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WIPO 1991

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WIPO Meetings

Hague Union

Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs

First Session
(Geneva, April 8 to 10, 1991)

NOTE*

Introduction

The Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs (hereinafter referred to as "the Committee of Experts") held its first session in Geneva from April 8 to 10, 1991.

The following States members of the Hague Union were represented at the session: France, Germany, Indonesia, Italy, Luxembourg, Netherlands, Spain, Switzerland (8).

The following States members of the Paris Union were represented by observers: Algeria, Democratic People's Republic of Korea, Denmark, Greece, Iran (Islamic Republic of), Ireland, Japan, Libya, Republic of Korea, Romania, Sweden, United Kingdom, United States of America (13).

Representatives of the General Agreement on Tariffs and Trade (GATT), the Benelux Designs Office (BBDM) and the Commission of the European Communities (CEC) took part in the session in an observer capacity.

Representatives of the following non-governmental organizations took part in the session in an observer capacity: American Bar Association (ABA), American Intellectual Property Law Association (AIPLA), International Association for the Protection of Industrial Property (AIPPI), International Literary and Artistic Association (ALAI), Coordination Committee for the Textile Industries in the European Economic Community (COMITEXTIL), International Liaison Committee for Embroideries, Curtains and

Laces (CELIBRIDE), International Federation of Industrial Property Attorneys (FICPI), Max Planck Institute for Foreign and International Patent, Copyright and Competition Law (MPI), Union of Industrial and Employers' Confederations of Europe (UNICE), Union of Manufacturers for the International Protection of Industrial and Artistic Property (UNIFAB), Union of European Practitioners in Industrial Property (UEPIP) (11).

The discussions were based on the following document drawn up by the International Bureau of WIPO: "Possibilities of Improving the System of International Deposit of Industrial Designs" (documents H/CE/I/2 and H/CE/I/2 Corr.); an information document with the heading "Information on Certain Provisions in National Laws for the Protection of Industrial Designs" was also distributed at the beginning of the session (document H/CE/I/INF/1).

In the present Note, any references to the "Hague Agreement" are to the Hague Agreement Concerning the International Deposit of Industrial Designs, and any references to the "1934 Act" or to the "1960 Act" are to the London Act of 1934 or the Hague Act of 1960 of the Hague Agreement, respectively.

General Observations

In the Committee of Experts, the following general observations were made:

"The Delegation of Germany declared itself pleased that a Committee of Experts should have been set up to consider definite measures for the improvement of the system of international deposit of industrial designs. It recalled that its country had expressly supported the creation of such a committee of experts at the 1989 session

* Prepared by the International Bureau.

of the Assembly of the Hague Union. It considered moreover that in the interest of effective and simple international protection for industrial designs and in the interest of the industries concerned, it was highly desirable that the international deposit system should be adopted by more countries and used by a greater number of applicants: the number of member States of the Hague Union was still relatively small at 19, and, even though the number of international deposits had been increasing regularly in recent years, the absolute total of those deposits was still quite modest. The international deposit system should be amended in such a way that new States and, as also seemed desirable, intergovernmental organizations could accede to the Hague Agreement. The system should be adapted to the needs of certain sectors of industry, such as the textile sector, which were not fully satisfied with the present system. It mentioned that concerned circles in its country had expressly welcomed the creation of the present Committee of Experts, and that they favored the taking of any step whereby the international deposit system would be given more appeal and flexibility. The basic document submitted by the International Bureau, which set out clearly the problems arising and the solutions that could be considered, was a good starting point for discussions. The Delegation concluded with the wish that the Committee of Experts might analyze all the problems posed by the system of international deposit of industrial designs and specify the types of amendment to be made to the present provisions so that those problems could be solved.

The Delegation of Switzerland welcomed the meeting of the Committee of Experts. It considered that the Hague Agreement in its present form caused certain users difficulties, such as those mentioned in the document drawn up by the International Bureau, and that there should therefore be an investigation of means whereby the system could be improved and the difficulties overcome. It ended by saying that it considered the document presented by the International Bureau to be an excellent basis for discussion, among other things because it did not contemplate an exceptional regime for certain industrial sectors, but rather provided for improvements to the Hague Agreement system as a whole.

The Delegation of France considered that the proposals by the International Bureau contained in the working document were practical ones and satisfactory overall. It said that the Committee of Experts' first aim was to reflect on the possibility of making the system of international deposit of industrial designs more attractive both to users and to States not yet party to the Hague Agreement. It ended by saying that, in order to achieve

that aim, the Committee of Experts should be aware of the problems encountered not only by users but also by the States party to the Agreement, and by noting that on this last point the document should be completed.

The Delegation of Sweden stated that the Swedish Government found it appropriate that the International Bureau had convened the Committee of Experts to consider the possibilities of improving the Hague Agreement and expressed its positive attitude towards the possibilities of the international deposit of industrial designs. It indicated that the main reasons for which Sweden was not party to the Hague Agreement were the following: firstly, the 1960 Act of the Hague Agreement provided for a time limit of six months for the notification of refusal of protection, and that period was considered to be too short for a country like Sweden which practiced novelty examination and opposition procedures. Secondly, the fee system under the Hague Agreement, in particular the question whether the fees for the Contracting States designated were sufficient for Sweden, required thorough examination. Thirdly, the present system of international deposit existed in two separate versions which led to an unnecessarily complicated system. The Delegation indicated that Sweden was ready to discuss the possibilities of improving the international system of deposit of industrial designs in a spirit of cooperation.

The Delegation of Romania wished to draw attention, as an observer State, to the very special significance of the present Committee of Experts, destined as it was to improve the system of international deposit of industrial designs and to encourage States not yet party to the Hague Agreement to accede to it. It added that its country was itself interested in acceding to the Agreement, and that the State Office for Inventions and Trademarks had indeed written a draft law on the protection of industrial designs which was already at a relatively advanced stage of development.

The Delegation of Japan expressed its appreciation towards the International Bureau for having organized the meeting of the Committee of Experts and for having prepared the documents. It further indicated that, for over 100 years, Japan had maintained a registration system for the protection of industrial designs with substantive examination. At present, the Japanese Patent Office had 56 examiners and 17 trial examiners who deal with the enormous volume of documents amounting to approximately 9,000,000, all of which were well organized and updated. In order to cope with the rapid increase in the number and complexity of the documents, Office automation was being developed. In 1990, the

Japanese Patent Office received approximately 50,000 industrial design applications, 3,500 of which from abroad. However, the annual number of applications has decreased in recent years. This may be explained by the fact that the life cycle of products was becoming shorter and shorter, and the period required for examination was becoming longer due to the constant backlog of applications. Certain measures were being considered, including changes in legislation and practice, in order to accelerate the granting of protection for industrial designs and subsequently maintaining the attractiveness of the registration system for both domestic and foreign applicants. The Delegation concluded by indicating that the discussions of the Committee of Experts might be useful for its country and that it would follow closely the further development of the Hague Agreement with great interest.

The Delegation of the United States of America stated that it was pleased to have the opportunity to observe the deliberations of the Committee of Experts as it considered the advisability of and possible methods for revising the Hague Agreement. As regards the existing sources of protection of industrial designs, it indicated that its country did not have a separate regime for the protection of industrial designs of useful articles, but that an article of manufacture could benefit from design patent protection if the design was new, original, ornamental and nonobvious. Under design patent law, the patentee had the right to prevent others from making, using or selling an article embodying the protected design for a period of 14 years from its grant. It further indicated that, under certain conditions, the design of articles could be protected under copyright law and trademark law. Each existing type of protection had its limitations and difficulties, since design patents were relatively expensive to obtain and often could not be secured quickly enough to prevent piracy of short-lived popular designs; furthermore, the standard of nonobviousness had proved difficult to apply to designs. It added that similar ambiguities plagued attempts to apply the 'separability' requirement of copyright law to designs of useful articles. As regards the proposed legislation, it indicated that the Government of the United States of America recognized the importance of effective design protection in a competitive international economy. In the last Congress, the Government had supported the enactment of industrial design legislation aimed at overcoming the main difficulties inherent in the protection of designs under patent and copyright law. The Delegation further indicated that the Design Protection Bill would establish design protection having a shorter term than copyright—quick, inexpensive and more reliable than design patents.

Protection would be granted for 10 years against any person making or importing an article, the design of which had been copied from the protected design without authorization. According to the Bill, the registration procedure would not involve a time-consuming and costly examination of prior designs to determine whether the design was new and nonobvious. It added that, again this year, the enactment of a *sui generis* design Bill was on the Government's legislative agenda, although that did not mean that Congress was sure to pass such a measure. It indicated that it was impossible to predict whether the present Congress would be the one to approve this additional form of protection for original designs of useful articles. The growing appreciation among lawmakers of the vital role played by adequate and effective intellectual property rights protection in promoting the competitiveness of industry in the United States of America could enhance the prospects for such action, but, although hopeful, the Delegation felt that it was too early in the present session of Congress to predict the course of deliberations. Finally, as regards the Hague Agreement, support for a separate industrial design protection regime had not been accompanied by a groundswell of support for joining the Hague Agreement. In fact, procedures under the Bills considered by the previous Congress and expected to be debated again this year appeared to be incompatible with the 1960 Act of the Hague Agreement. Areas of difficulty included the possibility of a 12-month deferral of publication of the international deposit (with a possible extension to 30 months according to the ideas presented by the International Bureau in the present Committee of Experts), the absence of a provision on the payment of national filing fees, the requirement that a national Office should give notice of refusal of protection within six months and the five-year term together with incremental renewal. The Delegation concluded by repeating that its country appreciated the opportunity to observe the deliberations of the Committee of Experts as it identified problem areas and explored whether changes were desirable.

The Delegation of the Republic of Korea expressed its interest in the work of the Committee of Experts and indicated that it was concerned about the improvement of the system of international deposit of industrial designs. The Delegation further expressed hope that the discussions in the meeting would lead to the possibility of improving and revising the Hague Agreement, in order to make it more flexible and to encourage the States not yet party to it to join the Hague Union. In this respect, the Delegation indicated that its country would examine the possibility of joining the Union.

The Delegation of Ireland stated that the system of protection of industrial designs in Ireland went back to 1927 and that so far no complaints had been made by users. The Delegation further indicated that the difference between the existing Irish system and the Hague Agreement was fundamental, but that it intended to participate in the meeting with an open mind.

The Delegation of Denmark welcomed the initiative of the International Bureau and stated that the proposed documents created a good basis for discussion. The Delegation further indicated that it had a positive attitude towards any solutions which could improve the Hague Agreement.

The Delegation of the United Kingdom considered the proposed document to be helpful for the discussions and explained why the United Kingdom was not party to the Hague Agreement, associating itself with the statement of the Delegation of Sweden. The Delegation referred, in particular, to the problem of fees and to the time limit of six months for a notification of refusal of protection, which appeared to be too short for a country with a novelty examination procedure. Even if the above-mentioned problems were solved, the United Kingdom would not necessarily be in a position to immediately join the Hague Agreement since national attitudes towards it were varied. Some users were in favor of the Hague Agreement, while others were not. The Delegation hoped to convey the opinions expressed in the present meeting to its country for further consideration.

The Delegation of Spain said that its country's Office attached great importance to the protection of industrial designs, an area of industrial property that had not attracted as much attention in the past as those of patents or trademarks. It considered that the international system as provided for in the Hague Agreement should be strengthened and that the document drawn up by the International Bureau was excellent, presenting current problems in a satisfactory manner. It recalled that Spain was party to the 1934 Act of the Hague Agreement and not to the 1960 Act, as it had always considered six months too short a period for an office to notify refusal of protection. It expressed the hope that whatever improvements to the international deposit system for industrial designs emerged from the work of the Committee of Experts would make it possible for its country to accede to the 1960 Act of the Hague Agreement.

The Delegation of Indonesia expressed its appreciation of the International Bureau for preparing document H/CE/I/2, which would be useful in guiding the discussions during the meeting. The Delegation further indicated that it looked forward to positive results and expressed

hope that those results would be beneficial to the member States of the Hague Agreement, and would also enable Indonesia, as a developing country, to improve its system of industrial design protection.

The Representative of the Commission of the European Communities stated that designs had for a considerable time suffered from insufficient regard as to their appropriate place in the international framework for legal protection and that the absence of provisions of substantive law in the existing Conventions had had repercussions on national legislation. He added that consciousness as to the growing economic importance of industrial designs was progressively gaining ground and that the WIPO initiative as regards the possible amendment of the Hague Agreement should be looked at as an expression of the recognition by the international community of the role which international organizations will have to play in the coming years in order to provide adequate legal protection for models and designs. He indicated that, at the level of the European Communities, an autonomous system of legal protection needed to be provided for in order to establish internal market conditions for design products. The Commission may within the foreseeable future take a first initiative in this respect. A Green Paper on the legal protection of industrial designs, setting out the problems in this field of intellectual property and possible solutions to the problems at the Community level, had been drafted by the Commission's services and would hopefully be adopted by the Commission and published shortly. The Paper was intended to serve as a basis for widespread consultation with interested circles before the Commission formulated definite legislative proposals to be submitted to the other institutions of the Community with the provisions of the EEC Treaty. The Green Paper was, however, supplemented by drafts as regards such legislative proposals, which could eventually be submitted to the Council. He explained that the Commission would probably suggest that a Community Design be created. If such a system came into existence, it could, in theory, replace a reliance upon the provisions of the Hague Agreement by Community Member States. This would not imply, however, that the improvement of the Hague Agreement was without interest to the Community and its Member States. Community industries investing heavily in design development in order to retain and improve their competitive position in the market place needed to be able to rely upon efficient and simple rules regarding the protection of industrial designs outside the Community. For this reason, the Commission hoped that a large number of States would find it in their interest to

adhere to the Hague Agreement sooner or later. Furthermore, he added that it was in the best interest of the Community to give nationals and enterprises based outside the Community easy access to design registrations with legal effect for the whole area of the Community, thereby avoiding the creation of new non-tariff barriers to trade to the maximum extent possible. The way to obtain this result was clearly through the establishment of a link—at the appropriate time—between the Hague Agreement and the future Community Design protection system as set out in paragraphs 24 and 25 of the working paper of WIPO. Similar ideas were to be found in the Commission's forthcoming Green Paper. He indicated that it should be emphasized from the outset that there is no element of incompatibility between the future Community Design protection system and international deposit under the Hague Agreement. The coming into existence of the Community system could, of course, have an impact on the number of deposits undertaken within the framework of the Hague Agreement. If, however, some non Community countries constituting important markets could find it in their interest to adhere to the Hague Agreement, the number of deposits would probably increase significantly. The Representative concluded by indicating that the Commission welcomed the WIPO initiative and that he would endeavor to contribute to the discussions in a constructive way.

The Representative of ABA, speaking also on behalf of AIPLA, stated that ABA had set up a special Committee on the Hague Agreement which would start its work in August 1991. AIPLA had created a broader committee dealing with the protection of industrial designs both domestically and abroad, which would also deal with the Hague Agreement. He further recalled that similar committees had previously given advice to the Government of the United States of America and recommended action in respect of the PCT, the Berne Convention and the Patent Harmonization Treaty. Similarly, the above-mentioned committees would recommend action to the Government of the United States of America in respect of the Hague Agreement, using the deliberations expressed in the present meeting.

The Representative of AIPPI welcomed the meeting of the Committee of Experts, and considered that the document drawn up by the International Bureau was a very useful basis on which to work. It added, however, that AIPPI, while having in the past been interested in the subject of industrial designs, had not been able to consider in depth all the problems analyzed in the document. Recalling that the vocation of AIPPI

was among other things to promote the international instruments existing in the industrial property field, he mentioned that the statement by the Delegation of Sweden had shown very clearly the points that made it very difficult for that country to accede to the Hague Agreement. As for the questions surrounding the time limit for the notification of refusals, which was generally considered too short, and those concerning fees, AIPPI said that it could agree to solutions of the type that had been found for trademarks in the 1989 Madrid Protocol. As for the third problem, arising out of the coexistence, within the Hague Agreement, of the 1934 and 1960 Acts, he spoke in favor of looking for a single solution that was both clear and simple.

The Representative of CELIBRIDE said that his organization grouped a certain category of users of the system of international deposit of industrial designs, namely the firms involved in the textile industry. He pointed to the timeliness of the meeting of the present Committee of Experts for the consideration of certain of the problems presented by the Hague Agreement in its present form, notably those concerning mainly industrial designs with a relatively short commercial life cycle, which moreover concerned not only the textile industry and fashion-related industries, but also other industrial areas. He mentioned that, in a country like Germany, more than half of all the designs deposited related to the textile and fashion industries, and ended by saying that any approaches made in order to improve the system of international deposit of industrial designs were of considerable practical importance, and that the document drawn up by the International Bureau was very important in that respect."

Existing Problems in Respect of the System of International Deposit and Possible Solutions

The corresponding part of document H/CE/I/2 reads as follows:

"It appears that the number of international deposits could be increased and additional States could join the Hague Union if certain problems in respect of the system of the Agreement currently in force could be solved. Those problems are of three kinds: the first kind comprises problems of the users of the system; the second kind is a problem of the industrial property offices of the designated States; the third kind is a problem of any regional system that does not replace national systems (for example, a Community Design Office which could be established by the European Communities)."

The portion of the report of the Committee of Experts concerning the abovementioned problems reads as follows:

"The Committee of Experts considered the part of the Memorandum entitled 'Existing Problems in Respect of the System of International Deposit and Possible Solutions,' it being understood that, in addition to the problems referred to in the Memorandum, further problems could be identified by the Committee of Experts."

Form of Deposit

The corresponding part of document H/CE/I/2 reads as follows:

"There are three problems that are faced by users of the system; one concerning the form of deposit, one the fees to be paid by the depositors and one the deferment of publication of the deposit.

Form of Deposit. As regards the form of deposit, Article 2(1) of the 1934 Act permitted the deposit of industrial designs either in the form of a graphic representation or in the form of an industrial product incorporating the design. This was modified by the 1960 Act, Article 5(1) of which requires depositors to submit one or more photographs or graphic representations of the design. At the time when this change was made, it was considered that the deposit of industrial products incorporating designs was cumbersome for the International Bureau, because the latter had to store the deposited products. Therefore, and also in view of the fact that it had become much easier to take photographs of industrial designs, the possibility of depositing only an industrial product (and not a photograph) was abolished (but it is still possible, under Article 5(3)(b) of the 1960 Act, to add a sample of the industrial product to the deposit). However, following the entry into force of the 1960 Act in 1984, certain branches of industry, in particular some representatives of the textile industry, said that they preferred a system, as provided for in the 1934 Act, under which they could, at their choice, submit either a specimen of the industrial product incorporating the design or a drawing, photograph or other adequate graphic representation of the design. According to that view, it is by far more expeditious to deposit a specimen of the product (for example, a textile tissue incorporating a particular design) than to prepare a graphic representation (of course, for the purposes of publication under the 1960 Act, a representation is needed, but that could be prepared without pressure of time by the International Bureau).

A possible solution to this problem would be to allow—as an exception under certain well-defined circumstances—the deposit of industrial products incorporating designs. In order to avoid the problems resulting for the International Bureau from a requirement to store cumbersome articles, for example, fenders of automobiles, the possibility of depositing industrial products could be limited to two-dimensional articles not surpassing certain maximum dimensions. Moreover, the International Bureau could be compensated through a special fee for the additional work caused by the preparation of a reproduction for the purposes of publication."

The portion of the report of the Committee of Experts concerning the discussion of the form of deposit reads as follows:

"It was generally acknowledged that the deposit of a specimen of the industrial product incorporating the design, instead of a graphic representation or photograph of such a product, was cumbersome for industrial property offices and, in the case of the Hague Agreement, for the International Bureau.

Several delegations stated that, for creators of industrial designs in certain branches of industry, the requirement to submit a graphic representation or a photograph created problems because of the high number of short-lived designs for which registration was applied annually.

The Representative of CELIBRIDE pointed out that, from the point of view of the textile industry, the requirement to submit representations for the hundreds of models created annually was very cumbersome. He noted that, for example, in Germany, around 25,000 textile designs were the subject of deposits annually; therefore, any possibility under the Hague Agreement to submit specimens instead of reproductions was highly necessary and would increase its attractiveness. The above views were supported by the Representative of COMITEXTIL and UNICE.

Some delegations expressed the view that the 1960 Act of the Hague Agreement should be modified so as to allow the deposit of specimens of industrial products incorporating industrial designs (instead of graphic representation or photographs) in the case of textile articles or, more broadly, in the case of two-dimensional articles which might comprise, for example, wall-paper designs, etc.

Several other delegations, while being generally in favor of making the Hague Agreement more attractive for users in the textile industry, were of the opinion that, in any event, a photograph or graphic representation should be

submitted, if not as part of the original application, then at a later stage. It was stressed that a photograph or graphic representation was required for the purposes of publication, that is, at the latest, at the expiration of the period of deferment of publication, except where the owner does not wish to maintain the deposit after that expiration.

In the case of the Hague Agreement, such late submission of a representation could create a number of problems of an administrative and legal nature, in particular, if the International Bureau were responsible for the preparation of the representations. Moreover, other problems could arise where the photograph or graphic representation was not fully adequate, for example, where the colors were distorted or shaded in the process of making a photograph. The Delegation of Germany stated that to its knowledge its Office had not encountered problems of the kind referred to.

Some delegations indicated that problems of an administrative nature could provoke legal problems, in particular, in determining whether the deposited design was infringed. The applicants alleging infringement and the courts considering the dispute would have difficulties in establishing the exact character of the design where its photograph or graphic representation differed from a specimen that had been deposited.

Several delegations were of the opinion that, if a specimen could be deposited as a part of the original application and a photograph or graphic representation was required at a later stage, such a photograph or graphic representation should be produced by the applicant himself and not by the International Bureau.

It was generally accepted that a provision could be introduced into the Hague Agreement allowing the deposit of a specimen of the industrial product incorporating the design which is the subject of the international application, provided that such product is two-dimensional. The question of whether the applicant or the International Bureau should prepare the photograph or the graphic representation for the purposes of publication should be studied further."

Fee System

The corresponding part of document H/CE/I/2 reads as follows:

"Fee System. Currently, the applicable amount for the deposit of one design (for the first period of five years) is 320 Swiss francs. In the case of a multiple deposit under Article 5(4) of the 1960 Act, which, according to Rule 9(1) of the Regulations under the Hague Agreement, can comprise up to 100 designs, for each additional design

15 Swiss francs have to be paid, so that the amount to be paid for a multiple deposit comprising 100 designs is 1,805 Swiss francs. In addition to this amount, fees for publication (in black and white for 100 designs: 825 Swiss francs) and designation of States (for 100 designs in respect of one State: 231 Swiss francs) have to be paid. It has been suggested that, in certain branches of industry, in particular, in the textile industry where designs apply to certain articles which rapidly change because of changing fashions, there is no need for protection for more than two to three years. Under the 1960 Act, the initial period of validity of an international deposit is five years, and there is no option for a shorter duration. Consequently, it is felt that the cost of multiple deposits is too high. According to the opinion referred to, one should consider establishing a shorter initial period of validity with a correspondingly lower fee, thus making the system of international deposit more attractive for the branches of industry referred to.

A possible solution to this problem would be to allow payment for the initial period in two installments, each covering a period of 30 months, and to allow, in the case of a multiple deposit, a limitation of the multiple deposit to only some of the deposited designs at the time when the second installment is due. This could result in substantial savings in the specific cases referred to, without, however, establishing an exceptional treatment for certain branches of industry. Such an exceptional treatment would be undesirable for several reasons, in particular, the difficulty of precisely defining the branch of industry concerned."

The portion of the report of the Committee of Experts concerning the discussion of the fee system reads as follows:

"The Representative of CELIBRIDE stated that, from the users' point of view, the fees under the Hague Agreement were too high, in particular, for those in the textile industry who had hundreds of creations every year. He further indicated that a significant reduction in fees should be envisaged for the initial period of protection, it being understood that such initial period could be rather short.

Several delegations expressed themselves in favor of the proposal contained in paragraph 19¹ of document H/CE/I/2.

The representative of an observer delegation stated that the question of fees could be envisaged from three viewpoints, that is, in relation to the initial term of protection, the problem of multiple

¹ Paragraph 19 corresponds to the second paragraph of the preceding quotation from document H/CE/I/2.

deposits and the prolongation after the expiration of the initial term of protection.

It was generally agreed that the initial term of protection should be rather short and should hopefully correspond to the period during which the publication could be deferred, and that a reduction of fees for that initial term of protection could be envisaged. A reduction of fees could also be envisaged for multiple deposits.

However, it was pointed out that the possibility of reduction of fees had certain limitations because the Hague Union should continue to be financially self-supporting and not depend on the contributions of members countries. The Representative of UNICE was of the opinion that the more attractive the fee system, the more enterprises would make deposits and the higher would be the revenues.

In the case of prolongation of the international deposit after the expiration of the initial term of protection (which would correspond to the maximum period of deferment of publication), it was generally admitted that the level of fees to be paid for such prolongation could be higher. It was indeed considered that the owner who had the possibility not to prolong the international deposit for those designs which do not prove to be commercially valuable should be prepared to pay higher fees for designs which are worth prolonging."

Deferment of Publication

The corresponding part of document H/CE/I/2 reads as follows:

"Deferment of Publication. As already stated (see paragraph 6,² above), Article 6(2) of the 1934 Act permitted a deposit under sealed cover for a period of five years, whereas Article 6(4) of the 1960 Act limits the possibility of requesting deferment of the publication of the international deposit to a maximum of 12 months. This limitation is based on the consideration that protection of industrial property rights should always be made dependent on the publication of the creation or invention to be protected. However, in respect of certain kinds of products, in particular, those subjected to rapid changes of fashion, it is argued that the publication of the deposited industrial design facilitates counterfeiting just at the time when there is a large demand for the products incorporating the industrial design. According to this opinion, the maximum of 12 months provided

for in Article 6 of the 1960 Act is too short and should rather be replaced by a longer period, which would avoid premature dissemination of new fashion designs.

A possible solution to this problem would be the replacement of the maximum of 12 months provided for in Article 6(4)(a) of the 1960 Act by a maximum of 30 months, which would correspond to the period covered by the first installment of the fees (see paragraph 19,³ above). It is to be noted, however, that, according to one of the basic principles of industrial property law, *publication* of an intellectual creation is considered to be a condition of protection. This was the reason for the change made at the Diplomatic Conference in The Hague in 1960, when the possibility of a five-year deposit under sealed cover was replaced by a maximum time limit of one year for deferment of publication. On the other hand, recent developments in intellectual property law seem to indicate that, under particular circumstances, exceptions to the requirement of publication as a condition of protection appear to be acceptable."

The portion of the report of the Committee of Experts concerning the discussion of the deferment of publication reads as follows:

"Some delegations and representatives of observer delegations stated that the possibility of deferring publication of the design was a crucial issue for design owners. In some cases, the 12-month period provided for in the 1960 Act of the Hague Agreement was not sufficient, since market preparations required a longer period of time and the premature publication of the design might 'inspire' competitors.

Several delegations and representatives of observer delegations stated that publication was absolutely essential, since third parties should know what was protected, but admitted that an extension of the present 12-month period of deferment could be envisaged, although the 30-month period proposed in the working document seemed too long. Some delegations were reluctant to allow the deferment of publication beyond 12 months.

An 18-month period of deferment of publication, that is, the same duration as that provided for in respect of the publication of patent applications, was the solution supported by the majority of the delegations and representatives of observer delegations. It was further stated that one new question, namely, the grace period for industrial design applications, merited further study."

² Paragraph 6 forms part of the second chapter of document H/CE/I/2 entitled "Current Situation of the System of International Deposit of Industrial Designs" and which is not reproduced in the present Note.

³ Paragraph 19 corresponds to the second paragraph of the quotation from document H/CE/I/2 on the fee system.

Multiple Deposit

The portion of the report of the Committee of Experts concerning the discussion of further problems faced by users reads as follows:

“In addition to the problems faced by users and referred to in documents H/CE/I/2 and H/CE/I/2 Corr., the Representative of BBDM suggested that Article 5(4) of the 1960 Act of the Hague Agreement be modified to allow that a multiple deposit could include several designs intended to be incorporated in articles which did not belong to the same class of the International Classification for Industrial Designs.”

Problem Concerning Industrial Property Offices

The corresponding part of documents H/CE/I/2 and H/CE/I/2 Corr. reads as follows:

“As regards the problem concerning industrial property offices, the time limit of six months for a notification of refusal of protection provided for in Article 8(1) of the 1960 Act may be too short. Indeed, it is certainly too short for the offices which examine industrial designs as to novelty. Therefore, a prolongation of the six-month time limit might have to be considered. Moreover, the possibility might have to be considered of providing, in addition to a general extension of the time limit, for an additional special extension where a refusal of protection results from an opposition. In this connection, it is to be noted that several States at present not party to the Hague Agreement, in particular, Brazil, Denmark, Norway, Portugal and Sweden, or party to the 1934 Act but not to the 1960 Act, e.g., Spain, appear to provide for the possibility of opposition before the registration of an industrial design.

A possible solution to this problem could be found by prolonging the six-month time limit to 12 months and by allowing Contracting Parties providing for an opposition procedure to apply an even longer period, for example, up to seven months from the date on which the opposition period begins.”

The portion of the report of the Committee of Experts concerning the discussion of the problem faced by industrial property offices reads as follows:

“A number of delegations considered that for those offices that carried out a novelty examination on industrial designs, and whose legislation could provide for an opposition procedure, and for those offices that without carrying out a novelty examination must publish the application for the purposes of an opposition by third parties prior to registration, the six-month time limit for

refusal provided for in Article 8(1) of the 1960 Act of the Hague Agreement was too short. Some of those delegations supported the idea put forward by the International Bureau of extending the six-month time limit to 12 months, with an additional period being allowed for Contracting Parties whose legislation provided for an opposition procedure. One delegation said that it was not yet ready to pronounce on the ideas put forward by the International Bureau, but that it nevertheless considered the six-month time limit to be too short.

One delegation said that it had no problem with the six-month period, as its country's legislation made no provision for novelty examinations on industrial designs. It did, however, have an open mind on the subject, while hoping that any extension of the refusal period would not result in examination covering a period longer than the effective life of the product.

Two delegations said that their Offices were concerned by the matter of fees, and especially by the amount of the designation fee, which was of particular significance for the balance of their finances.

The representative of two observer organizations considered that flexibility was called for on the matter of time limits, and that due account should be taken of the various systems in existence. He mentioned that in the United States of America the average period that elapsed between the filing of a design patent application and the issue of a design patent was 30 months, and that the notification to the applicant as a result of a first examination made by the office did not occur until about 24 months after deposit. He wondered therefore whether it was really necessary to set a relatively short time limit in the course of which an initial notification by an office had to be made.

In that respect it was said that it was in the interest of the applicant and also third parties to know within a specific period what problems might exist in a given country regarding the validity of an international design deposit.

In the light of the discussions, it was decided that for the next session of the Committee of Experts the International Bureau would investigate in greater depth the question of the extension of the six-month time limit provided for in the 1960 Act of the Hague Agreement, as such an extension had proved necessary to facilitate the accession of new countries to the Hague Agreement.”

Regional Systems

The corresponding part of document H/CE/I/2 reads as follows:

“As regards regional systems for the registration and protection of industrial designs, the 1960 Act only provides for the case that two or more Contracting States *replace* their national system of registration of industrial designs by a common (regional) system. This provision, contained in Article 30 of the 1960 Act, obviously was adopted with the Benelux Designs Office in mind and for which at the time of the 1960 Diplomatic Conference at The Hague preparatory work had started. However, at present, there exist not only regional systems that *replace* the national systems (such as the Benelux Designs Office or the Organisation africaine de la propriété intellectuelle (OAPI)), but also at least one system which offers, in addition to the possibility of obtaining the registration of an industrial design with a national Office, the possibility of regional registration, namely, the African Regional Industrial Property Organization (ARIPO) which, under the Harare Protocol of 1982, functions as a regional office for the registration of industrial designs with effect in 11 States. In the future, the European Communities may set up a Community system for the registration of industrial designs following the model of the envisaged Community trademark system. Such a Community system would permit the registration of industrial designs with effect for all Member States of the European Community but would not affect the existing national systems for the registration of industrial designs.

Article 30 of the 1960 Act does not take into account a regional system that coexists with national systems. In order to establish the—desirable—possibility of using the international deposit system under the Hague Agreement with effect for all existing and future regional systems, it would be necessary to provide for the possibility that intergovernmental organizations such as the European Communities and the African Regional Industrial Property Organization could join the Hague Agreement and could thus be designated in the international deposit of an industrial design under the Hague Agreement. The same problem existed in the field of trademarks in the framework of the Madrid Agreement Concerning the International Registration of Marks. It has been solved through the Protocol Relating to the Madrid Agreement which was adopted at Madrid in 1989 and the entry into force of which at present is being prepared by WIPO. According to Article 14(1)(b) of the said Protocol, an intergovernmental organization that has a regional Office for the purposes of registering marks with effect in the territory of the organization may become party to the Protocol, provided that the regional Office does not replace the national Offices of the member States of the organization. The European

Communities will be such an organization once the Community Trade Mark Office has been established. The same kind of provision could be adopted in the framework of the Hague Agreement.”

The portion of the report of the Committee of Experts concerning the discussion of regional systems reads as follows:

“It was pointed out that the matter of the application of the Hague Agreement to regional registration systems that coexisted with national registration systems was a particularly important one, notably for the European Communities, which had embarked on the consideration of a possible Community system for the registration of industrial designs.

All the delegations that spoke, with the exception of the Delegation of Spain, considered that the principle of the possibility of certain intergovernmental organizations acceding to the Hague Agreement had to be accepted, but that the matter nevertheless deserved to be considered in greater depth, with reference among other things to the conditions to be imposed. In that connection reference was notably made to the solution adopted for the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted on June 27, 1989.

The Delegation of Spain said that it could not for the moment support the proposal made in the working document, as its country stood by the reservation that it had made regarding the competence of the European Communities concerning industrial property.”

Methods of Implementing the Possible Solutions

The corresponding part of document H/CE/I/2 reads as follows:

“It is obvious that the possible solutions to the problems referred to in the preceding chapter⁴ cannot be implemented by a mere modification of the Regulations under the Hague Agreement. The problems rather stem from certain provisions of the 1960 Act itself, as explained in the preceding chapter.

Three methods—with possible combinations—could be envisaged in order to make changes in respect of the applicable provisions of the 1960 Act, to the extent that this is considered to be desirable:

(i) adoption of one or several protocols to the Agreement;

⁴ The “preceding chapter” entitled “Existing Problems in Respect of the System of International Deposit and Possible Solutions” covers the three kinds of problems indicated above, namely, problems faced by users, by industrial property offices, and problems concerning regional systems.

- (ii) revision of the Agreement;
- (iii) adoption of a new treaty concerning the international deposit of industrial designs.

The question of what would be the most appropriate method to be applied in order to solve the problems referred to in the preceding chapter obviously depends on the scope of the changes considered to be desirable. As a first step, therefore, it appears to be necessary to fully identify all existing problems with respect to the system of international deposit of industrial designs under the Hague Agreement and to determine what kind of changes should be made in the currently applicable provisions in order to solve those problems."

The portion of the report of the Committee of Experts concerning the discussion of the methods or means of implementing the solutions envisaged reads as follows:

"It was considered premature to consider the means of implementing the solutions envisaged for the amendment of the applicable provisions of the 1960 Act of the Hague Agreement, and that at the present stage it was a question above all of reflecting in greater depth on those solutions."

Future Work

The portion of the report of the Committee of Experts concerning the discussion of future work reads as follows:

"A number of delegations and representatives of observer organizations stated that it was highly desirable that the Committee of Experts should continue its work in order to adopt a solution for the Hague Agreement which would both increase the use of the system of international deposit of industrial designs and permit additional Contracting Parties to join the Hague Agreement. The Committee of Experts noted that, notwithstanding the possibility of considering further questions, for the time being the following three questions should be included by the International Bureau in its further study:

- (i) grace period for disclosure of an industrial design before filing an application for international deposit;
- (ii) designation fees and fees for renewal which would take into account the cost of examination work performed by prospective additional Contracting Parties as reflected in their fee schedules;
- (iii) access to an electronic database to be established by the International Bureau containing information on all industrial designs which have been deposited under the Hague Agreement."

LIST OF PARTICIPANTS**

I. Member States

France: L. Guenot. **Germany:** M. Hofmann. **Indonesia:** K.P. Handriyo; E. Husin. **Italy:** P. Iannantuono. **Luxembourg:** F. Schlessler. **Netherlands:** H.R. Furstner. **Spain:** M. Hidalgo Llamas. **Switzerland:** C. Mettraux; B. Schiesser.

II. Observer States

Algeria: H. Yahia-Cherif. **Democratic People's Republic of Korea:** Chang Rim Pak. **Denmark:** S.C.B. Christiansen. **Greece:** D. Yantais. **Iran (Islamic Republic of):** H. Meftagh; M. Zargar-Elahi. **Ireland:** H.A. Hayden. **Japan:** T. Morimoto; K. Sato; S. Takakura. **Libya:** S. Shaheen. **Republic of Korea:** J.K. Kim. **Romania:** G. Bucșă. **Sweden:** T. Norström. **United Kingdom:** H. Griffiths. **United States of America:** S. Mann; M. Kretsinger.

III. Intergovernmental Organizations

General Agreement on Tariffs and Trade (GATT): M.C. Geuze. **Benelux Designs Office (BBDM):** L. Van Bauwel; P. Clement. **Commission of the European Communities (CEC):** B. Posner.

IV. Non-Governmental Organizations

American Bar Association (ABA): W.T. Fryer, III. **American Intellectual Property Law Association (AIPLA):** W.T. Fryer, III. **Coordination Committee for the Textile Industries in the European Economic Community (COMITEXTIL):** C. Blum. **International Association for the Protection of Industrial Property (AIPPI):** R. Harlé. **International Federation of Industrial Property Attorneys (FICPI):** A. Hansmann. **International Liaison Committee for Embroideries, Curtains and Laces (CELIBRIDE):** T.S. Pataky. **International Literary and Artistic Association (ALAI):** E. Martin-Achard. **Max Planck Institute for Foreign and International Patent, Copyright and Competition Law (MPI):** T. Melzer. **Union of European Practitioners in Industrial Property (UEPIP):** C.A.J. Madeuf. **Union of Industrial and Employers' Confederations of Europe (UNICE):** C. Blum. **Union of Manufacturers for the International Protection of Industrial and Artistic Property (UNIFAB):** M. Descamps.

V. Officers

Chairman: H.R. Furstner (Netherlands). **Vice Chairmen:** M. Hofmann (Germany); T. Morimoto (Japan). **Secretary:** P. Mangué (WIPO).

VI. International Bureau of WIPO

L. Baeumer (*Director, Industrial Property Division*); P. Mangué (*Senior Counsellor, Industrial Property (Special Projects) Section, Industrial Property Division*); S. Di Palma (*Head, International Trademark and Industrial Design Registries*); N. Kopp (*Head, International Industrial Design Registry, International Trademark and Industrial Design Registries*); S. Zotine (*Senior Legal Officer, Industrial Property (Special Projects) Section*); B. Ibos (*Legal Officer, Industrial Property (Special Projects) Section*); Y. Tsuruya (*Associate Officer, Industrial Property Law Section, Industrial Property Division*).

** A list containing the titles and functions of the participants may be obtained from the International Bureau.

Studies

**Design Protection and the New Technologies:
The United States Experience in a Transnational Perspective
(Part Two)**

J.H. REICHMAN*

Calendar of Meetings

WIPO Meetings

(Not all WIPO meetings are listed. Dates are subject to possible change.)

1991

July 1 to 4 (Geneva)

WIPO Permanent Committee for Development Cooperation Related to Industrial Property (Fourteenth Session)

The Committee will review and evaluate the activities undertaken under the WIPO Permanent Program for Development Cooperation Related to Industrial Property since the Committee's last session (May/June 1989) and make recommendations on the future orientation of the said Program.

Invitations: States members of the Committee and, as observers, States members of the United Nations not members of the Committee and certain organizations.

July 8 to 12 (Geneva)

PCT Assembly (Extraordinary Session)

The Assembly will hold an extraordinary session to adopt amendments to the Regulations under the Patent Cooperation Treaty.

Invitations: States members of the PCT Union and, as observers, States members of the Paris Union not members of the PCT Union and certain organizations.

September 2 to 6 (Geneva)

Committee of Experts on the Settlement of Intellectual Property Disputes Between States (Third Session)

The Committee will continue the preparations for a possible multilateral treaty.

Invitations: States members of the Paris Union, the Berne Union or WIPO or party to the Nairobi Treaty and, as observers, certain organizations.

September 23 to October 2 (Geneva)

Governing Bodies of WIPO and the Unions Administered by WIPO (Twenty-Second Series of Meetings)

All the Governing Bodies of WIPO and the Unions administered by WIPO meet in ordinary session every two years in odd-numbered years. In the 1991 sessions, the Governing Bodies will, *inter alia*, review and evaluate activities undertaken since July 1990, and consider and adopt the draft program and budget for the 1992-93 biennium.

Invitations: As members or observers (depending on the body), States members of WIPO or the Unions and, as observers, other States members of the United Nations and certain organizations.

November 4 to 8 (Geneva)

Committee of Experts on a Possible Protocol to the Berne Convention (First Session)

The Committee will examine whether the preparation of a protocol to the Berne Convention for the Protection of Literary and Artistic Works should start, and—if so—with what content.

Invitations: States members of the Berne Union and, as observers, States members of WIPO not members of the Berne Union and certain organizations.

November 11 to 18 (Geneva)

Working Group on the Application of the Madrid Protocol of 1989 (Fourth Session)

The Working Group will continue to study Regulations for the implementation of the Madrid Protocol.

Invitations: States members of the Madrid Union, States having signed or acceded to the Protocol, the European Communities and, as observers, other States members of the Paris Union expressing their interest in participating in the Working Group in such capacity and certain non-governmental organizations.

December 2 to 5 (Geneva)

Committee of Experts on the International Protection of Geographical Indications (Second Session)

The Committee will examine a preliminary draft of a treaty on the international protection of indications of source and appellations of origin.

Invitations: States members of the Paris Union and, as observers, certain organizations.

UPOV Meetings

(Not all UPOV meetings are listed. Dates are subject to possible change.)

1991

October 21 and 22 (Geneva)

Administrative and Legal Committee

Invitations: Member States of UPOV and, as observers, certain non-member States and inter-governmental organizations.

October 23 (Geneva)

Consultative Committee (Forty-Fourth Session)

The Committee will prepare the twenty-fifth ordinary session of the Council.

Invitations: Member States of UPOV.

October 24 and 25 (Geneva)

Council (Twenty-Fifth Ordinary Session)

The Council will examine the reports on the activities of UPOV in 1990 and the first part of 1991 and approve the program and budget for the 1992-93 biennium.

Invitations: Member States of UPOV and, as observers, certain non-member States and inter-governmental organizations.

Other Meetings Concerned with Industrial Property

1991

September 15 to 19 (Lucerne)

International Association for the Protection of Industrial Property (AIPPI): Council of Presidents

September 30 to October 4 (Harrogate)

International Federation of Industrial Property Attorneys (FICPI): Congress

October 21 and 22 (New York)

International League of Competition Law (LIDC): Study Days

1992

March 16 to 20 (Innsbruck-Igls)

International Federation of Industrial Property Attorneys (FICPI): Executive Committee

October 7 to 10 (Amsterdam)

International League of Competition Law (LIDC): Congress