

## **Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs**

**Eleventh Session**  
**Geneva, December 12 to 14, 2022**

### **CONSIDERATIONS RELATING TO THE POSSIBLE INTRODUCTION OF CONTINUED PROCESSING OF AN INTERNATIONAL APPLICATION**

*Document prepared by the International Bureau*

#### **I. BACKGROUND**

1. The present document explores, for consideration by the Working Group on the Legal Development of the Hague System for the International Registration of Industrial Designs (hereinafter referred to as the “Working Group”), the possibility of introducing continued processing (reinstatement)<sup>1</sup> of an international application before the International Bureau<sup>2</sup>, as a relief measure from an international application being considered abandoned totally or in relation to the designation of a Contracting Party, as set out in Annex I to this document.

2. Under Rule 14(3) of the Common Regulations Under the 1999 Act and the 1960 Act of the Hague Agreement (hereinafter referred to as the “Common Regulations”), where an irregularity (other than one referred to in Article 8(2)(b) of the Geneva Act (1999) of the Hague Agreement (hereinafter referred to as the “1999 Act”)) is not remedied within the three-month time limit, the international application shall be considered abandoned and the International Bureau shall refund any fees paid in respect of that application, after deduction of the basic fee.

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<sup>1</sup> The proposed Design Law Treaty (hereinafter referred to as the “proposed DLT”) provides for both “continued processing” and “reinstatement” as relief measures in respect of time limits, whereby reinstatement would require a finding by the Office that the failure to comply with a time limit occurred in spite of due care, or, at the option of the Contracting Party, that any delay was unintentional. Given this additional requirement for reinstatement and following the terminology adopted by the Madrid System, the present document hereinafter addresses “continued processing”. See Articles 12 and 13 of the proposed DLT and paragraph 5 of the present document.

<sup>2</sup> It is recalled that at the sixth session of the Working Group, the Delegation of the United States of America proposed that the International Bureau study the concept of reinstatement of rights in the context of the Hague System. See paragraph 23 of document H/LD/WG/6/6.

Furthermore, where an irregularity referred to in Article 8(2)(b) of the 1999 Act (relating to the additional mandatory contents of the international application for certain designated Contracting Parties under Article 5(2) or Rule 8) is not remedied within the three-month time limit, the international application shall be deemed not to contain the designation of that Contracting Party and to be abandoned to that extent. In either of these scenarios, there is currently no rule in the Common Regulations, other than the Rule 5 *force majeure* clause, that allows the applicant concerned to request the continued processing of the international application or the designation therein.

3. In practice, however, given the serious consequences for such international applications, the International Bureau, upon expiry of the three-month time limit, sends courtesy reminders with a one-week deadline to respond, before finally issuing a formal notice of abandonment<sup>3</sup>. Notwithstanding the courtesy reminders, following receipt of such a notice, applicants in some 30 cases per year seek continued processing.

4. It is to be recalled that Rule 5 of the Common Regulations, the scope of which has expanded since the amendment to the Rule entered into force in January 2022, still requires a *force majeure* reason for missing the respective time limit. By not requiring such a reason, continued processing would complement Rule 5 in safeguarding international applications.

## II. CONSIDERATIONS

5. Rule 5*bis* of the Regulations under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as the “Madrid Regulations”), as reproduced in Annex II to this document, provides for the possibility of continued processing where an applicant or holder has missed certain time limits<sup>4</sup>. Against the background of this experience, set out below are certain options tailored to the Hague System that may enhance efficiency and user-friendliness, while striking a balance between the interests of the applicant, third parties and the International Bureau<sup>5</sup>.

### SCOPE

6. Out of the below-listed procedures with respect to which Rule 5*bis* of the Madrid Regulations allows continued processing, it may be preferable in the context of the Hague System to cover solely (a), the continued processing of an international application and designation therein. The reasons indicated below suggest that continued processing under the Hague System would not cover scenarios (b) through (f).

<b>Procedures covered by Madrid Rule 5<i>bis</i> (Madrid Regulations)</b>	<b>Possible reasons against Hague continued processing</b>
(a) an international application (Rule 11(2) or (3))	<ul style="list-style-type: none"> <li>To be covered.</li> </ul>
(b) a request for the recording of licenses (Rule 20 <i>bis</i> (2))	<ul style="list-style-type: none"> <li>There is no equivalent Hague procedure.</li> </ul>
(c) a subsequent designation (Rule 24(5)(b))	<ul style="list-style-type: none"> <li>There is no equivalent Hague procedure.</li> </ul>

<sup>3</sup> The issued notice concerns total abandonment. Currently, no notice is issued where the international application is considered not to contain the designation of the Contracting Party, as Article 8(2)(b) of the 1999 Act does not require the International Bureau to issue such a notice.

<sup>4</sup> This rule was first introduced in 2015 as part of the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement as they applied then.

<sup>5</sup> In this respect, assuming that continued processing of an international application would only concern the international application stage before international registration, as envisaged in paragraph 6, the resulting effect for the Offices of the designated Contracting Parties would be limited.

Procedures covered by Madrid Rule 5bis (Madrid Regulations)	Possible reasons against Hague continued processing
(d) a request for the recording of a change or cancellation (Rule 26(2))	<ul style="list-style-type: none"> <li>• Fees for requesting continued processing (if 200 Swiss francs, see paragraph 8) would exceed additional fees for refiling a request (72 Swiss francs<sup>6</sup>).</li> <li>• Unless Rule 21 is amended<sup>7</sup>, the recording date would be the date of receipt by the International Bureau of the request that complies with the applicable requirements (Rule 21(6)(b)), and continued processing would not provide the benefit of keeping the date of the initial request.</li> <li>• Since 2015 to the date of this document, the Madrid System has received only eight requests of this type, out of 666 requests for continued processing (1.2 per cent).</li> </ul>
(e) payment of the second part of the individual fee (Rule 34(3)(c)(iii)) – currently for Brazil, Cuba and Japan	<ul style="list-style-type: none"> <li>• Unlike Madrid holders of international registrations, Hague holders under Rule 12(3) may choose to pay the second part of the individual designation fee directly to the Office concerned. Accordingly, a relief measure applicable to such payment would be suited to be regulated by each Contracting Party concerned rather than by the Common Regulations. For the same reason, Rule 5 does not cover this item.</li> </ul>
(f) a request that an international registration continue its effects in a successor State (Rule 39(1))	<ul style="list-style-type: none"> <li>• There is no equivalent Hague procedure.</li> </ul>

## PROCEDURE AND PRACTICE

7. Under Rule 5bis of the Madrid Regulations, continued proceeding may be requested within two months of expiry of the time limit concerned, by presenting the official form (MM20) to the International Bureau and paying a fee of 200 Swiss francs. Along with the request, the requirements to which the time limit applied shall also be complied with. Failing such compliance, a request for continued processing shall not be considered as such, and the International Bureau shall notify the applicant or holder accordingly. Where the International Bureau receives a compliant request, it shall continue the process, record this in the International Register, and notify the applicant or holder.

8. The Hague System could adopt a similar procedural mechanism, notably including the fee amount and the requirement to resolve the underlying reason for irregularity. Meanwhile, as noted in paragraph 3 of the present document, it has been observed that a number of applicants respond only after receiving the notice of abandonment. Thus, for a streamlined Hague continued processing procedure, the International Bureau could, upon expiry of the three-month period without the irregularity having been remedied, issue the notice of abandonment forthwith, and thereby also mention the possibility of continued processing.

<sup>6</sup> Under Rule 21(5) of the Common Regulations on the recording of a change, if the irregularity is not remedied within the three-month time period, the request shall be considered abandoned and the International Bureau shall refund any fees paid after the deduction of an amount corresponding to one half of the relevant fees (72 Swiss francs).

<sup>7</sup> In this respect, the Madrid System introduced Rule 27(1)(c) of the Madrid Regulations, reproduced in Annex II, which provides that, following the recording of continued processing, changes and cancellations shall be recorded with the date on which the time limit for compliance with the corresponding requirement expired, so as to provide the holder with the valuable option of preserving an earlier recording date, thereby justifying the prescribed fee (see paragraphs 25, 36, 47 and 72 of document MM/LD/WG/11/7). However, introducing an equivalent provision may unreasonably complicate continued processing in the Hague System, noting also that there appears to be little ground for expecting use of continued processing of the recording of a change (see the mentioned low incidence of such requests under the Madrid System).

In this scenario, to alleviate the time pressure on both applicants and the International Bureau, such continued processing could be requested within three (instead of two<sup>8</sup>) months of the initial time limit's expiry. With reference to paragraph 2 and footnote 3, the proposed notification mechanism could also apply in situations where, pursuant to Article 8(2)(b) of the 1999 Act, the international application is deemed not to contain the designation of the Contracting Party.

#### LIMITED EFFECT

9. Continued processing of an international application would provide a relief measure from an international application being considered abandoned totally or in relation to the designation of the Contracting Party.

10. At the same time, due consideration may need to be given to third-party interests, especially in relation to the date of filing or of the international registration from which date the international registration has at least the same effect in each designated Contracting Party as a regularly-filed application for the grant of protection of the industrial design under the law of that Contracting Party<sup>9</sup>. In this respect, irregularities under Articles 5(2) and 10(2)(b) of the 1999 Act and under Rule 14(2) of the Common Regulations entail a postponement of the date of filing or of the international registration (see Annex I). To preserve third-party interests, this principle of postponement would continue to apply in cases of continued processing<sup>10</sup>. Likewise, the International Bureau would then continue its practice of rejecting amendments introducing new matter into the international application at issue.

11. In summary, the comparison between the existing Madrid provision and a possible equivalent provision in the Hague Common Regulations would be as follows:

	<b>Rule 5<i>bis</i> of the Madrid Regulations</b>	<b>Hague</b>
Scope	(a) international application (b) recording of licenses (c) subsequent designation (d) recording of change or cancellation (e) payment of the second part of individual fee (f) international registration continues effects in successor State	(a) international application
Fee	200 Swiss francs	200 Swiss francs
Period of time to request continued processing	within two months of date of expiry of initial time limit	within <u>three</u> months of date of expiry of initial time limit
Effect	no impact on already-stipulated postponement of date of international registration	no impact on already-stipulated postponement of date of international registration

<sup>8</sup> The two-month deadline under the Madrid System corresponds to the minimum time limit for such relief measures, as regulated in Rule 9 of the Regulations of the Singapore Treaty, while giving consideration to continued International Bureau efficiency and third-party positions (see paragraph 17 of document MM/LD/WG/11/2). The International Bureau would consider three months to be appropriate for Hague applicants and the International Bureau, while it is unlikely to harm third-party rights, especially given the limited effect of continued processing as envisaged.

<sup>9</sup> Article 14(1) of the 1999 Act.

<sup>10</sup> Similarly, under Rule 15(1) of the Madrid Regulations, the procedure of continued processing has no impact on the determination of the date of the international registration.

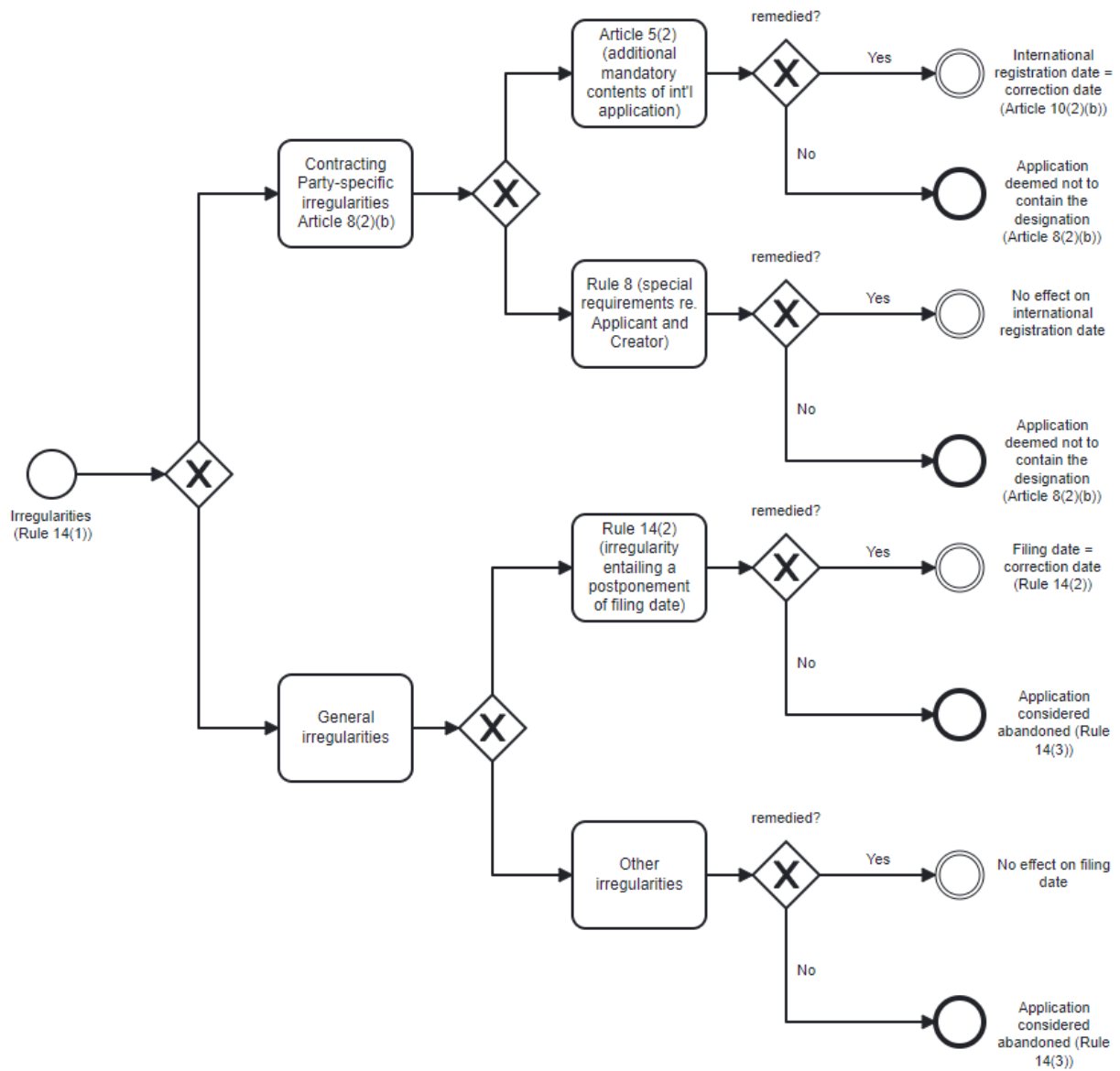
### III. REQUEST FOR INSTRUCTION

12. In view of the above, the Working Group is invited to consider the concept of continued processing, and whether to request that the International Bureau prepare a document proposing corresponding amendments to the Common Regulations for further discussion at the next session, to be held in 2023.

*13. The Working Group is invited to consider the concept of continued processing described in the present document, and whether to request that the International Bureau prepare a document proposing corresponding amendments to the Common Regulations for further discussion at the next session.*

[Annexes follow]

**HAGUE IRREGULARITIES UNDER RULE 14(1) AND CONSEQUENCES**



[Annex II follows]

## **RULES 5BIS AND 27(1)(C) OF THE MADRID REGULATIONS**

### **Rule 5bis Continued Processing**

(1) *[Request]*

- (a) Where an applicant or holder has failed to comply with any of the time limits specified or referred to in Rules 11(2) and (3), 12(7), 20bis(2), 24(5)(b), 26(2), 27bis(3)(c), 34(3)(c)(iii) and 39(1), the International Bureau shall, nevertheless, continue the processing of the international application, subsequent designation, payment or request concerned, if:
  - (i) a request to that effect, signed by the applicant or holder, is presented to the International Bureau on the official form; and
  - (ii) the request is received, the fee specified in the Schedule of Fees is paid and, together with the request, all of the requirements in respect of which the time limit concerned applied are complied with, within two months from the date of expiry of that time limit.
- (b) A request not complying with items (i) and (ii) of subparagraph (a) shall not be considered as such and the applicant or holder shall be notified to that effect.

(2) *[Recording and Notification]* The International Bureau shall record in the International Register any continued processing and notify the applicant or holder accordingly.

### **Rule 27 Recording and Notification with Respect to Rule 25; Declaration that a Change in Ownership or a Limitation Has No Effect**

(1) *[Recording and Notification]*

[...]

- (c) Notwithstanding subparagraph (b), where continued processing has been recorded under Rule 5bis, the change or cancellation shall be recorded in the International Register as of the date of expiry of the time limit specified in Rule 26(2), except that, where a request has been made in accordance with Rule 25(2)(c), it may be recorded as of a later date.

[End of Annex II and of document]