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IP FRONTIERS

A new regime for international design protection in the U.S.

In the United States, design patents protect the visual, ornamental appearance of an article of manufacture or product. Historically, this effective exclusionary right has been underutilized.

To obtain a patent for a new design, the non-functional ornamental features of a product or device must be novel and unobvious. This is the same patentability standard applied for utility patents. However, unlike a utility patent, which protects only the functional or “useful” aspects of an invention, design patents protect the way a product or device looks.

In the United States, a design patent does not include a written description describing how an invention is made or used, or written claims that define the invention. Instead, a U.S. design patent contains only drawings that define the scope of the novel design. Furthermore, a design patent can only include a single invention in the U.S., so if there are multiple embodiments of a new design, an inventor may be required to file multiple design patents.

Some examples of well-known products whose appearance is protected by design patents are the

Apple iPhone, the Volkswagen Beetle and the shape of the Coca Cola bottle.

Obtaining a U.S. design patent is a relatively inexpensive, easy and efficient process. For example, unlike the lengthy, more cumbersome process involved in obtaining a utility patent, it is not uncommon for an inventor to receive a U.S. issued design patent within one year. On the other hand, filing for and obtaining international protection for design patents has been quite costly and inefficient.

U.S. applicants had to file separate design patent applications in individual foreign countries, often times resulting in multiple foreign agent and administrative costs at the front-end of the filing process, in order to preserve their international design rights. There was no centralized process; until now.

The Hague Agreement is an international treaty that provides a streamlined, procedural system for filing one standardized international design patent application. Its much-anticipated implementation in the U.S. was May 13, 2015, the day the USPTO rules applying the Hague Agreement went into effect. The new system marked a sea-change for U.S. design patent practice.

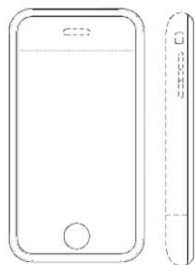
The Hague Agreement harmonizes the process for applicants to foreign file for design protection by providing the procedural steps to file one centralized IDA for several countries. Once an applicant files a standardized IDA, it can be transmitted to and processed by Hague member countries worldwide. Currently there are 62 member countries, plus the European Union and the African Intellectual Property Organization.

For those familiar with the Madrid Protocol for trademarks, or the PCT application process for utility patents, the procedural aspects of the Hague Agreement are similar. That is, the upfront administrative filing process is streamlined by providing for a single application that can be filed through the USPTO (or directly through International Bureau (IB) of WIPO) in one lan-



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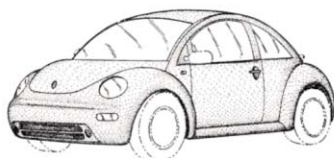
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guage.

This single filing provides the applicant with one effective filing date. All formal requirements are reviewed by the IB first, and if satisfied, the IB publishes the application and then sends it to each designated country. The IDA is then registered, or examined for substantive requirements, according to the rules of each designated country.

While this new system has the potential to greatly benefit U.S. inventors, it also has pitfalls for the unwary and, in certain circumstances, filing through the Hague Agreement may not be the best option. This is because it merely addresses the logistics for filing a design application in several countries all at once, but does not change the substantive laws for design patents in each country. Therefore, design patent counsel must understand the IDA process, including its benefits and its risks, to carefully advise clients whether to file an IDA under the Hague Agreement or take the traditional route for U.S. and/or foreign design protection.

The following provides a brief list of advantages and potential disadvantages to consider:

BENEFITS

1. The term for ALL design patents issued after May 13, in the U.S. has been extended by one year, from 14 years to 15 years. No maintenance fees are required.

2. The Hague Agreement provides standardized formal requirements for international design applications.

3. U.S. applicants may file an IDA either indirectly through the USPTO (preferred) or directly with WIPO.

4. If filed through the USPTO, a foreign filing license is automatically granted. This eliminates the need to file a prior U.S. application for any design that is first "made" in the U.S. In other words, when necessary, U.S. applicants can apply for international protection as a first filing. Prior to the Hague Agreement, this was not allowed.

5. IDAs are published by WIPO within 6 months of filing, or sooner, thus providing provisional patent rights in the U.S. Provisional patent rights are the ability for damages to accrue upon publication. This will only apply to published IDAs that designate the U.S. and to a single embodiment only. Traditionally filed U.S. patents still will not publish until the patent issues, so damages cannot accrue until that date.

6. An IDA may include a request to defer publication of the design for up to 30 months, but this does not apply to an IDA that designates the U.S.

7. An IDA can include up to 100 designs in a single application (but see Disadvantage No. 2 below).

8. Expedited examination of IDAs. In certain countries, a first action must be issued within 6 months. For IDAs that designate the U.S., the USPTO must issue first action within 12 months. This has no effect on traditionally filed U.S. patents.

9. Potential Cost savings:

-- Translation costs (may be filed in English, Spanish or French)

-- No requirement to retain local counsel in each country upon initial filing which provides an opportunity for cost deferral.

-- Potential for savings on official filing fees and publication fees (but see Disadvantage No. 8 below)

-- Color drawings and photographs filed with design patents no longer require a special USPTO petition and fee.

10. Centralizes all downstream administrative issues. For example, any changes to applicant information or corporate name can be done through WIPO in one transaction. Similarly, renewal fees (where required) can be made with a single payment to WIPO.

CONSIDERATIONS

1. The Hague Agreement does not implement uniform drawing standards between member countries. Therefore, each country still has different substantive drawing requirements and different drawing sets may be needed depending on which countries are designated. (e.g. orthographic requirements (Japan); surface shaded or unshaded requirements (Korea); contouring requirements; partial design requirements; multiple view requirements). If you do not satisfy each designated countries' requirements upon filing, you risk losing rights in certain countries.

Legal advice of foreign counsel, and/or a review of each countries drawing requirements, is recommended prior to filing an IDA and country selection should be strategically considered.

2. An IDA can include up to 100 designs in a single application. However, if an IDA designates the U.S. but includes more than one design, U.S. restriction practice will apply because the U.S. only allows a single invention. Once a restriction requirement is issued by the USPTO, if an inventor fails to file one or more divisional applications, it could have negative effect on design rights in the U.S. due to prosecution estoppel, see *Pacific Coast Marine v. Malibu Boats, LLC*, 739 F.3d 694 (Fed. Cir. 2014).

3. A U.S. foreign filing license is still required before directly filing a Hague application through WIPO.

4. Early publication could provide competitors with a head start (e.g. disclosure of new design will occur sooner). Consider option of deferring publication (but see Disadvantage No. 5).

5. If an IDA designates the U.S., deferred publication (e.g. to

Continued ...

THE DAILY RECORD

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Continued ...

avoid publication before a product launch) is not an option.

6. Some countries require a "written description" of the characteristic, or salient, features of a new design (e.g. Korea, Poland, Turkey), and failure to include such features in words could preclude a filing date in these countries. On the other hand, as discussed above, in the U.S. the figures alone define the scope of protection for a design and a written description of the salient features of the design is not required. If such a description is included in an IDA to satisfy other countries' requirements, it could be used in the U.S. by infringers to unnecessarily narrow the scope of protection and thus have a negative impact.

7. Under certain circumstances, filing via the Hague Agreement will be more expensive than the traditional route. For example, if an applicant is filing one design in one designated country, it may be more expensive to file an IDA than it would be to file directly in that one country. Furthermore, when filing in multiple countries, applicants should be cautious as filing fees under the Hague Agreement can add up (e.g. each designated country requires a filing fee upfront, each additional design requires extra fees, and there are excess page fees).

8. All applicants must be entitled to file an IDA under the Hague Agreement. If one co-applicant does not qualify, then an IDA cannot be filed. Similarly, an IDA (or any application that stems from it) can only be assigned to an entity that qualifies under the Hague Agreement. Therefore, since Canada is not yet a party to the Hague Agreement, a U.S. inventor (or corporate

assignee) could not assign an IDA to a Canadian corporation.

9. Applicants will still need to file individual national applications for countries that are not a party to the Hague Agreement. At the time of this writing, this includes Canada, China, Brazil, Australia, Russia, Taiwan, Israel and Singapore. Japan joined the Hague Agreement on the same day as the United States, i.e. May 1.

10. Unlike the Madrid Protocol, an applicant cannot designate additional countries after the IDA is filed. You must select them at the time of filing and pay the requisite fees.

CONCLUSION

The above-cited considerations should not dissuade U.S. inventors from foreign filing via the Hague Agreement. With careful planning and strategy with your design patent counsel, the advantages can far outweigh any disadvantages. And, for those who are skeptical, the traditional path of preparing a first-filed U.S. design patent application, followed by separate applications in individual foreign countries, remains available.

Heslin Rothenberg Farley and Mesiti PC has a significant design practice, having filed hundreds of design patents, both in the US and internationally. Due to its impact on design practice, prior articles on the Hague Agreement, written by Jacqueline Graff and John Boger of Heslin Rothenberg Farley & Mesiti PC, have appeared in the column over the past year. For more information on the Hague Agreement, please contact our Rochester or Albany office.

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