence. Counsel for the defendants submitted that the plaintiffs could not rely on breach of copyright as there had been a patent registered in New Zealand in respect of the articles involved. Their only remedy would have been for infringement of the patent, which had now expired.[61]

In considering the issue, Barker J. quoted in full the comments of Whitford J. in the *Catnic*[62] case on this point. While noting the comments of Speight J. and Moller J., he recognized that neither of those cases represented a true "Catnic" situation, whereas he considered the present case did. He stated:

> With respect to my learned brothers, I see greater weight in the dictum of Whitford, J. After all, under the patent system, the state encourages inventors to disclose the fruits of their invention and research to the world. In return for this disclosure, the inventor obtains a monopoly for 16 years. It does seem logical that at the end of the monopoly, the invention is public property.[63]

While not deciding the point conclusively, the weight he gave to the "Catnic" defence was a strong factor in His Honour's decision not to issue an interim injunction against the defendants.

E. Crystal Glass Industries Ltd. v. Alwinco Products Ltd.[64]

In this, the most recent of the industrial design decisions the High Court had another opportunity to consider the meaning of "substantial" in section 3 of the Act.

The plaintiffs were involved in the design and manufacture of caravan windows and had developed a new, improved frame design. They had offered to supply it to the third defendant, a caravan manufacturer. The first and second defendants then became involved (coincidentally), in designing and manufacturing an improved type of caravan window similar to the product of the plaintiffs. They intended to supply it to the third defendant. The plaintiffs alleged that all the defendants were parties to infringement of copyright in the plaintiffs' drawings. Prichard J. noted that a copy does not have to be made directly from the drawing in which the copyright resides to infringe the copyright. He felt that the causal connection had been established from the copying of the three-dimensional article itself:

> [For] infringement, the objective comparison which has to be made is not between the products of the two companies but between the drawings of the Plaintiffs on the one hand and the product of the Defendant on the other.[65]

[61] *Ibid.*, 19, 20.
[62] *Supra.*
[63] *Ibid.*, 22.
[64] High Court, Hamilton, 15 April 1983, (A.236/78).
[65] *Ibid.*, 33.

Turning to the issue of the substantiality of the copying, His Honour inclined towards this being a question of *quality*, not *quantity*, following the House of Lords in *L.B. (Plastics) Ltd.* v. *Swish Products Ltd.*[66] In finding substantial copying had taken place he reinforced the view that modifications will not by themselves rebut the inference of copying once established.[67]

A second important refinement made in this case was in the area of damages. Finding, as he did that the infringement only concerned the aluminium extrusion which formed the frame of the window, Prichard J. pointed out the harsh and sometimes unjust consequences of conversion damages based on the total finished product:

> . . . this is a case where the Defendants' product consists in part of infringing, and in part of innocent material . . . [The plaintiffs can recover damages] . . . only to such proportion of the total value as can fairly be attributable to the infringing *portion* of each window.[68]

He decided the plaintiffs were entitled to one-third of the gross value of the windows manufactured by the defendants and including the infringing extrusions.[69]

VI. Conclusion

Barker J. said in the *Bendon* case:

> Anthologies of unreported decisions are being amassed by counsel who practice in this particular branch of the law which may one day rival the various collections of unreported decisions in the blood/breath alcohol field.[70]

This comment highlights the establishment and rapid development of industrial design copyright protection in the High Court. The *Wham-O* case is on appeal and set down for hearing in June 1983. Hopefully a comprehensive statement of the law will be forthcoming from the Court of Appeal. Nevertheless, the principles laid down by Chilwell J. in *Johnson* v. *Bucko* have received wide acceptance from His Honour's brethren. To gain protection a design must fall within one of the definitions of "artistic work" in section 2(1) of the Act. Drawings, engravings, paintings, sculptures, and photographs require no artistic merit. Works of "artistic craftsmanship" (and by inference "works of architecture", although this was doubted in the *Beazley Homes* case) must have some aesthetic element implicit in the intent of craftspersons and their work.[71]

In artistic works "originality" must be shown. This requires

[66] [1979] R.P.C. 551.
[67] His Honour considered the defence created in s.20(8) and though he questioned the ability of a judge to remain a "non-expert" after a hearing lasting several days, he nevertheless was unable to conclude that the defendant's framing was not a reproduction of the plaintiff's drawings.
[68] *Supra*, 43 (emphasis mine).
[69] *Supra*, 48.
[70] *Supra*, 17.
[71] See the *Restawhle* case, *supra*.

originality both of skill and of labour in execution, not originality of thought.[72]

Plaintiffs must own the copyright in the work. Ownership is established under section 9 of the Act.

To infringe the copyright there must be reproduction of a "substantial part of the work",[73] this includes a three-dimensional reproduction.[74] Further, copyright can subsist in three-dimensional objects alone by classifying them as "sculptures" and thus sidestepping the test of "artistic craftsmanship" in the *Restawhile* case.

"Substantiality" is a question of the fact to be decided by evidence adduced and the judge's own non-expert eye.[75] Substantiality is a question of quality, not quantity.[76] Furthermore, several component drawings can now be considered together to make up one "design entity" against which a reproduction can be tested.[77]

Defences include the "non-expert" test of section 20(8) and now the "Catnic" defence. With regard to the former, it would appear judges may now obtain expert interpretation of drawings and other works before making their own non-expert judgments.[78] This highlights the absurdity of section 20(8) in the light of complex technology. The latter defence has received approval from Barker J. in *Bendon Industries Ltd.* v. *Presslock Industries Ltd.*[79]

As regards the calculation of conversion damages, this has been rationalised to take into account the relative proportion of the finished product.

Following *Johnson* v. *Bucko,* the Act was interpreted widely and with some uncertainty, sustaining the concern expressed by some writers.[80] It is submitted that the Copyright Act has achieved some respectability as an appropriate forum for industrial design protection. *Bendon* has established a basis in New Zealand for the "Catnic" restriction of co-existing protection with the patent system, and *Crystal Glass* imports some moderation into the question of conversion damages. How well these principles are established in our law will be tested in the forthcoming appeal of the *Wham-O* case.

[72] See *Martin* v. *Polypas Manufacturers Ltd., supra, Johnson* v. *Bucko, supra.*
[73] s.3(1).
[74] s.7(4)(a).
[75] *Johnson* v. *Bucko, supra; Beazley Homes* v. *Arrowsmith, supra.*
[76] *Crystal Glass Industries Ltd.* v. *Alwinco Products Ltd., supra.*
[77] *A.H.I. Operations Ltd.* v. *New Lynn Metalcraft Ltd., supra.*
[78] *Idem.*
[79] *Supra.*
[80] M. Crew, "Undesirable in Theory, Absurd in Practice—the Protection of Industrial Design in England and New Zealand" (1975) 2 A.U.L.R. 1,5.