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WORKING GROUP ON THE ESTABLISHMENT OF NEW REGULATIONS UNDER THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS

Geneva, June 24 to 27, 2003

NOTES CONCERNING THE PROPOSAL FOR COMMON REGULATIONS UNDER THE 1999 ACT, THE 1960 ACT AND THE 1934 ACT OF THE HAGUE AGREEMENT

Document prepared by the International Bureau

I. INTRODUCTION

1. The Program and Budget of WIPO for the biennium 2002-2003 includes under Sub-Program 07.2 "Legal Framework, Information and Training Activities, Hague System", the following activities (document WO/PBC/4/2):

> "[…] as required, preparation, with the help of a working group to be convened by the Director General, of proposals for amending or complementing the Regulations adopted by the Diplomatic Conference in July 1999, and proposals for consequential amendments to the Regulations under the 1934 and 1960 Acts of the Agreement."

2. The working group referred to in paragraph 1 has been convened by the Director General with a view to reaching a consensus on a proposal of the International Bureau for Common Regulations under the 1999 Act, the 1960 Act and the 1934 Act of the Hague Agreement, prior to its submission to the Assembly of the Hague Union for adoption.

3. Such draft Common Regulations (contained in document H/WG/2) have been prepared in connection with the implementation of the international registration procedure under the *1999 Act* of the Hague Agreement, which is close to entry into force.

Entry into Force and Implementation of the Geneva (1999) Act of the Hague Agreement

4. The Geneva (1999) Act of the Hague Agreement was adopted by a Diplomatic Conference on July 2, 1999. This Act, however, is not yet in force. It will enter into force three months after six States have deposited their instruments of ratification or accession, provided that at least *three* of those States have a certain volume of activity in the field of industrial designs, as specified in Article 28(2) of the 1999 Act.

5. As of the date of issuing of this document, eight countries have ratified or acceded to the 1999 Act, namely: Estonia, Iceland, Republic of Moldova, Romania, Slovenia, Switzerland, Ukraine and Kyrgyzstan. According to the most recent annual statistics collected by the International Bureau, *two* of these countries (Switzerland and Slovenia) have the volume of activity in the field of industrial designs required by Article 28(2) of the 1999 Act for such Act to enter into force. Therefore, it would be enough that one additional State complying with those conditions join the 1999 Act to trigger its entry into force three months later.

6. Irrespective of the date of entry into force of the 1999 Act, the implementation by the International Bureau of the international procedure under that Act further requires:

– that its Regulations (adopted by the Diplomatic Conference at the time of adoption of the 1999 Act itself, on July 2, 1999) be complemented by a Schedule of Fees;[1]

[1] Such Schedule of Fees (which is an integral part of the Regulations) was not considered by the Diplomatic Conference since it was said to be premature at that time.

– that Administrative Instructions be established by the Director General after consultation with the Offices concerned, pursuant to Rule 31 of the Regulations under the 1999 Act. Draft Administrative Instructions will be circulated to this working group at a later stage for the purpose of such consultation.

7. If the 1999 Act were to enter into force prior to the adoption of the Common Regulations (including in particular the Schedule of Fees) by the Assembly of the Hague Union, it would follow that the date of entry into force of the 1999 Act would not coincide with its date of implementation.[2] In such case, the Assembly of the Hague Union would be convened by the Director General to determine the date of implementation of the 1999 Act.

Proposal for Common Regulations Under the 1999 Act, the 1960 Act and the 1934 Act of the Hague Agreement

8. At present, the Hague system is governed solely by the 1934 Act and the 1960 Act of the Hague Agreement. Once the 1999 Act is implemented, *three* different Acts will require to be administered by the International Bureau in the context of the international registration procedure for industrial designs: the 1999 Act, the 1960 Act and the 1934 Act.

9. The three Acts of the Hague Agreement are currently complemented by two sets of Regulations, namely:

– the Regulations under the 1999 Act, as adopted by the Diplomatic Conference on July 2, 1999, and

– the Regulations under the 1960 Act and the 1934 Act, as amended on January 1, 2002.

10. In order that the International Bureau, Offices of Contracting Parties and users of the system have only one set of Regulations to deal with, and in order also to provide for a legal framework for the combined international procedure under the 1999, the 1960 and/or the 1934 Acts *with respect to one and the same international application*[3], it is proposed that unified Common Regulations replace both the Regulations under the 1999 Act and the Regulations under the 1960 and the 1934 Acts.

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[2] As was the case for the Madrid Protocol, which entered into force on December 1, 1995, and came into operation on April 1, 1996.

[3] It being understood that following the implementation of the 1999 Act, for the Hague Agreement to continue to be of interest for users, applicants originating from a Contracting Party bound by the three Acts should be allowed to request protection in all Members States of the Hague Union through a *single* international application form. Similarly, applicants originating from a Contracting Party bound by two Acts should be allowed, by means of a single international application form, to request protection in Contracting Parties bound at least by one common Act.

11. The proposed Common Regulations contained in document H/WG/2 are based, to a very large extent, on the existing provisions of the Regulations under the 1999 Act, complemented by further provisions to take into account the specificities of the international procedure under the 1960 Act and/or the 1934 Act. (It must therefore be underlined that the inclusion of these new proposed provisions does not have any practical implications on the operation of the international registration procedure under the 1999 Act).

12. Following discussions within this working group and in light of the progress made, it may be decided either to submit the Common Rgulations to the Assembly of the Hague Union for adoption at its next ordinary session, in September 2003, or to hold a second session of this working group.

II. EXPLANATORY NOTES ON THE PROPOSED COMMON REGULATIONS

13. The main body of the proposed Common Regulations deals with the international procedure under the 1999 Act and/or the 1960 Act of the Hague Agreement. As far as the 1934 Act is concerned, it is proposed that the corresponding international procedure be dealt with in a*separate* Chapter of the Common Regulations. This approach is prompted, firstly, by the need not to unduly complicate the provisions of the Common Regulations and, secondly, by the fact that the 1934 Act is expected shortly to fall into disuse.[4] (See also Note on Chapter 8 (Rules 30 and 31) and Notes 30.01 to 31.07).

14. Where a provision does not require explanation, no note has been provided.

Notes on Rule 1

01.01 Compared to the existing Regulations under the 1999 Act, Rule 1 as proposed is the provision which has been the subject of the most extensive amendment. This is due to the fact that this provision deals with definitions and must therefore be supplemented by new provisions in order to take also into account the international procedure under the 1960 and the 1934 Acts.

01.02 Former paragraph (1) was drafted on the assumption that the Regulations would be exclusive to the 1999 Act. It is therefore proposed to delete this provision.

01.03 Paragraph (1)(i) to (iii) contains the definitions of the 1999 Act, the 1960 Act and the 1934 Act, which are modelled on the definitions contained in Article 1(xx) and (xxi) of the 1999 Act.

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[4] Only five States are at present bound exclusively by the 1934 Act (Egypt, Holy See, Indonesia, Spain and Tunisia) and a very limited number of international applications originate from these countries (around, on average, 180 each year, 90 % of which are from Spain). It is therefore expected that, as States bound exclusively by the 1934 (and in particular Spain) ratify or accede to the 1960 and/or the 1999 Acts, the 1934 Act will eventually fall into disuse in terms of international registration activities. It is to be noted in this regard that, according to the information available to the International Bureau, Spain has already initiated internal procedures towards joining the 1999 Act.

01.04 It is proposed to amend paragraph (1)(iv) for the sake of clarity.

01.05 Paragraph (1)(xi) to (xiii). To the extent that the procedure under the 1999, the 1960 and the 1934 Acts would be incorporated into a single set of Regulations, and given that one and the same country may be bound by one, two, or all three Acts of the Hague Agreement, it has become necessary to define in the Common Regulations which of these Acts applies in respect of a given Contracting Party designated in an international application.

01.06 The principles set out in items (xi) to (xiii) follow directly from Article 31(1), first sentence, of the 1999 Act and Article 31(1), first sentence, of the 1960 Act. In accordance with these provisions, the Act applicable to a designated Contracting Party depends upon the Act(s) to which are bound, on the one hand, the Contracting Party of the applicant and, on the other hand, the given designated Contracting Party. The applicable principles may be summarized as follows:

– where there is *only one* common Act between the two Contracting Parties concerned, it is of course such Act which applies with respect to the designated Contracting Party. For example, if an applicant originates from a Contracting Party bound by both the 1999 and the 1960 Acts and has designated a Contracting Party bound exclusively by the 1999 Act, such designation is governed by the only common Act (the 1999 Act);

– where both Contracting Parties concerned are bound by *more* than one common Act, it is the *most recent* Act which applies with respect to the designated Contracting Party. For example, if an applicant originates from a Contracting Party bound by both the 1960 and the 1999 Acts and has designated a Contracting Party also bound by both the 1960 and the 1999 Acts, such designation is governed by the more recent Act (the 1999 Act), pursuant to Article 31(1), first sentence, of the 1999 Act.

01.07 It should be noted that in accordance with Article 31(1), second sentence, of the 1999 Act and Article 31(1), second sentence, of the 1960 Act, such determination is to be made on the date of filing of the international application concerned. It cannot be reviewed afterwards, should one of the Contracting Parties concerned accede to another Act of the Hague Agreement subsequently to the filing of the international application.

01.08 Paragraph (1)(xiv) to (xx) defines the different kinds of international application that the International Bureau will be required to process following the implementation of the 1999 Act. In all, seven kinds of international application will be possible (depending on whether, in respect of the internationalapplication concerned, Contracting Parties have been designated under the 1999 Act, the 1960 Act or the 1934 Act), namely, international applications governed:

(a) exclusively by the 1999 Act,
(b) exclusively by the 1960 Act,
(c) exclusively by the 1934 Act,
(d) by both the 1999 and the 1960 Acts,
(e) by both the 1999 and the 1934 Acts,
(f) by both the 1960 and the 1934 Acts, and
(g) by the 1999, the 1960 and the 1934 Acts.

01.09 While each kind of international application must be defined in Rule 1 of the Common Regulations, those involving the 1934 Act (as referred to in (c), (e), (f) and (g) above) are proposed to be dealt with in a separate and self-contained Chapter of the Common Regulations (see paragraph 13 of the Introduction and Notes on Chapter 8).

01.10 Paragraph (2). The 1934 and the 1960 Acts, on the one hand, and the 1999 Act, on the other hand, refer sometimes to *identical* concepts while using different terminology. For the sake of simplicity and consistency, this double terminology should not be maintained in the context of a combined procedure under the three Acts. It is therefore suggested that the terminology of the 1934 and the 1960 Acts be brought into line with the (more modern) terminology used in the 1999 Act. Items (i) to (vi) list the terms contained in the 1934 and the 1960 Acts requiring harmonization with those contained in the 1999 Act.

Notes on Rule 7

07.01 Paragraph (3) deals with the mandatory contents of *all* international applications. In item (iii), therefore, the requirement to indicate the "applicant's Contracting Party"[5] has been transferred to paragraph (4)(a), since such indication is only relevant to Contracting Parties designated under the 1999 Act.

07.02 Given that any applicant is allowed to avail of entitlements in *several* Contracting Parties (see Article 1(xiv), second sentence, of the 1999 Act and Rule 5(1)(a)(iii) of the current Regulations under the 1960 Act), item (iii) now provides for the indication of each Contracting Party in respect of which the applicant fulfills the conditions to be the holder of an international application (through an entitlement constituted by establishment, domicile, habitual residence or nationality). The fact that such indication is not provided for in the existing Regulations under the 1999 Act results probably from an oversight of the Diplomatic Conference.[6]

07.03 Paragraph (3)(v) has been amended so as to provide also for an indication of the number of *industrial designs* (in addition to the number of reproductions) included in an international application. Such indication is clearly to be required as part of the international procedure and the fact that it is not provided for in the existing Regulations under the 1999 Act results also probably from an oversight of the Diplomatic Conference.[7]

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[5] The "applicant's Contracting Party" is the Contracting Party in respect of which the applicant has an entitlement (through establishment, domicile, habitual residence or nationality) giving him the right to apply for an international application under the 1999 Act (Article 1(xiv), first sentence, of the 1999 Act). Where an applicant is in a position to avail of entitlements with *several* Contracting Parties, the applicant's Contracting Party is the one which, among those Contracting Parties, is freely chosen by the applicant (Article 1(xiv), second sentence).

[6] No discussion on this particular issue took place during the Diplomatic Conference.

[7] No discussion on this particular issue took place during the Diplomatic Conference.

07.04 Former paragraph (4) has been divided into two separate paragraphs, namely, paragraph (4) ("Additional *Mandatory* Contents of an International Application") and paragraph (5) ("Optional Contents of an International Application") for the sake of clarity concerning the contents of international applications, and to the extent that this new structure follows that set out in Article 5(1) to (3) of the 1999 Act.

07.05 Paragraph (4)(b) (formerly paragraph (4)(a)) *requires* applicants to include in their international applications a description, the identity of the creator and/or a claim, where they have designated a Contracting Party which has declared, under Article 5(2)(b) of the 1999 Act, that its legislation requires one of these elements in order for an application to be accorded a filing date. Given that the possibility of making such a declaration is not provided for by the 1960 Act or its Regulations, the proposed amendment to paragraph (4)(b) aims at limiting its field of application to the 1999 Act.

07.06 Under former paragraph (4)(b), the identity of the creator and a description may *in all cases* be indicated in an international application (at the applicant's option). This provision has therefore been transferred to paragraph (5)(a) as proposed which deals with the optional contents of international applications. It has furthermore been supplemented by the equivalent provision of the 1960 Act (Article 8(4)(a)).

Notes on Rule 8

08.01 Rule 8, as it stood before the proposed amendment, provided that *any* Contracting Party whose law provides that an application has to be filed in the name of the creator may notify the Director General of that fact, along with the form and mandatory content of a statement (which must accompany the international application) that the person named as the creator believes himself to be the creator of the industrial design.

08.02 Given that such possibility is not envisaged by the 1960 Act or its Regulations and that this provision was specifically introduced for the purpose of Contracting Parties to the 1999 Act,[8] the proposed amendment to paragraph (1)(a) is designed to limit the ambit of Rule 8 to Contracting Parties bound by the 1999 Act.

[8] Rule 8 was introduced to take special account of the law of the United States of America which, to the knowledge of the International Bureau, is the only State whose legislation provides that an application be filed in the name of the creator.

Notes on Rule 9

09.01 The possibility of including several views of a design in a *single* reproduction, as envisaged by the second sentence of former paragraph (1)(a), would be problematic as part of the future administration of the 1999 Act, in particular as regards the numbering of reproductions[9] and the structure of the Schedule of Fees.[10] It is therefore proposed to amend the second sentence of Rule 9(1)(a) so as to provide that views of a design from different angles must be included in *different* reproductions.

09.02 In this regard, it should be noted that the sentence in question was taken from Rule 12(1)(d) of the Regulations under the 1960 Act, as in force at the time of adoption of the Regulations under the 1999 Act. However, this latter provision was *subsequently* amended by the Assembly of the Hague Union (with effect from January 1, 2002), for the reasons described in footnotes 9 and 10. Rule 12(1)(d) of the Regulations under the 1960 and the 1934 Acts currently provides that the representation of a design under different views must be shown in separate reproductions (as under proposed Rule 9(1)(a)).

09.03 Paragraph (3), as it stood before the proposed amendment, allowed *any* Contracting Party to notify the Director General that certain specified views of a design are required, along with the circumstances in which they are required. Given that this possibility does not exist under the 1960 Act or its Regulations and that this provision was specifically introduced for the purpose of Contracting Parties to the 1999 Act[11], the proposed amendment to paragraph (3) is designed to limit the ambit of that provision to Contracting Parties bound by the 1999 Act.

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9 The proposed numbering system for reproductions (contained in the draft Administrative Instructions) is modelled on current Section 402(a) of the Administrative Instructions under the 1960 and the 1934 Acts, whereby "when the same article is represented from different angles, the numbering shall consist of two separate figures separated by a dot (e.g. 1.1, 1.2, 1.3, etc. for the first article, 2.1, 2.2, 2.3, etc. for the second article and so on)". This numbering system, which is clear and simple, could not be retained if it were possible to have several views of a design shown in a *single* reproduction.

10 The proposed publication fee (see item 2 of the draft Schedule of Fees) is modelled on the publication fee currently in force, which depends *on the number of reproductions* filed. This method of calculation, which was introduced very recently under the Hague system by the Assembly of the Hague Union (with effect from January 1, 2002), could not be retained if it were possible to include several views of a single design in the same reproduction.

11 Rule 9(3) of the Regulations under the 1999 Act was introduced to take special account of the law of Japan which, to the knowledge of the International Bureau, is the only State whose legislation provides for a given design to be represented under certain specified views.

Note on Rule 10

10.01 The 1999 Act (Article 5(1)(iii)) allows applicants to furnish specimens (instead of reproductions) of their designs where two cumulative conditions are met: deferment of publication has been requested and the industrial design is two-dimensional. Under the 1960 Act (Article 5(1) and (3)(b)), the filing of specimens is optional but*cannot* replace the furnishing of reproductions. The proposed amendment to paragraph (1), therefore, makes it clear that the possibility of filing specimens, instead of reproductions, is limited to international applications governed exclusively by the 1999 Act.

Notes on Rule 12

12.01 Both the 1999 and the 1960 Acts provide for the payment by the applicant of "designation fees" in respect of each designated Contracting Party in an international application. Likewise, both the 1999 and the 1960 Acts provide that such fees shall consist of a "standard designation fee" (the amount of which is set out in the Schedule of Fees) and/or, where the Office of the designated Contracting Party carries out a novelty examination for designs, an "individual designation fee" (the amount of which is determined by each Contracting Party concerned, subject to certain limits).

12.02 However, the method of calculation of the designation fees provided for by the 1999 Act differs from that currently applied by the International Bureau under the 1960 Act: the standard designation fee under the 1960 Act must always be paid (and then *deducted* from the amount of the individual designation fee) whereas, under the 1999 Act, the payment of the individual designation fee is made *in replacement of* the standard designation fee.

12.03 It is suggested that there should be a departure from the more complex method of calculation operated under the 1960 Act. Paragraph (1)(a)(ii) and (iii) has therefore been amended so as to provide that, even for Contracting Parties designated under the 1960 Act, the payment of the individual fee is made in substitution for the standard designation fee. The proposed amendment would undoubtedly bring more simplicity for users of the Hague system.

Notes on Rule 13

13.01 Rule 13 deals with international applications filed indirectly with the International Bureau (i.e., through an Office) and provides in such a case that the Office concerned:

– is required to indicate the date on which it received the application (paragraph (1)), which will be its filing date provided that it is subsequently received by the International Bureau within one month of that date (paragraph (3)) or within six months in case of security clearance (paragraph (4)), and

– must notify to the Director General, where appropriate, the fact that it requires from the applicant a transmittal fee, as provided for by Article 4(2) of the 1999 Act, along with the amount of such fee (paragraph (2)).

13.02 To the extent that neither of these features is provided for in the 1960 Act, the proposed amendments to paragraphs (1) to (3) aim at limiting their applicability to international applications governed exclusively by the 1999 Act.

Notes on Rule 14

14.01 The new sentence proposed in paragraph (1) is taken from Article 8(1) of the 1999 Act. Such inclusion is merely editorial and seems desirable given that, unlike the 1999 Act, the 1960 Act itself does not expressly provide the principle whereby the International Bureau may raise irregularities following its formal examination of an international application. (This is mentioned only in the *Regulations* under the 1960 Act (Rule 14(2)(a)).

14.02 The new sentence proposed in paragraph (2) repeats the substance of Article 9(3) of the 1999 Act. Such inclusion is also merely editorial and seems desirable given that, unlike the 1999 Act, the 1960 Act itself does not expressly provide for the consequences of an irregularity entailing the postponement of the filing date (i.e., the fact that the filing date becomes the date on which the correction of such irregularity is received by the International Bureau). This is mentioned only in the *Regulations* under the 1960 Act (Rule 14(2)(c)).

14.03 In paragraph (3), the words "an irregularity is not remedied within the time limit referred to in paragraph (1)" have been introduced in place of the reference to Article 8(2)(a) of the 1999 Act.

Notes on Rule 16

16.01 Paragraph (1) has been divided into two subparagraphs (a) and (b) in order to take into account the difference concerning the maximum period for deferment of publication provided for by Rule 16(1)(a) under the 1999 Act (up to 30 months) and by Article 6(4)(a) of the 1960 Act (up to 12 months). The proposed amendment makes it clear that the maximum period for deferment of 30 months is only applicable with respect to international applications governed exclusively by the 1999 Act.

16.02 Paragraph (3). For the sake of clarity, it is suggested that the words "where specimens have been submitted instead of reproductions in accordance with Rule 10" be inserted in place of the reference to Article 11(6)(b) of the 1999 Act.

Notes on Rule 18

18.01 Paragraph (1)(a) deals with the period for notifying a refusal of protection to the International Bureau. This provision has been complemented by the reference to the equivalent provision of the 1960 Act (Article 8(1)). As regards the deletion of the words "the date on which the International Bureau sends to the Office concerned a copy of" and the inclusion of the words "as provided for in Rule 26(3)" in that same provision, see Notes 26.01 to 26.06.

18.02 Paragraph (1)(b) has been amended to make it clear that the possibility for certain Offices of declaring that the period of six months for notifying a refusal of protection is replaced by a period of 12 months is only applicable to Contracting Parties bound by the 1999 Act. (Under the 1960 Act, a notification of refusal of protection must necessarily be notified within a six-month period, without the possibility for Contracting Parties of requesting an extension of such period).

Notes on Rule 21

21.01 Paragraph (3) is a new provision which is proposed as a result of the application of the international procedure under the 1960 and the 1999 Acts. Under this proposed provision, a transferee may be recorded as the new holder in respect of a given designated Contracting Party if he owns an entitlement (via establishment, domicile, habitual residence or nationality) in a Contracting Party bound by an Act *to which the designated Contracting Party concerned is also bound*.

For example, if a designated Contracting Party is bound by both the 1960 and the 1999 Acts, the transferee could be recorded as the new holder in respect of such Contracting Party insofar as he owns an entitlement in a Contracting Party bound by, at least, one of these Acts. On the other hand, such recording could not be made in respect of a designated Contracting Party bound *exclusively* by the 1960 Act where the transferee is a company having only an entitlement in a Contracting Party bound *exclusively* by the 1999 Act (or vice-versa).

21.02 The same principles have been applied to the satisfaction of users within the framework of the Madrid system concerning the international registration of marks since the coming into operation of the Madrid Protocol (on April 1, 1996). It gives rise, however, to two types of situation which are proposed for consideration by this working group.

(1) *Mutual Relationships Between a Designated Contracting Party and the Contracting Party of the New Holder*

21.03 The following example may illustrate the issue concerned.

An applicant originates from a Contracting Party bound exclusively by the 1960 Act and has designated a Contracting Party bound by both the 1960 and the 1999 Acts. Such designation is therefore governed by the 1960 Act (the only common Act). The corresponding registration is subsequently assigned to a company established in a Contracting Party bound exclusively by the 1999 Act. This transfer could be recorded in the International Register under the proposed Rule 21(3), since the 1999 Act is common to the Contracting Party of the new holder and the designated Contracting Party concerned. For the very same reason, however, it would follow that the designation of that Contracting Party is no longer governed by the 1960 Act, but instead by the 1999 Act (the only common Act between the designated Contracting Party and the Contracting Party of the *new* holder).

21.04 This situation could entail three types of consequence in the operation of the international procedure, as described below:

– insofar as the recording of the change in ownership takes place during the course of the refusal period, and given that such period may differ according to whether a Contracting Party is designated under the 1960 Act or under the 1999 Act,[12] it would be implicit that the recording of the change in ownership would not have the effect of prolonging – or reducing – the refusal period allowed for a designated Contracting Party to notify a refusal of protection;

– insofar as the recording of the change in ownership takes place during the period for deferment of publication, and given that such period under the 1999 Act (up to 30 months) may be longer than the maximum period of deferment provided for by the 1960 Act (12 months), it would be implicit that the recording of the change in ownership would not have the effect of reducing the applicable deferment period where (i) deferment of publication has been requested for a period of more than 12 months under the 1999 Act and (ii) the international registration concerned is transferred during this deferment period to a person having an entitlement in a Contracting Party bound *exclusively* by the 1960 Act;

– given that an individual fee may be required at the stage of renewal for Contracting Parties designated under the 1999 Act, but that such a fee is not provided for in respect of Contracting Parties designated under the 1960 Act in the context of renewal (see Notes 24.01 and 35.02), it would follow that the *new holder* may have to pay individual fees for the renewal in a designated Contracting Party (while such possibility was excluded with respect to the initial holder), or vice versa.

(2) *Entitlements in Several Contracting Parties Bound by Different Acts*

21.05 Rule 21(2)(iv) expressly provides that the transferee may indicate, in the request for the recording of change in ownership, an entitlement in *several* Contracting Parties. Therefore, assuming for example that the transferee:

– claims a domicile in a Contracting Party "A" bound exclusively by the 1960 Act and the nationality of a Contracting Party "B" bound exclusively by the 1999 Act, and

– requests to be recorded as the new holder in respect of a Contracting Party bound by both Acts (Contracting Party "C"),

the question arises as to whether the transferee would be recorded as the new holder in respect of Contracting Party C on the basis of his domicile in Contracting Party A (in which case the designation of Contracting Party C would be governed by the 1960 Act), or on the basis of his nationality of Contracting Party B (in which case the designation of

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[12] The general principle under both the 1960 and the 1999 Acts is that a period of six months is allowed for the Office of each designated Contracting Party to notify the International Bureau of a refusal of protection. However, under the 1999 Act (only), a twelve-month period may be substituted for the six-month period (Rule 18(1)(b)).

Contracting Party C would be governed by the 1999 Act). It is suggested that, in such case, preference be given to the more recent (1999) Act to the extent that it is a more modern legal instrument, the application of which should therefore be viewed as preferable to that of an earlier one. Such a solution would also be in the spirit of Article 31(1) of the 1999 Act and Article 31(1) of the 1960 Act, which give preference to the most recent treaty.

Proposal

21.06 For the sake of simplicity and due to the *extreme rarity of cases* where the situations outlined in (1) and (2) above are expected to occur, it is not proposed that the Common Regulations themselves address these matters. It would seem more appropriate that the inferred consequences set out in Notes 21.04 and 21.05 above be endorsed by the Assembly of the Hague Union, either through an interpretative statement or through mention in the report of its session.

Note on Rule 24

24.01 Paragraph (1)(a)(ii) and (iii). In contrast with Article 7(2) of the 1999 Act, Article 15(1)2(b) of the 1960 Act does not envisage the payment of "individual designation fees" [13] in the context of *renewal*. Therefore, the proposed amendment to paragraph (1)(ii) and (iii) aims at specifying that the payment of individual fees in the context of renewal applies only to Contracting Parties designated under the 1999 Act (see also Note 35.02).

Notes on Rule 26

26.01 Since January 1, 2002, the *International Designs Bulletin* has been published only in electronic form (on CD-ROM). The number of copies of this Bulletin which must be sent by the International Bureau to each Office is determined by the Regulations (Rule 29(5) of the Regulations under the 1960 Act and Rule 26(3), as it stood before the proposed amendment, of the Regulations under the 1999 Act).

26.02 Paragraph (3). It would be technically possible for the International Bureau, by the time the proposed Common Regulations are implemented, to publish the *International Designs Bulletin* on WIPO's website. It is therefore proposed to take advantage of such possibility and to provide moreover that, instead of sending the Bulletin on CD-ROM to Offices of each Contracting Party, the International Bureau would communicate to such Offices the date on which each issue of the Bulletin is made available on the Internet. (The communication of this date to Offices would be made electronically – by email – on the same day as the Bulletin is published on the Internet).

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[13] It is recalled that the 1960 Act refers to the term "State novelty examination fee" which has been brought into line with "individual designation fee", since these two concepts are equivalent in substance (See Rule 1(2)(iv) as proposed and the corresponding notes).

26.03 The Diplomatic Conference had itself envisaged that the international procedure under the 1999 Act should take into account, when implemented, developments in the electronic environment. In this regard, the possibility of making use of the Internet becomes increasingly appealing, in particular for users who would then be in a position to have more rapid access to the Bulletin (they must at present either subscribe to the Bulletin on CD-ROM or contact their respective Offices to consult it).

26.04 It is intended that the publication of the Bulletin on the Internet would be the only mode of publishing and that production of the CD-ROM would cease. Should it be felt, however, that publication of the Bulletin on CD-ROM might remain attractive for some users and/or Offices, such publication could continue to be effected and distributed by the International Bureau to users and/or Offices on an informal basis.

26.05 Moreover, it is proposed to provide in the last sentence of Rule 26(3) that the communication by the International Bureau to Offices, relating to the date on which each issue of the Bulletin is published on the Internet, be deemed to replace the "sending" of the Bulletin referred to in the 1999 and the 1960 Acts and would constitute at the same time the receipt of the Bulletin by Offices. This proposal offers the advantage of reconciling a discrepancy between the 1960 Act and the 1999 Act concerning the starting point of the refusal period. While Rule 18(1)(a) of the Regulations under the 1999 Act provides that the refusal period starts to run as from the *date of sending* by the International Bureau of the Bulletin, Article 8(2) of the 1960 Act provides that the refusal period starts to run as from the *date of receipt* by the Office of the Bulletin.

26.06 If the Bulletin were to be published on WIPO's website, the date of sending of the Bulletin by the International Bureau and the date of its receipt by Offices would be simultaneous under Rule 26(3) as proposed. The International Bureau, users and Offices would also avoid the complexity resulting from the coexistence, in a single international registration, of several starting points for the refusal period (depending on the Contracting Parties which have been designated).

Note on Chapter 8
(Rules 30 and 31)

The ambit of proposed Chapter 8 is limited to international applications involving the 1934 Act, i.e., international applications governed exclusively by the 1934 Act (Rule 30) and international applications governed partly by the 1934 Act (Rule 31). In addition to the reasons already set out in paragraph 13 of the Introduction, this course of action is also prompted by the fact that many features of the 1934 Act differ from those applicable under both the 1999 and the 1960 Acts.

Notes on Rule 30

30.01 Paragraph (1) lays down the general principle whereby the Common Regulations apply to international applications governed exclusively by the 1934 Act, and to international registrations resulting therefrom, subject however to the exceptions referred to in paragraph (2).

30.02 Paragraph (2) lists the features of the international procedure under the 1934 Act which derogate from the general procedure applicable under both the 1999 and the 1960 Acts.

30.03 Paragraph (2)(a). While an international application may be filed in either English or French under both the 1999 and the 1960 Acts (at the applicant's option), an international application must necessarily be filed in French under the 1934 Act.

30.04 Paragraph (2)(b). In contrast with both the 1999 and the 1960 Acts, the international procedure under the 1934 Act does not allow a description and the identity of the creator to be included in an international application.

30.05 Paragraph (2)(c). Contrary to both the 1999 and the 1960 Acts, the 1934 Act does not provide for the possibility of requesting deferment of publication but merely allows an international application to be made under sealed cover for a maximum period of five years.

30.06 Paragraph (2)(d). Whereas all industrial designs contained in an international application must fall within the same class of the International Classification of Locarno under both the 1999 and the 1960 Acts, the international procedure under the 1934 Act allows for several industrial designs included in a single international application to belong to different classes of the International Classification.

30.07 Paragraph (2)(e). Unlike the position under both the 1999 and the 1960 Acts, the 1934 Act provides that an international application may *in all cases* be accompanied by specimens, instead of reproductions.

30.08 Paragraph (2)(f). As opposed to the situation under both the 1999 and the 1960 Acts, no designation fee is required under the 1934 Act. The same applies in the context of renewal (paragraph (2)(l)).

30.09 Paragraphs (2)(g) and (i). The reproductions of the designs are not recorded in the International Register and are not published in the Bulletin under the 1934 Act. (The publication of an international registration in the Bulletin under the 1934 Act contains only bibliographical data relating to that registration).

30.10 Paragraph (2)(h). Contrary to what is provided for under the 1999 and the 1960 Acts, the 1934 Act requires that publication of an international registration take place immediately after registration.

30.11 Paragraph (2)(j). In contrast with the 1999 and the 1960 Acts, the 1934 Act does not provide for the possibility for the Offices of the designated Contracting Parties to notify a refusal of protection.

30.12 Paragraph (2)(k). Having regard to the number and types of features which are exclusive to the 1934 Act, it is considered necessary to provide that a change in ownership cannot be recorded in respect of a Contracting Party designated under the 1934 Act if such Act would cease to be applicable following the recording of the change in ownership concerned.

30.13 Paragraph (2)(n). *Only one* renewal may be requested under the 1934 Act (which provides for a *maximum* period of protection of 15 years divided into two periods: one period of five years and one of ten years), while *several* renewals may be requested under both the 1999 and the 1960 Acts (which provide for a *minimum* period of protection of, respectively, 15 and 10 years, but which may be renewed for additional five-year periods until the complete period of protection allowed by the Contracting Party concerned has expired). It is therefore suggested to continue the current practice under the 1934 Act (only) allowing applicants to request such renewal at the time of filing the international application. This discrepancy between the 1999 and the 1960 Acts and the 1934 Act concerning the calculation of the period of protection also accounts for the inclusion of paragraph (2)(m).

30.14 Paragraph (3) deals with the specific requirement under the 1934 Act to indicate in an international application whether it is made under opened or sealed cover (subparagraph (a)) and, in the latter case, the requirement for the International Bureau to open such cover upon renewal (subparagraph (b)).

Notes on Rule 31

31.01 Rule 31 as proposed deals with international applications governed *partly* by the 1934 Act (i.e., in respect of which at least one Contracting Party has been designated under the 1934 Act and at least one Contracting Party has been designated under another Act).

31.02 Paragraph (1) provides for the general principle that the international procedure under the Common Regulations is to be applied to such international applications, subject however to the exceptions mentioned in paragraph (2).

31.03 Paragraph (2)(a). Given that deferment of publication is not possible under the 1934 Act, this provision sets out the proposed procedure to be followed by the International Bureau in the event that a Contracting Party is designated under the 1934 Act and deferment of publication has been requested. Such procedure follows that provided for by Article 11(3)(i) of the 1999 Act where deferment is requested and where a Contracting Party, which has declared that its law does not provide for deferment of publication, has nevertheless been designated.

31.04 Paragraph (2)(b)(i) and (iv). See Note 30.08.

31.05 Paragraph (2)(b)(ii). See Note 30.11.

31.06 Paragraph (2)(b)(iii). See Note 30.12.

31.07 Paragraph (2)(b)(v) and (vi). See Note 30.13.

Notes on Rule 32

32.01 When adopting the Regulations under the 1999 Act, the Diplomatic Conference decided that a number of provisions (dealing with declarations that may be made by Contracting Parties to the 1999 Act) could only be amended if unanimity (paragraph (1)) or a four-fifth majority (paragraph (2)) was reached. This derogates from the general principle of a two-third majority usually required by the Assembly of the Hague Union for the amendment of a provision of the Regulations (Article 2(3)(d) of the Complementary Act of Stockholm of 1967 and Article 21(5)(a) of the 1999 Act).

32.02 Rule 32(1) and (2) has therefore been amended to specify that the requirements of unanimity and four-fifth majority (as the case may be) for amendment of any of the six Rules referred to in Rule 32(1) and (2) are only applicable to Contracting Parties bound by the 1999 Act.

32.03 Of the six provisions referred to in Rule 32(1) and (2), three relate to declarations which may be made only by Contracting Parties bound by the 1999 Act under the proposed Common Regulations (namely Rules 13(4), 9(3)(b) and 16(1)(a)). Given that the Member States of the Hague Union have the right to vote only on matters which concern them, it follows that Contracting Parties not bound by the 1999 Act would not have a voting right in the process for amending the provisions in question.

32.04 The remaining three provisions referred to in Rule 32(1) and (2) (namely Rules 18(1), 7(7) and 17(1)(iii)) apply equally under the proposed Common Regulations to Contracting Parties bound by the 1999 Act and Contracting Parties bound by the 1960 Act. Therefore, any amendment of those provisions would require unanimity (Rule 18(1)) or four-fifth majority (Rules 7(7) and 17(1)(iii)) of the Contracting Parties bound by the 1999 Act, and a two-third majority of the Contracting Parties bound by the 1960 Act. In the case of a Contracting Party bound by both the 1960 Act and the 1999 Act, its vote would be taken into account to determine whether both the two third majority and, as the case may be, unanimity or the four-fifth majority, are met).

Notes on Rule 35

35.01 Rule 35 as proposed is a new provision allowing Contracting Parties to the 1960 Act to make two types of declaration, with a view to reaching better harmonization between the 1960 and the 1999 Acts and, consequently, obtaining a simpler combined procedure under those two Acts.

35.02 Paragraph (1) relates to the declaration regarding individual designation fees, the wording of which is modelled on Article 7(2) of the 1999 Act. (The right for Contracting Parties to the 1960 Act to request “individual designation fees” is provided for in Article 15(1)2(b) of the 1960 Act). However, as opposed to the 1999 Act, the 1960 Act does not envisage the possibility of claiming individual designation fees in the context of *renewal*. The corresponding part of Article 7(2) of the 1999 Act has therefore been omitted in Rule 35(1) as proposed (See also Note 24.01).

35.03 Paragraph (2). Under Article 17(3)(c) of the 1999 Act, any Contracting Party must communicate to the Director General the maximum duration of protection provided for by its domestic legislation. Provision for such communication has been introduced under the 1999 Act for the purpose of information of users and it is suggested that it be extended also to Contracting Parties bound by the 1960 Act. The wording of Rule 35(2) as proposed is modelled on Article 17(3)(c) of the 1999 Act.

35.04 Paragraph (3) deals with the time at which the above-mentioned declarations may be made and is drafted along the lines of the corresponding provision of the 1999 Act (Article 30(1)).

Note on Rule 36

36.01 Rule 36 is a proposed new provision specifying the date of entry into force of the Common Regulations, as under the current Regulations of the Hague system (Rule 33), the Madrid system (Rule 40) and the Lisbon system (Rule 24). It should be noted that the Regulations under the 1999 Act adopted by the Diplomatic Conference (and consequently the proposed Common Regulations) could not enter into force before the corresponding Schedule of Fees, which is an integral part of those Regulations, is adopted by the Assembly of the Hague Union. Therefore,

– if the Assembly were to adopt the Common Regulations *before* the 1999 Act enters into force, the date of entry into force of the Common Regulations could be identical to that of the 1999 Act itself (provided that the International Bureau is in a position, at that date, to implement the corresponding international procedure);

– if the Assembly were to adopt the Common Regulations *after* the 1999 Act enters into force, the date of entry into force of the Common Regulations would be the same as the date of the implementation of the 1999 Act (as determined by the Assembly of the Hague Union; see paragraph 7 of the Introduction).

Notes on the Schedule of Fees

SF.01 The proposed Schedule of Fees is based to a very large extent on the Schedule of Fees currently in force under the 1960 and the 1934 Acts.

SF.02 The proposed amounts of the fees to be paid in connection with the running of the international procedure under the 1999 Act are identical to those which are currently provided for under the 1960 Act, since the cost of the international procedure under the 1999 Act is expected to be the same as that resulting from the 1960 Act (the same environment – comprising in particular a system of computer programs called DMAPS – would be used by the International Bureau for processing all kinds of international applications and requests for recordings in the International Register). Compared to the current Schedule of Fees, however, it is to be noted that the proposed Schedule of Fees contains three new fees and one fee deletion. The three new fees consist of:

– an additional fee where the description exceeds 100 words, as provided for in Rule 11(2) (see item 4 of the proposed Schedule of Fees);

– a fee for the recording of a renunciation, as provided for in Rule 21(1)(a)(iii) (see item 15 of the proposed Schedule of Fees);

– a fee for the recording of a limitation, as provided for in Rule 21(1)(a)(iv) (see item 16 of the proposed Schedule of Fees).

SF.03 The fee which has been deleted is that currently required where deferment of publication is requested, as provided for in Rule 10(1)(a) of the Regulations under the 1960 Act (namely 93 Swiss francs; see item 3 of the current Schedule of Fees). Such fee is no longer provided for under the proposed Common Regulations.

SF.04 Given that the additional fees mentioned above are required in relatively rare circumstances, and at any rate much less often than requests for deferment of publication (in respect of which the corresponding fee would no longer be required), the proposed Schedule of Fees is not expected to be detrimental to users of the Hague system.

III. FINAL NOTES

15. It is not considered necessary to include transitional provisions in the draft Common Regulations, given in particular that it is not intended that any of the provisions of those Regulations will have retroactive effect. In addition, most of the provisions contained in the proposed Common Regulations do not entail substantive changes with respect to the running of the current international procedure under the 1960 Act or the procedure which would have operated under the Regulations of the 1999 Act. Therefore, it would be understood that:

– any international application and any other communications received by the International Bureau *before* the date of entry into force of the Common Regulations would continue to be processed by the relevant provisions of the Regulations under the 1960 Act and the 1934 Act, as in force before the date of entry into force of the Common Regulations;

– any international application and any other communications received by the International Bureau *as from the date* of entry into force of the Common Regulations would be processed in accordance with the Common Regulations (including also requests for recordings relating to international registrations bearing a date prior to the date of entry into force of the Common Regulations).

16. It is not proposed that the Common Regulations themselves address these matters. It would seem more appropriate that the position set out above be endorsed by the Assembly of the Hague Union, either through an interpretative statement or through mention in the report of its session.

17. The Working Group is invited to comment on the contents of this document.

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