

US Design Patents and the Hague Agreement Concerning Industrial Designs

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A Practice Note discussing US design patents and the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, which went into effect in the US on May 13, 2015. This Note addresses the new international registration system's main features and key practical implications when seeking design patent protection in the US and the rest of the world.

The Hague Agreement Concerning the International Registration of Industrial Designs (Hague Agreement) went into effect for the US on May 13, 2015. For the first time, US applicants can now file a single international design application as a vehicle to obtain design protection in a significant number of countries around the world. This may potentially reduce costs and make it easier to develop and manage a worldwide design patent portfolio.

The ornamental, non-functional aspects of an article of manufacture may be protected in many countries by using a design patent or other registered or unregistered design right. To obtain a design patent or registered design right in a particular country, the applicant typically must file an application in that country's patent office. Before the Hague Agreement, if a design patent applicant sought design patent protection in multiple countries, the applicant had to file separate design patent applications in each country, with the attendant fees, translations, local counsel and document copies. The Hague Agreement greatly simplified this process.

For more information on design protection:

- In the US, see *Country Q&A, Patents, trade marks, copyright and designs in United States: overview* (<http://us.practicallaw.com/5-501-9780>).
- Outside the US, see *Patents, trade marks, copyright and designs: Country Q&A tool* (<http://us.practicallaw.com/2-501-7481>).

THE HAGUE AGREEMENT

Three separate treaties constitute the Hague Agreement:

- The Geneva Act of July 2, 1999 (Geneva Act).
- The Hague Act of November 28, 1960 (Hague Act).
- The London Act of June 2, 1934 (London Act).

The Geneva Act and the Hague Act are independent of each other so that a country may become a party to one or both Acts (Contracting Party). This is important because it may affect:

- Whether a particular applicant may use the international registration system created by the Hague Agreement (Hague System) (see *Applicants Entitled to Use the Hague System*).
- The countries where an applicant may obtain no protection using the Hague System (see *Geographic Extent of Protection under the Hague System*).

The key features of the Hague System are that:

- It is available only to certain applicants (see *Applicants Entitled to Use the Hague System*).
- The applicant may file a single international design application (IDA) that may cover up to 100 designs (see *The International Design Application*).
- The single IDA may lead to design protection in several countries around the world (see *Geographic Extent of Protection Under the Hague System*).
- Applicants can access the Hague System in two ways (see *Two Filing Routes to Access the Hague System*).
- Examination of the IDA is bifurcated (see *IDA Examination Generally*).

When the US implemented the Geneva Act, certain aspects of US design patent law (see *Key Changes to US Design Patent Law*) and practice changed (see *Notable Rules of Practice Concerning US-designated IDAs*).

Counsel should also bear in mind key US patent law features which may affect the client's worldwide design patent portfolio (see *Important Aspects of US Patent Law Applicable to US-designated IDAs*).

APPLICANTS ENTITLED TO USE THE HAGUE SYSTEM

Not all applicants seeking to use the Hague System may do so. An applicant can file an IDA by using the Hague System only if it meets at least one of these criteria:

- It is a national of a:
 - Contracting Party; or
 - member state of an intergovernmental organization that is a Contracting Party, such as the European Union or the African Intellectual Property Organization.
- It is domiciled in a Contracting Party's territory.



- It has a real and effective industrial or commercial establishment in a Contracting Party's territory.

Under the Geneva Act, an applicant is also entitled to use the Hague System if it has a habitual residence in a Contracting Party. This term:

- Is taken from the Berne Convention for the Protection of Literary and Artistic Works for the Protection of Literary and Artistic Works.
- Compensates for any excessively narrow interpretation of the term domicile.

THE INTERNATIONAL DESIGN APPLICATION

The IDA must:

- Be filed in English, French or Spanish.
- Include a reproduction of the industrial design the applicant seeks to protect.
- Identify the Contracting Parties where the applicant seeks protection.
- Include the payment, in Swiss francs, of:
 - the basic filing fee;
 - the publication fee; and
 - a fee for each designated Contracting Party.

The fees are generally payable when the applicant files the IDA, except if the applicant requests deferment of publication (see *International Formalities Review*). The applicant may then pay the fees later (see *Common Regulations Under the 1999 Act and the 1960 Act of the Hague Agreement (Common Regulations), Rule 12(2)*).

The IDA may include up to 100 different designs if the designs all belong to the same International Classification of Industrial Designs (Locarno Classification). The Locarno Classification is a list of classes and subclasses into which goods are classified for administrative purposes. The Locarno Classification can be found on the World Intellectual Property Organization's website.

For one IDA, the applicant must prepare a single set of reproductions for all of the designated Contracting Parties. Therefore, the applicant's country selection and drawings should be based on its strategy to maximize its design rights. For example, counsel should consider:

- The Contracting Party's IP rights regime, such as whether the Contracting Party accepts partial designs or shaded or unshaded figures.
- The strength of IP enforcement in the Contracting Party.
- Where the product covered by the design is to be sold.
- The likelihood of copying.
- Design prosecution and examination cost.

The applicant must also still address the Contracting Party's requirements for the design's reproductions before filing an IDA.

GEOGRAPHIC EXTENT OF PROTECTION UNDER THE HAGUE SYSTEM

Design protection under the Hague System is available only in a Contracting Party. Where an applicant claims that it is entitled to use the Hague System based on one of the three Acts of the Hague Agreement (see *Applicants Entitled to Use the Hague System*), design protection is limited to those countries that are Contracting Parties to that specific Act.

The Hague System has a number of Contracting Parties, which includes certain intergovernmental intellectual property organizations, such as the European Union and the African Intellectual Property Organization. WIPO identifies these countries and organizations on its website. However, because the US is only a party to the Geneva Act, US applicants may currently only obtain protection in the Geneva Act Contracting Parties.

TWO FILING ROUTES TO ACCESS THE HAGUE SYSTEM

An applicant can access the Hague System by either:

- Filing directly with WIPO's International Bureau (IB) (see *Direct Filing in the IB*).
- Indirect filing with its home patent office, for example the US Patent and Trademark Office (USPTO) for US applicants (see *Indirect Filing with the USPTO*).

Direct Filing in the IB

An applicant can file the IDA directly with the IB by using either a paper application form or electronically. The IDA's filing date is generally the date the IB receives the IDA, unless there is an irregularity in the IDA (see *IDA Examination Generally*).

US applicants must obtain a foreign filing license before filing in a foreign country a patent application for an invention made in the US (see 35 U.S.C. § 184). Therefore, the applicant must obtain a foreign filing license before filing the IDA with the IB. Failing to do so can result in fines and other penalties. The applicant may submit a petition, either under 37 C.F.R. § 5.12 or 5.13, to obtain a foreign filing license.

Indirect Filing with the USPTO

A US applicant may also file an IDA with the USPTO. As an indirect IDA filing office, the USPTO:

- Determines whether the applicant is entitled to file the IDA with the USPTO.
- Ensures that the applicant has paid the forwarding fee, which is in addition to the IDA filing fees.
- Conducts a national security review to determine whether foreign filing is appropriate.
- Forwards the IDA to the IB.

The USPTO does not conduct the formalities review, which is reserved for the IB once the USPTO forwards the IDA to the IB (see *International Formalities Review*).

When an applicant files an IDA with the USPTO, the IDA's filing date is normally the date the USPTO receives the IDA if the IB receives the IDA from the USPTO within certain time limits, otherwise the filing date is the date the IB receives the IDA (see *Common Regulations, Rules 13(3)(i) and (4)*).

IDA EXAMINATION

The Hague System provides a two-part procedure for obtaining design protection in each Contracting State:

- An international formalities review by the IB.
- A national examination by the designated Contracting Parties.

International Formalities Review

The IB does not substantively examine an IDA, but instead checks the IDA to confirm that it meets the formalities requirements, including that:

- The design image reproduction quality is consistent with WIPO publication standards (see *Common Regulations, Rule 9*).
- The applicant has included the prescribed data and filing fees (see *Common Regulations, Rule 7*).

If the formalities are met, the IB:

- Registers the design in the International Register.
- Publishes the design six months after the international registration date, which is the later of the filing date or the date any irregularities are corrected. The applicant may request:
 - immediate publication to maximize the potential benefit of provisional rights (see *Provisional Rights*); or
 - a delay in publication, which is subject to the designated country restrictions on delay and which the applicant may choose to do to avoid prematurely disclosing information concerning the design.

If the IDA does not include all of the required content, the IB will send an Invitation to Correct Certain Irregularities notice. The applicant typically has three months in which to comply with the notice (see *Common Regulations, Rule 14(1)*).

National Examination

Publication of the design starts the substantive examination period for the IDA in the designated Contracting Parties.

However, because there is no single harmonized international design law, a further examination is conducted by each designated Contracting Party that has a substantive examination system.

National industrial design regimes are generally either:

- A substantive examination system.
- A non-examination system.

In substantive examination systems, such as in the US, the proposed design is reviewed against prior art designs for novelty and non-obviousness. If the proposed design passes examination successfully, the design is enforceable against third parties.

In a non-examination system, the design is not substantively examined against any prior art. The patent office instead conducts a formalities examination similar to the review conducted by the IB. This type of system puts the burden on interested third parties to challenge the design's validity as part of invalidity proceedings in litigation or other judicial proceedings.

Where a designated Contracting Party grants design protection for the IDA, the scope of protection is geographically limited to that Contracting Party under the laws of that Contracting Party.

Comparison with PCT Practice

Counsel familiar with filing patent applications under the Patent Cooperation Treaty (PCT), which allows the acquisition of patent rights in multiple jurisdictions by the filing of a single patent application, should note how the Hague System is different. For example, the Hague System:

- Provides that the IB conducts only a formalities examination. There is no examination on the design's merits. The local country's patent office instead conducts the formal examination on the merits after the IDA's publication. In contrast, under the PCT there is:
 - an international examination phase, where an international receiving office examines the application on the merits before the applicant must decide whether to enter the national phase; and
 - a national phase where the local patent office conducts its own formal examination on the merits under the local country's laws, although often the local country relies on the international examination.
- Requires the applicant to select the countries where it seeks protection when it files the IDA while the PCT allows the applicant to delay selection of the countries where the applicant seeks protection until 30 months from the earliest claimed priority date.

KEY CHANGES TO US DESIGN PATENT LAW

Although the Hague System focuses on the international procedural aspects of design applications, certain changes in US design patent law came into effect under the Patent Law Treaties Implementation Act of 2012 (PLTIA) to implement the provisions of the Geneva Act of the Hague Agreement. The most important changes for US design patent applications filed on or after May 13, 2015 in response to the PLTIA, include:

- Increasing the design patent term from 14 years to 15 years from issuance (see *35 U.S.C. § 173*).
- Allowing the applicant to claim US domestic and foreign priority from the IDA (see *35 U.S.C. §§ 386(a)-(c)* and The Geneva Act, Art. 6) (see *Priority*).
- Providing provisional rights (see *Provisional Rights*).

PRIORITY

For domestic priority, a US-designated IDA may be used as a priority national application for later US continuation and divisional applications (see *35 U.S.C. § 120*).

For foreign priority, the six month Paris Convention right of priority still applies (see *35 U.S.C. § 172*) and a US-designated IDA is entitled to a right of priority based on any of the following previously filed:

- Foreign application, such as a prior foreign design application or foreign utility patent application.
- PCT application as defined in Section 351(c) of the Patent Act designating at least one country other than the US (see *35 U.S.C. § 351(c)*).
- IDA designating at least one country other than the US.

PROVISIONAL RIGHTS

Since May 13, 2015, design patent owners have provisional rights resulting from publication of a US-designated IDA (see 35 U.S.C. § 390 and § 154(d)). These provisional rights may entitle a design patent owner to a reasonable royalty from any person who makes, uses, offers for sale or sells in the US the claimed design, or imports the claimed design into the US:

- During the period between the IDA's publication and the design patent issue date.
- Where the issued design patent covers a design that is substantially similar to the IDA's published design.

(See 35 U.S.C. § 154(d).)

While provisional rights and publication offer benefits, there may be some practical drawbacks that counsel should consider. Specifically, because a US-designated IDA can claim US domestic priority under Section 120 of the Patent Act to a previously filed US non-provisional design application under certain circumstances (see 35 U.S.C. § 120 and § 386(a)-(c)), the IDA's publication allows the public to access the parent US non-provisional design application (see 37 C.F.R. § 1.14). In contrast to an IDA, US non-provisional design patent applications are generally kept secret until they are granted (see 35 U.S.C. § 122(b)(2)(A)(iv)). Therefore, applicants must weigh the benefits of having their designs in the IDA published to obtain provisional rights along with the timing of the IDA publication against allowing the public to gain access to any US priority application.

NOTABLE RULES OF PRACTICE CONCERNING US-DESIGNATED IDAS

While the Hague System may streamline design application filing across multiple jurisdictions, not all rules are consistent among the various Contracting Parties. The US aligned its obligations under the Hague Agreement with US design law by imposing special requirements on any applicant in a US-designated IDA. The USPTO recently established final rules to implement these requirements (see 37 C.F.R. §§ 1.1001-1.1071) including the following:

- Any IDA that designates the US must include a specification and a claim. The claim language must be consistent with US design law requirements (see 37 C.F.R. §§ 1.1024 and 1.1025).
- The claim language must be in the form of an "ornamental design" of the subject article "as shown" or "as shown and described" (see 37 C.F.R. § 1.1025).
- IDAs designating the US can include no more than one claim directed to only one independent and distinct design for examination (see 37 C.F.R. §§ 1.1025 and 1.1064).
- An IDA applicant cannot request deferment of publication where it designates the US (see 37 C.F.R. § 1.1028). This is because US design law includes no provisions for design patent application publication generally and therefore no provision for publication deferment (see 35 U.S.C. § 122(b)(2)(A)(iv)).
- IDAs designating the US must also include an oath or declaration for filing in the US (see 37 C.F.R. § 1.1021(d)(3) and § 1.1067(b)).
- Any applicant designating the US must pay part of the designation fee at the time of filing and the rest at the time of allowance (see Rule 12(3) of the Common Regulations). Paying this two-part fee:

- relieves the applicant from having to file any renewals with WIPO to maintain a later-issued US patent in force; and
- covers the design patent's entire 15-year term (see 37 C.F.R. § 1.1031(e)).
- Any correction or change in an IDA by the IB must also be sent to the USPTO before the change is applicable to the US application (see 37 C.F.R. § 1.1065).
- The USPTO has 12 months from publication of the IDA, rather than the standard six months, to communicate any reason of refusal to WIPO (see 37 C.F.R. § 1.1062(b) and *No Automatic Grant of a US-designated IDA*).
- The USPTO may refuse to transmit an IDA to the IB if doing so threatens national security (see 37 C.F.R. § 1.1002(b)(4)).

IMPORTANT ASPECTS OF US PATENT LAW APPLICABLE TO US-DESIGNATED IDAS

In addition to the Hague System and US design patent law changes, counsel should consider the following other aspects of US law that may affect their clients' design patent portfolio strategy, development and management:

- The changes to US patent law under the AIA apply to the new design law (see *New Law Incorporates AIA changes*).
- The US does not automatically grant a design patent from a US-designated IDA (see *No Automatic Grant of a US-designated IDA*).
- The US continues to focus on a single design invention (see *New Law Continues Focus on Single Design Inventions*).
- Expedited examination is available (see *Expedited Examination*).
- Applicants should still submit information disclosure statements (see *Information Disclosure Statements*).
- Applicants must file an inventor oath or declaration (see *Inventor Oath or Declarations*).
- Owners of a US design patent may record the assignment with the USPTO (see *Ownership and Assignment Considerations*).
- US counsel should be used for US-designated IDAs (see *Need for US Counsel for US-designated IDAs*).

NEW LAW INCORPORATES AIA CHANGES

The Leahy-Smith America Invents Act (AIA) amended the US patent laws to, among other things, convert the US patent system from a first-to-invent system to a first-inventor-to-file (FITF) system. A patent application with at least one claim having an effective filing date on or after March 16, 2013, is examined under the FITF provisions. The AIA also created several new USPTO procedures that can be used to challenge an issued patent's patentability.

For more information on the AIA, see *Practice Note, Leahy-Smith America Invents Act: Overview* (<http://us.practicallaw.com/6-508-1601>).

IDAs designating the US have the same legal effect as a regularly filed US design patent application (see *Hague Agreement, Art. 14(1)* and 35 U.S.C. § 385). IDAs are now:

- Examined under the AIA's FITF system.
- Subject to post-grant and inter partes review proceedings.

NO AUTOMATIC GRANT OF A US-DESIGNATED IDA

In certain situations where the designated Contracting Party does not substantively examine design applications, the Hague Agreement provides that the international registration of an IDA has the effect of a grant of protection in the designated Contracting Party. However, the Hague Agreement allows a designated Contracting Party to refuse to provide protection, in part or in whole, to any industrial design that does not meet that Contracting Party's legal requirements (see *Geneva Act, Art. 12*). Therefore, despite the Hague Agreement's language, US law and rules clarify that the USPTO cannot grant design patent protection until it grants a separate US design patent (see *35 U.S.C. §§ 151 and 389(d)* and *37 C.F.R. § 1.1071*).

NEW LAW CONTINUES FOCUS ON SINGLE DESIGN INVENTIONS

Although an IDA may include a maximum of 100 designs, a Contracting Party may have a unity of design requirement that reduces that cap (see *Hague Agreement, Art. 13(1)*). For example, in the US, a design patent must be directed to a single design invention but may contain multiple embodiments of the same inventive concept (see *MPEP §§ 1502.01(D) and 1504.05*; *In re Rubinfeld, 270 F.2d 391, 395 (C.C.P.A. 1959)* and *37 C.F.R. § 1.1064*).

If a US design patent application discloses more than one patentably distinct design, the USPTO issues a restriction requirement directing the applicant to:

- Select one of the designs to pursue in the application, unless the applicant successfully rebuts the restriction requirement.
- Separate out and file divisional applications for the non-elected designs, with the corresponding additional fees.

(*35 U.S.C. § 121*.)

As a result, while an applicant may include many designs in one US-designated IDA, the applicant may still need to file multiple divisional applications to obtain US protection of the different designs.

EXPEDITED EXAMINATION

Expedited examination is one major benefit of filing a US design patent application. Expedited examination is available to design applicants who first:

- Conduct a preliminary examination search.
- File an information disclosure statement, proper drawings and a request for expedited treatment.
- Pay the required fee.

(See *37 C.F.R. § 1.155*.)

An applicant can request the expedited examination immediately on filing. After expedited examination, the USPTO can issue a US design patent in as little as 60 days.

Expedited examination is available for a US-designated IDA only:

- After publication by WIPO.
- On a request made directly to the USPTO by local US patent counsel.

(See *37 C.F.R. § 1.155(a)(1)*.)

INFORMATION DISCLOSURE STATEMENTS

US patent law requires that anyone associated with the filing and prosecution of a patent application deal with the USPTO with candor and in good faith. This duty includes a duty to disclose information that is material to patentability (see *37 C.F.R. § 1.56*). Failure to comply with the duty of disclosure can render a patent unenforceable for inequitable conduct. Therefore, an applicant should ensure that it complies with the duty of disclosure in connection with an IDA.

The most common way to provide information to the USPTO during the prosecution of a patent application is in an Information Disclosure Statement (IDS), which must be submitted within certain timeframes to ensure the patent examiner considers it. For example, an IDS can be filed either:

- At the same time that the IDA is filed, using a WIPO prescribed form.
- With the USPTO within three-months after WIPO publishes the IDA.

(See *37 C.F.R. § 1.97(b)*.)

Some fees may be applicable in certain situations (see *37 C.F.R. § 1.97*).

Because the IDS is a US patent prosecution form, US patent counsel, registered to practice before the USPTO, should file it. The completed IDS form should typically be filed after WIPO publishes the IDA.

INVENTOR OATH OR DECLARATIONS

Counsel should be aware of the changes to the US inventor's oath or declaration requirements under the AIA for design patent applications filed directly in the USPTO (see *Legal Update, USPTO Final Rules Implementing the Inventor's Oath or Declaration Provisions of the AIA* (<http://us.practicallaw.com/7-520-8529>)). These changes allow:

- An assignee to file the oath or declaration as the applicant.
- An oath or declaration filing to be postponed until the application is otherwise in condition for allowance.
- Reusing a previously signed oath or declaration.
- Providing a substitute oath or declaration in situations where the oath or declaration cannot be signed by the inventor because, for example, the inventor:
 - is deceased;
 - is legally incapacitated;
 - refuses to sign the oath or declaration; or
 - cannot be located to sign the oath or declaration after a diligent effort.
- The oath or declaration to be made in an inventor's assignment form, which can be recorded with the USPTO.

(See *37 C.F.R. §§ 1.63 and 1.64*.)

For a US-designated IDA:

- The IB performs a formal review of the inventor oath or declaration.
- The WIPO prescribed oath or declaration should be filed with the IB (see *Annex I to DM/1* and *37 C.F.R. § 1.1021(d)* and *§1.1067*).

- If the applicant does not initially file a signed oath or declaration with the IDA, then the IB issues an invitation to the applicant to submit a signed oath or declaration. If the applicant does not file the oath or declaration within the time limit prescribed by the IB, then the IB deletes the designation in the IDA to the US and the US rights under the IDA may be abandoned (see *Geneva Act, Art. 8*).
- The applicant should submit a WIPO prescribed substitute oath or declaration in cases where it is not signed by the inventor because of one of the four problems described above.

OWNERSHIP AND ASSIGNMENT CONSIDERATIONS

Under US patent law, the inventor or joint inventors retains ownership of the invention unless they assign those rights to another entity. An assignee should record an invention assignment in the USPTO because recordation:

- Perfects transfer of ownership of the patent rights and provides proof that the assignee:
 - can file a terminal disclaimer to overcome an obviousness-type double patenting rejection; and
 - bring an enforcement action of the issued patent in the assignee's name.
- Ensures that the USPTO issues the patent in the assignee's name.

The IB provides a form to change an IDA's applicant but has no mechanism for recording assignments. Applicants using the Hague System should not assume that designating the US and including the applicant assignee's name on the WIPO form is effective under US law to perfect ownership rights in the IDA. Counsel for the IDA applicant should instead record an assignment signed by the inventors directly in the USPTO. This can be performed after WIPO publishes the IDA.

Counsel should also consider that any recording of a partial change in ownership in the International Register under The Hague Agreement's Common Regulations Rule 21(7) concerning a transfer of less than all designs is not effective in the US (see *37 C.F.R. § 1.1065(b)*).

NEED FOR US COUNSEL FOR US-DESIGNATED IDAS

The USPTO continues to substantively examine design patent applications and grant US design patents whether the application is an IDA or regular US design patent application. Therefore, during substantive examination of the IDA in the US, foreign applicants must still engage US patent counsel to:

- Respond to office actions issued by the USPTO.
- Perfect foreign priority and file other documents, such as an IDS, once WIPO publishes the IDA.

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