

INTERNATIONAL DESIGN PATENT FILING CONSIDERATIONS AFTER U.S. ENTRY INTO THE HAGUE AGREEMENT

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Effective May 13, 2015, applicants can file international design patent applications in a single, standardized application via the United States Patent and Trademark Office (USPTO) designating any of more than 62 territories, including the U.S. and European Union (EU), and can receive the same effective filing date in each jurisdiction. Design patents protect the ornamental designs of functional items, such as the shape of a Coca-Cola bottle or the icon for an app. This important opportunity comes as the U.S. accedes to the Geneva Act of the Hague Agreement, details of which are set forth in the USPTO's recently published Final Rule implementing changes to the agency's relevant design patent Regulations.¹

The Hague Agreement is directed to uniform filing and registration procedures, not substantive law. The U.S. is a relative latecomer to the Agreement, which was first enacted in 1925 and has been amended several times since. Several countries, including the U.S., did not ascribe to early versions of the Agreement because it did not adequately provide for the substantive examination by national offices of all design applications.

The Geneva Act of 1999 amended the Hague Agreement to attract countries such as the U.S. that conduct substantive examination by extending the notification of refusal period to 12 months and by allowing contracting states to set higher fees. These changes provided national offices with time and money to conduct substantive examination, while maintaining a uniform right of priority worldwide. In view of these modifications, Japan also joined the Hague Agreement on May 13, 2015.

NOTEWORTHY EFFECTS OF THE HAGUE AGREEMENT ON APPLICATIONS DESIGNATING THE U.S.

- Applicants may submit up to 100 industrial designs per application, as long as all designs are in the same Locarno Class. This streamlined approach should result in

increased filing efficiencies and cost savings for applicants, who may file through the USPTO or directly with the International Bureau of the World Intellectual Property Organization (WIPO). However, only persons who are nationals of the U.S. or who have a domicile, a habitual residence, or a real and effective industrial or commercial establishment in the territory of the U.S. may file international design applications through the USPTO as the direct office of filing.

- U.S. design patents resulting from international or national applications filed on or after May 13, 2015, will be enforceable for a 15 year term from grant, an extra year compared to the previous statute.
- International design applications designating the U.S. will undergo substantive examination based on U.S. law, including the written description and duty of disclosure requirements.
- Although the Hague Agreement permits up to 100 designs per application, those designating the U.S. must still be directed to a single invention. The USPTO may issue a restriction requirement if "distinct inventions" are submitted, requiring divisional applications to protect those inventions.
- For design patent applications, color drawings and photographs will no longer require a special USPTO petition.
- WIPO will publish Hague Agreement design applications, including those designating the U.S., following its formalities examination (typically six months after registration), but U.S.-only design applications still will not be published by the USPTO unless and until they issue.
- The U.S. will grant provisional patent rights for published international applications that designate the U.S. These provisional rights may be especially valuable (compared to utility patents) because design patent claim scope typically is not substantively changed during prosecution.²
- Ownership in the U.S. of Hague Agreement design applications remains subject to the assignment recordal procedures of the USPTO.
- Each Contracting State can impose requirements for whether or not an agent or attorney is required during "national phase." Design applications designating the U.S. will require a USPTO registered patent agent, patent attorney, or person operating under a "limited recognition number," each of which requires U.S. residency or U.S. citizenship/immigrant status.

Optimizing an international filing strategy requires weighing the pros and cons of various filing systems, including the Hague Agreement, Registered Community Designs (EU), and USPTO design patents, or other "home country" registrations or applications.

ONE-STOP SHOPPING

A major advantage of the Hague Agreement is "one-stop

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shopping.” It uses a single form and deposit for registering up to 100 designs in 62 member countries. There is no need for a national agent in many countries since each country sets its own requirements, and countries that treat each application as a registration do not require local counsel for prosecution/examination. Although it is available, there is no need for an earlier national priority filing, because one application provides the same effective date in all countries. Furthermore, refusal (or invalidation) in one member country based on local substantive examination (or litigation) does not directly affect parallel registrations/applications in other member countries. It should be noted that substantive examination in other jurisdictions may identify items that are material to prosecution of a U.S. design case, triggering the applicant’s duty of candor under 37 CFR §1.56.

The flip-side of this coin is that each country has different standards and requirements of which applicants must be aware. Thus, although certain countries may not require a local agent during the “national phase,” applicants are encouraged to review the substantive laws of each designated state prior to filing, especially the drawing requirements and requirements for claiming and describing the design for which protection is sought. The ability to file up to 100 designs per application may provide strategic options for addressing and complying with different jurisdictions’ distinctive drawing requirements, and not just for seeking to protect different embodiments of similar designs. Drawings not compatible with a particular jurisdiction’s requirements can be canceled upon entry thereto, and divisional applications can be used to pursue multiple designs/embodiments in jurisdictions like the U.S. that permit only one “invention” per application/patent.

Another drawback is the large number of countries that are not contracting parties to the Hague Agreement; protection in those countries still requires a separate application. Notably absent members include Canada, Mexico, Brazil, Russia, China, India, and Australia. With the U.S. and Japan’s accession to the Hague Agreement, however, more countries may soon follow.

REGISTERED COMMUNITY DESIGN

A Registered Community Design (RCD) is another avenue of protection available for industrial design applicants seeking protection in the European Union. RCDs are administered by the Office for Harmonization in the Internal Market (OHIM). Inventors can apply for an RCD via designation in a Hague Agreement application, or by a separate application. One advantage of the RCD is that registration applies in all EU countries, barring any unauthorized person from making, importing, exporting, using, or otherwise dealing products embodying the covered design. Another advantage is that the OHIM grants up to 25 years of protection for RCDs, whereas design patents designating the U.S. are only eligible for 15 years. Although the Hague Agreement is limited to 100 designs in the same Locarno class, RCD applicants may submit an unlimited number of designs in a “multiple application.”

The RCD system also has fewer grounds for invalidation of design patents than the U.S. system and others like it, providing another potential advantage to applicants; obviousness, for example, is not a ground for invalidation of an RCD. Although

a Community Design must have “individual character,” this is measured relative to other public designs individually, and there are no provisions to combine references (as in a U.S. obviousness analysis). Other defenses that are unavailable in the RCD system include indefiniteness, inequitable conduct, and potentially prior-user rights (under AIA §273). Thus, a Community Design may survive a challenge even if the counterpart U.S. design patent does not.

The major downside to the RCD system is that nullification or invalidation in one country applies to all EU member countries. This creates an incentive for competitors to challenge RCDs in less patent-friendly jurisdictions because a single successful challenge opens up the entire EU (28 countries) to commercialization. Another downside is the relative dearth of case law. The European Court of Justice (ECJ) rendered the first substantive decision in an industrial design case in 2011, whereas the U.S. Supreme Court has nearly 150 years of design patent precedent.

HOME COUNTRY REGISTRATION

Some applicants may choose to file in the U.S. or another “home country” registration or application system. This also has advantages, including a single regime for standards of allowance and a mature body of case law for enforcement. For example, a design patent in the U.S. bars any unauthorized person from making, importing, exporting, using, selling or offering for sale products embodying the covered design. This is a powerful tool for enforcement against copycats, and includes a unique special damages provision that provides for disgorgement of the infringer’s profits based on the entire product value, not just the portion of value attributable to product features embodied in the design patent. This was one reason why the famed \$1 billion damages awarded in *Apple v. Samsung* was so large — because damages were calculated based on the entire saleable devices, not just the patented features.³

One downside to filing in a home country system is the need to navigate country-specific laws. For example, the U.S. requires “unity of invention,” meaning only one inventive design is allowed per application. Another U.S.-specific potential pitfall is that applicants could inadvertently forfeit foreign filing rights if they do not plan carefully and make certain that any and all design and precedent utility patents are timely filed. For example, under the Paris Convention rules and U.S. law, any design patent application claiming subject matter disclosed in a provisional application must be filed within six months of the provisional filing date, even though a design patent cannot claim priority to the provisional application and any utility application claiming priority to that provisional can be filed within 12 months. Also, unlike the U.S., at least some jurisdictions do not allow a design patent to make a priority claim to a utility patent (e.g., the EU).

As discussed above, many potential infringement defenses in the U.S. are unavailable in some regimes, including obviousness, indefiniteness, and inequitable conduct. Applicants should consult with a registered practitioner so as to avoid these potential pitfalls. The U.S. accession to the Hague Agreement creates a new standardized application that should simplify international filing for industrial design patents for

many inventors. Applicants should weigh the pros and cons of the Hague Agreement against other filing systems, including RCDs and “home country” systems, to generate an optimized international filing strategy.⁴

Endnotes

1 See Changes to Implement the Hague Agreement Concerning International Registration of Industrial Designs, Final Rule, 80 Fed. Reg. 17,918.

2 See 35 USC §154(d).

3 Damages in this case were later reduced for other reasons.

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