

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

**Sixth Session**  
**Geneva, June 20 to 22, 2016**

### **REVISED PROPOSAL FOR AMENDMENTS TO RULE 14 OF THE COMMON REGULATIONS**

*Document prepared by the International Bureau*

#### **I. INTRODUCTION**

1. At its fifth session, 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 a proposed new subparagraph (b) to Rule 14(1) of the Common Regulations under the 1999 Act and the 1960 Act of the Hague Agreement (hereinafter referred to as the “Common Regulations”), concerning upfront payment of the basic fee for one design (refer to document H/LD/WG/5/6, paragraphs 33 to 36, and to document H/LD/WG/5/8 Prov., paragraphs 125 to 137). The purpose of the present document is to take into account the comments made by the Working Group in its fifth session, and to illustrate with concrete examples the background for the revised proposal for amendments to Rule 14 of the Common Regulations, as presented in the Annex to this document.
2. It is recalled that the electronic interface for filing international applications (E-filing) was launched in January 2008 on the website of the World Intellectual Property Organization (WIPO), and it has turned out to be immensely popular with 92.7 per cent of international applications being filed electronically in 2015. However, the easiness of creating a user account, completing the electronic form and sending the international application have sometimes led to light-heartedly made applications.

## II. LEGAL CONSIDERATIONS

### DUTY OF EXAMINATION BY THE INTERNATIONAL BUREAU

3. Under Article 8(1) of the 1999 Act of the Hague Agreement Concerning the International Registration of Industrial Designs (hereinafter referred to as the “1999 Act”), if the International Bureau finds that the international application does not, at the time of its receipt, fulfill the applicable requirements, it shall invite the applicant to make the required corrections within the prescribed time limit. Pursuant to Rule 14(1) of the Common Regulations, the time limit afforded to the applicant for correcting irregularities is three months from the date of invitation sent by the International Bureau. Furthermore, where the international application is considered abandoned, in accordance with Rule 14(3), the International Bureau refunds any fees paid in respect of that application, after deduction of an amount corresponding to the basic fee<sup>1</sup>.

4. As referred to above, the International Bureau’s duty of examination of the international application consists of the examination of the international application as to its compliance with the legal framework of the Hague System. Whilst some of this work is automated, such as the detection of elements necessary for the attribution of a filing date or the confirmation that the proper amount of fees has been paid, a large part of it is not and, on the contrary, requires an intellectual intervention by the examiner in charge of the application. In the invitation for correction, the International Bureau proposes the required correction(s), which may require further analysis by the examiner when they are received, and, when no fees have been paid in respect of the application or the amount paid was insufficient, indicates the amount to be paid and requests payment.

#### Frivolous International Applications

5. A number of frivolous applications have been made by individuals merely playing with the electronic interface. Such applications may in fact contain proper reproductions of a design but the application is made without any intention of paying the required application fees and proceeding towards registration. This is of course unbeknownst to the examiner who will diligently perform their duty of examination. However, in this case, the International Bureau, after having completed its formal examination, will receive no remuneration for the work done since the applicant was only “playing” with the E-filing interface, or might have been “testing” different options for filing an international application<sup>2</sup>.

#### International Applications Filed by Misguided Applicants

6. Furthermore, a number of international applications have been made by misguided applicants, where the subject matter of the application has turned out not to be an industrial design but, for example, a utility model. Again, the International Bureau must perform its duty of examination of an international application and, in such a case, only after having received an irregularity letter from the International Bureau and sometimes after several exchanges between the applicant and the examiner, the applicant realizes that he/she should have requested a different IP-right protection for his/her creation. It goes without saying that this kind of

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<sup>1</sup> Rule 14(3) refers to “an amount corresponding to the basic fee”. In accordance with the Schedule of Fees, item 1., the amount of the basic fee depends on the number of designs in the international application, i.e., the amount of the basic fee concerning an international application containing one design is 397 Swiss francs, the amount of the basic fee concerning an international application containing two designs is 416 Swiss francs (397 Swiss francs plus 19 Swiss francs), etc.

<sup>2</sup> In order to assist the users of the Hague System in completing the electronic form, tutorials are available on the WIPO website at [www.wipo.int/hague/en/how\\_to/efiling\\_tutorial/index.html](http://www.wipo.int/hague/en/how_to/efiling_tutorial/index.html).

examination goes under the duty of examination by the International Bureau since it is critical that the applicant gets pertinent feedback. However, such applications may be very complicated and burdensome to examine.

7. In particular, where the reproductions contain technical drawings<sup>3</sup> it sometimes happens that the applicant has in fact made a mistake in filing and actually wishes to protect his invention as a utility model or patent<sup>4</sup>. The examiner may have performed a complete formal examination and invited the applicant to remedy the irregularities detected (for example, remove the technical drawings,) only to discover that the applicant, after a lengthy discussion with the examiner, does not wish to pursue his application.

8. Also in the above-mentioned cases, the International Bureau should be able to receive remuneration for the work done, which will not happen if, in addition, no fees have been paid by the applicant at the time of filing.

#### Problems Relating to the Gist of the Design

9. In recent practice, there have been applications relating, in a broad sense, to the universe and science<sup>5</sup>. In such problematic cases, where the product indication, description and reproductions are ambiguous or not consistent with each other and/or the examiner does not understand the gist of the design (i.e., a scientific theory or a design), it would be favorable to first require the payment of the fee before carrying out an extensive examination only to find out that the applicant does not wish to continue his application.

#### Increased Complexity of the Contents of an International Application

10. Given the increased complexity of the international registration system following the accessions of new Contracting Parties with examination systems, the examiners of the International Bureau have to take into account several new features, which vary from one Contracting Party to another. For example, the indication of related designs is only applicable when Japan or the Republic of Korea is designated in an international application, and a declaration of inventorship must be submitted only when the United States of America is designated. Furthermore, the examiner of the International Bureau also verifies the correctness of the contents of the international application, for example, regarding an indication of related design(s) that the principal design is correctly indicated, and in respect of a declaration of inventorship that it is signed by the creator.

#### Increased Number of Irregularities and Irregularity Letters by the International Bureau

11. Currently, following the introduction of new features in the Hague System, the examiners of the International Bureau administer 70 types of irregularities, whereas in 2013 and 2014, the number of types of irregularities was 37 and 58, respectively. In 2013 and 2014, the number of irregularity letters sent by the International Bureau was 1,494 and 1,207<sup>6</sup>, respectively, whereas

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<sup>3</sup> Pursuant to Section 402(c) of the Administrative Instructions, technical drawings, particularly with axes and dimensions, are not accepted in an international application.

<sup>4</sup> In this respect, there was a recent international application, where following an invitation by the International Bureau, a reproduction containing technical drawings was removed from the application. However, the applicant wished to use that reproduction in his further patent application and was worried about the possible disclosure of his technical innovation.

<sup>5</sup> Not matured to registration and therefore not published.

<sup>6</sup> The decrease in the number of irregularity letters sent in 2014 is linked to the introduction of a new version of the E-filing interface in 2013, which automatically checks more features in international applications.

in 2015, 1,816 irregularity letters were sent. Out of 1,816 irregularity letters sent in 2015, 527 concerned insufficient payment of fees, and 46 international applications were abandoned during the same period for complete non-payment of fees. In addition, in 2015, concerning 83 international applications, in view of the problems raised at the time of examination, the International Bureau contacted the applicant informally, only to discover that the application was frivolous and would not go further.

### Rationale for the Proposed Addition to Rule 14(1) of the Common Regulations: Reduction of the Workload of the International Bureau and Remuneration for its Work

12. The basic fees are the selfsame fees that are intended to allow the International Bureau to recoup its costs associated with the administration of the Hague System. Furthermore, pursuant to Article 23(3)(i) of the 1999 Act, fees relating to international registrations are the primary source of income for the financing of the Hague Union. As recalled in paragraph 1, above, the proposed addition to Rule 14(1) of the Common Regulations would enable the International Bureau to ascertain or request the payment of at least the basic fee corresponding to one design before completing a formal examination.

13. The proposed addition would entail, in accordance with Rule 14(3) of the Common Regulations, the natural abandonment of frivolous applications for which there was no intention to pay the required fees<sup>7</sup>, and enable the examiners to concentrate on other applications.

14. In addition, in the case of very complex applications, the International Bureau should be able to at least request the payment of the basic fee corresponding to one design before completing its examination.

## **III. EXAMINATION PROCEDURE OF IRREGULAR INTERNATIONAL APPLICATIONS**

### **INVITATION FOR CORRECTION**

15. In practice, at the stage of the examination of the international application, the examiner of the International Bureau compiles all the irregularities detected, including non-payment or insufficient payment of fees, in the invitation for correction. It is pointed out that under the legal framework of the Hague System there is no obligation to have all the irregularities compiled together in one invitation, however, until recently this has been the most ergonomic approach to deal with irregular applications.

### **FEE CALCULATION**

16. In the case that an irregularity letter compiles several elements, such as a request for the payment of fees and a correction of the reproductions (for example, the reproductions relate to several designs instead of one design as indicated by the applicant), the amount of the fees to be paid as indicated in the irregularity letter may change. The applicant may come to a decision to drop the other designs only after several exchanges with the examiner. Therefore, where the number of designs and reproductions in the international application has changed, the amounts of the basic fee and publication fee are different in the final fee calculation.

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<sup>7</sup> Based on the contents of some international applications, the examiner may doubt that the application was made light-heartedly and therefore he/she should be able to make sure that the payment of at least the basic fee for one design is made before completing the examination.

17. It is in the applicant's interest that he is first invited to pay the minimum charge (i.e., the basic fee for one design) instead of the full payment of the fees, before it is clear which designs the applicant wishes to keep in the international application.

#### **IV. FILING DATE OF AN INTERNATIONAL APPLICATION**

18. The filing date requirements for an international application are stipulated by Article 8 of the 1999 Act and Rule 14(2) of the Common Regulations<sup>8</sup>. In accordance with Rule 14(2), where the international application has an irregularity affecting the filing date, the filing date shall be the date on which the correction of such an irregularity is received by the International Bureau. It is recalled that under the Hague System, the payment of prescribed fees is not a filing date requirement.

19. It may be argued that the International Bureau should not request the upfront payment of the prescribed fees unless the filing date has been established, since the postponement of the filing date would impair the applicant's rights. On the other hand, the current practice of the International Bureau to compile all the detected irregularities in the same invitation may also be detrimental to the applicant's rights through postponing the filing date, since the applicant must wait until the International Bureau has completed its examination to be invited to correct the irregularity affecting the filing date.

#### **V. REVISED PROPOSAL FOR AMENDMENTS TO RULE 14 OF THE COMMON REGULATIONS**

20. To safeguard the applicant's rights and to allow the International Bureau to receive remuneration for its examination, the revised proposal for Rule 14(1) of the Common Regulations would read as follows:

“(b) Notwithstanding subparagraph (a),

“(i) where the International Bureau finds that the international application contains an irregularity entailing a postponement of the filing date of the international application, as prescribed in paragraph (2), it may first invite the applicant to correct that irregularity within [one] month from the date of the invitation sent by the International Bureau, and

“(ii) 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 said amount within [one] month from the date of the invitation sent by the International Bureau.”

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<sup>8</sup> Rule 14(2) of the Common Regulations: “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.”

[...]

21. As prescribed in Article 6(2), an international application shall, as from its filing date and whatever may be its subsequent fate, be equivalent to a regular filing within the meaning of Article 4 of the Paris Convention. Accordingly, an international application considered abandoned may serve as a basis for claiming priority, which is a further argument to invite the applicant, as quickly as possible, to correct that irregularity.

22. Furthermore, it is stressed that the proposed new provisions are, above all, in the interests of the applicants, since under proposed new subparagraph (b)(i) to Rule 14(1), and in the case of complex and demanding types of international applications, the examiner may, before completing the formal examination, first invite the applicant to make the corrections required for granting the filing date for the international application. Thus, the applicant does not have to wait until the formal examination is completed by the International Bureau.

23. Finally, proposed new subparagraph (b)(ii) to Rule 14(1) would prevent the back and forth payment of fees between the applicant and the International Bureau. In addition, it would guarantee that the International Bureau may always receive remuneration for the work done, in particular, concerning complex and demanding types of international applications, or when it considers that an international application may be frivolous.

24. Thus, if the proposals are considered favorably by the Working Group and adopted by the Assembly of the Hague Union, the amendments may be implemented by mid-2017, presuming that an automated process for detecting non-payment of the basic fee for one design will be implemented in the administration of the Hague System, in due time. With regard to an automated process for detecting the absence of the necessary elements for the establishment of a filing date, those are already performed automatically in the E-filing environment, as mandatory contents of an international application (however, the correctness of the information is verified by the examiner).

25. *The Working Group is invited to:*

*(i) consider the revised proposal made in this document and comment on it; and*

*(ii) indicate whether it would recommend to the Assembly of the Hague Union for adoption the proposed amendments to the Common Regulations with respect to Rule 14, as provided in the draft contained in the Annex hereto, and suggest a date for their entry into force.*

[Annex follows]

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

(as in force on [2017])

*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 \(a\),](#)

[\(i\) where the International Bureau finds that the international application contains an irregularity entailing a postponement of the filing date of the international application, as prescribed in paragraph \(2\), it may first invite the applicant to correct that irregularity within \[one\] month from the date of the invitation sent by the International Bureau, and](#)

[\(ii\) 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, it may first invite the applicant to make the payment of at least the said amount within \[one\] month from the date of the invitation sent by the International Bureau.](#)

[...]

(3) [*International Application Considered Abandoned; Reimbursement of Fees*] Where an irregularity, other than an irregularity referred to in Article 8(2)(b) of the 1999 Act, is not remedied within the time limits 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.

[End of Annex and of document]