

Ad hoc Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs

Geneva, May 30 to June 1, 2011

SITUATION OF THE 1934 ACT AND THE 1960 ACT OF THE HAGUE AGREEMENT

Document prepared by the International Bureau

I. INTRODUCTION

1. It is recalled that the Hague Agreement Concerning the International Registration of Industrial Designs (hereinafter referred to as “the Hague Agreement”) is constituted by three separate Acts, namely: (i) the London (1934) Act, which was adopted on June 2, 1934 (hereinafter referred to as “the 1934 Act”); (ii) the Hague (1960) Act, which was adopted on November 28, 1960 (hereinafter referred to as “the 1960 Act”); and (iii) the Geneva (1999) Act, which was adopted on July 2, 1999 (hereinafter referred to as “the 1999 Act”). Since the coming into force of the 1999 Act on April 1, 2004, its membership has quickly surpassed and largely overlapped the memberships of the previous Acts.
2. The purpose of the present document is simply to provide the Working Group with a clear understanding of the global framework so that it can have better informed discussions during the present session.

II. SITUATION OF THE 1934 ACT

A. Freezing of the Application of the 1934 Act as from January 1, 2010

3. It is recalled that, in view of reducing the complexity of the Hague system, the Contracting States to the 1934 Act held an Extraordinary Meeting, on September 24, 2009, to consider the freezing of the application of this Act. At the end of that meeting, these Contracting States unanimously adopted the following decision:

“The Contracting States to the London (1934) Act of the Hague Agreement Concerning the International Deposit of Industrial Designs (“1934 Act”), decide to freeze the application of this Act with effect from January 1, 2010. In taking this decision, the Contracting States intend that no new designation under the 1934 Act may be recorded in the International Register, but that this freeze shall be without prejudice to the continuation in force of designations recorded in the International Register before the effective date of the freeze. More precisely, the Contracting States to the 1934 Act recognize that it shall continue to be possible for these designations to be the subject of a prolongation or any other recording provided for in the Common Regulations under the 1999 Act, the 1960 Act and the 1934 Act of the Hague Agreement, in the version in force before the effective date of the freeze.”

4. At its twenty-eighth (17th Ordinary) session, the Assembly of the Special Union for the International Deposit of Industrial Designs (Hague Union) took note of the unanimous decision of the Contracting States to the 1934 Act to freeze the application of that Act, with effect from January 1, 2010. In addition, the Assembly of the Hague Union adopted the amendments to the Common Regulations under the 1999 Act, the 1960 Act and the 1934 Act of the Hague Agreement¹, reflecting the freeze of the application of the 1934 Act (see document H/A/28/4). These amendments, which came into effect on January 1, 2010, removed all references to the 1934 Act from the Common Regulations and introduced a transitional provision applicable to designations recorded in the International Register before the effective date of the freeze.
5. The Contracting States to the 1934 Act agreed that the freeze of the application of the 1934 Act constituted an intermediary step to reduce the complexity of the Hague system as early as possible. These States also agreed that the next – and final – step consists in terminating the 1934 Act.

B. Termination of the 1934 Act – Current Status

6. The Contracting States to the 1934 Act were invited to express their consent to its termination by Note C.H 74 dated February 22, 2010, and Note C.H 76 dated August 3, 2010, both sent by the Director General of the World Intellectual Property Organization (WIPO). In the meantime, denunciations of the 1934 Act by Indonesia, and Switzerland took effect in June 2010 and November 2010 respectively, and five Contracting States to the 1934 Act

¹ Since January 1, 2010, they are referred to as “the Common Regulations under the 1999 Act and the 1960 Act of the Hague Agreement”.

have expressed their respective consent to the termination of that Act, namely, France, Germany, Liechtenstein, Monaco and the Netherlands (in respect of Aruba, Curaçao, Sint Maarten and the Caribbean part of the Netherlands (the islands of Bonaire, Saint Eustatius and Saba))².

7. In other words, the last Contracting States to the 1934 Act whose consent remains to be received for that Act to be terminated are Benin, Côte d'Ivoire, Egypt, Morocco, Senegal, Spain, Suriname and Tunisia. To this effect, it is recalled that, the consent of each Contracting State should be expressed by means of a communication or a *note verbale*, signed by the Head of State, the Head of Government or the Minister for Foreign Affairs of the State concerned, or by one or more persons having been granted full powers by the Head of State, the Head of Government or the Minister for Foreign Affairs. In respect of the States also party to the Additional Act of Monaco, the communication or the *note verbale* should also refer to that Act.
8. The termination of the 1934 Act will become effective three months after the Director General of WIPO receives the last required consent. Upon receipt of the last required consent, the International Bureau would issue a depositary notification concerning the decision taken to terminate the 1934 Act.

III. SITUATION OF THE 1960 ACT

A. Stagnation of the 1960 Act versus Geographical Expansion of the 1999 Act

9. At present, 58 States or intergovernmental organizations are members of the Hague Union, 41 of which are bound by the 1999 Act³ and 34 of which are bound by the 1960 Act⁴. The list of the Hague Union members is given in Annex I to the present document. Two charts providing information as to the Hague Union membership are also attached to the present document (see Annexes II and III to the present document).

² Germany deposited its consent to the termination of the 1934 Act with the Director General of WIPO on August 16, 2010, France on September 20, 2010, Liechtenstein as well as the Netherlands (with regard to Aruba, Curaçao, Sint Maarten and the Caribbean Part of the Netherlands (the islands of Bonaire, Saint Eustatius and Saba)) on December 13, 2010, and Monaco on March 9, 2011. The Netherlands also deposited its instrument of denunciation of the 1934 Act (in respect of Aruba, Curaçao, Sint Maarten and the Caribbean part of the Netherlands (the islands of Bonaire, Saint Eustatius and Saba)) on December 13, 2010, which will take effect on December 13, 2011, unless the Act is terminated before that date.

³ This figure takes into account the accessions to the 1999 Act by Finland (effective as from May 1, 2011) and Monaco (effective as from June 9, 2011).

⁴ Considering the freezing of the application of the 1934 Act, the membership to that Act has not been taken into consideration.

10. Since the entry into force of the 1999 Act on April 1, 2004, its geographical scope has expanded continuously⁵. Further to the initial 11 States whose ratifications or accessions brought the 1999 Act into force⁶, 28 States have become party to the 1999 Act (some of which were already party to the 1934 Act and/or the 1960 Act). In addition, two intergovernmental organizations, namely, the European Union (EU) and the African Intellectual Property Organization (OAPI), whose combined geographical scopes cover the territories of 43 States, became party in 2008.
11. In the meantime, only four States have become party to the 1960 Act⁷, including one through the continuation of the membership of the predecessor State⁸ and another one which acceded simultaneously to the 1999 Act⁹.
12. It is to be stressed that, among the 16 States Party to the 1960 Act that are not bound by the 1999 Act, 11 are member States of the two intergovernmental organizations that are themselves party to the 1999 Act, *i.e.* the EU and OAPI¹⁰. In respect of these States, their membership to such an intergovernmental organization leads to a double consequence as to the applicability of the 1999 Act. Firstly, applicants who derive their rights to file an international application from any of these States are entitled to designate Contracting Parties bound by the 1999 Act. Secondly, protection of industrial designs in the territories of these States can be secured by designating the intergovernmental organization to which they belong. Thus, in practical terms, only five Hague Union members find themselves outside the realm of the 1999 Act and this is one of the reasons for the rapid decrease in the use of the 1960 Act, as commented below.

⁵ List of the States or intergovernmental organizations which became party to the 1999 Act:

- in 2004: Croatia, Egypt, Hungary and Namibia;
- in 2005: Latvia, Singapore and Turkey;
- in 2006: Botswana and The former Yugoslav Republic of Macedonia;
- in 2007: Albania, Armenia and France;
- in 2008: Bosnia and Herzegovina, Bulgaria, Denmark, Ghana, Lithuania, Mongolia, Sao Tome and Principe and Syrian Arab Republic;
- in 2009: Oman, Poland and Serbia;
- in 2010: Azerbaijan, Germany and Norway;
- in 2011: Finland (effective as from May 1, 2011) and Monaco (effective as from June 9, 2011).

⁶ The ratification of the 1999 Act by Spain brought to 11 the number of States that had ratified or acceded to that Act (, namely Estonia, Georgia, Iceland, Kyrgyzstan, Liechtenstein, Republic of Moldova, Romania, Slovenia, Spain, Switzerland and Ukraine). Following the ratification of the 1999 Act by Spain on September 23, 2003, the conditions required under Article 28(1) and (2) of the 1999 Act for the entry into force of that Act were met.

⁷ Niger (in 2004), Mali (in 2006), Montenegro (in 2006) and Albania (in 2007).

⁸ The Government of Montenegro deposited with the Director General of WIPO a declaration according to which the 1960 Act continued to be applicable in Montenegro as of June 3, 2006. Namely, Albania.

⁹ Belgium, Greece, Italy, Luxembourg and the Netherlands are member States of the EU. Benin, Côte d'Ivoire, Gabon, Mali, Niger and Senegal are member States of OAPI.

B. Decrease of Use of the 1960 Act Versus Expansion of the Use of the 1999 Act

13. Since the coming into force of the 1999 Act, the registration activity under the 1960 Act has diminished significantly. Thus, only 19 of the 2,216 international registrations entered in the International Register in 2010 were governed by exclusively by the 1960 Act and 12.7% of all designations recorded that year were made under that Act¹¹.
14. Obviously, this overall situation is largely attributable to the recent success of the 1999 Act in attracting a membership of its own. However, even if one sets aside that part of the Hague Union that is bound exclusively to the 1999 Act, one realizes that, even within its own membership, the 1960 Act applies more and more rarely.
15. Statistics on designations of all the States bound – exclusively or not – by the 1960 Act and recorded over the 2004 – 2010 period are enclosed for reference (see Annex IV to the present document). It results from these that in 2004, i.e. for the first year of operation of the 1999 Act, designations that were governed by the 1960 Act were still the majority. However, in the course of the following years, the situation gradually got inverted. Thus, in 2010, the 1960 Act only applied in respect of 23.9% of the designations of all States Party to the 1960 Act. Moreover, if one is to consider only the States party to both the 1960 Act and the 1999 Act, the application of the 1960 Act drops to less than 1%. This is better illustrated by the graph provided in Annex V showing the respective application of both Acts in respect of all designations of States party to both Acts.
16. There are three main reasons explaining the expansion of use of the 1999 Act at the detriment of the 1960 Act. Firstly, as indicated above, protection in the territories of these Contracting Parties to the 1960 Act that are also member States of an intergovernmental organization party to the 1999 Act can be secured by designating that organization to which they belong. Thus, for the year 2007, that is, the year before the EU became a party to the 1999 Act, Italy was designated in 42% of all international registrations. In 2010, and although a designation under the 1960 Act still remained the only way for an applicant not entitled under the 1999 Act to seek protection in Italy, the percentage dropped to 4.7%. In contrast, the EU was the most frequently designated Contracting Party for 2010, with 1,598 designations representing a 73% designation rate.
17. The second reason is Article 31 of the 1999 Act, which gives precedence to that Act in all situations where more than one Act of the Hague Agreement is applicable. The immediate consequence is, as explained in the *Guide to the International Registration of Industrial Designs*¹², that “if an applicant originates from a Contracting Party bound by both the 1960 and the 1999 Acts and designates a Contracting Party also bound by both the 1960 and the 1999 Acts, such designation is governed by the more recent Act (the 1999 Act)”. There is also a further consequence, which, as explained in the Guide, is that “the designation of a Contracting Party bound by several Acts will also be governed by the most recent of these Acts where the applicant enjoyed cumulative but *independent* entitlement connections under each of the same Acts. For example, if an applicant originates from Contracting Party A, bound by the 1960 Act, but Contracting Party A is also a State member of an intergovernmental organization bound by the 1999 Act (Contracting Party B), the designation of a Contracting Party C that is bound by both the 1960 and the 1999 Acts is governed by the most recent of these two Acts, that is, the 1999 Act”.

¹¹ In 2010, out of the 10,741 designations of Contracting Parties made, 9,378 designations were indeed governed by the 1999 Act.

¹² See Part A, paragraph 04.13. The Guide is available at <http://www.wipo.int/hague/en/guide/>.

18. As indicated in paragraph 12, above, 11 out of the 16 States Party to the 1960 Act that are not bound by the 1999 Act are member States of the EU and OAPI. Therefore, whenever one of their nationals makes a designation of a Contracting Party to both the 1960 and the 1999 Acts, that designation is governed by the 1999 Act. The matrix contained in Annex VI to the present document illustrates the theoretical application of these principles, revealing that the 1999 Act applies or predominates in a large majority of situations. Furthermore, it is recalled that some of the few situations where the 1960 Act remains applicable rarely occur in practice.

19. *The ad hoc Working Group is invited to take note of the information provided in the present document in view of its general discussions.*

[Annexes follow]

HAGUE UNION MEMBERS¹**Bound by the 1999 Act only**

African Intellectual Property Organization (OAPI), Armenia, Azerbaijan, Bosnia and Herzegovina, Botswana, Denmark, Egypt, Estonia, European Union, Finland, Ghana, Iceland, Latvia, Lithuania, Namibia, Norway, Oman, Poland, Sao Tome and Principe, Singapore, Spain, Syrian Arab Republic and Turkey (23)

Bound by the 1999 and the 1960 Acts

Albania, Bulgaria, Croatia, France, Georgia, Germany, Hungary, Kyrgyzstan, Liechtenstein, Monaco, Mongolia, Republic of Moldova, Romania, Serbia, Slovenia, Switzerland, The former Yugoslav Republic of Macedonia and Ukraine (18)

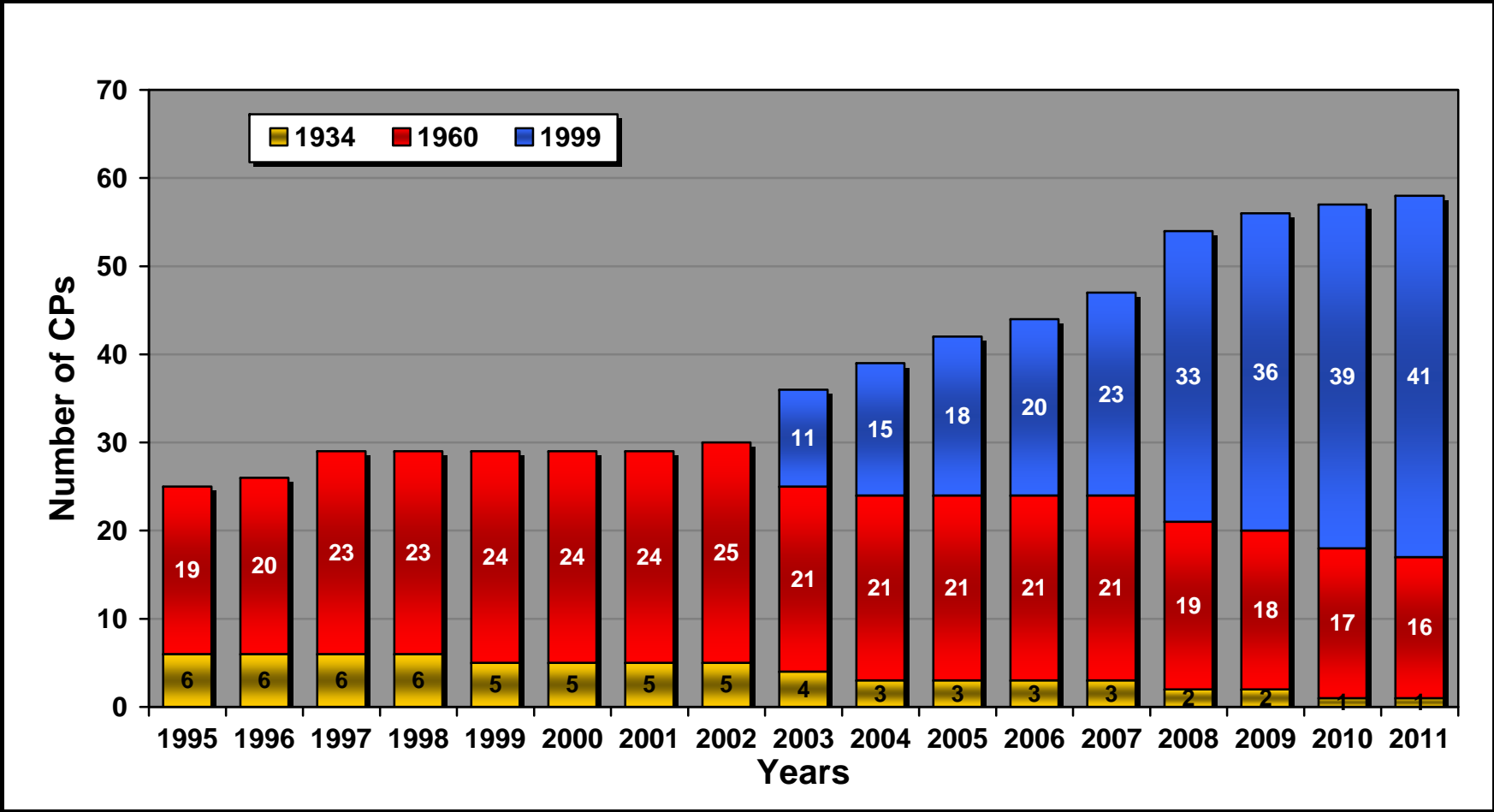
Bound by the 1960 Act only

Belgium, Belize, Benin, Côte d'Ivoire, Democratic People's Republic of Korea, Gabon, Greece, Italy, Luxembourg, Mali, Montenegro, Morocco, Netherlands, Niger, Senegal and Suriname (16)

[Annex II follows]

¹ List of members as of June 9, 2011. The application of the 1934 Act being frozen since January 1, 2010, the membership to said Act is not listed in the present Annex.

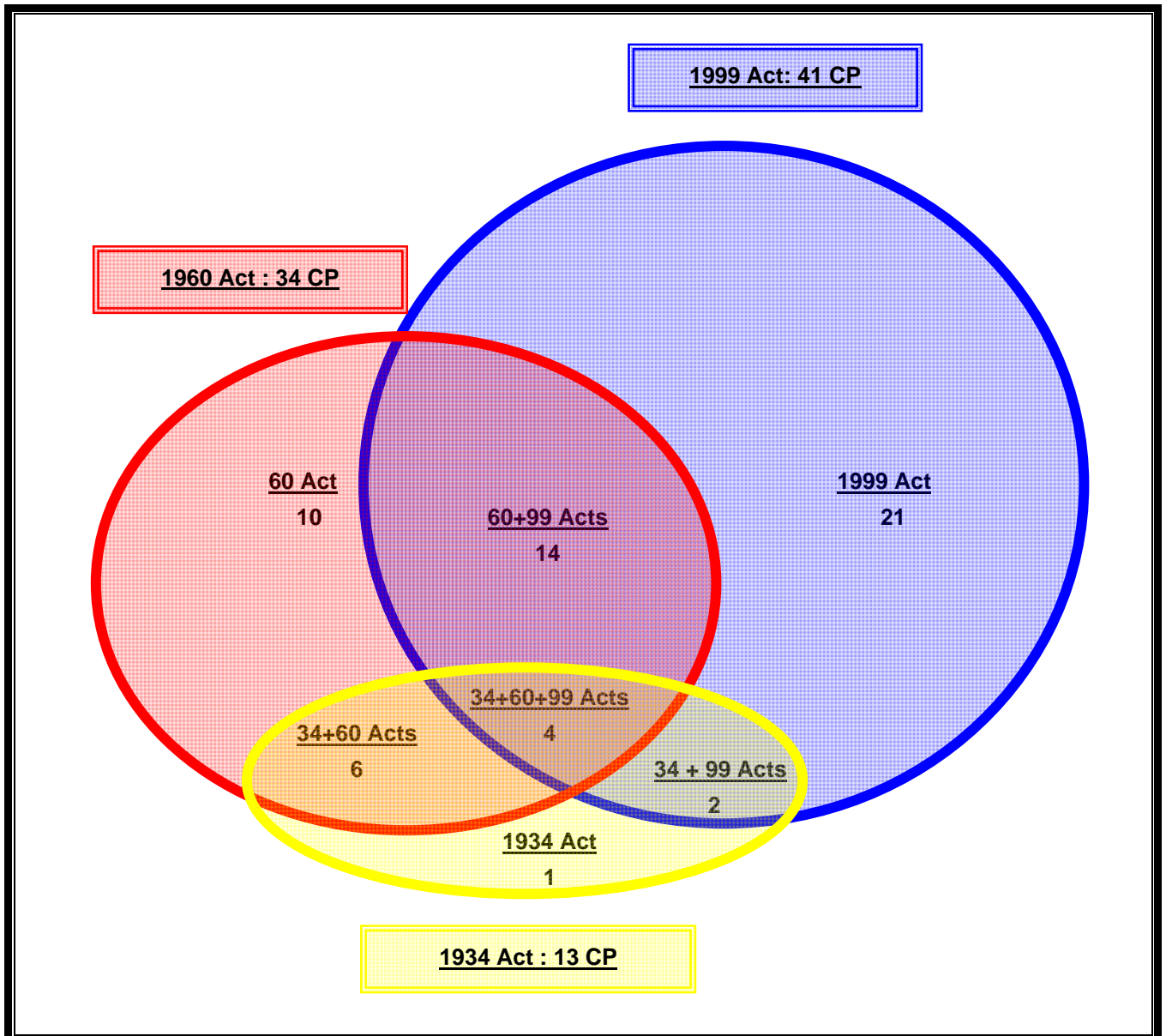
**HAGUE UNION MEMBERS
GROUPED BY THE LATEST ACT BY WHICH THEY ARE BOUND¹**



[Annex III follows]

¹ List of members as of June 9, 2011.

**HAGUE UNION MEMBERS
GROUPED ACCORDING TO THE ACTS BY WHICH THEY ARE BOUND**



[Annex IV follows]

STATISTICS ON DESIGNATIONS RECORDED OVER THE 2004 – 2010 PERIOD

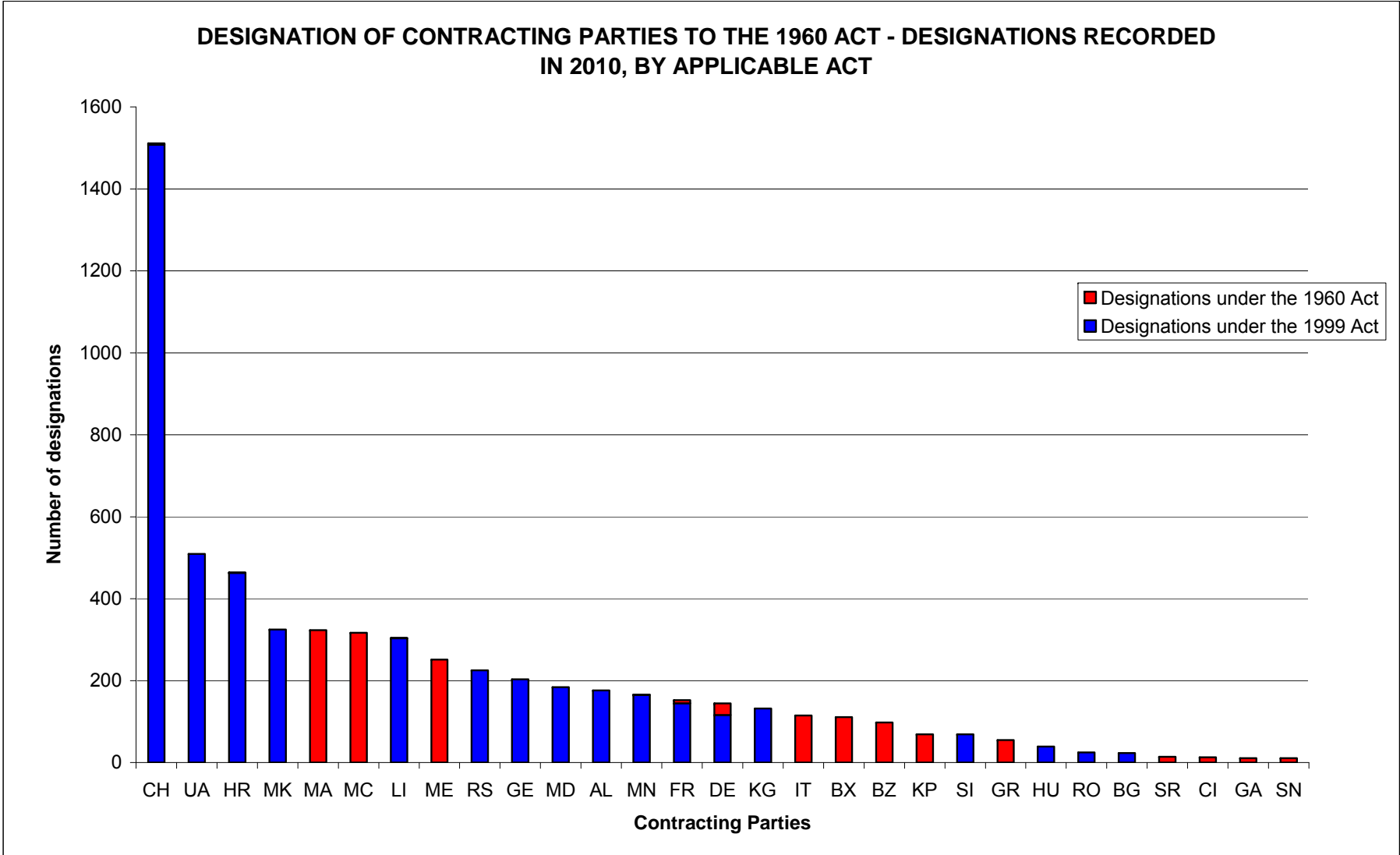
| Number of Designations Under Each Act by Contracting Parties to the 1960 Act | | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|--------------|
| Designated CP (which are at least CP to the 1960 Act) | 2004 | | 2009 | | 2010 | |
| | 60 | 99 | 60 | 99 | 60 | 99 |
| AL | | | 0 | 172 | 0 | 176 |
| BG | 472 | | 0 | 33 | 0 | 23 |
| BJ | 39 | | 11 | | 8 | |
| BX | 919 | | 109 | | 111 | |
| BZ | 222 | | 136 | | 98 | |
| CH | 785 | 416 | 1 | 1,206 | 3 | 1,508 |
| CI | 65 | | 15 | | 13 | |
| DE ¹ | 956 | | 140 | | 28 | 116 |
| FR | 931 | | 6 | 135 | 7 | 145 |
| GA | 112 | | 9 | | 11 | |
| GE | 57 | 223 | 0 | 192 | 0 | 203 |
| GR | 582 | | 52 | | 55 | |
| HR | 111 | 142 | 47 | 365 | 1 | 463 |
| HU | 301 | | 0 | 40 | 0 | 39 |
| IT | 963 | | 113 | | 115 | |
| KG | 23 | 214 | 0 | 158 | 0 | 132 |
| KP | 385 | | 64 | | 69 | |
| LI | 131 | 330 | 0 | 301 | 1 | 303 |
| MA | 443 | | 332 | | 323 | |
| MC | 476 | | 335 | | 317 | |
| MD | 143 | 231 | 0 | 192 | 0 | 184 |
| ME | | | 243 | | 251 | |
| MK | 440 | | 0 | 283 | 0 | 325 |
| ML | | | 10 | | 8 | |
| MN | 240 | | 0 | 159 | 1 | 165 |
| NE | 1 | | 10 | | 5 | |
| RO | 302 | 243 | 0 | 46 | 0 | 25 |
| RS ² | 510 | | 169 | 11 | 0 | 225 |
| SI | 225 | 253 | 0 | 58 | 0 | 69 |
| SN | 59 | | 14 | | 11 | |
| SR | 50 | | 20 | | 14 | |
| UA | 208 | 258 | 1 | 446 | 0 | 509 |
| Total | 10,151 | 2,310 | 1,837 | 3,797 | 1,450 | 4,610 |
| Total nb of designations (independant of the Acts) | 12,461 | | 5,634 | | 6,060 | |
| Distribution by Act | 81.5% | 18.5% | 32.6% | 67.4% | 23.9% | 76.1% |

¹ Germany became a Contracting Party of the 1999 Act on February 13, 2010.

² Serbia became a Contracting Party of the 1999 Act on December 9, 2009.

| Legend | |
|--------|--|
| N/A | Not available at the time. |
| | The designated CP is not party to the Act. |
| +% | There is an increase, but it is not a calculable percentage. |

[Annex V follows]



[Annex VI follows]

