**Can a Tiger Change Its Stripes? China Will Join the Hague System, But Many Design Law Idiosyncrasies Remain**

By Richard Stockton

The World Intellectual Property Organization, which administers the Hague System for the International Registration of Industrial Designs, has announced that China will join the Hague System on May 5, 2022. The Hague System allows the filing of a single international design application that can lead to design protection in more than 90 jurisdictions with payment of unitary fees and without hiring counsel in each jurisdiction.

Without question, China is the “missing piece” of the Hague System’s jurisdictional footprint. The remaining “ID5” jurisdictions (US, European Union, Japan, Korea), UK, and most other major jurisdictions are already members. For multinational applicants, Chinese joinder magnifies the Hague System’s apparent efficiency vis-à-vis separate national applications.

In practice, however, many key aspects of design law and practice remain unharmonized across major jurisdictions. Although China amended its design law last year to allow portion claims (*i.e.*, design protection for desired parts of articles instead of the entire article) like most major jurisdictions, other aspects of Chinese design law remain idiosyncratic.

*Chinese Design Idiosyncrasies*

For example, China’s absolute novelty requirement remains unchanged and at odds with the one-year grace period of most major jurisdictions. Accordingly, if an applicant wants to use the Hague System to obtain enforceable design protection in China, the applicant needs to file before any disclosure despite the availability of grace periods elsewhere. China’s amendment practice for designs also remains less robust than other jurisdictions. This lack of flexibility could force Hague System claiming strategies that may be less favorable elsewhere.

Moreover, WIPO’s announcement states that China will require “[s]pecific figures” of designs.[[1]](#footnote-1) Given prior Chinese practice, China may require up to six orthographic figures (similar to what Japan required until 2019). By contrast, the US does not require any minimum number of figures, and the figures do not need to be orthographic (thus perspective-introducing photographs, and figures drawn therefrom, may be accepted). Regardless, the Chinese national office (CNIPA) can also evaluate whether the figures “are not sufficient to disclose fully” the design under Rule 9(4), and refuse the effects of the application accordingly. Either way, a refusal would delay registration and likely requires the hiring of Chinese counsel to respond (mitigating the Hague System’s efficiency for the applicant).

Furthermore, WIPO’s announcement states that China will require a “[b]rief explanation of the characteristic features” of the design. While a short textual statement describing novel aspects of the design might seem benign, it could haunt corresponding US infringement and invalidity proceedings—particularly if Chinese and US design protections both arise from designations in the same Hague application.

A possible bright spot is that WIPO’s announcement does not mention any Chinese abrogation of the Hague System’s default 30-month deferment of publication period under Rule 16(1)(a). Currently, China does not officially allow deferred publication and has a relatively short prosecution duration of approximately four to eight months on average (versus approximately 24 months on average in the US). Thus, the risk of unwanted disclosure, *e.g.*, prior to a commercial launch, remains high. At best, WIPO’s silence means that China will allow publication deferment of up to 30 months. However, it is also possible that the WIPO announcement’s list of Chinese declarations was not a closed list, or that China will later prohibit or otherwise limit publication deferment.

*Strategies for Pursuing Hague System Applications*

The net result of the above is that the Hague System’s multinational efficiency comes at a price, namely conforming a Hague System application to quirks in Chinese and other jurisdictions’ design laws and practices at the expense of preferred laws and practices elsewhere. Currently, the trick to using the Hague System is to assess which idiosyncrasies matter and which do not—and then build a filing strategy around those idiosyncrasies.

One strategy is to file a US application first and then pursue Hague System applications later, thus avoiding some US quirks (*e.g.*, separate foreign filing licenses and no official deferment of publication—which dooms deferment everywhere else in the Hague System too) and better maintaining the *status quo* of the indirect effect of foreign applications on US design rights. In a post-Brexit world and with the increased efficiency of Chinese joinder, it might even make sense to file multiple Hague System applications to track groups of quirks, *e.g.*, a first application directed to the EU, UK, and Switzerland, which allow many more disparate-looking designs inexpensively in a single application and a second application for China, Japan, and Korea.

*The Future of the Hague System*

Despite Chinese joinder, the Hague System’s full potential continues to be hobbled by unharmonized design laws and practices. Advanced users seeking multinational design protection seem particularly skittish although some exceptions exist. Moreover, some Hague System applicants seem frustrated by what they see as jurisdictional “gotchas” especially where robust “sufficiency of disclosure” requirements exist.

Jurisdictional conformance to as many provisions as possible of the ID5’s “Recommended Design Practices” project, which is reinvigorating WIPO’s stalled Design Law Treaty, is a great start to further harmonization, and therefore increased Hague System usage. Japan and Korea recently shifted to one-year grace periods (though smaller quirks remain), and ID5 consensus pressure on China to adopt a one-year grace period would be another major step.

WIPO could possibly help harmonization in another way. In 2015, and largely in response to what was perceived as finicky US “sufficiency of disclosure” requirements, WIPO’s Hague Working Group considered a proposal for “simultaneous limitation” whereby an advanced Hague System applicant could designate sets of figures for a design for particular jurisdictions. The only way to do this now is to file and pay for a separate Hague System application for each set of figures, which defeats the whole purpose and has other issues.

Simultaneous limitations could be dusted off and reconsidered to accommodate advanced Hague System applicants who want the best of both worlds—Hague System efficiency and deference to idiosyncrasies (and longstanding design law precedents) in various Hague System jurisdictions. However, there are many IT challenges at WIPO and elsewhere to handling “flavors” of a design, and simultaneous limitation is seen by some as enshrining the very disunity that the Hague System is supposed to overcome.

One concern is whether Chinese applicants might overwhelm the Hague System and national examination offices. According to WIPO, nearly 70% of the world’s industrial design applications have been filed in China since 2010. Chinese applicants file more than 95% of these applications (a much higher percentage than other major jurisdictions), and it seems Chinese applicants will be able to file Hague System applications through CNIPA designating China and other jurisdictions.

To the point, Chinese applicants file more than 700,000 design applications annually in China—more than 100 times the current number of Hague System applications annually. Accordingly, even if a minute fraction of these applications is instead filed as Hague System applications, the resulting application load could be many times what WIPO is reviewing now. If WIPO is unprepared, the Hague System could be overwhelmed and long prosecution delays will undoubtedly result (making it better to pursue protection directly at least in “fast” jurisdictions like the European Union and the UK). CNIPA needs to be prepared also, as it only has one month to transmit a Chinese-filed Hague System application to WIPO, or else the filing date is possibly jeopardized (unless WIPO adjusts Rule 13(3)(i)). This is particularly dangerous in China because it is an absolute novelty jurisdiction.

The US Patent and Trademark Office should also be alert. According to a 2021 USPTO Report, Chinese governmental authorities offer more than 70 intellectual property application filing subsidies whose amounts often exceed the cost of filing. Accordingly, profiteering Chinese applicants recently began flooding the USPTO with bogus trademark applications. These applications have been very detrimental to the integrity and operation of the US trademark system (the Madrid System for international trademark filing has had similar issues).

The same problem could occur with Chinese Hague System applicants who designate the US. USPTO “micro entity” fees for filing and issuance are currently just $176 more than a single-class US trademark application, and unscrupulous applicants could change applicant and inventor names to avoid the four-application “micro entity” limit. To make matters worse, it is possible for a Chinese applicant to file and receive a US design patent through the Hague System without ever engaging US counsel, thus possibly putting the issue out of reach of the USPTO’s Office of Enrollment and Discipline and state bar authorities.

*Conclusion*

Chinese joinder is the cherry on top of the Hague System sundae. With the jurisdictional footprint of the Hague System now encompassing all of the ID5 and most other major jurisdictions, the Hague System is an increasingly attractive design protection option for multinational applicants. But many quirks remain, and these quirks must be navigated until WIPO and governmental authorities can further harmonize design law and practice worldwide.

1. In response to the author’s written request for a copy of China’s actual instrument of accession and corresponding declarations, which would provide further information on China’s requirements, WIPO demurred and redirected the author to WIPO’s announcement until more information is publicly released. [↑](#footnote-ref-1)