

# UPDATE

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## THE INTERNATIONAL DESIGN APPLICATION: THE HAGUE AGREEMENT AND U.S DESIGN LAW



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### INTRODUCTION

On February 13, 2015, the United States deposited with the Director General of the World Intellectual Property Organization (WIPO) its instrument of ratification of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (“the Hague Agreement” or “the Agreement”). Although the United States had been a signatory of the Hague Agreement since 1999, its ratification allowed applicants to begin using the Hague System on May 13, 2015. In response, the United States Patent and Trademark Office (USPTO) published its final rules to implement the local rule provisions of the Hague Agreement. This article provides a brief overview of the Hague Agreement, the major differences between U.S. requirements under the Agreement compared to other Contracting Parties, and a quick reference guide for the various USPTO rules implementing the provisions of the Agreement.<sup>1</sup>

### THE HAGUE AGREEMENT GENERALLY

The Hague Agreement, and more particularly the Geneva Act of the Hague Agreement,<sup>2</sup> is a treaty signed on July 2, 1999, in an effort to harmonize the protection of industrial designs worldwide. The Hague Agreement establishes a procedural system through which an applicant can file a single application containing up to 100 designs in order to obtain design protection in each member country and organization (each referred to as a “Contracting Party”).<sup>3</sup>

In order to file an international design application through the Hague System, an applicant must be a national of a Contracting Party, have established domicile and/or maintain a habitual residence in a territory of a Contracting Party, or have a real and effective industrial or commercial establishment in a territory of a Contracting Party.<sup>4</sup> In this regard, some U.S. applicants have already been using the Hague System to obtain international design protection, relying on the “real and effective” prong of Article 3 to establish the appropriate nexus to the Agreement. Of course, if an applicant cannot establish the appropriate nexus under one of these provisions of

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Article 3, they must separately file a national application in each jurisdiction where they wish to obtain protection.

An applicant files an international design application under the Hague System with either the International Bureau of WIPO (International Bureau) or with the office of the applicant's Contracting Party.<sup>5</sup> Specifically, the applicant files a single application (in either English, French, or Spanish) using WIPO-prescribed forms signed by the applicant, prescribed fees, a reproduction of up to 100 designs including a description of the products that encompass the designs, and the designated Contracting Parties in which the applicant is seeking protection.<sup>6</sup> Additionally, an applicant may include a claim of priority under the Paris Convention. Furthermore, if permitted according to the rules of each jurisdiction designated in the application, an applicant may include a request to defer publication of the design(s) in the *International Design Bulletin* for up to 30 Months.<sup>7</sup>

**“The Hague Agreement establishes a procedural system through which an applicant can file a single application containing up to 100 designs in order to obtain design protection in each member country and organization.”**

Upon receipt of the international design application, the International Bureau performs a *formal* (and notably not *substantive*) examination of the application.<sup>8</sup> For example, the International Bureau examines the application to ensure the quality of reproduction of the design(s) is consistent with international standards, and to ensure the applicant has included the prescribed data and fees.<sup>9</sup> The International Bureau also records

the design(s) in the *International Register* and publishes the design(s) in the *International Design Bulletin* (subject to any request to defer publication as discussed).<sup>10</sup>

Following this formal examination, the International Bureau forwards the application to each designated Contracting Party for substantive examination in accordance with each Contracting Party's domestic legislation.<sup>11</sup> Each designated Contracting Party then has six months (optionally 12 months if the designated Contracting Party is an exam office and/or an office that allows for opposition) to notify the International Bureau of any refusal for protection of the design under its domestic legislation (which can later be withdrawn, if appropriate, following subsequent prosecution).<sup>12</sup> At the expiration of the appropriate period (i.e., either six or 12 months), the applicant is then granted protection in each designated Contracting Party where the application was not refused.<sup>13</sup> The duration of protection is 15 years, and can last longer in some jurisdictions if the designated Contracting Party's domestic legislation provides for longer protection.<sup>14</sup> An applicant renews the patent right in each designated country by simply filing a single renewal fee with the WIPO every five years.<sup>15</sup>

Accordingly, the Hague System provides many benefits for applicants wishing to file for design protection across multiple Contracting Parties by providing a procedural avenue for filing international design applications, which in turn gives rise to cost savings through economies of scale while simplifying the application process.<sup>16</sup> Furthermore, the Hague System provides for reduced monitoring of the various renewal periods across multiple jurisdictions because an applicant can file a single renewal fee at WIPO that covers all designated countries.<sup>17</sup> Finally, the Hague System provides a unified process for effecting

changes in an international application (e.g., changes of ownership, etc.) because an applicant can file a single paper at WIPO that is effective in most designated countries encompassed by the design application.<sup>18</sup>

### NOTABLE U.S. DECLARATIONS AND CORRESPONDING RULES

While the Hague System seeks to streamline filing of a design application across multiple jurisdictions, not all rules are consistent among the various Contracting Parties. Most notably, in its instrument of ratification, the United States listed several declarations to the treaty in order to align its obligations under the Agreement with U.S. design law. These declarations impose special requirements on any applicant that designates the United States, and, accordingly, the USPTO recently established final rules detailing these exceptions to the general Hague framework.

Specifically, any international design application that designates the United States must include a specification and a claim, and the claim language must be consistent with the requirements imposed by U.S. design law.<sup>19</sup> For example, the claim language must be in the form of an “ornamental design” of the subject article “as shown” or “as shown and described.”<sup>20</sup> Also, applications designating the United States can include no more than *one claim*<sup>21</sup> directed to *only one* independent and distinct design,<sup>22</sup> unlike applications not designating the United States, which can include *up to 100 designs*.<sup>23</sup> Particularly, in applications designating the United States, if more than one patentably distinct design is shown in the drawings in the application, the USPTO will issue a restriction requirement and the applicant must select one of the designs to pursue in the application, unless the restriction requirement is successfully rebutted by the applicant's U.S. attorney. Hence, divisional applications will need to be filed to receive

examination on the non-elected designs. As a result, while an applicant may situate many designs in one international design application and designate the United States, they may find themselves filing multiple divisional applications in the United States, or possibly filing additional fees for each design divided from the international design application.

Furthermore, because U.S. design law makes no provisions for deferment of publication of design applications (indeed, U.S. design law includes no provisions for publication of a design application generally<sup>24</sup>), an applicant cannot request to defer publication of an international application that designates the United States.<sup>25</sup> And applicants designating the United States must also include the WIPO form of an oath or declaration for filing in U.S. national applications.<sup>26</sup>

**“The U.S. rules make clear that protection is not granted in the United States until a separate U.S. design patent is issued.”**

The United States also included a declaration under Article 7(2), and pursuant to Rule 12(3) of the Common Regulations, to replace the one-time prescribed fee normally required for each designated country with a two-part designation fee. Under this two-part designation fee, any applicant designating the United States is required to pay a first part of the designation fee at the time of filing, and a second part of the designation fee at the time of allowance.<sup>27</sup> However, paying this two-part fee relieves the applicant of having to file any renewals with WIPO to maintain a subsequently issued U.S. patent in force, because the two-part fee covers the entire 15 year period of the resulting U.S. patent.<sup>28</sup>

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Additionally, any correction or change in an international design application purportedly effected by notifying WIPO must also be sent to the USPTO before the change will be applicable to the U.S. application.<sup>29</sup> Accordingly, the benefits realized from the Hague System providing a centralized process for making changes in an international application is reduced somewhat for any international design application designating the United States. Furthermore, the United States included a declaration under Rule 18(1)(b) of the Common Regulations whereby the USPTO will be allowed 12 months to communicate any reason of refusal to WIPO rather than six months. And when an international design application is filed at the USPTO as an indirect office of filing, the USPTO may refuse to transmit the application to the International Bureau if doing so would threaten national security.<sup>30</sup>

Provisional rights will be available as a result from publication of the international design application designating the United States. Assuming a U.S. design patent eventually issues substantially similar to a published design in the international application, this provision sets forth that a patent owner may be entitled to a reasonable royalty for any person who makes, uses, offers for sale or sells in the United States the claimed invention, or imports the invention into the United States, during the period between publication of the patent application and the date the patent issued. While provisional rights will now be available for design patents that mature from international design applications, 35 U.S.C. § 289 remains unchanged and sets forth a unique remedy only available for the infringement of a design patent.

Finally, the United States allows for conversion of the international design application designating the United States to a U.S. national

application during the pendency of the application.<sup>31</sup> Similarly, the U.S. rules make clear that protection is not granted in the United States until a separate U.S. design patent is issued.<sup>32</sup> Accordingly, and unlike other Contracting Parties, a mere indication by WIPO that no refusal was received within the 12 month period does not automatically grant the applicant protection within the United States.

### CONCLUSION

The ascension to the Hague Agreement by the United States provides applicants who wish to obtain design protection across multiple Contracting Parties an alternative to filing national applications in each jurisdiction. Under the Hague System, the local substantive examination process remains unchanged and the legal standard for obtaining a design patent is not affected. Hence, the applicant's country selection and drawings should be based on dynamics, including strategies to maximize design rights, and whether the intellectual property rights (IPR) regime of the member country accepts partial designs, shaded or unshaded figures, the strength of IPR enforcement, where the product would be sold, potential copying, design prosecution and examination cost, and the like. Furthermore, the applicant's quality of design drawings, including shading, contouring and further features of the drawings, will still need to be addressed and customized prior to filing a design application under the Hague Agreement. U.S. applicants may find cost-saving and other benefits when pursuing international design protection using the Hague System. However, because the United States has many rules and requirements which differ from the "standard" Hague System framework, applicants should be acutely aware of U.S. requirements before filing an application under the Hague System, if the United States will be a designated Contracting Party. ■

1. Any citation to an "Article" throughout this article refers to an article of the Hague Agreement, and any citation to the Code of Federal Regulations refers to the final (and as of yet uncodified) rules provided by the USPTO in volume 80 of the Federal Register at pages 17,918-971.
2. The Geneva Act of 1999 was actually the third act that sought to implement a system to harmonize industrial design protection worldwide. The first act, the London Act of 1934, has been frozen since January 1, 2010, and the United States was not a signatory to the second act, the Hague Act of 1960. Accordingly, this article addresses only the provisions of the Geneva Act.
3. As of the publication of this article, there are 64 Contracting Parties to the Hague Agreement generally, 49 of which are parties to the Geneva Act.
4. See 37 C.F.R. § 1.1011; Article 3.
5. See 37 C.F.R. § 1.1011-1.1012; Article 4(1)(a).
6. See 37 C.F.R. § 1.1021-1.1022; Article 5.
7. See Article 5.
8. See 37 C.F.R. § 1.1004; Article 8.
9. See 37 C.F.R. § 1.1004; Article 8.
10. See 37 C.F.R. § 1.1004; Article 10.
11. See 37 C.F.R. § 1.1062; Article 12.
12. See 37 C.F.R. § 1.1062; Article 12.
13. See 37 C.F.R. § 1.1063; Article 14.
14. See Article 17.
15. See id.
16. See 37 C.F.R. § 1.1021; Article 5.
17. See Article 17.
18. See Article 16.
19. See 37 C.F.R. §§ 1.1024-1.1025.
20. See 37 C.F.R. § 1.1025.
21. See 37 C.F.R. § 1.1025.
22. See 37 C.F.R. §§ 1.1025, 1.1064.
23. See 37 C.F.R. § 1.1021(a)(8); Rule 7(3)(v) of the Common Regulations Under the 1999 Act and the 1960 Act of the Hague Agreement (the Common Regulations).
24. See 35 U.S.C. § 122(b)(2)(A)(iv).
25. See 37 C.F.R. § 1.1028.
26. See 37 C.F.R. § 1.1067.
27. See Rule 12(3) of the Common Regulations.
28. See 37 C.F.R. § 1.1031(e).
29. See 37 C.F.R. § 1.1065.
30. See 37 C.F.R. § 1.1002(b)(4).
31. See 37 C.F.R. § 1.1052.
32. See 37 C.F.R. § 1.1071.

## BANNER & WITCOFF AGAIN LEADS THE WAY IN DESIGN PATENT PROCUREMENTS

For the 12th consecutive year, Banner & Witcoff obtained more U.S. design patents than any other law firm. According to the 2014 U.S. Design Patent Toteboard and confirmed by U.S. Patent & Trademark Office records, the firm procured 790 U.S. design patents.

In 2014, Banner & Witcoff worked to protect many popular and prominent designs for its clients, including Nike's Flyknit® shoes, and Microsoft's Xbox One™ gaming system and Surface™ Pro 3 tablet computer, as well as other important product designs for Nokia, Toshiba, PepsiCo and Electrolux. Demonstrating its depth of client base, last year was also

significant for Banner & Witcoff as the firm has now procured design patent portfolios of 20 or more design patents for 28 different clients.

Banner & Witcoff also continues to lead in procuring international design patent portfolios. The firm has filed hundreds of design registrations in the World Intellectual Property Office for clients who reside in member countries of the Hague System for the International Registration of Industrial Designs. The firm will seek the same international protections for U.S. clients now that the USPTO has put procedures in place for accepting Hague System applications.