THE HAGUE AGREEMENT ON THE PROTECTION OF INDUSTRIAL DESIGNS STRATEGIES TO USE, AND U.S. CHOICES IN RATIFICATION OF THE GENEVA ACT

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TABLE OF CONTENTS

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I. INTRODUCTION

It is well known that how a product looks is very important to product sales. The role of industrial design is to create a product that is convenient for a customer to use, as well as make it visually appealing to customers[2]. Industrial design adds significant value to a basic product, often marking the difference between whether a product will be successful. Once an effective product design is successful, competitors rush in and copy the product, particularly the product appearance. The fact is that a country that can provide the product value added from industrial design will have a stronger economy.

[2] The Industrial Designers Society of America (IDSA) web site has an extensive amount of information on the role of industrial designers. The site displays several industrial design award winning products. The IDSA web site URL is: http://www.idsa.org. This web site was last viewed on April 27, 2007.

Most countries provide a design patent, or design registration system (collectively called here design patent) to protect product appearance of new industrial designs, giving the owner an exclusive right to make, use and sell protected industrial designs. The protection of industrial designs has required filing applications individually in the national office of each country. The U.S. now has the choice whether to join an international treaty, the Geneva Act of the Hague Agreement for the International Registration of Industrial Designs (hereafter referred to as Geneva Act), which can simplify and create an effective way to protect industrial designs in other countries.[3]

This article has four main purposes: (1) It is an introduction to the importance of "industrial design" (referred to alternatively as "design") to the U.S. economy; (2) There is an explanation of how certain industrial designs are protected in the U.S. and in foreign countries, (3) The operation of the Geneva Act is described, along with strategies for its use; and (4) An analysis is made of the progress by the U.S. in ratifying the Geneva Act.

The U.S. is now at the point in time, after 15 years of preparation, to decide whether to join the Geneva Act. It is not hard to understand the reasons for having a treaty like the Geneva Act. Utility patents protection is now provided internationally using a similar treaty, the Patent Cooperation Treaty (PCT).[4] The PCT is a very successful system for centralized filing of utility patents around the world. Trademark owners in the U.S. have the Madrid Protocol (MP).[5] For example, a single International Registration (IR) application can be prepared in English and designate the members in which protection is sought. WIPO administers each of these treaties, and it keeps a central record system with the contents and status of all International Registrations under PCT and the MP. The treaty documents are accessible on the WIPO web site. Most fees are paid to WIPO, in Swiss currency, including the application filing fees and renewal fees. Direct filing with WIPO can be made by the design owner or its representative, providing companies with flexibility in filing design patents in several member countries or regional systems.

The Geneva Act, PCT and MP also share international dimensions, creating international systems that utilize the national IP laws to establish IP rights in each designated member country.

II. INTELLECTUAL PROPERTY LAWS USEFUL FOR INDUSTRIAL DESIGN PROTECTION

Another important consideration is that usually there are several national intellectual property (IP) laws that may protect a product appearance.[6]The focus of this article is design patent protection, recognizing that trademarks, copyrights and sui generis laws

[3] References to articles, rules and administrative Instructions are to the Geneva Act documents, unless otherwise stated.

[4] The World Intellectual Property Law (WIPO) web site has extensive information on international intellectual property laws and treaties. It will be cited as WIPO web site. Information on PCT is accessed from the Patents page. The WIPO web site is at URL: http://www.wipo.int. This web site was last viewed on April 27, 2007.

[5] Madrid Protocol information is on the WIPO web site, accessible from the Trademarks page.

may protect designs. Under some national laws design protection may be cumulative (overlapping), or a choice must be made by selecting certain solely functional subject matter for protection by utility patents. The separated visual features may be protected by design patents. The Geneva Act is only for protection under design patent law in the U.S. A skilled attorney in design protection practice can make the decisions on what subject matter to protect under design patent law.

One major reason for relying at least on design patent protection is that it is one of the original Paris Convention forms of IP protection.[7] There are design patent systems in most countries. This fact provides an important foundation for the Geneva Act.

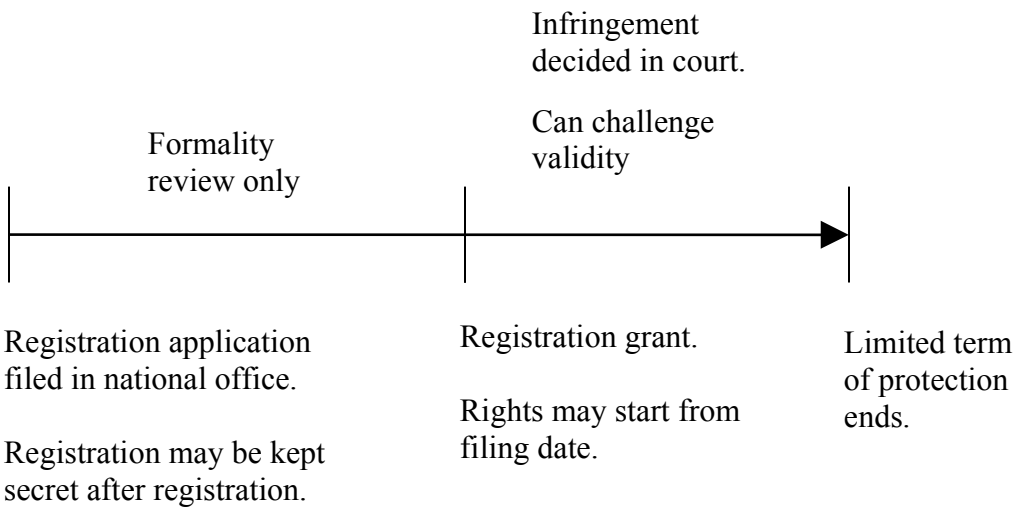
III. TYPES OF NATIONAL DESIGN PATENT SYSTEMS

As part of the Geneva Act development, an in-depth review of national design patent systems was made. It was found that the national patent systems fell into two main groups. The first group had no novelty examination before grant of rights, and the other group, like the U.S design patent system, had novelty examination before rights grant. A brief review of these system types is essential to an understanding of the Geneva Act.

[6] William T. Fryer, III, *Industrial Design Protection in the United States of America – Present Situation and Plans for Revision*, J. Pat. Trademark Office Soc'y 820 (1988.

[7] The treaties administered by WIPO, including the Paris Convention for the Protection of Industrial Property are on the WIPO web site, accessible from the Treaties web page.

Figure 1 Non-Novelty Examination System

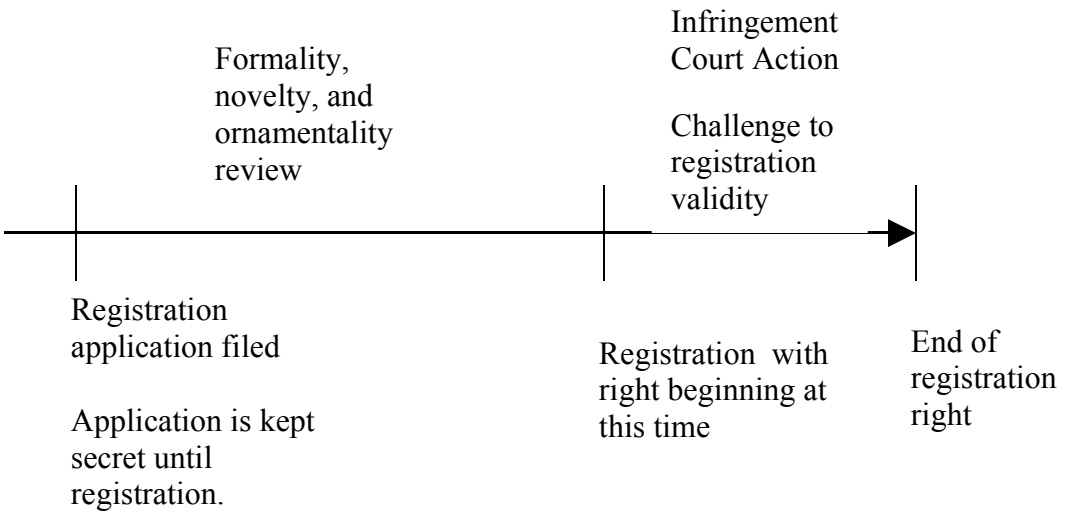


As shown in Figure 1, when a design patent application is filed in a non-novelty examination design patent system, it is reviewed by the national office only for formalities, to see whether all the required application contents are present. The review does not take long, and the design patent rights are obtained promptly, a fact that is important. Any challenge to the design patent in non-novelty examination systems occurs after the rights are grant. An option in many of these systems is that the rights effective date goes back to the national filing date. In addition, many systems permit design publication deferment providing secrecy of the design after rights are granted. In case of an infringement, special procedures handle the use of deferred design patents in novelty determinations and infringement suits. The concern, from the beginning of some design patent systems, has been to prevent the registration office from becoming an information source for competitors on designs that were not yet marketed. There was strong support at the Geneva Act preparatory meetings and the diplomatic conference for the deferment feature, although it is not used by a large number of industries. The early publication of a design has its advantages.

A distinct feature of a non-novelty examination system is the uncertainty over what design patents are valid. The non-novelty examination system shifts the business cost of sorting out what is protected to after the grant of rights, emphasizing prompt grant of rights and lowering filing cost. Most designs are published, thereby giving companies notice that design patent rights may exist and encouraging use of another design. The prompt design disclosure may create a more competitive, less piracy oriented market.

The shift of business costs to the infringement and validity stage, after rights are granted, can result in significant legal expenses and business uncertainties. This fact also may encourage business negotiations to settle disputes, and a policy of independent and distinct design development.

Figure 2 Novelty Examination System



The U.S. design patent system, shown in Figure 2, is a novelty examination system. Since U.S. design patent law is part of the general patent law, with a few special design patent provisions, the practice of design patent law requires an understanding of patent law developments.[8] Some design patent laws are unique, such as the ornamental requirement.[9] In essence, the ornamental requirement denies protection for solely functional features that are competitively essential. These solely functional features are properly protected by utility patents. Determining the line between utility patent and design patent ornamental subject matter is an important analysis and national laws differ on these principles.

A design patent application filed in a novelty examination national system will go through a formality review. Then it is examined for novelty and, in some systems, for non-obviousness, the level of inventive activity. Courts and the design offices may be used to challenge the validity of a design patent. The novelty examination countries seek strong rights upon grant and they will wait for these rights to be granted, creating a period when a design is unprotected, even though it is on the market. This gap has created a demand for market entry design protection in many countries.[10] This type of protection has been set up in some countries and regional systems. For example, the U.S. has a sui generis market entry system that interfaces with the design patent system, to protect boat designs.[11] This type of protection has been set up in some countries and regional systems.[12] The delay in rights grant in a novelty examination system creates a need for market entry protection. This feature could be added easily to existing design patent systems, in the manner provided by the European Union Community Design Regulation, to provide market entry protection.

IV. GENEVA ACT INTRODUCTION

The Geneva Act negotiation achieved a reasonable balance for the countries and regional systems using the two types of design patent systems described in reference to Figures 1 and 2.[13] The countries with non-novelty examination systems wanted prompter grant of rights in the novelty examination systems. The novelty examination countries desired to

[8] 35 U.S.C. §§ 171-173.

[9] 35 U.S.C § 171.

[10] William T. Fryer III, *The Evolution of Market Entry Product Design Protecton – An International Comparative Analysis*, European Intellectual Property Review 618 (1999).

[11] Protection of Original Designs, 17 U.S.C. §§ 1301-1332; § 1329 terminates the sui generic protection when a design patent is obtained.

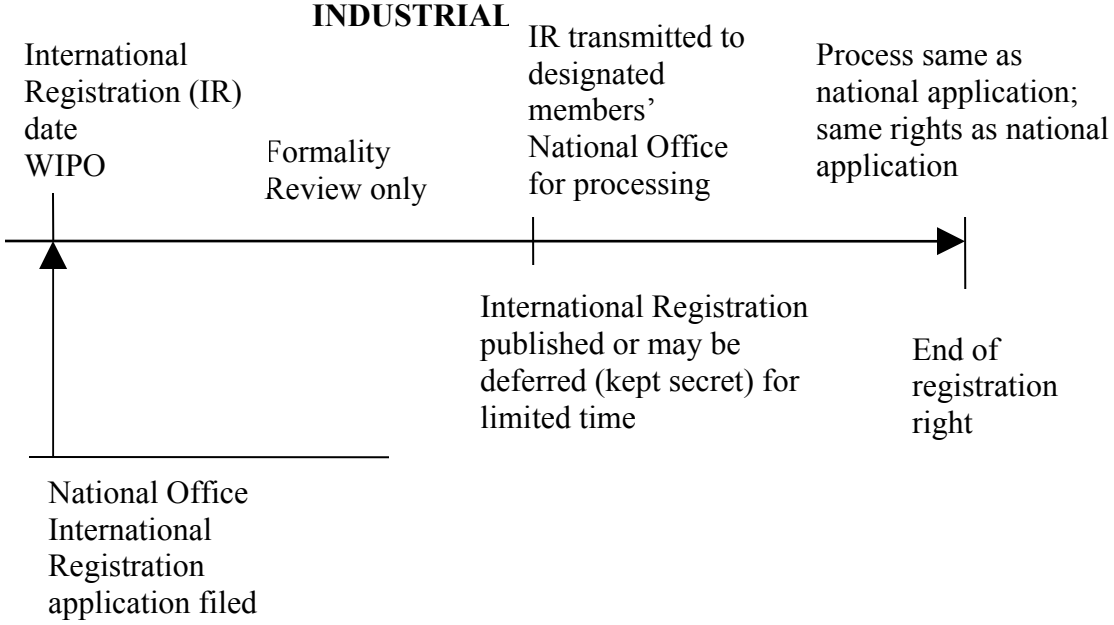
[12] The European Union Community Design Regulation is on the EU Trademark and Designs Office web site at URL: http://oami.europa.eu, on the Legal Aspects page. The provision on unregistered design, protection term and other features, is article 11. This web site was last viewed on April 27, 2007.

[13] William T. Fryer III, The Geneva Act (1999) of the Hague Agreement Concerning the International Registration of Industrial Designs, Drafting History and Analysis (2005) (This book includes an introduction to the non-novelty examination type design patent system, novelty examination system and the Geneva ct. Selected references will be included in this article, recognizing that an extensive amount of this book is relevant to the subjects discussed in this article. The Geneva Act is on the WIPO web site, at URL http://www.wipo.int, accessed from the Hague Systems page. This web site was last viewed on April 27, 2007.

retain their existing systems. In the end, the examination countries committed to a maximum of one year to complete their first office action report on novelty. In return the novelty examination countries were given the option to not have design publication deferment. Other compromises were made to carry of the basic intent of the Geneva Act, which was to require no significant change in national law to become a member.

Figure 3

GENEVA ACT OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL



There are several ways for a U.S. design owner to file a design patent application for protection in a foreign country using the Geneva Act. There can be direct filing with WIPO, subject to U.S. national security review license requirements.[14] Another approach is the filing of an International Registration (IR) application in the U.S. Patent and Trademark Office (USPTO). The USPTO will perform the national security review before the IR application is sent to WIPO. This streamlined, integrated national security review process has extra time added for the WIPO IR application receipt deadline.

Each Geneva Act member has the right to declare that its design owners cannot obtain protection in their home country using an IR filed in their national office, requiring that national protection for these design owners must be by the national design patent system.[15] An IR registration could be filed in the national office with priority on a national design patent application. The preferable approach would be to allow filing an IR application in the design owner's national office and designate the home member for protection in that IR application.

The WIPO formality review for an IR application takes about 3 to 4 months, usually. If there is deferment of the design publication, the IR is granted and kept secret for the determent period, or if there is no deferment, the IR with the design is published after six months from the IR date. The delay in publication provides a short time before disclosure of the design, another negotiated feature, for those members who wanted to slow down publication. Earlier publication of the design can be authorized by the design owner. Upon publication of the IR, WIPO send the IR electronically to the offices of the members that have been designated for protection. A copy of the deferred IR is sent to the designated member offices, as a confidential document, subject to limited disclosure when needed during the examination process or other situations.

Upon receipt of the IR each national office will send the IR through the same process as national design patent applications. In a non-novelty examination system, there will be only a formality review and rights will be granted promptly. In a novelty examination system, the rights will be granted only after examination and approval. The procedures for obtaining an IR and enforcement will be the same as for a national design patent. The protection term will the same as for national design patents, with a minimum of 15 year term from the IR date, or from the grant of rights in an examination system.[16]

In a novelty examination system, the first office action, including the initial novelty determination, must be completed within one year from the time the national office receives the IR. The rest of the application review can be continued in the normal manner without time limit. Additional novelty rejections and other issues can be raised, following the same procedures as for national design patent applications. The grant of rights will occur as declared by the member, following national law. In the U.S. it is likely that the grant of rights would occur upon formal notice of the IR acceptance.

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[14] 35 U.S.C. §§ 181, et seq.
[15] Article 14(3).
[16] Fryer, *supra* note 13 at 91-92.

Each IR can contain up to 100 separate and distinct designs, as long as they each are in the same Locarno Agreement classification class.[17] Placing multiple designs in one design application is a common practice in most non-novelty examination design patent systems. The cost of adding designs in an application is considerably cheaper, making the average cost of design protection much lower. The same advantage occurs for renewal. Designs in a multiple design IR can be separately abandoned, allowing efficient management of design patent costs. In a novelty examination system where there is a unity of invention requirement, allowing only one design invention, the standard procedure of restriction will be followed. Each distinct design will be treated as a separate application with individual filing fees required. The advantage is that selection of which designs to protect can be made at a later date, giving the design owner time to decide whether to incur further costs.

The overall goal of the Geneva Act is to provide a global protection system that can be interfaced with various non-novelty and novelty examination systems, allowing use of existing national system law and procedure without significant changes. Over time there will be a strong attraction to making the national systems more uniform and efficient to function as part of a global design protection system.

V. U.S. COMPANY STRATEGIES FOR USING THE GENEVA ACT

Strategies for using the Geneva Act will be outlined here, as a way to review the Geneva Act operation and point out its benefits and cautions in using it. The Geneva Act should be of particular benefit to U.S. companies.

Strategy A (One IR registration for U.S. and foreign protection). The first step for strategy A is to file an IR on one design invention, designating protection in the U.S., if permitted, and in other member countries. The U.S. national security review will be completed as part of the USPTO review, eliminating the need for a foreign filing license, and greatly simplifying the filing process.

Strategy B (Use of the multiple designs feature). The first step for strategy B is to file a multiple designs IR application in the USPTO, to obtain initial lower cost protection in the U.S. and in foreign countries.

Strategy C (File U.S. national applications first). The first step for Strategy C is to file separate design patent applications in the U.S. on products that are in the same Locarno Agreement class. Within six months of the U.S. filing of these applications, the next step is to file a multiple IR application with the USPTO for the national design patent application designs, claiming priority of these applications. This strategy benefits from

[17] WIPO, International Classification for Industrial Designs (Locarno Classification), 8th Edition(2003; available on the WIPO web site at URL http://www.wipo.int, accessed through the Industrial Designs Gateway, on the International Classification page. This site was last viewed on April 27, 2007.

the lower cost of the added designs in an IR application and the ability to manage what designs are abandoned and protected.

Strategy D (File an IR application designating members allowing deferment). Strategy D may reduce design protection costs even more, by allowing a longer time to decide what designs should be protected, before incurring the full cost of registration. It provides a longer period before the design is made public. The Strategy D approach is analyzed in more detail below, in Section VI, IR Deferment and Textile Designs.

Strategy E. (Textile deferred IR filing with sample of textile material). Strategy E has the cost saving management benefits specifically set up for textile designs. It can be combined with Strategies B and D, and it allows use of the textile material to file the IR application, which is an added cost saving. The Strategy E approach is analyzed in more detail below, in Section VI, IR Deferment and Textile Designs.

Other comments on Strategies. The strategy to use depends on the type of design and how best to present the design in the reproduction under national laws. If the same design reproduction will be effective in all the designated members, one IR application for all these countries or regions will be the best strategy. Depending on national design patent laws, a more selective approach may be bst, with separate IR applications, or some IR applications for selected members and national applications for other members, or regional design patent systems may be the best approach.

Tailoring strategies to national systems is common for the Patent Cooperation Treaty, utility patent filing, and for foreign trademark protection using the Madrid Protocol. A determination of the best strategy to follow requires information and experience on national design patent laws. As use of the Geneva Act grows, there will be a major effort to unify many of the national procedures and design patent laws. In fact, this work has been started by WIPO, in its Standing Committee on Trademarks, Industrial Designs and Geographic Indications (SCT).[18] It would be wise for companies to keep a close eye on what is going on in the SCT, participating by working through the national IP law organizations and the USPTO representatives that attend these meetings.

VI. IR DEFERMENT AND TEXTILE DESIGNS

This introduction to the Geneva Act, so far, has not discussed the special procedures set up in the Geneva Act for deferment of an IR, or the benefits that can be received from deferred publication of an IR two-dimensional design. A brief review of strategies related to these topics will be given here.

[18] Information on the SCT can be found on the WIPO web site at URL http://www.wipo.int, from the Industrial Designs Gateway page. This site was last viewed on April 27, 2007. The latest posting, as of April 27, 2007, announced the May 7-11, 2007, 17th SCT session agenda and provided meeting documents, including document SCT17/6, prepared by WIPO Secretariat, titled: Draft Questionnaire on Industrial Designs Law and Practice. This document has a list of detailed questions on national and regional design paent laws and procedures that will provide important information for discussion on how to improve design patent laws and practices

The IR deferment option depends on national laws of the designated member. A member has the option to refuse to have deferment, and this status must be declared in a formal declaration when the treaty is ratified. A more detailed discussion of the deferment declaration, relative to the U.S. is given below in section VIII(A)(3).

An IR application that designates only members which provide for deferment will be permitted to have deferment only for the shortest period of the allowed deferment time of this group. If one of the designated members does not allow deferment, then no deferment can occur for that IR.

In Strategy D the first step would be to determine if a deferment of design publication longer than the required six months provided is needed. If no more than six months deferment is needed, then the default publication procedure will be acceptable. If a longer deferment time is needed, the next step would be to designate protection only in members where the minimum deferment time is at least as long as needed. Later, filing can occur in other countries where protection is desired, carefully evaluating the prior art effect of the deferred IR. In many cases, there will be no need for deferment, as a practical matter, as the six months built in time before publication will be adequate. In most industries the benefit of publication is to inform a competitor that a legal situation can be avoided if a distinctly different design is used. It establishes a level playing field, fair competition that reduces the urge to copy a design. If also demonstrates the readiness of the design owner to litigate if there is an infringement.

The financial benefits of deferment are very significant. During the time that an IR is deferred the cost of submitting the formal reproduction can be delayed. If a design is no longer valuable it can be abandoned from the IR, saving the cost of completing the IR before publication. This cost saving can be very significant when lot of designs are created by a company. At the same time, the use of multiple design IR applications can increase the saving, as explained in Strategy B of section IV above. Textile designs are given even more favored status, as generally mandated by TRIPS, article 25(2).[19]

In Strategy E the first step is to gain the full benefits for two-dimensional textile design is to file a deferred IR application with the design using a sample of the material to establish the design right.[20] Just before the IR is published, a formal reproduction of the design can be filed. These steps keep the option open to decide not to protect selected designs, saving cost of preparing the complete application. When this feature of simplified initial filing is coupled with the use of multiple designs in an IR, there is a major opportunity for cost saving through effective protection management. This flexibility is exactly what the textile and fashion industries wanted in a design patent protection system.

VII. U.S. STATUS OF THE GENEVA ACT RATIFICATION

[19] The TRIPS document, and other background information, are on the WTO web site at URL: http://www.wto.org, on the Legal page, accessed from the Documents page. This web site was last viewed on April 27, 2007.

[20] Fryer, *supra* note 13, at 89-91.

On November 13, 2006, President Bush sent the Geneva Act to the U.S. Senate for ratification. A copy of his letter and the accompanying State Department letter are in Appendix A.[21] President Bush's letter strongly supported ratification. The State Department report accompanying the President's letter provided an additional perspective, in detail, on the Geneva Act operation and its benefits for design owners.

In the State Department report there were recommendations for declarations and other notifications that the U.S. should make in ratifying the treaty. An analysis of the State Department recommendations is provided in section VIII, with suggestions for additional U.S. ratification statements. These declarations and other notifications provide very useful insights into how the Geneva Act will interface with U.S. design patent law.

The Geneva Act that was forwarded to the U.S. Senate for advice and consent, as required for approval of all U.S. treaties. The treaty was referred to the Senate Foreign Relations Committee where it will be considered by that committee, usually including one or more hearings. The speed of this review will depend in large part on the political support or opposition for ratification from industry and other organizations.[22] There is no apparent opposition to ratification.

The U.S. step to ratification of the Geneva Act is due, in part, to a growing number of countries and regional organizations that have ratified or taken steps to proceed to ratify the Geneva Act. As of April 27, 2007, there were 21 members of the Geneva Act. These countries are: Albania, Botswana, Croatia, Egypt, Estonia, France, Georgia, Hungary, Iceland, Kyrgyzstan, Liechtenstein, Moldova, Namibia, Romania, Singapore, Slovenia, Spain, Switzerland, The Former Yugoslav Republic of Macedonia, Turkey and Ukraine. France has recently ratified the treaty. The European Union Council has taken all steps necessary internal steps necessary to join the Geneva Act, and it is likely to ratify the Geneva Act in 2007 or 2008. In 2005 the American Bar Association, Section of Intellectual Property Law, approved a resolution in support of the U.S. ratification of the Geneva Act. On January 27, 2007, the American Intellectual Property Law Association Board approved a resolution supporting the U.S. ratification of the Geneva Act. There is momentum around the world for participation in the Geneva Act.

VII. U.S. OPTIONS FOR APPROVING THE GENEVA ACT

Diplomatic negotiations achieved a balance between the aforementioned two main types of design patent systems. The Geneva Act has options, in the form of declarations and notifications, available for countries and regional organizations to select when ratifying the treaty. Most of these options were requested by the U.S. and other countries with

[21] President Bush's letter and the enclosed Statement report are found on the U.S. government Thomas Register, by searching under the 109th Congress, treaties topic for treaty number 109-21. The Thomas Register web site is at URL: http://thomas.loc.gov.

[22] An informative review of how treaties are approved by the U.S. can be found on the U.S. Senate web site, at URL: http://www.senate.gov, , accessed from the Reference page, to the Virtual Reference Desk page, to the Treaties page, and titled: Role of Senate in the treaty process.

novelty examination design patent systems, indicating the thorough U.S. role in the treaty negotiations. It is critical that all the necessary options are included in the U.S. ratification document. The declarations are included in the ratification document. The notifications on administrative procedures must be communicated to the WIPO Bureau.

The declarations and notifications selected and not selected, by the U.S. are analyzed below. These options interface the U.S. design patent law and procedures with the Geneva Act. There are routine administrative notifications that must be made that are not analyzed here. President Bush's letter in support of ratification, found in Appendix A, includes the State Department option recommendations.

A. Declaration and Notifications – Options taken by the U.S.

1. Additional Mandatory Contents of IR (First Declaration)[23]

(a) .The U.S. has several requirements to obtain a design patent filing date that are in addition to the generally required ones set forth in the Geneva Act to obtain a filing date. If the U.S. is designated for protection, these additional contents must be in the IR application. There is provision in the Geneva Act for requiring additional IR application contents, if a member makes a declaration specifying the content requirements.

(b) The U.S. IR additional filing date requirements are: an identification of the design creator; a brief description of the reproduction or the characteristic features of the industrial design, and a claim.

(c) The State Department letter recommended that a declaration, authorized under article 5(2)(a), be included in the ratification documents, specifying that the aforementioned mandatory additional content items be required for an IR to obtain a U.S. filing date. The state Department proposed declaration makes the IR requirements for designating the U.S. the same as current U.S. design patent law.

2. Designation Fee (Second Declaration)[24]

(a) Each Geneva Act member that has a novelty examination system may make a declaration, under article 7(2) and rule 12(3), to set its own designation fee to cover the examination and related costs.

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[23] Appendix A. State Department letter to President Bush, April 14, 2006, for advice and consent to ratify the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, treaty document 109-21, pending befoe the Senate Foreign Relations Committee (Hereafter State Department letter); President Bush's letter and the accompanying State Department letter are found on the U.S. Library of Congress Thomas web site at URL: http://thomas.loc.gov. This web site was last visited on April 27, 2007. The State Department letter has its recommendations identified in numerical order, starting with "first declaration" which is authorized under article 5(2)(a).

[24] Appendix A, State Department letter, second declaration authorized under article 7(2).

(b) Under article 7(2) a declaration can be made to accommodate the U.S. two-part fee payment structure. There will be an initial payment for the filing fee to WIPO. The issue fee will go either to WIPO or the USPTO, which is a choice for the U.S. to make.

(c) Article 7(2) and rule 12(3) allow payment of the full IR term fee, if a declaration is made. This provision was added to the Geneva Act to accommodate the U.S. design patent system, where the fee for the design patent full term is paid upon issue of the design patent.

(d) The State Department letter is complete in its declaration. It states that the U.S. will set its designation fee, that here will be two fee payments, and there will be no renewal fee. A notification by the USPTO to the WIPO Bureau should be made, as provided in rule 12(c), as to whether the USPTO or WIPO will collect the issue fee.

3. Design Publication Deferment (Third Declaration)[25]

(a) The U.S. and several other novelty examination countries negotiated the option to not have IR design publication deferment. Geneva Act article 11(1)(b) gave a member that has a novelty examination system the right to declare that its law does not permit a deferment of design publication. Exercising this option would allow the U.S. to follow its current practice of publishing the design patent design when the rights are granted. A U.S. design patent law change to add deferment would be a major step. As a compromise the Geneva Act, rule 17, has a negotiated six months period, before WIPO publishes an IR, subject to a request for earlier publication by the IR owner.

(b) .The third State Department declaration provides that the U.S. law does not include deferment. This declaration leaves the U.S. design patent law in its present form, with publication of the design at the time rights are granted.

4. Unity of Design Restriction Practice (Fourth Declaration)[26]

(a) U.S. law allows only one independent and distinct design invention in a design patent, following the unity of design concept. If there is more than one design invention in a design patent application, the applicant has to file a divisional application with the right of priority of the parent application for each of the other design inventions. The USPTO will limit the initial application to one design invention. This practice is called restriction.

(b) Since an IR can have up to 100 designs from one Locarno class, the Geneva Act negotiations adapt the treaty to fit with national design patent systems that require unity of design. Article 13(1) permits a member national office that has a novelty examination system to declare that only one invention can be in a design patent application. The national practice of unity of design will not change, and the restriction practice will be

[25] Appendix A, Statement letter, third declaration, authorized by article 11(1)(b).
[26] Appendix A. State Department letter, fourth declaration, authorized under article 13(1).

used to process the other design inventions, with a separate filing fee required for each additional application. WIPO will keep records on each division IR.[27]

(c) The State Department letter recommended declaration stated that on unity of design will be applied in the U.S. to IR applications, allowing current U.S. law to continue on unity of design.

5. IR Records Effect (Fifth Declaration)[28]

(a) The USPTO assignment records have an important role in determining the ownership of a design patent.[29] If a design patent assignment is recorded within three months of the transfer, it will prevent the former design patent owner from making another transfer that might result in the first transferee not being the owner. The Geneva Act negotiations had to address this problem, as the WIPO records were planned to have the same legal effect as if documents were filed in the national office.

(b) The provision made in the Geneva Act, in article 16(2), on ownership effect of the WIPO records, provided that the WIPO assignment records have no effect until the WIPO recorded assignment document was received by the USPTO.
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(c) The State Department fifth declaration recommended that the U.S. retain its current law on assignment recording legal effect.

6. Maximum Duration of IR Protection (Sixth Declaration)[30]

(a) U.S. law now provides a 14 year term for design patents protection, from the patent grant, 35 U.S.C. section 173. An IR protection term will be controlled by national law, within limits, requiring a minimum term of 15 years from the IR date, article 17(3)(c). In the case of a member that has a novelty examination system, there are special Geneva Act provisions, requiring a declaration on how the national system will interface with the Geneva Act.

(b) .Two key interfaces must be defined for novelty examination systems related to protection term. One sets the IR protection term in the member system and the other determines when the protection begins.

(c) In compliance with articles 17(3)(b), the U.S. must declare its national law maximum term for design patent protection. As required by rules 18(1)(c), a member with a novelty examination system must declare when the IR protection will commence.

(d) The State Department sixth declaration complies with the requirements of articles 14(2), 17(3)(b) and 17(3)(c). The U.S. design protection term will commence upon grant of the design patent, as provided under current law. The term of protection is declared to

[27] Rule 18(3).
[28] Appendix A. State Department letter, fifth declaration, authorized under article 16(2).
[29] 35 U.S.C. § 261.
[30] Appendix A. State Department letter, sixth declaration, authorized under article 17(3)(c).

be 15 years from grant, adding one year to the design patent term, as required by article 17(3)(b). There is no change in U.S. design patent law or procedures, except for the additional one year of protection.

7. IR Filed by Design Creator (Seventh Declaration)[31]

(a)..Current U.S. design patent law requires that only the creator of a design can file a design patent application. The Geneva Act, article 3, provides that a design owner who is not the design creator may file an IR application. This difference in Geneva Act requirement and U.S. law was the subject of negotiation. Rule 8(1) was added to allow the U.S. to declare that U.S. law requires that a design patent application be filed in the name of the design creator.

(b) The State Department seventh declaration complies with Geneva Act rule 8(1), continuing the U.S. practice that protection fro a design invention must be applied for in the name of the design creator.

8. National Security Clearance Review (Eight Declaration)[32]

(a) U.S. law requires, under 35 U.S.C. sections 181-182, that a design patent application be reviewed for national security purposes before it is transmitted to a foreign national office for filing a a design application. Current procedures require that a license to file a foreign application must be obtained if the foreign application is filed within six moths of the date a corresponding U.S. application was filed. The Paris Convention priority date for a design patent is six moths, in effect requiring all foreign filed applications to have national security approval to file. These time constraints make foreign filing for priority rights in the U.S. a difficult task.

(b) The filing of an IR application in the USPTO offered a significant advantage for U.S. design owners that were planning to obtain foreign design patent protection. The USPTO could conduct its security review and forward the IR application to WIPO, but the proposed short time period for forwarding the IR application to WIPO was not enough time for the national security review. The Geneva Act negotiations resulted in an extension to six months for WIPO receipt of the IR application from national offices with security review requirements, if a declaration requested that extended term.

(c) The State Department recommended eight declaration provided the request for extension under rule 13(4), allowing streamlined IR registration filing in the USPTO.

9. Notification of IR Application Refusal (Ninth Declaration)[33]

(a) The Geneva Act sets a requirement that all IR first office actions must be completed within six months, rule 18(1)(a), from a national office receipt of the IR. The time period

[31] Appendix A. State Department letter, seventh declaration, authorized under rule 8(1).
[32] Appendix A. State Department letter, eight declaration, authorized by rule 13(4).
[33] Appendix A. State Department letter, ninth declaration, authorized under rule 18(1)(b).

was considered too short by the novelty examination countries, and this requirement was the possible basis for failure of at the Geneva Act Diplomatic Conference. After significant negotiations, a compromise was reached that first office actions had to be completed in novelty examination member offices within 12 months, and a declaration under rule 18(1(b) had to be made to obtain that extension. USPTO design patent average first office action completions took less than one year at the time of the Geneva Act Diplomatic Conference. The U. S. diplomatic delegation accepted the one year maximum first office action completion requirement. The effect of this agreement, in practical terms, was that all national design patent applications and IR applications would received a first office action within one year of receipt. This commitment was a major concession for the novelty examination countries, and a critical part of the negotiation balance created between countries with non-novelty examination systems and the novelty examination countries.

(c) The State department ninth declaration complies with rule 18(1)(b), to establish that all International Registrations designating the U.S. will received a first office action within 12 months from the date of receipt by the national office.

B. Declarations not made by the U.S.
1. Filing IR application in the U.S.
(a) One of the major benefits of the Geneva ct is to hve the IR application filed in the design owner's home national office. A member country has the option of whether to allow that procedure, article 4(1)(b).

(b) The U.S. State Department letter did not recommend making a declaration refusing to accept IR applications at the USPTO from U.S. design owners. This acceptance allows the U.S. design owner to take the next step and designate the U.S. for protection, if the U.S. allows that step, which is discussed below, in section VIII(B)(2). It is very important for U.S. design owners to be able to file IR applications in the U.S., to benefit from the streamline national security review that it allows, as discussed in section VIII(A)(8).

2. U.S. Design Owners Selecting U.S. Protection in USPTO filed IR Application.

(a) A decision has to be made by a member country or regional organization whether its applicants can use an IR to obtain protection in the member, or its applicants must file a national design patent application to obtain that protection. The Geneva Act, article 14(3)(a) permits this choice. The advantages of a single IR application for protection in all member countries include more efficient owner administration of design rights worldwide, lower costs and more effective U.S. participation in development of a uniform global design patent law. Some members of the Geneva Act may deny the right for its design owners to file in their home country using the Geneva Act. The main reason may be the desire to have all the design patents for that member to be in the national language. The U.S. does not have that dilemma, as English is one of the permitted languages for an IR.

(b) The State Department letter did not recommend a declaration that denied the right of U.S. design owners to designate the U.S. for protection in an IR application filed at the USPTO. The right decision was made for U.S. design owners.

D. Overall Evaluation of U.S. Selection of Geneva Act Declarations and Notifications

1. The U.S. State Department has selected the best options for the U.S. interface with the Geneva Act. The choices insure that U.S. patent law will have to make only a few manageable changes to become a member of the Geneva Act. In addition, these choices will provide U.S. design owners the full range of benefits available from the Geneva Act.

IX. Geneva Act Relation to U.S. Design Patent Pendency

Data presented at the USPTO Design Patent Day on April 16, 2007, indicated the USPTO was taking steps to reduce design patent pendency, the time from filing the design patent application to the design patent grant. Recently the pendency period has increased significant

In fiscal year (FY) 2006 there were 25 design patent examiners hired, and in FY2007 there will be 10 more design patent examiner employed, for a total of 105 on this staff. The design patent average time for first office action, the examiner's report that indicates whether a design patent application will be allowed, or rejected and why, was projected to be 12.5 months for FY 2007. The design patent average time from filing of the application to issue in FY 2007 was projected for 2007 to be 18.6 months.

This first office action pendency time are in sharp contrast with the much more favorable FY 2003 average pendency of approximately eight months and the design patent pendency average priod of approximately 14 months. A more in-depth review of the pendency date is needed, to determine why the rate of increase in pendency significantly exceeds the rate of increase in new design patent applications.

As introduced in section VIII(9), the Geneva Act requires all International Registration applications must received a first office within a year of receipt by the USPTO. This critical commitment creates significant pressure on the USPTO There should be not be selective expedited review of International Registration. Each design patent application or IR should be reviewed in its order of filing date,

A positive view of the U.S. ratification of the Geneva Act is that it will result in a decrease in design patent pendency. This result is consistent with the administrations overall goal of reducing design piracy, by more rapid enforcement of design patent rights.

At the 2007 USPTO Design Patent Day another significant statistic reported was the expedited and most expensive Rocket Docket procedure was predicted to produce a first office action average period of about 10 months. The design patent pendency was predicted to be about 18 months. It appears clear that increased management attention and resource allocation is needed for the USPTO design patent operation. A more

thorough of the full data from the design patent group operation for the last ten years may reveal additional insights.

X. The Need for Options to Obtain Foreign Design Patent Protection

A. Trademark and Utility Patent Options for Foreign Protection

1. U.S. Experience with Centralized Foreign Protection Systems

It is very helpful to review the experience the U.S. has had in ratification of the Patent Cooperation Treaty (PCT) and Madrid Protocol (MP) relevant to determine whether the U.S. should ratify the Geneva Act.[34]

Before and after U.S. adoption of the MP there were persons cautioning practitioners on the disadvantages of the MP in some situations. For example, Ms. Peckman, a trademark attorney, pointed out the limits in scope of goods and services for a MP International Registration (IR) when based on a U.S. trademark application or registration, and the concerns due to the central attack feature of the treaty.[35] Other alternatives were described my Ms. Peckman that could be combined with the MP use to avoid some of these problems.

At the same time, Ms. Peckman and others found the cost saving and simplification MP features very attractive.[36] The consensus appeared to be that the MP was a useful addition to international trademark protection, and it could be combined with other trademark protection strategies to avoid some of the problems of the MP.

Another concern,. stated my Ms. Basile, a trademark practitioner, was over delays in public disclosure of a trademark pending in the MP system. The problem was the extra processing time before the IR was published by WIPO.[37] While the MP may have this effect, the lesson is that other strategies can be combined with the MP to achieve a certain result. For example, adding the step of a national trademark application in the U.S. will alert others immediately to the pending application and the likelihood that an MP application is pending on the mark.

The same general conclusions applied to the PCT. There were situations where direct national filing would be most effective to obtain utility patent protection in a country or region. For example, in the protection of computer software related inventions, or biotechnology inventions, particularly genetic related inventions, national applications directly filed can be tailored to unique national laws for the most effective protection. For other inventions, the PCT may be the best way to proceed.

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[34] . See PCT and MP, *supra n*otes 4 and 5, and accompanying text.
[35] . Deborah I. Peckham, Taming *Expectations: The risks and rewards of US participation in the Madrid Protocol*, Trademark World 18 (2004).
[36] . *Id.* at 20.
[37]. Katherine Basile, The clearance gap: The impact of Protocol on Trademark Clearance in the U.S., Trademark World 39 (2004).

The PCT and MP histories show that it would be wise for the U.S. to have several options available for its businesses to obtain foreign intellectual property protection. The ratification of he Geneva Act would provide an effective option for use in foreign design patent protection.

B. Specific Genera Act Concerns and Strategies

A Geneva Act IR will provide design protection rights based on national laws. These laws may vary in approach on key issues. For example, the determination of what is purely functional and excluded from design protection, or how infringement is analyzed may vary from one national system, and regional system to another/ The concern is that a Geneva Act IR will not provide the best protection in each system.

There is a lack of uniformity, in some respects in national design patent laws. The Geneva Act was not created to make a global harmonized design protection system. It was formed to integrate the national systems, to facilitate foreign design protection, a necessary step toward global design law harmonization. The strategy is to use the Geneva Act for protection in countries where the laws will provide effective protection using an IR. What it provide is a simplified approach to foreign design protection with some cost reduction incentives. An attorney will select the best strategy for obtaining design protection by using the Geneva Act, or a combination of national and regional filings. The important point is that businesses need the Geneva Act as an option to develop the best protection strategy for a given situation.

For example, in many national design protection systems where there is no novelty examination, infringement analysis is based on the distinctiveness of the new design. The new design is compared with prior art designs and with the alleged infringer's design. An attorney experienced in design protection can decide whether an IR will provide effective design protection in countries with this common approach to novelty and infringement. The Geneva Act will provide effective design protection for these member countries. For other national or regional systems it may be more effective to have separate applications, either direct national filings or regional applications. It is likely that a combination several of these approaches will be used. In the final determination the cost factor and the benefits received for the budget available for protection will be major considerations.

Another example of how the Geneva Act will fit into a strategy review is the developing situation in several countries, particularly in the U.S., Japan and China, concerning how to present the design in the application. The U.S. allows the presentation of a design feature on a product without all the other product features being part of the protected design. The benefit is that the most distinctive part of the product may protected. While the Geneva Act does not included a change in national design law on this issue, there are ways to use the Geneva Act multiple design feature, adding alternative designs at relatively low cost, consistent with national laws, to protect distinctive product features. This strategy is another example of how Geneva Act offers options that are important to have in developing effective foreign design protection. In some national systems a

directly filed national application may be necessary for effective design protection. In the longer view, international discussions will work out an agreement on how to present a product design.

XI. STEPS NEEDED FOR U.S. RATIFICATION AND IMPLEMENTATION OF THE GENEVA ACT

The Geneva Act has been presented to the U.S. Senate for its advice and consent. There has been no corresponding legislation filed to implement the few changes that will be needed in the U.S. patent law (see section x below for more information on this topic). The USPTO has not submitted proposed patent rule changes for public review, as required, to implement the Geneva Act.

The next action needed to move the U.S. Geneva Act ratification process forward is for interested companies and organizations to contact their Senators and members of the House of Representatives and urge ratification. The interested parties should offer to participate in meetings with the Congressional staffs and hearing. At the same time, the Director of the USPTO should be contacted to request that the implementing legislation and rules be completed.

Information on the persons to contact in Congress and at the USPTO can be found on the author's Geneva Act Information "Center, found on his professional web site at URL: http://www.fryer.com. This information Center is a source of updates on the U.S. Geneva Act ratification process and other information on the Geneva Act.

XII. U.S. LEGISLATION IMPLEMENTATION

The U.S. patent law will need to be changed in at least two respects, to conform to the Geneva act requirements. Novelty examination systems must provide a protection term of at least 15 years from the IR date, at least 15 years from the date of grant, within limits, as discussed in section VIII(A)(6).[38] The U.S. design patent term now is 14 years from grant of the design patent. The U.S. design patent term can be change to 15 years from grant to comply with the Geneva Act. This change should not be a controversial step.

The other needed legislative change relates to the IR effective prior art date, under 35 U.S.C. section 102(e). The Geneva Act provided that the IR prior art effective date would be the date the IR was filed at WIPO, or a national office, if received by WIPO within the required time limit. Currently the prior art effect of a U.S. design patent is the date the application was filed in the U.S. The Geneva Act change in U.S. law on prior art effect would conform to a recent change made in 35 U.S.C. secton 102(e) for PCT applications. The effect of the PCT and the Geneva Act related changes is to give all members the same benefit, based on IR date, when the IR was filed with WIPO. It

[38] Geneva Act, article 17(3)(c) and rule 18(1)(c);

creates a level playing field or treaty members. The U.S. delegation at the diplomatic conference acceptance of this change was a reasonable decision to a difficult issue, and this step showed great foresight. The diplomatic conference was successful in large part due to this agreement on prior art effect.[39]

XIII. CONCLUSIONS

An important question is why should the U.S. ratify the Geneva Act? The above introduction to the Geneva Act provides a foundation for answering this question. The conclusion is that the U.S. economy, through improved foreign protection of U.S. industrial designs, would benefit greatly by U.S. membership in the Geneva Act.

Several initial observations can be drawn from the above introduction:

A. The appearance of a product may be a valuable product feature worth protecting under design patent laws;

B. The Geneva Act should provide efficient access to foreign markets for design patent protection of industrial designs;

C. A company can more effectively manage the cost of foreign design protection using the Geneva Act;

D. A growing number of countries are joining the Geneva Act, making it likely that it will become the primary procedure for global industrial design protection. This growth is due, primarily, to the fact that the Geneva Act was created to interface with all design patent systems without significant change in national design patent laws.

E. Several strategies are available for using the Geneva Act. The Geneva Act feature that multiple designs can be in one IR application allows significant cost saving. Deferment of an IR will be useful in a limited number of situations, where initial confidentiality is needed. For textile designs and other two-dimensional designs, the Geneva Act may facilitate cost effective management of design patent protection.

F. Until the national design patent laws and procedures become more uniform, each industry will have to review it filing strategies carefully to determine if a single set of IR reproductions will provide the needed protection in the designated countries and regions. A combination of national design patents, regional design patents and Geneva Act IR filings may be needed to achieve the desired global design protection. As national and regional design patent laws become more uniform, the importance of the Geneva Act will increase, with a major mount of design protection base on its use.

F. It is clear that U.S. designs owners need to have the Geneva Act as a wayto obtain adequate international design protection. U.S. should ratify the Geneva Act promptly.

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[39] Fryer, *supra* note 13, 67-69, and other index cites under the Prior art effect of an IR topic.

APPENDIX A – MESSAGE FROM PRESIDENT Bush TO THE U.S. SENATE, TRANSMITTING THE GENEVA ACT OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS[40]

[DOCID: f:td021.109]
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109th Congress
2d Session SENATE Treaty Doc. 109-21

GENEVA ACT OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS

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MESSAGE

from

THE PRESIDENT OF THE UNITED STATES

transmitting

THE GENEVA ACT OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS (THE ``AGREEMENT''), ADOPTED IN GENEVA ON JULY 2, 1999, AND SIGNED BY THE UNITED STATES ON JULY 6, 1999

<GRAPHIC(S) NOT AVAILABLE IN TIFF FORMAT>

November 13, 2006.--Treaty was read the first time, and together with the accompanying papers, referred to the Committee on Foreign Relations and order to be printed for the use of the Senate

LETTER OF TRANSMITTAL

The White House, November 13, 2006.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (the ``Agreement''), adopted in Geneva on

[40] President Bush's letter and the accompanying State Department letter, was submitted to the U.S. Senate on November 13, 2006; and forwarded to the Foreign Relations Committee for review.. A copy of this document and the Geneva Act can be accessed through the Library of Congress Thomas web site at URL: http://thomas.loc.gov, by a search on the Thomas home page for "Geneva Act Hague Agreement": Another source for the Geneva Treaty is the WIPO web site, at URL: www.wipo.int, accessed from the Hague System home page, on the Legal Text page under Geneva Act of July 2, 1999. These web sites were last viewed on April 27, 2007.

July 2, 1999, and signed by the United States on July 6, 1999. I also transmit, for the information of the Senate, a report of the Department of State with respect to the Agreement.

This Agreement promotes the ability of U.S. design owners to protect their industrial designs by allowing them to obtain multinational design protection through a single deposit procedure. Under the Agreement, U.S. design owners would be able to file for design registration in any number of the Contracting Parties with a single standardized application in English at either the U.S. Patent and Trademark Office or at the International Bureau of the World Intellectual Property Organization (WIPO). Similarly, renewal of a design registration in each Contracting Party may be made by filing a single request along with payment of the appropriate fees at the International Bureau of WIPO. This Agreement should make access to international protection of industrial designs more readily available to U.S. businesses.

In the event that the Senate provides its consent to ratify the Agreement, the United States would not deposit its instrument of ratification until the necessary implementing legal structure has been established domestically.

I recommend that the Senate give early and favorable consideration to this Agreement and give its advice and consent to its ratification, subject to the declarations described in the accompanying report of the Department of State.

George W. Bush.

LETTER OF SUBMITTAL

Department of State,
Washington, April 14, 2006.

The President,
The White House.

The President: I have the honor hereby to submit to you, with a view to its transmittal to the Senate for advice and consent to ratification, the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (hereinafter the ``Agreement''), adopted at Geneva, July 2, 1999. This treaty was adopted under the auspices of the World Intellectual Property Organization (``WIPO'') with the objective of simplifying the process of seeking protection for designs in multiple countries.

The Agreement traces its roots to the Hague Agreement Concerning the International Deposit of Industrial Designs done at The Hague, Netherlands, on November 6, 1925, which entered into force in 1928, and was revised numerous times. For the 42 current member states of the Hague Union, these existing agreements facilitate the obtainment of intellectual property protection for industrial designs by allowing multinational patent protection in a number of countries through a single ``international deposit'' procedure. However, these Acts did not meet the needs of nations, such as the United States, that review each application individually. This Agreement allows the United States to partake in the benefits of facilitating multinational design protection for applicants while continuing

its system of individual review.

The Department of Commerce and the Office of the United States Trade Representative join the Department of State in requesting that the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs be transmitted to the Senate for its advice and consent to ratification as soon as possible, subject to the declarations described in the enclosed document.

Respectfully submitted.

Condoleezza Rice.

Enclosure: Key Provisions of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs.

Key Provisions of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs

the operation of the treaty

The Agreement will permit a U.S. design applicant to file for protection in any of the Contracting Parties, including the United States, by filing a single standardized application in English. Pursuant to Articles 3 and 4(1) of the Agreement, any person who is a national of or is domiciled in the United States may file an international design application with the United States Patent and Trademark Office (USPTO) or directly with the International Bureau (IB) of the World Intellectual Property Organization (WIPO). The filing date of the international design application is the date that the application is received by either the IB or the USPTO (Article 9(1) and Rule 13(3)).

The USPTO must transmit any application to the IB within one month from the date on which the USPTO receives it. If, however, a security clearance is required by law, then the USPTO can notify the Director General of WIPO (Director General) as to this fact, and the USPTO has six months to transmit the application to the lB.

Article 5(1) sets forth the mandatory requirements as to the contents of an international design application. Article 5(2) provides additional mandatory contents as to Contracting Parties that have an intellectual property office that is an Examining Office, such as the USPTO.

The Agreement also provides a basis for rights of priority with regard to international design applications filed under the Agreement. Article 6(1) states that the application may contain a declaration under Article 4 of the Paris Convention for the Protection of Industrial Property (1967) claiming the priority of one or more earlier applications filed in or for any country party to the Paris Convention or any member of the World Trade Organization. Article 6(2) provides that an international design application is deemed, as from its filing date and regardless of its subsequent fate, equivalent to a regular filing within the meaning of Article 4 of the Paris Convention. Thereby, international design applications under the Agreement may serve as a basis for claiming priority in a national or regional application.

Article 7 states that the fees shall include a designation fee for each designated Contracting Party. However, any Contracting Party, such as the United States, whose Office is an Examining Office, may declare that the prescribed designation fees be replaced by an individual designation fee, which may be payable in two parts.

According to Article 10(1) and Rule 15 of the Agreement, the IB will register each design that is the subject of an international design application immediately upon receipt by the IB of the application. The general rule under Article 10(2) is that the date of the international registration will be the filing date of the application, provided it is complete and complies with the mandatory requirements of the Agreement. Pursuant to Article 9(3) and Rule 14, if the application contains any of the following missing parts or irregularities, the date of the international registration is the date on which the correction is received by the IB: (1) the application is not in a prescribed language (English or French); (2) the application lacks any indication that registration under the Agreement is sought; (3) the application is missing indications allowing the identity of the applicant to be established; (4) the application lacks a reproduction, or a specimen, as required; or (5) the application does not contain the designation of at least one Contracting Party. If an irregularity is discovered other than the five listed above, the international registration date is the filing date, provided that the irregularity is corrected within the prescribed time limit of three months. If not corrected within the time limit, the application is considered abandoned. However, pursuant to Article 8(2)(b), if the irregularity relates to additional elements that may be required by an Examining Office, or to a special requirement notified to the Director General by a Contracting Party, and the applicant has not complied within the prescribed time limit of three months, the application is merely deemed not to contain the designation of the concerned Contracting Party.

In accordance with Article 10(3) and Rule 17, the IB will normally publish the international registration within six months of the registration date, unless the applicant requests that the publication be made immediately after the registration. Article 11 (1) and Rule 16(1) provide that applicants may also request deferment of publication, which shall be granted for a period of less than 30 months from the filing date if such deferment is allowed by the laws of all the Contracting Parties designated in an application. Article 11 (1)(b) provides that where a Contracting Party does not provide for the deferment of the publication of an industrial design, as is the case in the United States, the Contracting Party shall notify the Director General of that fact in a declaration.

Pursuant to Article 12(1), the USPTO may refuse registration, in whole or in part, of the international registration, when the conditions for the grant of protection under the laws of the United States are not met. UnderArticle 12(2), the refusal shall be communicated by the USPTO to the IB within the prescribed period of six months from the date on which the IB sends to the USPTO a copy of the publication of the international

registration, as set forth in Rule 18(1)(a). However, the USPTO, as an Examining Office, may notify the Director General that the period for refusal for the United States shall be 12 months.

According to Article 14(2) and Rule 18(1), if the USPTO does not communicate a notification of refusal, the international registration will have the same effect as a grant of protection for the industrial design under the laws of the United States at the latest on the last day of the period in which USPTO could have transmitted a notice of refusal to the IB. However, if the USPTO unintentionally does not communicate a notice of refusal within that time period, the USPTO may notify the IB and communicate the decision to the holder of the international registration promptly thereafter (Rule 18(1)(c)(ii)).

Article 14(1) provides that the international registration has the same effect in the USPTO as a regularly-filed application for the grant of protection of the design under U.S. law. The applicant has the same remedies as if the design had been the subject of a U.S. national application. Under Article 12(4), the USPTO may withdraw a notification of refusal, in whole or in part, at any time. However, in that case, a grant of protection will ensue from the latest date on which the refusal was withdrawn (see Article 14(2)(b)).

Article 15 provides that invalidation by the competent authorities in a designated Contracting Party may not be pronounced without the right holder having, in good time, the opportunity to defend his rights. Additionally, in the United States, the USPTO must, where it is aware of the invalidation, notify the IB. Article 16 provides that the IB must record changes of ownership and other matters regarding international registrations and that such changes are to have the same effect as if the recording had been made in the Office of the concerned Contracting Party.

Pursuant to Article 17, an international registration shall be effected for a term of five years from the date of international registration. Registrations may be renewed for additional terms of five years. As long as they are renewed according to Article 17(2), Article 17(3) provides that protection shall not terminate before 15 years from the date of international registration. Renewal requires the payment of fees as specified in Rule 24.

Article 19 sets forth provisions regarding a common patent office being substituted for national offices when a group of member states agrees to unify domestic legislation on designs.

Article 20 of the Agreement provides that the Contracting Parties shall be members of the ``same Union as the States party to the 1934 Act or the 1960 Act,'' and Article 21(1) of the Act provides that the Contracting Parties shall be members ``of the same Assembly as the States bound by Article 2 of the Complementary Act of 1967.''

Article 21(2) sets forth the tasks to be performed by the Assembly. These tasks include: dealing with all matters concerning maintenance and development of the Union and the implementation of the Agreement; exercising rights and performing such tasks as are specifically conferred upon it or assigned to it under this Agreement or the Complementary Act of 1967; giving directions to the Director General concerning

preparations for conferences of revision and deciding on the convocation of any such conference; amending the Regulations; giving the Director General all necessary instructions concerning matters within the competence of the Union; adopting the biennial budget and financial regulations of the Union; establishing committees and working groups as appropriate; and determining which States and organizations shall be admitted to its meetings as observers.

Article 21(4) sets forth the general voting procedures in the Assembly. Each Contracting Party that is a state shall have one vote and shall vote only in its own name. Any Contracting Party that is an intergovernmental organization may vote in place of its member states, with a number of votes equal to the number of its member states that are party to the Agreement, but no such organization may participate in the vote if anyone of its member states exercises its right to vote, and vice versa.

Article 21(5) provides that subject to Articles 24(2) and 26(2), the decisions of the Assembly require two-thirds of the votes cast (abstentions do not count as votes). However, as is common practice in multilateral intellectual property treaties that include provisions for an assembly to facilitate treaty implementation, certain provisions of the Agreement may be amended by a super-majority of the Assembly, without the need for a revision conference. In particular, proposals for the adoption of any amendment to Articles 21, 22, 23, and 26 may be submitted by any Contracting Party or the Director General. Adoption of amendments to those Articles requires a three-fourths majority, except that amendments to Articles 21 and 26(2) shall require a four-fifths majority. Pursuant to Article 26(3), any such amendment enters into force one month after the Director General receives written notifications of acceptance from three-fourths of those Contracting Parties, which, at the time the amendment was adopted, were members of the Assembly and had the right to vote on the amendment.Pursuant to Article 26(3)(c), any such amendment that enters into force will bind all the States and intergovernmental organizations that are Contracting Parties to the Agreement.

Article 22 details the duties of the International Bureau of WIPO as they relate to the Agreement. Pursuant to Article 22(5)(c), the Director General and persons designated by the Director General shall take part, without the right to vote, in discussions at any revision conference.

Pursuant to Article 23 of the Agreement, the budget of the Union will include income and expenses proper to the Union and its contribution to the budget of expenses to the Unions administered by WIPO. Its budget will be established with due regard to the requirements of coordination with the budgets of the other WIPO Unions. The finances of the Union include a working capital fund, established pursuant to Article 23(5), which will be constituted by the excess receipts and, if such excess does not suffice, by a single payment made by each member of the Union.

The USPTO is expected to incur some initial costs for items such as new forms and other updates of procedures in order to allow for appropriate processing of international design applications under the Agreement. However, the Agreement

authorizes the United States to set an individual designation fee payable in two parts that will be equivalent to the filing and issue fees currently charged with respect to a regular United States design application. The substantive requirements of chapter 16 of title 35 of the United States Code, which currently defines the substantive requirements for the patenting of designs, will also apply to international design applications. Therefore, these fees should cover the cost of processing applications filed under the Agreement. Much of the examination of an international design application will be the same as that of a regular national application for design patent.

implementing legislation

In the event that the Senate provides its advice and consent to ratify this Agreement, the United States would not deposit its instrument of ratification until the necessary implementing legal structure had been established domestically, so as to ensure that the United States was capable of complying with the provisions of this Agreement. Such implementation requirements include the enactment of legislation, and the promulgation of new regulations by the USPTO.

declarations to accompany united states ratification

The Agreement contemplates that Contracting Parties may make declarations with respect to certain articles. The Department of State recommends that the United States ratification to the Agreement be accompanied by nine declarations, pursuant to Agreement Articles 5(2)(a), 7(2), 11(1)(b), 13(1), 16(2), and 17(3)(c), and Agreement Rules 8(1), 13(4) and 18(1)(b).

The first listed declaration, authorized under Article 5(2)(a), permits the USPTO, as an Examining Office under the Agreement, to declare those additional elements listed in Article 5(2)(b), which it requires be included in an application for grant of protection of the design. Current United States statutes and regulations governing the protection of design patents require: indications concerning the identity of the creator of the industrial design that is the subject of the application (35 U.S.C. 114, 37 CFR 1.63(a)(3)); a brief description of the reproduction or of the characteristic features of the industrial design (35 U.S.C. 112, 1st paragraph; 37 CFR 1.154(b)(5)); and a claim (35 USC 111). In addition, Rule 11(3) of the Agreement requires that a Party making a declaration under Article 5(2)(a) to the effect that a claim is required must specify in its declaration the exact wording of the required claim (as found in 37 CFR 1.153(a)).

The USPTO has ascertained that a declaration is necessary to ensure that its substantive examination of industrial designs is maintained. Accordingly, the Department of State recommends that the following declaration be included in the

U.S. instrument of ratification:

> Pursuant to Article 5(2)(a) and Rule 11(3) of the Agreement, the United States declares that it is an Examining Office under the Agreement whose law requires that an application for the grant of protection to an industrial design contain: (i) indications concerning the identity of the creator of the industrial design that is the subject of the application; (ii) a brief description of the reproduction or of the characteristic features of the industrial design that is the subject of the application; and (iii) a claim. The specific wording of the claim shall be in formal terms to the ornamental design for the article (specifying name of article) as shown, or as shown and described.

The second declaration, authorized under Article 7(2), authorizes a Party whose office is an Examining Office (such as USPTO) to declare that its individual designation fee, whose amount is to be indicated in the declaration and can be changed in future declarations, shall replace the designation fee prescribed in the Regulations of the Agreement. In addition, Rule 12(3) provides that a declaration made pursuant to Article 7(2) may also specify that the individual designation fee be payable in two parts. The first part would be paid at the time of filing and the second part would be paid at a later date determined by the law of the Contracting Party.

The USPTO has determined that such a declaration is necessary in order to keep its fees for processing international design applications filed under the Agreement the same as those for regularly filed national design applications. Further, it is necessary to have the fee payable in two parts in order to maintain USPTO's current fee practice that comprises a filing fee, due at the time of filing of the application, and an issue fee, due before the patent is to be granted. Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of ratification:

> Pursuant to Article 7(2) and Rule 12(3) of the Agreement, the United States declares that, as an Examining Office under the Agreement, the prescribed designation fee referred to in Article 7(1) of the Agreement shall be replaced by an individual designation fee, that is payable in a first part at filing and a second part payable upon allowance of the application. The current amount of the designation fee is US$790, payable in a first part of US$330 at filing and a second part of US$460 upon allowance of the application. However, for those entities that qualify for ``small entity'' status within the meaning of section 41(h) of title 35 of the United States Code and section 3 of the Small Business Act, the amount of the individual designation fee is US$395, payable in a first part of US$165 and a second part of US$230. In addition, these amounts are subject to future changes

upon which notification to the Director General will be made in future declarations as authorized in Article 7(2) of the Agreement.

The third declaration, authorized by Article 11(1)(b) of the Agreement, allows the USPTO to notify the Director General that its law does not provide for deferment of publications under the Agreement. The USPTO has ascertained that such a declaration is necessary in order to prohibit deferments of publication of international design registrations designating the United States under the Agreement. Accordingly, the Department of State recommends that the U.S. instrument of ratification be accompanied by the following declaration:

> Pursuant to Article 11(1)(b) of the Agreement, the United States declares that the law of the United States does not provide for the deferment of the publication of an industrial design.

The fourth declaration, authorized under Article 13(1) of the Agreement, authorizes the USPTO to maintain its restriction of allowing only one independent and distinct design to be claimed in a single application. The USPTO has ascertained that such a declaration is necessary so that the USPTO may maintain its practice of issuing one patent for one design, which is defined by a single claim. Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of ratification:

> Pursuant to Article 13(1) of the Agreement, the United States declares that its laws require that only one independent and distinct design may be claimed in a single application.

The fifth declaration, authorized by Article 16(2) of the Agreement, allows the USPTO to refuse the effect of recordings regarding change of ownership in the international registration until the USPTO receives assignment statements or documents. This would allow the USPTO to maintain its current practice of requiring that a statement to the effect that a conveyance has been made be submitted to the USPTO and be made available to the public. Under U.S. patent law, if such an assignment is not recorded within three months, the transfer is void against subsequent bona fide purchasers or mortgagees. This protects subsequent purchasers by allowing them to view the contents of any agreement that purports to transfer ownership.

The USPTO has ascertained that such a declaration is necessary in order to maintain its current practice of requiring that assignment documents be provided to the USPTO before they are given effect. Accordingly, the Department of State recommends that the United States instrument of ratification be accompanied by the following declaration:

> Pursuant to Article 16(2) of the Agreement, the United States declares that a recording by the International Bureau under Article 16(1)(i) of the Agreement shall not have effect in the United States

until the USPTO has received the statements or documents recorded thereby.

The sixth declaration is mandated by Article 17(3)(c) of the Agreement. That Article requires that each Contracting Party notify the Director General as to the maximum duration of protection provided for by its law. Accordingly, the Department of State recommends that the U.S. instrument of ratification be accompanied by the following declaration:

> Pursuant to Article 17(3)(c) of the Agreement, the United States declares that the maximum duration of protection for designs provided for by its law is 15 years from grant.

The seventh declaration, authorized by Rule 8(1)(a) of the Agreement, allows the USPTO to continue its practice of requiring that an application for the protection of an industrial design be filed in the name of the creator of the design. In addition, Rule 8(1)(b) states that any declaration pursuant to Rule 8(1)(a) specify the form and mandatory contents of any statement or document required for the purposes of that rule.

The USPTO has determined that such a declaration is necessary in order to maintain its current examination practice of requiring that the applicant for protection of an industrial design be the creator of that design. Accordingly, the Department of State recommends that the United States instrument of ratification be accompanied by the following declaration:

> Pursuant to Rule 8(1) of the Agreement, the United States declares that the law of the United States requires that an application for protection of an industrial design be filed in the name of the creator of the industrial design. The specific form and mandatory contents of a statement required for the purposes of Rule 8(2) of the Agreement are contained in section 1.63 of title 37 of the Code of Federal Regulations of the United States.

The eighth declaration, authorized by Rule 13(4) of the Agreement, allows the USPTO to notify the Director General that the law of the United States requires a security clearance and that the period of one month identified in Rule 13(3) for the Office of a Contracting Party to forward an application to the IB, shall be replaced by a period of six months. This will allow for time to complete the security review of the applications currently required by 35 U.S.C. 181, et seq.

The USPTO has ascertained that a declaration is necessary in order to ensure that international design applications can be reviewed for secrecy and security purposes. Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of ratification:

> Pursuant to Rule 13(4) of the Agreement, the United States declares that the period of one month referred

to in Rule 13(3) of the Agreement shall be replaced by a period of six months as to the United States in light of the security clearance required by United States law.

The ninth declaration, authorized by Rule 18(1)(b), allows the USPTO, as an Examining Office, to notify the Director General that the period of six months for notification of refusal referred to in Rule 18(1)(a) shall be replaced by a period of 12 months as to the United States. The USPTO has ascertained that such a declaration is necessary in order to maintain the integrity of its substantive examination procedures for applications filed under the Agreement. Accordingly, the Department of State recommends that the following declaration be included in the U.S. instrument of ratification:

> Pursuant to Rule 18(1)(b), the United States declares that the period of six months referred to in Rule 18(1)(a) of the Agreement shall be replaced by a period of twelve months with respect to the United States, as the Office of the United States is an Examining Office under the Agreement.''
> <GRAPHIC(S) NOT AVAILABLE IN TIFF FORMAT>