

## Discussions at the USPTO Public Forum Held January 14, 2014, on Implementation in the United States of Hague Design Registrations

By Richard Neifeld<sup>1</sup>

Earlier today, I attended the USPTO public forum on proposed rules to implement the Hague agreement.<sup>2</sup> This is a summary of that forum and related events. At the conclusion of the meeting, I posted to the Oppedahl design patent email list service, the following summary:<sup>3</sup>

Just concluded. My takes. First, there is a lot that remains unclear regarding fee payment and processing between USPTO and WIPO, and fee deficiency payments when using the USPTO as the office of indirect filing will be an accounting headache. Second, the requirement for a FF license, will put a damper on direct US filings at WIPO. I think the most interesting issue raised, was by a question posed ... regarding enforceability of some [U.S.] patents issued from Hague [registrations] that might not be enforceable due to the closed system nature and putative ownership by an entity not entitled to a Hague registration.

In response, someone privately asked me: "Can you give a bit more information on 'requirement for a FF license, will put a damper on direct US filings at WIPO?'" My response, also posted to the list service, follows:

A foreign filing license is required prior to filing a patent application outside the United States, to avoid the penalties of 35 USC 185. See Minnesota Mining and Manufacturing Company v. Norton Company et al., 151 USPQ 1, 2 (CA 6 1966). Not with-standing patent issues, there are technical data export laws we must adhere to (22 CFR 121-130; 15 CFR 730-774; 10 CFR 810). But 37 CFR 5.11(b) authorizes the export of technical data if the Commissioner for Patents granted a license under 35 USC 184, so long as the purpose of the export is for (quoting 5.11(b)) "for purposes relating to the preparation, filing or possible filing and prosecution of a foreign patent application" and very importantly "without separately complying with the regulations contained in" the

technical data export laws.

As specified by USPTO proposed rules 5.1 and 5.11 at 78 FR 71901: A direct filing at WIPO is a foreign filing; and a filing at the USPTO as an office of indirect filing is not a filing at WIPO. So you should not file at WIPO as the office of direct filing, if the invention was made in the United States, and you have no foreign filing license. So, if the invention was made in the United States, in order to comply with law, you must: file at the USPTO as the office of indirect filing; first file a US application and get a foreign filing license and then file Hague; or file a petition for a foreign filing license without having filed an US application and then file Hague. So, by "put a damper on direct US filings at WIPO", I meant the problem that you have to jump through hoops to get the FF license before filing directly at WIPO, under Hague.

A follow-up email discussion amongst a subset of design patent practitioners appears to have resolved the enforceability issue to be more one of entitlement to notice ownership in the Hague system, of design rights resulting from a Hague registration, as opposed to actual right to ownership and right to alienate ownership to entities not residing in a Hague State.

My other notes regarding the public forum follow.

Regarding enforcing the "real and effective commercial establishment" requirement, the USPTO officials indicated that the USPTO would merely check the form for the existence of the required assertion, without looking into the circumstances behind the assertion.

The IB allows filing of color drawings. While no petition to accept these drawings (because they are color drawings) can be required in the USPTO for the Hague registration, the USPTO will require a petition to accept color in any continuation of the Hague registration.

The USPTO officials had no responsive answer to the question why CPAs will not be allowed for Hague cases (they are allowed for U.S. design applications). These officials did indicate that continuations could serve the same purpose as CPAs.

Regarding examination procedure, USPTO officials explained that US office actions should be similar, but much more limited due to the Hague limitations, than office actions in U.S. design applications. On this issue, there was concern voiced by members of the public that examiners might end run around

some of the Hague limitations on formalities by recharacterizing objections as rejections. For example, regarding drawings formalities, title, and disclaimers. The general response from USPTO officials to these issues was that, if the issue was not substantive, then the examiner should ignore.

Some 12 month issues were raised. Specifically, what happens if USPTO does not convey a refusal within 12 months but wants to issue a refusal thereafter. The USPTO is supposed to notify WIPO of the USPTO's failure, and then act. It seems like, as Offices acting as the ISAs for PCT applications, there is no mechanism to enforce the time limit.

Regarding amendment, the question was posed when can the applicant amend, before USPTO examination? USPTO officials noted that the USPTO receives cases after international registration. Consequently, if the IB sends an invitation to correct drawings, amendment may occur before the IB at that time. However, I did not hear the USPTO officials present a clear answer to the question of whether an applicant can cancel all but one of plural sets of drawings before US examination commences.

I asked what if anything will PAIR show. The USPTO officials noted that if a Hague application is filed in the USPTO as the office of indirect filing, private PAIR would show information similar to what private pair shows for United States design applications.

Someone asked a question regarding renewal fees for Hague design registrations. The USPTO officials noted that, while the USPTO will have no such renewal fees (there being no maintenance fees for US design patents), five year renewal fees may be due to the IB. Registrants need to deal with the IB, not the USPTO, for payment of such fees.

Interestingly, the proposed rules provide for establishment of small entity status by paying to the IB "the small entity first part of the individual designation fee for the United States." See proposed rule 1.27(c)(3).

Someone asked transmission of assignments under Hague to other States in which the Hague design is registered. The USPTO officials indicated that a Hague registration will eventually automatically pass Hague assignment to contracting Offices, but that does not seem to be in place at the moment.

Fee payment, specifically, the mechanism for fee payment, is an important issue. This is because the IB must be paid in Francs, the USPTO must be paid in dollars, and all US practitioners have accounts in dollars (and only a few have accounts in Francs). Hence, someone has to deal with the exchange rate. It appears that the USPTO will not be dealing with it, in the sense that they will

forward funds received by payment in dollars to the IB. If the amount the USPTO sends to the IB as a result of your payment of the USPTO does not correspond exactly with the amount in Francs the IB requires for the Hague application, it is you, the applicant, that will suffer the consequences. While the USPTO representatives suggested that the IB might send deficiency or credit notices, there was no one at the meeting to speak for WIPO regarding how they might do that.

And the fee payment issue is wrapped up with the filing alternatives. WIPO provides for online filing of Hague design applications. The USPTO charges a transmittal fee, in addition to the Hague application fees. So from a fee perspective it would be advantageous to file directly with the IB. However, for designs made in the United States, an applicant must first have a foreign filing licence, as noted above. Accordingly, the additional transmittal fee and the deficiency and credits accounting associated with filing and paying in the USPTO are offset by the convenience of the USPTO reviewing and granting a foreign filing license in the Hague application, if one files that application in the USPTO. The proposed rules do provide for paying the IB directly, except for the transmittal fee. However, they do not spell out how the IB and the USPTO will talk to one another to know that all of the fees have been paid, and payment of all of the fees appears to be a precondition (in addition to the USPTO granting a foreign filing license), for the USPTO to forward to the IB an Hague application filed in the USPTO.

I asked what payment mechanism the IB would use for design registrations. (For ePCT filings, the IB does not accept American Express, and requires payment, if via credit card, to be in response to an email sent by the IB, after the ePCT filing occurred). The USPTO officials did not know the details how the IB would accept payments, such as whether the IB would use web forms or emails for receiving payment by credit card.

I asked how the applicant would be notified of a fee deficiency? - The USPTO officials did not have a specific answer how WIPO will go about doing that.

My final comments are that the USPTO officials admitted that much of the electronic infrastructure had not yet been designed, and I think that will be key to whether the USPTO as an office of indirect filing is effective. I for one am leery of filing in the USPTO in a new system in which the USPTO's only function appears to be to hand off the filed data to the IB. The IB has proven to be very good at both designing electronic systems for filings (as with ePCT) and in responsiveness in helping customers, much better in that regard than the USPTO,

and the IB has had up and running for some time their Hague application e filing system. Lacking a good reason to do so, I would rather petition for a foreign filing license from the USPTO, or file a US design application to obtain that license, than use the USPTO as an office of indirect filing.

1. I can be reached via telephone at 1-703-415-0012 or via our firm website at: <http://www.neifeld.com/cv.html#neifeld>

2. As noted by the summary of the proposed rules titled "Changes To Implement the Hague Agreement Concerning International Registration of Industrial Designs", at 78 FR 71870 (2013):

Title I of the Patent Law Treaties Implementation Act of 2012 (“PLTIA”) amends the patent laws to implement the provisions of the 1999 Geneva Act of the Hague Agreement Concerning International Registration of Industrial Designs (“Hague Agreement”) and is to take effect on the entry into force of the Hague Agreement with respect to the United States. The Hague Agreement provides that an applicant is entitled to apply for design protection in Hague Agreement member countries and with intergovernmental organizations by filing a single, standardized international design application in a single language. The United States Patent and Trademark Office (USPTO or Office) proposes changes to the rules of practice to implement title I of the PLTIA.

3. The Oppedahl email list services: <http://oppedahl-lists.com/mailman/listinfo>