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PROTECTION OF INDUSTRIAL DESIGNS IN CANADA

Robert E. Mitchell†

Industrial designs are protectable in Canada by virtue of the Industrial Design Act,¹ the Copyright Act,² the Trade Marks Act,³ and other provisions passed pursuant to provincial jurisdiction.⁴ The parameters of this protection are unique to Canada, and differ in practice as compared to what might be encountered in other countries.

The Industrial Design Act, which evolved from British design law,⁵ has remained substantially unchanged for over 120 years.⁶ The Copyright Act remained essentially unchanged after 1921 until recently, when it was amended⁷ to include, among other things, protection for certain forms of industrial design, such as textile patterns, which previously were excluded from copyright protection, and as discussed further, were seldom the subject of protection pursuant to industrial design registration.

Canada is a member of the Berne Convention,⁸ as well as the Universal Copyright Convention.⁹ The copyright protection afforded pursuant to these conventions requires no formalities, but offers a term of protection which extends for fifty years from the date of the death of the author.¹⁰ The Industrial Design Act, however, provides a maximum ten-year term of exclusive rights protection, and requires that the registration requisite for protection be applied for, and that the design meet certain standards of originality.¹¹ As a result, there has been considerable pressure to use the

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1. CAN. REV. STAT. ch. I-8 (1970).
2. CAN. REV. STAT. ch. C-42 (1985).
3. CAN. REV. STAT. ch. T-10 (1970).
4. Trade Marks Act, CAN. REV. STAT. ch. T-10, § 7(b) (1970). The terms of § 7(b) are also operative under provincial jurisdiction at common law, and in Quebec, under the all-encompassing § 1053 of the Civil Code. It is noteworthy that there is lingering doubt as to the constitutionality of § 7(b) of the Trade Marks Act if other than a registered trade mark is involved. See *MacDonald v. Vapor Canada Ltd.*, 22 Can. Pat. Rep. 2d 1 (Sup. Ct. 1976); see also Hayhurst, *Recent Developments in Canadian Law: Intellectual Property, Part II Trademarks and Unfair Competition*, 19 OTTAWA L. REV. 581, 637 (1987).
5. British design law underwent substantial changes in 1949. Registered Designs Act, 1949, 12, 13 & 14 Geo. 6, ch. 88.
6. See Godinsky, *The Industrial Design Act (R.S.C. c. 150)—A Hundred Years After*, 4 Pat. & Trademark Inst. of Can. Bull., No. 8, 137 (Apr. 1979).
7. Act of June 8, 1988, ch. 15, 1988 Can. Stat. 279, the first of at least three phases of substantial amendments to the Copyright Act. The Act received Royal assent on June 8, 1988, at which time most provisions came into force.
8. Office of the Legal Advisor, United States Department of State, Pub. No. 9433, *Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 1, 1990*, 298 (1990).
9. *Id.* at 297.
10. Copyright Act, CAN. REV. STAT. ch. C-42, § 6 (1985); see also H. FOX, *CANADIAN LAW OF COPYRIGHT AND INDUSTRIAL DESIGNS* 233 (2d ed. 1967).
11. Industrial Design Act, CAN. REV. STAT. ch. I-8, § 10 (1970).

Copyright Act as the source of protection for industrial designs. In fact, the dispute regarding which of these sources of protection should be utilized has been the subject of many studies and legislative experiments, particularly in commonwealth countries, such as Great Britain and Australia. The industrial design laws in Great Britain have recently been revised in an effort to resolve this dispute.

Industrial designers, architects, and engineers define "industrial design" as anything from a new and improved mousetrap to an attractive cellular telephone. Since the decisions rendered in *Dorling v. Honnor Marine Ltd.*¹² and *L.B. (Plastics) Ltd. v. Swish Products Ltd.*,¹³ however, the feeling among Canadian practitioners was that the Canadian Copyright Act eventually would be interpreted to afford protection to purely functional articles.

Before the Copyright Act was amended on June 8, 1988, section 3(1) of that Act defined copyright as "the sole right to produce or reproduce the work or any substantial part thereof in any material form whatever,"¹⁴ and section 2 of the Copyright Act which protected "literary works," afforded protection for drawings and blueprints.¹⁵ Pursuant to the definition of copyright enunciated in section 3, the right to reproduce any article, including purely functional and industrial articles, in three-dimensional form, which had first been the subject of engineering drawings, was protected.¹⁶ Thus, under the Copyright Act as it then existed, it was perfectly feasible to consider that the plans for mufflers, gears, and other articles, having no aesthetic qualities, could be protected by the Copyright Act as literary works.

In *Bayliner Marine Corp. v. Doral Boats Ltd.*,¹⁷ Bayliner, a well-known American manufacturer of boats, sued a Canadian company for copying the hulls of two of its boats. Bayliner did not have industrial design registrations on the hulls of these boats, nor did Canada have any antisplash legislation.¹⁸ As a result, Bayliner sued Doral on the basis of its copyright in the blueprints which had been prepared prior to the making of Bayliner's molds. Mr. Justice Walsh, for the Federal Court Trial Division, considered section 46 of the Copyright Act as it then was, as well as rule 11 of the Industrial Design Act,¹⁹ in an effort to distinguish between copyright and industrial

12. 1964 R.P.C. 160. *Dorling* involved the sale of a kit for the making of a boat. The court found copyright infringement of the drawings of the boat.

13. 1979 R.P.C. 551. In *L.B. Plastics*, the House of Lords determined that a knock-down drawer from a piece of furniture made by Swish Products was an infringement of the copyright in the drawings of L.B. (Plastics) Ltd.

14. Copyright Act, CAN. REV. STAT. ch. C-42, § 3 (1985).

15. *Id.* § 2.

16. See *Bayliner Marine Corp. v. Doral Boats Ltd.*, 5 Can. Pat. Rep. 3d 289, 305 (F.C.T.D. 1985).

17. *Id.*

18. *Id.*

19. The *Bayliner* decision was rendered prior to the amendments to the Copyright Act made on June 8, 1988. Section 46(1) of the Copyright Act as it then was provided that the Copyright Act "does not apply to designs capable of being registered under the *Industrial Design Act*, except designs that, though capable of being so registered, are not used

design protection in Canada. *Bayliner* was ultimately decided by the Trial Division on the basis of *Royal Doulton Tableware Ltd. v. Cassidy's Ltd.*,²⁰ in which rule 11 of the Industrial Design Act was interpreted so as to essentially eliminate most articles from protection by industrial design registration. As such, the *Bayliner* court concluded protection for the hulls was not available under the Industrial Design Act, but thus allowed protection under the Copyright Act.

On appeal, the Federal Court of Appeal reversed the trial court's decision,²¹ holding that a hull for a boat was proper subject matter for protection under the Industrial Design Act. In that regard, the court stated as follows:

In my view, the functional requirements of the hull and superstructure of a pleasure boat is that they provide a buoyant platform within and upon which the essentials and amenities required by its operator may be installed. The general shape may be largely dictated by functional considerations; however, the details of that shape which serve to distinguish the appearance of, for example, one 16 1/2-foot runabout from another are essentially ornamental. Those details are what make one runabout more attractive, in the eyes of the beholder, than another. . . .

. . . .

or intended to be used as models or patterns to be multiplied by any industrial process." Copyright Act, CAN. REV. STAT. ch. C-30, § 46(1) (1970). Pursuant to § 46(2) of the Copyright Act as it then was, "[g]eneral rules, under the *Industrial Design Act*, may be made for determining the conditions under which a design shall be deemed to be used for such purposes as referred to in subsection (1)." *Id.* § 46(2). Section 46 has since been recodified and is now § 64. See CAN. REV. STAT. ch. C-42, § 64 (1985).

Prior to the amendments of June 8, 1988, rule 11(1) of the Industrial Design Act provided as follows:

A design shall be deemed to be used as a model or pattern to be multiplied by any industrial process within the meaning of § 46 of the Copyright Act,

- (a) where the design is reproduced or is intended to be reproduced in more than 50 single articles, unless all the articles in which the design is reproduced or is intended to be reproduced together form only a single set as defined in this rule; and
- (b) where the design is to be applied to
 - (i) printed paper hangings,
 - (ii) carpets, floor cloths, or oil cloths manufactured or sold in lengths or pieces,
 - (iii) textile piece goods, or textile goods manufactured or sold in lengths or pieces, and
 - (iv) lace, not made by hand.

20. 1 Can. Pat. Rep. 3d 214 (F.C.T.D. 1985); see also *Interlego AG v. Irwin Toy Ltd.*, 3 Can. Pat. Rep. 3d 476 (F.C.T.D. 1985). In these cases, the word "and" at the end of rule 11(1)(a) was found to be conjunctive, and thus, sections (a) and (b) of rule 11(1) had to be read concurrently. In *Bayliner*, the Court of Appeal explained, however, that in some cases, "and" must be read as "or," or in other words, in a disjunctive fashion.

21. *Doral Boats Ltd. v. Bayliner Marine Corp.*, 10 Can. Pat. Rep. 3d 289 (F.C.A. 1986).

The designs disclosed by the plans in issue are, in my opinion, designs capable of being registered under the *Industrial Design Act* within the meaning of s. 46 of the *Copyright Act* and are not excluded from the operation of that provision by s. 11 of the *Industrial Designs Rules*. The plans themselves are not, therefore, subject of copyright.²²

Having concluded that the hulls were the proper subject of industrial design protection, and therefore, that they were not entitled to copyright protection, the court refused to comment on the broader question of whether those structural or functional articles which were not entitled to industrial design protection, because they were totally designed for functional purposes and had no features which might make them attractive to the eye, other than possibly to the eye of a mechanical engineer, would receive copyright protection. In that regard, the court stated as follows:

I do not find it necessary to deal with the remaining issue in the appeal: whether as a matter of law the copyright in a plan is infringed by the making of a copy of an object made according to the plan. The importance of this matter is well illustrated by the several speeches of the Law Lords in their as yet unreported decision in *British Leyland Motor Corp. Ltd. et al. v. Armstrong Patents Co. Ltd. et al.* . . . That case dealt with the copyright in plans for automobile mufflers found to have been copied in much the same way as the boat plans in this case. Pertinent British and Canadian legislation are very different in their material particulars. However, in the nature of mufflers, as they are not ordinarily exposed to public view, ornamentation was not a factor and the parallel exclusion from copyright protection was not in play. I am convinced that it would be especially unwise to express an opinion on this remaining issue by way of *obiter dicta*.²³

Later that same year, Mr. Justice Gibbs, writing for the Supreme Court of British Columbia, held that the manufacture and sale of a functional pump coupler constituted a three-dimensional reproduction, and as such, an infringement upon the copyright in the drawings and specifications depicting the Spiro-Flex pump coupler.²⁴ This decision indicated that although a mousetrap could be found to be infringing upon copyright, an attractively designed cellular telephone could not.

Another peculiarity in the law which existed prior to the amendments to the Copyright Act in June 1988, was that fabric designs, wallpaper patterns, and rug designs, among other things, were specifically excluded from

22. *Id.* at 296-97.

23. *Id.* at 297.

24. *See Spiro-Flex Indus. Ltd. v. Progressive Sealing Inc.*, 13 Can. Pat. Rep. 3d 311 (B.C.S.C. 1986).

copyright protection under rule 11 of the Industrial Design Act.²⁵ Because of the relatively short life of these designs, however, and the expense and delay necessarily incurred when attempting to obtain industrial design registration for these designs, designers tended to avoid seeking protection.

Prior to June 1988, the protectability of character merchandising depended upon the intentions of the creator, and whether the character was intended to be used for cartoons or printed matter. If it was, dolls, for example, merchandised therefrom would then be protected by copyright.²⁶ The British case of *King Features Syndicate v. O. & M. Kleeman, Ltd.*,²⁷ also known as the *Popeye* case, was being favorably considered in Canada. In addition, the merchandising of E.T. dolls was found to be protectable pursuant to the copyright law in Canada.²⁸ In these cases, however, the merchandising at issue followed the reproduction in any material form²⁹ from a drawing or a film cartoon character. It was shown that the intent of the character creators was to produce Popeye as a cartoon,³⁰ and E.T. as a film character.³¹ A doll from which a particular character was to be developed would have to be protected by industrial design registration. Films depicting the character of a doll, however, would be entitled to copyright protection.

Foreign manufacturers of textiles, dolls, and T-shirts, especially American manufacturers, were particularly confused prior to June 1988. These manufacturers were accustomed to having their textile designs protected by copyright law in the United States, and they expected the same type of protection in Canada, not realizing that they would have to obtain industrial design registrations on each of their patterns.

As discussed above, prior to June 1988,³² a rather confusing situation existed in Canada with respect to both copyright and industrial design protection since, according to section 46 of the Copyright Act as it then was, no overlap could exist between industrial design and copyright protection. Thus, mufflers and couplers could be protected by copyright law, while boat

25. See *supra* note 19.

26. See *American Greetings Corp. v. Oshawa Group Ltd.*, 69 Can. Pat. Rep. 2d 238 (F.C.T.D. 1982).

27. 1941 A.C. 417.

28. See *Universal City Studios, Inc. v. Zellers Inc.*, 73 Can. Pat. Rep. 2d 1 (F.C.T.D. 1983).

29. Copyright Act, CAN. REV. STAT. ch. C-42, § 3(1) (1985).

30. *King Features Syndicate*, 1941 A.C. 417.

31. *Universal City Studios*, 73 Can. Pat. Rep. 2d 1.

32. During the Parliamentary Hearings in Canada on the proposed amendments to the Copyright Act in June 1988, known then as Bill C-60, this author attempted, on behalf of the Copyright Legislation Committee of the Patent and Trademark Institute of Canada, to rally support for the amendments from local Montreal and Toronto designers of textiles. Although Canadian manufacturers do produce a considerable amount of textiles and clothing for Canadian consumption, the Legislation Committee determined that very little original design was being made, and rather, that Canadian designers and manufacturers preferred to find textile designs which were successful elsewhere, particularly in the United States, and copy them for use in Canada.

hulls could not. Boat hulls and any other products which were intended to be manufactured in more than fifty copies, but which had attractive visual features, could not be protected by copyright, but only under the Industrial Design Act. The amendments to the Copyright Act of 1988 have, at least for the present, resolved this anomaly.

The amendments³³ to the Copyright Act have caused drawings, maps, charts, and plans to be included within the definition of "artistic work."³⁴ The new definition for a "design," which exists in both the Copyright and Industrial Design Acts, provides that design "means features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye."³⁵ Definitions are also provided in both acts for the meanings of the terms "useful article" and "utilitarian function."³⁶ Protection for mufflers, couplers, and other utilitarian objects is now clearly excluded from copyright law under section 46.1 of the amended Copyright Act,³⁷ as well as from industrial design protection under section 5.1 of the Industrial Design Act.³⁸ Section 46.1 further explains that infringement in copyright in such objects never existed, even prior to the 1988 amendments. As the result of the terms of section 46.1, it appears that the only way to protect these utilitarian articles in Canada, which are defined solely by their functional features, is to obtain patent protection.

With regard to articles having aesthetic visual features, section 46(2) of the Copyright Act provides that it is not an infringement of the copyright or the moral rights of a designer for anyone to reproduce a design in an article if that design is applied to a useful article, and the owner of the copyright

33. See *supra* note 7.

34. Copyright Act, CAN. REV. STAT. ch. C-42, § 2 (1985), amended by ch. 15, § 1(1), 1988 Can. Stat. 279.

35. Copyright Act, CAN. REV. STAT. ch. C-42 § 46 (1985), amended by ch. 15, § 11, 1988 Can. Stat. 279, 284; Industrial Design Act, CAN. REV. STAT. ch. I-8, § 2 (1970), amended by ch. 15, § 18, 1988 Can. Stat. 279, 298.

36. Copyright Act, CAN. REV. STAT. ch. C-42 § 46 (1985), amended by ch. 15, § 11, 1988 Can. Stat. 279, 284; Industrial Design Act, CAN. REV. STAT. ch. I-8, § 2 (1970), amended by ch. 15, § 18, 1988 Can. Stat. 279, 298.

37. Section 46.1(1) of the Copyright Act provides as follows:

The following acts do not constitute an infringement of the copyright or moral rights in a work:

(a) applying to a useful article features that are dictated solely by a utilitarian function of the article;

(b) by reference solely to a useful article, making a drawing or other reproduction in any material form of any features of the article that are dictated solely by a utilitarian function of the article;

(c) doing with a useful article having only features described in paragraph (a) or doing with a drawing or reproduction that is made as described in paragraph (b) anything that the owner of the copyright has the sole right to do with the work; or

(d) using any method or principle of manufacture or construction.

Act of June 8, 1988, ch. 15, § 11, 1988 Can. Stat. 279, 286.

38. Act of June 8, 1988, ch. 15, § 19, 1988 Can. Stat. 279, 298.

has himself reproduced the article in more than fifty copies.³⁹ As a result, these articles must be protected, if at all, by industrial design protection.

This author believes that a designer's copyright rights remain viable as long as the design in dispute is not applied to a useful article, regardless of whether the article has been reproduced in more than fifty copies. The preamble to section 46(2) provides as follows:

Where copyright subsists in a design applied to a useful article or in an artistic work from which the design is derived and . . . the article is reproduced in a quantity of more than fifty . . . it shall not thereafter be an infringement of the copyright . . . for anyone . . . to reproduce the design of the article⁴⁰

Copyright exists in designs for articles which are not useful, such as figurines and dolls. Some authorities have interpreted the preamble to section 46(2) to include all designs which are reproduced in more than fifty copies as being excluded from copyright. *Hughes on Copyright and Industrial Design*⁴¹ states:

that where copyright otherwise subsists in a design applied to a "useful article" or an artistic work derived from that design and the owner or anyone authorized by the Canadian or a foreign owner of copyright makes fifty or more copies . . . it is *not* an infringement to make that article or any drawing or reproduction of the article or otherwise to do what the copyright owner could do.⁴²

At present, there has not been enough time for any jurisprudence to develop in this area. It, however, is crucial that the preamble of section 46(2) be clarified.

Section 46(3) of the Act provides some exceptions to the terms of section 46(2). These designs, which even if applied to a useful article, would retain copyright, are discussed below.

Subsection (a) to section 46(3) excepts from the terms of section 46(2) "a graphic or photographic representation that is applied to the face of an article."⁴³ As a result, any two-dimensional ornamentation on a three-dimensional article, either photographic or graphic, is now covered by copyright. Of course, this copyright would not extend to the article itself.

Subsection (b) excepts "a trade mark or a representation thereof or a label."⁴⁴ This exception means that the owner of the design trade mark for "COKE," for instance, would not normally have protection for his trade

39. Copyright Act, CAN. REV. STAT. ch. C-42, § 46(2) (1985), amended by ch. 15, § 11, 1988 Can. Stat. 279, 284.

40. *Id.*

41. See R.T. HUGHES, HUGHES ON COPYRIGHT AND INDUSTRIAL DESIGN (1988).

42. *Id.* § 50-1, at 573-3 (footnote omitted) (emphasis in original).

43. Copyright Act, CAN. REV. STAT. ch. C-42, § 46(3)(a) (1985), amended by ch. 15, § 11, 1988 Can. Stat. 279, 284.

44. *Id.* § 46(3)(b).

mark on the front of a T-shirt, unless he has obtained trade mark protection for the word "COKE" on clothing. Under this exception, the owner of the trade mark, when his trade mark would normally be subject to copyright protection, would have copyright protection in the trade mark or label when it is used, for instance, on T-shirts, or as ornamentation on articles where his trade mark would not normally extend.

Subsection (c) excepts "material that has a woven or knitted pattern or that is suitable for piece goods or surface coverings or for making wearing apparel."⁴⁵ Subsection (c), in combination with subsection (a), appears to provide all those long-suffering designers of textiles, wallpaper, rugs, and other fabrics, with copyright protection on their actual patterns.

Subsection (d) provides protection for "an architectural work of art that is a building or a model of a building."⁴⁶ This form of protection was previously provided for pursuant to the "architectural works of art" section under article 1.

Subsection (e) of section 46(3) excepts "a representation of a real or fictitious being, event or place that is applied to an article as a feature of shape, configuration, pattern or ornament."⁴⁷ As a result of these exceptions, character merchandising is protected now under the Canadian Copyright Act no matter what the source of the character, that is, whether it is first designed as a doll, or as a cartoon character in a film or book.

Subsection (f) to section 46(3) excepts "articles that are sold as a set, unless more than fifty sets are made."⁴⁸ And, subsection (g) excepts "such other works or articles as may be prescribed by regulation of the Governor in Council."⁴⁹ This last subsection allows the government to add to the list of exceptions, thereby creating copyright protection on specific items, without having to amend the law, that is, simply by Order-in-Council on the approval of the Cabinet. All of the exceptions listed above apply only to designs which are created after June 8, 1988.

As mentioned earlier, the Industrial Design Act has also benefited from certain amendments⁵⁰ made simultaneously to those of the Copyright Act. Specifically, there are now provided, under section 2 of the Industrial Design Act, definitions for design, article, useful article, and utilitarian function.⁵¹ Section 5.1 of the Industrial Design Act now states that no protection afforded by the Industrial Design Act shall extend to features applied to a useful article dictated solely by a utilitarian function or any method or principle of manufacture or construction.⁵² The jurisprudence

45. *Id.* § 46(3)(c).

46. *Id.* § 46(3)(d).

47. *Id.* § 46(3)(e).

48. *Id.* § 46(3)(f).

49. *Id.* § 46(3)(g).

50. See *supra* note 7 and accompanying text.

51. Industrial Design Act, CAN. REV. STAT. ch. 1-8, § 2 (1970), amended by ch. 15, § 18, 1988 Can. Stat. 279, 298.

52. Act of June 8, 1988, ch. 15, § 19, 1988 Can. Stat. 279, 298.

which previously provided that design protection did not extend to utilitarian features has thus been codified.

Although the amendments discussed above provide welcome additions to the Industrial Design Act, the legislators involved failed to enact other amendments necessary in order to make modern an act which has not been substantially amended for over 120 years. It is not as if the Canadian government has not had sufficient urging and proposals by Canadian practitioners, and others, to amend the Industrial Design Act. Several studies have been commissioned over the years, including the Isley Royal Commission, which presented its report, in 1958, regarding its recommendation that a new scheme of statutes be enacted.⁵³ The Commission's recommendations were that the Industrial Design Act be modified consistent with the terms of the United Kingdom Act of 1949.⁵⁴

To date, the Canadian government continues to consider the Industrial Design Act a low priority item, and there exists no proposal to amend that Act, although a subgroup has been set up under a new intellectual property advisory committee established within the last few years.⁵⁵

The Canadian Industrial Design Act is somewhat unique, in that it requires that an industrial design application which, in addition to requiring a description, must be registered within one year of the first publication or public use in Canada.⁵⁶ Even though it might take, on the average, eight months to one year to process an industrial design application, the prosecution,

53. See H. Fox, *supra* note 10, at 651.

54. *Id.* The Economic Council of Canada also made recommendations regarding amendments to the Industrial Design Act in its report on industrial and intellectual property in 1971. Similarly, the Canadian government commissioned a study on industrial designs by Professor D. Magnussen, the then-Dean of Law at Queen's University in Kingston, Ontario, which was submitted in 1982. Mr. William Hayhurst, Q.C., was also commissioned to submit proposals on the interface between copyright and industrial designs. His report was completed in 1986, and was the model used by the legislators when drafting new § 46 of the Copyright Act. Mr. Hayhurst, in addition to making suggestions for amendments to § 46, proposed amendments to the Industrial Design Act. Finally, the Industrial Design Legislation Committee of the Patent and Trademark Institute of Canada submitted a complete draft amendment to the Canadian government in 1987, proposing urgently needed amendments to the Industrial Design Act.

55. The committee was established in 1988 by the Department of Consumer and Corporate Affairs. This committee includes representatives from various government departments, as well as private associations. Subgroups have been formed under this committee to consider the need for the revision of certain intellectual property laws and practices.

56. In that regard, § 14(1) of the Industrial Design Act provides as follows:

In order that any design may be protected, it shall be registered within one year from the publication thereof in Canada, and, after registration, the name of the proprietor shall appear upon the article to which his design applies by being marked, if the manufacture is a woven fabric, on one end thereof, together with the letters "Rd." and, if the manufacture is of any other substance, with the letters "Rd." and the year of registration at the edge or upon any convenient part thereof.

Industrial Design Act, CAN. REV. STAT. ch. I-8, § 14(1) (1970).

including appeals, must be completed within one year from publication, if such publication has occurred.⁵⁷ Another serious trap in Canadian industrial design protection law is the requirement that any design registration be made in the name of the proprietor of the design, at the time the design was created. In *Melnor Manufacturing Ltd. v. Lido Industrial Products Ltd.*,⁵⁸ affirmed by the Supreme Court of Canada,⁵⁹ a design for an otherwise good registration on a lawn water sprinkler was declared invalid because it had been registered in the name of a holding company, namely, International Patent Research Corp., and not in the actual name of the proprietor, Melnor Manufacturing. *Melnor* makes clear that applications for industrial designs are not assignable. It is noteworthy, however, that a registration may be assigned.⁶⁰

Once a design registration has been obtained, it is mandatory that the articles sold embodying the design include the proper marking. Under section 14 of the Industrial Design Act, the marking must have the letters "Rd.," the name of the proprietor, and year of registration.⁶¹ If this marking, or one similar, is not provided on the article or its label, the design registration may be invalid, or at least not protectable.⁶² The seriousness of this requirement of appropriate marking was recently discussed in *L.M. Lipski Ltd. v. Dorel Industries Inc.*⁶³ In that case, the only marking found on the boxes of the bed guards sold by L.M. Lipski, an Israeli manufacturer, was the Israeli design number. Still, the court granted an interlocutory injunction on behalf of L.M. Lipski.

In *Mainetti S.P.A. v. E.R.A. Display Co. Ltd.*,⁶⁴ the court, which criticized section 14 of the Industrial Design Act, concluded that the marking at issue was not adequate. In that regard, Mr. Justice Walsh stated, "I am of the view it should be strictly complied with and that plaintiff has failed to do this and therefore has lost the protection of it."⁶⁵ It is interesting to note that in *Mainetti*, the plaintiff, an Italian manufacturer, allowed skirt hangers

57. Several applications have been refused in Canada on the basis of the earlier corresponding International World Intellectual Property Organization (WIPO) Registration on which priority was based. It takes very little time to register a WIPO design registration, and the subject design is then published in the WIPO report. Since the Canadian Designs Office subscribes to the WIPO design report, examiners in the Designs Office often cite WIPO publications against the corresponding Canadian application when it has been more than a year in prosecution. If you deal with a Canadian practitioner, he will normally request information regarding earlier publication, if any, and the Industrial Designs Office, when requested, will cooperate in expediting the prosecution to avoid any rejection.

58. 56 Can. Pat. Rep. 212 (Ex. C. 1969).

59. 62 Can. Pat. Rep. 216 (Sup. Ct. 1970).

60. Industrial Design Act, CAN. REV. STAT. ch. I-8, § 13 (1970).

61. *Id.* § 14.

62. See *Mainetti S.P.A. v. E.R.A. Display Co. Ltd.*, 80 Can. Pat. Rep. 2d 206 (F.C.T.D. 1984); *Allaire v. Hobbs Glass Ltd.*, 9 Can. Pat. Rep. 3 (Ex. C. 1948).

63. 20 Can. Pat. Rep. 3d 226 (F.C.T.D. 1988).

64. 80 Can. Pat. Rep. 2d 206 (F.C.T.D. 1984).

65. *Id.* at 224.

to come in from Mainetti in France and from Mainetti-Italy with its identification on it with some reference to designs, for example, modele depose, but without the letters "Rd.," or the year inscribed. In Canada, the majority of the hangers were sold by Mainetti S.P.A., and its licensee, Joy, and the letters "Rd." were provided on the hangers.

If one manages to maintain a valid registration in Canada, the protection provided the design registration is, in this author's opinion, broader than what is provided in the United States. Section 11 of the Industrial Design Act, provides as follows:

During the existence of such exclusive right . . . no person shall, without the licence in writing of the registered proprietor . . . apply for the purposes of sale such design or a fraudulent imitation thereof to the ornamenting of any article of manufacture or other article to which an industrial design may be applied or attached. . . .⁶⁶

It has been determined that if an alleged infringer was inspired by the registrant's design, there can be fraudulent imitation, even though there might have been a concerted effort to design around it.⁶⁷ The United Kingdom Designs Act was substantially amended in 1949,⁶⁸ and it no longer refers to fraudulent imitation in its provisions for infringement. The earlier British acts, however, refer to fraudulent imitation, and thus, the earlier British jurisprudence is useful in Canada.⁶⁹ In a British decision of *Rose v. J.W. Pickavant & Co. Ltd.*,⁷⁰ Mr. Justice Romer, in the High Court of Justice, Chancery Division, considered a patent and design infringement case. The patent at issue was found to be invalid for lack of invention, but the design was considered novel and infringed. The design referred to a hopper and crank tube for an oil conduit on an automobile engine. There were differences between the registered design and that of the defendants. In his opinion, Mr. Justice Romer stated as follows:

The defendants accordingly caused the filler to be constructed that exhibits the same general eccentricity of form as the plaintiff's design, and one that on being viewed from, at any rate, one angle of view is practically indistinguishable from such design, as appears from a photograph used at the trial. It is, however, a filler that, on comparison with that of the plaintiff's, does exhibit differences sufficient to prevent the one being an obvious imitation of the other. This, in my opinion, is exactly the kind of thing that

66. Industrial Design Act, CAN. REV. STAT. ch. I-8, § 11 (1970).

67. See *Mainetti S.P.A. v. E.R.A. Display Co. Ltd.*, 80 Can. Pat. Rep. 2d 206, 219-22 (F.C.T.D. 1984).

68. See Godinsky, *supra* note 6.

69. See Mitchell, *Infringement of Registered Industrial Designs*, 4 CAN. INTELL. PROP. REV. 278 (1988).

70. 40 R.P.C. 152 (1923).

the legislature intended to prevent when making unlawful fraudulent imitation of a registered design, and I come accordingly to the conclusion that the plaintiff's copyright in his registered design has been infringed by the defendant.⁷¹

In *Cimon Ltd. v. Bench Made Furniture Corp.*,⁷² a leading Canadian decision, Mr. Justice Jackett, then-President of the Exchequer Court of Canada, the predecessor to the Federal Court, was comparing a sofa made by the defendant, to the sofa of the registered industrial design. Even though there were differences between the sofas, Mr. Justice Jackett stated as follows:

In my view, . . . comparing the articles as best I can with the aid of the expert testimony, there is no doubt that the design of the sofas produced by the defendants is the plaintiff company's registered design and, if it is not, it is certainly "a fraudulent imitation thereof." No matter how often my attention was drawn to the many differences between the construction of the alleged infringing sofas and the construction of the sofa created by the plaintiff company pursuant to its design, there has never been any doubt in my mind that the sofas produced by the defendants were designed to look as much like the plaintiff company's sofa as possible.⁷³

As such, Mr. Justice Jackett found an infringement of the plaintiff's sofa design.

In *Mainetti S.P.A. v. E.R.A. Display Co. Ltd.*,⁷⁴ Mr. Justice Walsh, when comparing two skirt hangers, stated as follows:

It has been established that in comparing designs one should not look at differences but rather resemblances. Certainly now that the various minor and deliberately created differences have been shown to the court it is not difficult to distinguish defendant's hangers from plaintiff's but if these differences had not been pointed out I would have reached the conclusion that these were merely different versions of a hanger made by the same manufacturer. . . . It is unlikely that defendant's design would have had any existence independently of plaintiff's registered design which inspired it.⁷⁵

It is clear from these decisions that if it can be shown that the alleged infringer was aware of the plaintiff's or registrant's design, even though he

71. *Id.* at 334.

72. 48 Can. Pat. Rep. 31 (Ex. C. 1964).

73. *Id.* at 65-66.

74. 80 Can. Pat. Rep. 2d 206 (FC.T.D. 1984).

75. *Id.* at 222.

may have tried to design around it to avoid infringement, he may still be found to have infringed because of the concept of fraudulent imitation.

In *Algonquin Mercantile Corp. v. Dart Industries Canada Ltd.*,⁷⁶ the Federal Court of Appeal believed the designers for Dart when they stated that they had not seen the Algonquin griddle when they designed the Dart griddle, and thus, the court found that no fraudulent imitation had occurred. The court accordingly held that there was no infringement of the Algonquin design registration.

In order to obtain industrial design protection in Canada, the proprietor of a design must file an application which includes drawings or photographs,⁷⁷ and a description of the design.⁷⁸ The application is then examined by the Industrial Designs Office,⁷⁹ where the designs examiner reviews the application to ensure that it complies with the Industrial Design Act and Rules.⁸⁰ He also ascertains whether the design resembles any design already registered and conducts a search to determine the originality/novelty of the design.⁸¹

The test of originality/novelty in industrial designs in Canada is higher than the test of originality in copyright, but is not at the level of invention, that is, it does not require unobviousness as contemplated under the Canadian Patent Act.

The industrial design application is usually pending for an average of eight months, after which time the design is registered, if eligible. The application may be expedited if a prior publication in Canada has occurred, in which case the Industrial Designs Office will cooperate to have the application examined, and otherwise processed, to be registered, or finally rejected, within a reasonable period before the anniversary of the publication date. This also includes access to the Appeal Board in the case of rejection by the designs examiner.

The design registration has a term of five years, renewable upon payment of a fee for an additional maximum term of five years, for a total of ten years of protection.⁸²

Only the Federal Court of Canada has jurisdiction over alterations to the registration of a design, including the expungement of the registration

76. 1 Can. Pat. Rep. 3d 75 (F.C.A. 1984).

77. Although photographs are accepted by the Industrial Designs Office, there are no provisions for photographs in either the Industrial Design Act or Rules. Still, in *Cimon Ltd. v. Bench Made Furniture Corp.*, 48 Can. Pat. Rep. 31 (Ex. C. 1964), photographs were part of the design registration considered.

78. Industrial Design Act, CAN. REV. STAT. ch. I-8, § 4 (1970). Description must be in terms of the appearance of the design, not its construction or function.

79. The Industrial Design Office is a branch of the Bureau of Intellectual Property, under the Minister of Consumer and Corporate Affairs.

80. Industrial Design Act, CAN. REV. STAT. ch. I-8, § 5 (1970).

81. *Id.*

82. *Id.* § 10.

from the register.⁸³ Still, actions for infringement of an industrial design registration may be maintained in the Superior Court, in the various provinces, as well as in the Federal Court.

Industrial designs are also protectable in Canada within the concept of "passing off" as set out in section 7(b) of the Trade Marks Act. Section 7(b) reads as follows:

No person shall . . . (b) direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his wares, services or business and the wares, services or business of another.⁸⁴

This concept of protection is well known in other countries, and this author does not propose to go into an exposition regarding its propriety. It is noteworthy, however, that section 7(b) of the Trade Marks Act is vulnerable to an attack with regard to its constitutionality. Federal jurisdiction in this area is conceded to extend to registered trade marks, but not beyond, since such an interpretation would fall within provincial jurisdiction, especially if it was intraprovincial.⁸⁵

Finally, in Canada, industrial designs can be protected as a distinguishing guise under section 2 of the Trade Marks Act. A registration for distinguishing guise can be obtained only if the "get-up" has been so used in Canada as to have been distinctive at the date of application for its registration, and the exclusive use of the distinguishing guise is not likely to unreasonably limit the development of any art or industry.⁸⁶ A distinguishing guise, as in other countries, such as the United States, is not easily obtained, and in fact, this provision for protection is seldom used.

In conclusion, there have been recent developments in, and amendments to, the industrial design protection available in Canada, for the first time in sixty-five years. This author hopes that the present government's apparent interest in intellectual property will not stop with revisions of the Patent and Copyright Acts, but will continue with the much needed amendments to the Industrial Design Act.

83. *Id.* § 22.

84. Trade Marks Act, CAN. REV. STAT. ch. T-10, § 7(b) (1970).

85. *See supra* note 4 and accompanying text.

86. Trade Marks Act, CAN. REV. STAT. ch. T-10, § 13 (1970).