

Design registration – the dangers of commissioning designers

JAMES & WELLS
**CHAMPIONS
OF INNOVATION.**

Design registration

A design registration is a property right which protects the appearance of a new or original design applied to a product, or any part of a product which is made or sold separately (such as spare parts for a car). The design may be in three dimensions (the shape or configuration of something) or two dimensions (the pattern or ornamentation of something). For more information read our information sheet: [“Registered designs FAQs”](#).

Who is entitled to apply for registration?

Under the New Zealand Designs Act the applicant for a registered design may include:

- The designer (or author);
- The assignee of the designer; or
- A person for whom the design was made in return for consideration (‘a commissioned design’).

Commissioned designs

Where a design is created by an author for another person, and that person (‘the commissioner’) pays for it, the default rule under the New Zealand Designs Act is that the commissioner will own any design rights arising out of the commission and is entitled to apply for registered design protection for the resulting design. This is known as the commissioning rule for designs. The commissioning rule applies subject to any agreement between the parties to the contrary.

Despite the relative simplicity of this rule, difficulties can still arise where a third party designer is commissioned to prepare drawings, models and prototypes etc.

For example, it is not uncommon for designers to maintain a database or library of their previous designs. A commissioned designer may produce a derivative design based on a commissioned design and then claim ownership to the new design. This is especially common if the designer developed/incorporated modifications to the design using his/her own ingenuity that was not envisaged by the commissioner. Issues may arise as to whether the new design infringes the old one and/or whether permission was required to use the old design as the starting point for the new one.

It is possible for a design to be jointly authored and/or owned under the Designs Act. Joint owners to a design are allowed to exploit the design independently of one another. Clearly, this situation would not be ideal if the commissioner considered themselves to be the sole owner of the design by virtue of the commissioning process.

A further complication is that copyright will subsist automatically in an original design, but the law relating to ownership of copyright in commissioned works is subtly different to that for registered designs. It is important to ensure that you own both the copyright and the right to apply for a registered design.

Therefore, if you commission a design you should ensure that any agreement/arrangements with engineers/draftspersons/designers or third parties are in writing before the work begins, and specify that you will be the intellectual property owner as soon as the work is created. The agreement should also include confirmation

that the work is being conducted for a fee and that any resulting related work (including copyright in drawings, printed material and any prototypes) belongs to you. In addition, you should ensure all development work you commission is actually paid for.

Having a written agreement can also help to minimise other risks associated with commissioning work, such as cost blow-outs, late delivery, inadequate design records (making it difficult to you to prove ownership later), and a final product that doesn't meet your requirements or is not original (or, worse still, breach someone else's design or copyright rights).

Conclusion

As a prudent person who commissions a design, you should always confirm in advance (in writing) who is going to own the design rights and copyright which are likely to result from the commission. It is important that you obtain advice from an IP professional to minimise your risks before commissioning a design. A specialist IP lawyer, such as those in our [Commercialisation team](#), will be able to prepare and assist with any formal agreements in relation to the commissioned design.

Disclaimer

The above is provided for general information purposes only and does not take the place of specific legal advice. For more specific advice on all aspects of intellectual property law please contact us.