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

Twelfth Session Geneva, December 4 to 6, 2023

PROPOSAL FOR AMENDING RULE 14 OF THE COMMON REGULATIONS

Document prepared by the International Bureau

# **BACKGROUND**

- 1. At its eleventh session, held from December 12 to 14, 2022, 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") discussed document H/LD/WG/11/2, entitled "Considerations Relating to the Possible Introduction of Continued Processing of an International Application".
- 2. The Working Group generally supported the introduction of a relief measure from an international application being considered abandoned totally or in relation to the designation of a Contracting Party<sup>1</sup>, and requested that the International Bureau prepare, for discussion at its next session, a document proposing amendments to the Common Regulations Under the 1999 Act and the 1960 Act of the Hague Agreement (hereinafter referred to as the "Common Regulations") for the introduction of continued processing of an international application, taking into account the comments made by delegations<sup>2</sup>.
- 3. Accordingly, this document considers the comments made by delegations at the eleventh session and proposes related amendments to the Common Regulations.

For further information on the constructive abandonment mechanism, see paragraphs 1 and 2, as well as Annex I to document H/LD/WG/11/2.

See paragraphs 11 and 12 of document H/LD/WG/11/5 "Summary by the Chair". The comments made by Delegations included a request to investigate the option of extension of a time limit (instead of continued processing). See paragraphs 4 to 6 of this document.

#### **CONSIDERATIONS**

#### EXTENSION INSTEAD OF CONTINUED PROCESSING

- 4. Generally, in respect of time limits, there are two forms of relief measures that do not require any justification<sup>3</sup> for non-observance of the time limit: extension of a time limit and continued processing. Of these two forms, document H/LD/WG/11/2 explored the possibility of introducing continued processing of an international application before the International Bureau, mainly for two reasons:
  - the document based its analysis on the already-existing continued processing mechanism under Rule 5bis of the Regulations under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as the "Madrid Regulations"), which appeared to address Madrid applicants' concerns similar to those of Hague applicants<sup>4</sup>. Where appropriate, maintaining consistency between the Hague and the Madrid Systems could benefit (sometimes common) users<sup>5</sup>; and
  - the requirement under Rule 5bis(1)(a)(ii) of the Madrid Regulations for a request for a relief measure to be presented together with correction of irregularities could help streamline the examination procedure and thus appeared to be preferable for the Hague System.
- 5. At the eleventh session, the Delegation of the United States of America suggested that the option of extension of a time limit be further investigated. As an application would not need to proceed through abandonment and reinstatement, the Delegation considered this option to be both practical and the most consistent with the legal framework of the Hague System.
- 6. Accordingly, the International Bureau has closely compared the two forms of relief measures and considers that the extension of a time limit may indeed present an efficient and user-friendly option in line with the current legal framework:
  - while last year's discussion based on document H/LD/WG/11/2 stemmed from the continued processing mechanism of the Madrid System, the Working Group agreed that certain adjustments would be necessary for Hague's corresponding new relief measure. Notably, the Working Group appeared to have agreed that Hague's relief measure would solely cover the time limits for correcting irregularities<sup>6</sup>, non- observance of which shall result in constructive abandonment of the international application concerned or designation therein pursuant to Article 8 of the Geneva Act (1999) of the Hague Agreement (hereinafter referred to as the "1999 Act"). As Article 8 of the 1999 Act delegates the Common Regulations to prescribe the applicable time limit to correct irregularities, re-defining the "prescribed time limit" under the Common Regulations to include extension of a time limit could be more efficient and compatible with the Hague's legal framework than introducing the concept of continued processing which the 1999 Act may not necessarily have envisaged; and

For example, Rule 5 of the Common Regulations, the scope of which has expanded since the amendment to the rule entered into force in January 2022, requires *force majeure* reasons. See paragraph 4 of document H/LD/WG/11/2.

See paragraph 3 of document H/LD/WG/11/2.

In this respect, the Delegation of the Russian Federation in the eleventh session noted that "using an analogy with the Madrid System [...] would be an approach that will make the Hague System more convenient and better understood by users".

<sup>&</sup>lt;sup>6</sup> See paragraph 6 of document H/LD/WG/11/2.

tying the obtaining of a relief measure to correction of the underlying irregularities might create uncertainty in a scenario where the applicant fails to correct all the irregularities at the outset – i.e., when requesting the relief measure – and thus would depend on a possible second chance to fulfil the outstanding requirements. In contrast, extension of a time limit which simply requires correction of irregularities within the extended time period would offer a simpler solution for both Hague users and the International Bureau, because the current examination practice by the International Bureau under Rule 14(1) of the Common Regulations would continue to apply.

#### **SCOPE**

- 7. As noted in the preceding paragraph, the Working Group in the eleventh session generally agreed that the Hague relief measure would solely cover the time limits for correcting irregularities prescribed by Rule 14(1) of the Common Regulations.
- 8. In the same session, the Delegation of Japan requested that new provisions be proposed such that the interpretation of the subject procedures would remain unchanged even after Rule 14(1)(b) (concerning irregularities for the non-payment of at least the amount corresponding to the basic fee for one design) comes into force. Rule 14(1)(b) then came into force on April 1, 2023<sup>7</sup>.
- 9. As already commented during the session, the International Bureau considers it appropriate for the Hague relief measure to cover the scenarios not only under Rule 14(1)(a) but also under Rule 14(1)(b), as failure to correct irregularities within the time limit prescribed by Rule 14(1)(b) would likewise result in the constructive abandonment of the international application concerned<sup>8</sup>.

#### **REQUIREMENTS**

10. The proposed decoupling of correction of the underlying irregularities from obtaining a relief measure might allow for less stringent requirements, in order to optimize the potential benefit of an extension request.

## Payment of fee as the sole requirement

11. Similar to Rule 24 of the Common Regulations for renewal, the sole condition for the acceptance of an extension request would be payment of the extension of time limit fee<sup>9</sup>. This means that anyone (for example, a yet-to-be-appointed representative before the International Bureau<sup>10</sup>) would be able to request an extension.

## Timing of a request

12. Article 12 of the proposed Design Law Treaty (hereinafter referred to as the "proposed DLT") envisages that while a relief measure after the expiry of an initial time limit shall be provided for in the form of either extension of the time limit or continued processing, it would be optional to provide for extension of the time limit prior to the expiry of the initial time limit<sup>11</sup>.

See Rule 14(3) of the Common Regulations. Considering the underlying reason for irregularities under Rule 14(1)(b) (i.e., non-payment of 397 Swiss francs at minimum), it is unlikely that the fee-incurring extension request would be frequently required. However, the unlikelihood itself should not be taken as grounds for refusing to provide for a relief measure from an international application being considered abandoned.

The International Bureau intends to prepare an unofficial extension request form to guide users, but unlike official form MM20 under Rule 5*bis*(1)(a) of the Madrid Regulations, the use of Hague's unofficial form would be at the discretion of users.

See Information Notice No. 6/2023.

The International Bureau has observed that, upon receiving an irregularity notice, some applicants either appoint a representative or change representatives. Such a new representative yet to be formally so registered would still be able to request an extension by identifying the confidential WIPO reference number for the international application concerned.

See Article 12(1) and (2) of the proposed DLT and Note 12.04 in document SCT/35/2.

- 13. In this regard, providing for extension of the time limit prior to the expiry of the initial time limit might facilitate proactive communication between Hague applicants and the International Bureau and enhance user-friendliness of the Hague System, while it should not significantly disturb the examination workflow of the International Bureau.
- 14. Thus, the International Bureau is of the view that an extension of the time limit could be requested not only after, but alternatively also before the expiry of the time limits prescribed under Rule 14(1) of the Common Regulations. In any event, such request would have to be made prior to expiry of the additional period described below.

#### ADDITIONAL PERIOD

- 15. It is recalled that, in document H/LD/WG/11/2 and in the eleventh session, the International Bureau indicated the possibility of providing for three months (instead of two months as provided for under Rule 5*bis* of the Madrid Regulations) from the expiry of the initial time limit to request continued processing, for three reasons:
  - for a streamlined Hague continued processing procedure, it appeared effective for the International Bureau to issue the notice of abandonment upon expiry of the initial time limit without the irregularity having been corrected. In this scenario, three months, instead of two months, could alleviate the time pressure on both applicants and the International Bureau<sup>12</sup>:
  - noting the difference between Rule 10(2) of the proposed DLT for extension ("shall be not less than two months from the expiry of the un-extended time limit") and Rule 10(4) for continued processing ("not earlier than two months after a notification by the Office that the applicant or holder did not comply with the time limit fixed by the Office"), three months appeared to be more consistent with the spirit of the proposed DLT, if the period was counted from the expiry of the un-extended time limit; and
  - given the already-existing scenarios of possible delay of international publication<sup>13</sup> and the limited effect of continued processing then envisaged<sup>14</sup>, three months might not be unreasonably detrimental to Contracting Parties or third parties.
- 16. However, at the eleventh session, several delegations<sup>15</sup> either requested further discussion of the appropriate additional period or expressed a preference for two months in order to enhance consistency between the Hague System and the Madrid System and to minimize legal uncertainty for Contracting Parties and third parties.
- 17. The International Bureau is of the view that opting for extension instead of continued processing would somewhat impair the justification for an additional period of three months: unlike for continued processing, two months from the expiry of the initial time limit would match the minimum standard for extension under Rule 10(2) of the proposed DLT. Also, due consideration must be given to the interest of Examining Offices in minimizing the waiting time for receiving a confidential copy of an international registration that might stand as prior art against local pending applications.

See paragraph 8 of document H/LD/WG/11/2.

The Secretariat presented two examples in this respect: the standard publication period extended from six months to 12 months, and international applications involving security clearance. Meanwhile, the Secretariat also acknowledged that confidential copies of international registrations have kept Examining Offices informed concerning international registrations that might stand as prior art against local pending applications, thus mitigating the risk of the extended standard publication period.

See paragraphs 9 and 10 of document H/LD/WG/11/2.

The Delegations of Denmark, Germany, Japan, Switzerland and the Russian Federation.

Pursuant to Article 10(5) of the 1999 Act, a confidential copy would be furnished immediately after international registration has been effected.

18. For the consideration of the Working Group, the International Bureau would suggest, on balance, two months (instead of three months) from the expiry of the initial (un-extended) time limit as the additional period to correct irregularities <sup>17</sup>.

#### **FEE**

- 19. Document H/LD/WG/11/2 raised the possibility of charging the fee amount of 200 Swiss francs, the same amount required for requesting continued processing in the Madrid System<sup>18</sup>. At its eleventh session, the Working Group appeared to support the view that the relief measure should involve a fee.
- 20. Meanwhile, at the session and afterwards, some delegations<sup>19</sup> either formally or informally suggested that the International Bureau consider a higher fee amount or a different fee structure (for example, increasing fees for each month of a relief measure) so as to encourage applicants to complete correction of irregularities within the initial time limit or as soon as possible thereafter.
- 21. Upon reflection on the various options, the International Bureau would retain the suggestion of a flat fee of 200 Swiss francs, bearing in mind a number of considerations:
  - as a premise, the International Bureau anticipates that the number of Hague extension requests would remain modest, with the Madrid System receiving on average 30 requests per year for continued processing of an international application and the Hague recently receiving a similar number of (currently free-of-charge) relief requests<sup>20</sup>;
  - a fee of 200 Swiss francs is already comparatively high, noting the difference in the basic application fees between the Hague System and the Madrid System<sup>21</sup>; and
  - in terms of fee structure, given the proposed two-month additional period to correct irregularities and the modest expected number of extension requests, a flat fee would keep the procedure straightforward both for users and for the International Bureau<sup>22</sup>.
- 22. The International Bureau would monitor the number of extension requests and the behavior of Hague applicants in this respect and would consult the Working Group concerning the appropriateness of the fee if necessary in the future.

#### WITHDRAWAL OF INTERNATIONAL APPLICATION

23. Currently, under Rule 14(3) of the Common Regulations, where an irregularity (other than one referred to in Article 8(2)(b) of the 1999 Act) is not remedied within the time limit specified under Rule 14(1), 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. 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 time limit specified under Rule 14(1), the international application shall be deemed not to contain the designation of that Contracting Party and to be abandoned to that extent. Following such constructive partial abandonment, even in the current absence of a provision on refund similar

The International Bureau intends to send applicants the unofficial notice of expiry of the initial time limit, while at the same time informing them of the extension possibility.

See paragraphs 8 and 11 of document H/LD/WG/11/2.

This included the Delegation of Japan in the eleventh session.

See paragraph 3 of document H/LD/WG/11/2.

As of the writing of this document, 397 Swiss francs for one design and 19 Swiss francs for each additional design in the Hague System; and 653 Swiss francs (or 903 Swiss francs for a color mark) and 100 Swiss francs of supplementary fee for each class of goods and services beyond three classes in the Madrid System.

On the other hand, applying increasing fees for each month of a relief measure would entail resource demands for the International Bureau, for example, relating to Hague examiners and IT adjustments.

to Rule 14(3), in practice the International Bureau refunds any designation fee paid in respect of that Contracting Party.

- 24. The International Bureau has observed that, after receiving an irregularity notice, some applicants wish to "withdraw" their international application (or the related designation) and quickly receive the applicable refund. However, under current practice, such applicants must await expiry of the time limit specified under Rule 14(1) before qualifying for the refund under Rule 14(3). Without any provision for withdrawal, the proposed extension of the time limit under Rule 14(1) would prolong this already unpopular waiting period.
- 25. In addition, in the absence of a provision for withdrawal prior to the international registration, Hague examiners have, on an *ad hoc* basis, been handling requests for withdrawal of international applications (or the related designation) which do not involve irregularities, and have occasionally received complaints concerning the retention by the International Bureau of the basic fee for already-conducted examination.
- 26. Thus, a new provision could recognize the withdrawal of an international application or the related designation that would be effective immediately, while legitimizing the retention of the basic fee by the International Bureau.

#### LIMITED EFFECT

27. The extension of a time limit would only apply to time limits prescribed by Rule 14(1) of the Common Regulations, namely, correction of an irregularity before the International Bureau; it would not apply to any procedures before the Offices of Contracting Parties to the Hague System. In addition, the introduction of extension of a time limit would not affect the current rules and procedures concerning a postponement of the date of filing or of the international registration under Articles 5(2) and 10(2)(b) of the 1999 Act and under Rule 14(2) of the Common Regulations<sup>23</sup>. Likewise, the International Bureau would continue its practice of rejecting amendments introducing new matter into the international application at issue.

#### **PROPOSAL**

28. Rule 14 of the Common Regulations concerning examination by the International Bureau appears to offer an appropriate context for introducing both extension and withdrawal, as extension and withdrawal under the Hague System would only concern international applications as covered by that rule. Below are specific proposals under each relevant paragraph of Rule 14, as reproduced in the Annex to this document.

## NEW RULE 14(1)(C) AND THE SCHEDULE OF FEES

- 29. The proposed Rule 14(1)(c) would introduce extension of a time limit prescribed under Rule 14(1)(a) or (b) in the current legal framework. As suggested in paragraph 11, above, the sole condition for the acceptance of an extension request would be payment of the extension of time limit fee<sup>24</sup>. Also, as explained in paragraphs 12 to 14, above, such extension request may be made at any time prior to expiry of the suggested additional period. As for the additional period, per paragraph 18, above, two months (instead of three months) from the expiry of the initial time limit would be proposed, but this would remain for consideration by the Working Group. For the reasons explained in paragraphs 19 to 21, above, the proposed Schedule of Fees would require an extension of time limit fee of 200 Swiss francs.
- 30. The proposed wording of "an additional period of" would clarify that no second relief would be provided in respect of a time limit for which relief has already been granted.

See paragraph 10 and Annex I to document H/LD/WG/11/2.

As noted in paragraph 11 of this document, Rule 24 of the Common Regulations for renewal also solely requires the payment of the renewal fee. For that reason, the proposed wording of Rule 14(1)(c) is mostly in line with the wording of Rule 24(1)(a).

# **NEW RULE 14(3)**

- 31. The proposed addition of Rule 14(3)(b) in the next paragraph of this document would render the current Rule 14(3) to become Rule 14(3)(a). Furthermore, the proposed Rule 14(3)(a) would clarify that the international application shall be considered abandoned where an irregularity, other than an irregularity referred to in Article 8(2)(b) of the 1999 Act, is not remedied within the combined periods of time under Rule 14(1)(a) or (b) on the one hand and the proposed Rule 14(1)(c) on the other hand<sup>25</sup>. As the part concerning refund under the current Rule 14(3) would be transferred to the proposed Rule 14(5), the title of the current Rule 14(3) would be adjusted to encompass the proposed Rule 14(3)(a) and (b).
- 32. In parallel with the proposed Rule 14(3)(a), the proposed Rule 14(3)(b) would combine with the proposed Rule  $14(5)(b)^{26}$  to formalize the International Bureau's current practice of refunding any designation fee paid in respect of a Contracting Party whose designation has been deemed not to be contained in the international application pursuant to Article 8(2)(b) of the 1999 Act<sup>27</sup>.

## **NEW RULE 14(4)**

- 33. The proposed Rule 14(4) would recognize the withdrawal of an international application or the related designation.
- 34. To avoid complications, the proposed Rule 14(4) does not mention the possibility of withdrawing one or some of the designs included in one international application. The International Bureau would continue to handle such withdrawals in the course of examination to establish the number of designs included in the international application. In addition, the proposed Rule 14(4) would concern withdrawal of an international application or the related designation prior to the international registration only, as opposed to renunciation and limitation after the international registration<sup>28</sup>.

#### **NEW RULE 14(5)**

- 35. The proposed Rule 14(5) would establish a refund policy in case of the constructive abandonment or voluntary withdrawal of an international application or the related designation.
- 36. The proposed Rule 14(5)(a) would concern the refund of fees where the international application is considered abandoned in accordance with the proposed Rule 14(3)(a), or is withdrawn under the proposed Rule 14(4). In those cases, the International Bureau would be able to retain the amount corresponding to the basic fee and the extension of time limit fee, if any<sup>29</sup>, and refund the rest of the fees paid in respect of the international application.
- 37. The proposed Rule 14(5)(b), for its part, would concern the refund of fees where the international application is deemed not to contain the designation of a Contracting Party in accordance with the proposed Rule 14(3)(b), or the designation of a Contracting Party is withdrawn under the proposed Rule 14(4). In those cases, the International Bureau would simply refund any designation fee paid in respect of that Contracting Party.

See paragraphs 8 and 9 of this document.

See paragraph 37 of this document.

See paragraph 23 of this document for further explanation.

<sup>&</sup>lt;sup>28</sup> It is noted that after the international registration, no renunciation or limitation would result in refund of the basic fee or the designation fee.

The expression "if any" would concern both the basic fee and the extension of time limit fee. For example, if the International Bureau received 100 Swiss francs for an international application and issued an irregularity notice under Rule 14(1)(b), the International Bureau would retain the amount (100 Swiss francs) upon the constructive abandonment of the international application. In addition, the extension of time limit fee would be considered similarly to the basic fee, such that the fee would not be refundable: this includes a scenario where the extension of time limit fee had been paid, but the underlying irregularities have subsequently (unexpectedly) been corrected within the initial time limit.

38. The resulting structure of the proposed Rule 14(3) through Rule 14(5) may be schematized as follows:

	Total (concerning international application as a whole)	Partial (concerning designation of a Contracting Party)
Constructive abandonment	Rule 14(3)(a)	Rule 14(3)(b)
Withdrawal	Rule 14(4)	Rule 14(4)
Refund	Rule 14(5)(a)	Rule 14(5)(b)

#### DATE OF ENTRY INTO FORCE

- 39. The implementation of the proposed amendments to Rule 14 would require certain modifications to the IT system and the examination procedures. Thus, if the proposal were considered favorably by the Working Group and adopted by the Assembly of the Hague Union, its date of entry into force would be determined and announced by the International Bureau.
  - 40. The Working Group is invited to:
    - (i) consider and comment on the proposal made in this document; and
    - (ii) indicate whether it recommends to the Assembly of the Hague Union for adoption, the proposed amendments to the Common Regulations with respect to Rule 14 and to the Schedule of Fees, as provided in the draft contained in the Annex to this document, with a date of entry into force to be decided by the International Bureau.

[Annex follows]

# Common Regulations Under the 1999 Act and the 1960 Act of the Hague Agreement

(as in force on [.....])

#### Rule 14

#### Examination by the International Bureau

- (1) [Time Limit for Correcting Irregularities] (a) If the International Bureau finds that the international application does not, at the time of its receipt by the International Bureau, fulfill the applicable requirements, it shall invite the applicant to make the required corrections within three months from the date of the invitation sent by the International Bureau.
- (b) Notwithstanding subparagraph (a), where the amount of the fees received at the time of receipt of the international application is less than the amount corresponding to the basic fee for one design, the International Bureau may first invite the applicant to make the payment of at least the amount corresponding to the basic fee for one design within two months from the date of the invitation sent by the International Bureau.
- (c) The time limit referred to in subparagraph (a) or (b), as the case may be, may be extended by an additional period of two [three] months upon payment of an extension of time limit fee specified in the Schedule of Fees at any time prior to expiry of this additional period.
- (2) [Irregularities Entailing a Postponement of the Filing Date of the International Application] Where the international application has, on the date on which it is received by the International Bureau, an irregularity which is prescribed as an irregularity entailing a postponement of the filing date of the international application, the filing date shall be the date on which the correction of such irregularity is received by the International Bureau. The irregularities which are prescribed as entailing a postponement of the filing date of the international application are the following:
  - (a) the international application is not in one of the prescribed languages;
  - (b) any of the following elements is missing from the international application:
- (i) an express or implicit indication that international registration under the 1999 Act or the 1960 Act is sought;
  - (ii) indications allowing the identity of the applicant to be established;
- (iii) indications sufficient to enable the applicant or its representative, if any, to be contacted:
- (iv) a reproduction, or, in accordance with Article 5(1)(iii) of the 1999 Act, a specimen, of each industrial design that is the subject of the international application;
  - (v) the designation of at least one Contracting Party.
- (3) [International Application Considered Abandoned; Reimbursement of Fees Failure to Correct Irregularities within the prescribed Time Limit] (a) Where an irregularity, other than an irregularity referred to in Article 8(2)(b) of the 1999 Act, is not remedied within the time limit referred to in paragraphs (1)(a) or (b), the international application shall be considered abandoned and the International Bureau shall refund any fees paid in respect of that application, after deduction of an amount corresponding to the basic fee.
- (b) Where an irregularity referred to in Article 8(2)(b) of the 1999 Act is not remedied within the time limit referred to in paragraph (1), the international application shall be deemed not to contain the designation of the concerned Contracting Party.

- (4) [Withdrawal] The applicant may withdraw the international application or the designation of a Contracting Party at any time prior to the international registration.
- (5) [Refund of Fees] (a) Where the international application is considered abandoned in accordance with paragraph (3)(a), or is withdrawn under paragraph (4), the International Bureau shall refund any fees paid in respect of that international application, after deduction of an amount corresponding to the basic fee and the extension of time limit fee, if any.
- (b) Where the international application is deemed not to contain the designation of a Contracting Party in accordance with paragraph (3)(b), or the designation of a Contracting Party is withdrawn under paragraph (4), the International Bureau shall refund any designation fee paid in respect of that Contracting Party.

#### SCHEDULE OF FEES\*

(as in force on [.....])

Swiss francs

[...]

- II. Miscellaneous Procedures Subsequent to International Application
- 6.1 Addition of a priority claim 100
- 6.2 Extension of time limit 200

[...]

[End of Annex and of document]

<sup>\*</sup> Section II (Miscellaneous Procedures Subsequent to International Application) of the Schedule of Fees for addition of a priority claim under the proposed Rule 22bis was adopted by the Assembly of the Hague Union in its forty-first (23rd ordinary) session in 2021, and its date of entry into force would be decided by the International Bureau. See paragraph 12(ii) of document H/A/41/2.