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GENEVA ACT OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS

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Mr. BIDEN, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany Treaty Doc. 109–21]

The Committee on Foreign Relations, to which was referred the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, adopted in Geneva on July 2, 1999, and signed by the United States on July 6, 1999 (the "Geneva Act" or "Agreement") (Treaty Doc. 109–21), having considered the same, reports favorably thereon with nine declarations as indicated in the resolution of advice and consent, and recommends that the Senate give its advice and consent to ratification thereof, as set forth in this report and the accompanying resolution of advice and consent.

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I. PURPOSE

The main purpose of the Geneva Act is to facilitate intellectual property protection for industrial designs by inventors in every country that is a Party to the Agreement through a single standardized application filed directly with the International Bureau of

the World Intellectual Property Organization (WIPO) or indirectly through an appropriate Contracting Party's office, such as the United States Patent and Trademark Office (USPTO). The Agreement thereby simplifies the application process and reduces the cost for inventors of industrial designs seeking to obtain and preserve their rights on a worldwide basis.

II. Background

The Geneva Act was negotiated under the auspices of WIPO, which was established by the WIPO Convention in 1967 and is composed of 184 Member States, including the United States. Negotiations were concluded and the text of the Agreement was adopted by a diplomatic conference on July 2, 1999.

The Geneva Act is the latest version of the 1925 Hague Agreement Concerning the International Deposit of Industrial Designs (the "Hague Agreement"), which entered into force in 1928 and has been revised and supplemented a number of times since then. The United States is not a party to the 1925 Hague Agreement and did not seek to join any of the subsequent Acts revising the Hague Agreement, because these agreements did not permit national offices of Contracting Parties to conduct their own substantive examination of international design applications for such things as novelty and non-obviousness. The Geneva Act, however, is different. The United States is able to join the Geneva Act because it is the first version of the Hague Agreement that provides for a system of individual review by national offices.

III. Major Provisions

A detailed analysis of the operation of the Agreement may be found in the Letter of Submittal from the Secretary of State to the President, which is reprinted in full in Treaty Document 109–21. Set forth below is a brief description of the international application process, followed by a summary of a few key provisions.

THE INTERNATIONAL APPLICATION PROCESS

As previously noted, the main purpose of the Geneva Act is to facilitate intellectual property protection for industrial designs by inventors in every country that is a Party to the Agreement through a single standardized application filed directly with WIPO's International Bureau (the "IB") or indirectly through an appropriate Contracting Party's office, such as the United States Patent and Trademark Office (USPTO). From a United States perspective, this means that the Geneva Act would permit a U.S. design applicant to file for protection in any country that is a party to the Agreement, including the United States, by filing a single standardized application in English.

Specifically, Articles 3 and 4(1) of the Agreement provide that any person who is a national of or is domiciled in a treaty country may file an international design application with the applicant's treaty country's national Office or with the IB. If the United States were a Party to the Agreement, in accordance with Article 9(1) and Rule 13(3), the filing date of the international design application would be the date that the application is received by either the IB

or the USPTO. If the application is filed in the United States, in accordance with Rule 13, the USPTO would have to transmit it to the IB within one month from the date on which the USPTO received the application, but because a security clearance is required by U.S. law (as reflected in the eighth declaration included in the resolution of advice and consent), this deadline is extended to six months.

In accordance with Articles 5 and 10, designers are required to designate in their application the countries in which they seek to be registered and on that basis the IB makes a copy of the published international deposit available for download by the national offices of each designated country. The IB also publishes each international deposit in the Industrial Designs Bulletin, a publication that is distributed on a monthly basis by CD-ROM. If the United States is one of the designated countries on an international deposit, the IB will make a copy of the published registration available for download by the USPTO.

Pursuant to Article 12, upon receiving a copy of the application from the IB, the USPTO has six months from the publication date of the application by WIPO to conduct a substantive examination of the industrial design and refuse protection, if it does not meet the necessary conditions for protection under U.S. law. In accordance with Rule 18, the USPTO can, as an Examining Office, notify the Director General of WIPO that the period for refusal (the time period during which the United States can refuse protection for the design) shall be extended for the United States to 12 months from the date of publication of the application. Under Article 14 and Rule 18, if the USPTO does not notify the IB of its refusal to protect the international registration in the United States within six months of publication, or 12 months if an extension has been obtained, the protection of the designs included in the international deposit is the same as if the deposit had been entered in the national register of the State concerned, which in this case would be the United States.

KEY PROVISIONS

1. The Harmonization and Simplification of Application Requirements

Article 5 of the Geneva Act sets forth mandatory requirements as to the contents of an international design application, as well as certain additional elements that can be required for an application made in a Contracting Party that has an intellectual property office that is an "Examining Office," such as the USPTO.

2. Rights of Priority

Article 6 provides that an international design application is deemed, as from its filing date and regardless of its subsequent fate, equivalent to a regular national filing within the meaning of Article 4 of the 1883 Paris Convention for the Protection of Industrial Property (the "Paris Convention"), which is the basic convention that harmonizes substantive domestic law among Contracting Parties regarding the protection of industrial property, including industrial designs. As a result, international design applications

under the Geneva Act can serve as a basis for claiming priority over a national or regional application subject to the Paris Convention.

3. Equivalent Grant of Protection of the Design under Domestic Law

Article 14 provides that a proper international registration has at least the same effect as a regularly-filed application for the grant of protection as it would have had if filed in the Contracting Party's Office under the domestic law of that Contracting Party, unless a timely refusal has been communicated in accordance with Article 12. The international applicant furthermore has the same related remedies as if the design had been the subject of a national application.

4. Opportunity to Defend One's Right if a Registration is Pronounced Invalid

Article 15(1) of the Agreement provides that the competent authority in a designated Contracting Party cannot pronounce a registration invalid without the right holder having "in good time" the opportunity to defend his or her rights.

5. Renewal of Registration

Article 17 of the Agreement provides that international registrations shall be for an initial term of five years, which is renewable every five years and if properly renewed, a Contracting Party must continue to provide protection for the registration, for at least 15 years in total.

IV. Entry Into Force

In accordance with Article 28, the Geneva Act will enter into force for the United States three months after the date on which the United States deposits its instrument of ratification with the Director General of WIPO or on a later date indicated in the U.S. instrument.

V. Implementing Legislation

Implementing legislation and the promulgation of new regulations by the USPTO are required for this Agreement. It is expected, therefore, that the United States will not deposit its instrument of ratification until this legislative process is complete, so as to ensure that the United States is capable of complying with its obligations under the Agreement. Specifically, Title 35 of the United States Code, known as the "Patent Act of 1952," must be amended in order to comply with the Geneva Act. The Department of Commerce has submitted a draft bill to Congress entitled the "Hague Agreement Implementation Act" and it is currently under consideration by the Committees on the Judiciary of the House and Senate.

The proposed Hague Agreement Implementation Act would maintain the U.S. substantive examination process for design applications; set forth the qualifications needed to apply, through the USPTO, for international registration of a design under the Act; and provide that the USPTO's substantive examination process will apply to international design applications seeking protection in the

United States. The proposed Act makes no substantive changes in U.S. design patent law with the exception of the following: the provision of limited rights to patent applicants between the date that their international design application is published by the IB and the date on which they are granted a U.S. patent based on that application; the extension of a patent term for designs from fourteen to fifteen years from grant; and allowing the USPTO to use a published international design registration as a basis for rejecting a subsequently filed national patent application that is directed at the same or a similar subject matter.

VI. Committee Action

The committee held a public hearing on the Agreement on July 17, 2007 (a hearing print of this session will be forthcoming). Testimony was received by Ms. Lois E. Boland, Director of the Office of International Relations, United States Patent and Trademark Office. On September 11, 2007, the committee considered the Agreement, and ordered it favorably reported by voice vote, with a quorum present and without objection.

VII. Committee Recommendation and Comments

The Committee on Foreign Relations believes that the Agreement is an important tool to further promote and protect the contributions of U.S. design owners on a worldwide basis. The Agreement establishes a reasonably streamlined process for U.S. design owners to protect their industrial designs internationally. If the United States ratifies the Geneva Act, it will no longer be necessary for U.S. design owners to make separate national deposits in each of the States in which they require protection, pay a series of national fees in various currencies, submit applications in various languages, or keep watch on the deadlines for renewal of a series of national deposits. Instead, U.S. design owners will be able to obtain multinational design protection through a single deposit procedure. Similarly, it will be possible to renew a design registration in each Contracting Party by filing a single request along with payment of the appropriate fees at the IB.

The committee therefore urges the Senate to act promptly to give advice and consent to ratification of the Geneva Act, as set forth in this report and the accompanying resolution of advice and consent.

A. DECLARATIONS

The executive branch has recommended, and the committee has included in the resolution of advice and consent, nine declarations. The proposed declarations address a variety of technical issues, including the following: (1) ensuring that the USPTO is recognized as an Examining Office, which will be examining each international deposit in which the United States is designated individually; (2) making it clear that fees currently charged by the USPTO for processing national design applications are also applicable for international design applications deposited under the Agreement; (3) making clear that the USPTO will continue to allow only one independent and distinct design to be claimed in a single applica-

tion; (4) providing that the USPTO will continue its practice of requiring that an application for the protection of an industrial design be filed in the name of the creator of the design; and (5) making it clear that U.S. law requires a security clearance so that the USPTO has six months rather than one month to forward applications to the IB without causing the filing date of the international application to be changed to the date of receipt by the IB.

The second declaration in the resolution of advice and consent made pursuant to Article 7(2) and Article 12(3), reflects updated individual designation fees, based on information supplied to the committee by the USPTO. Nevertheless, due to a Final Rule on August 22, 2007, which went into effect on September 30, 2007, the individual design fees have since been increased to track the Consumer Price Index (72 Fed. Reg. 162 at 46899 (Aug. 22, 2007)). The committee understands that the executive branch will adjust the fee amounts in this declaration when depositing the instrument of ratification to reflect the current fee structure.

B. TACIT AMENDMENTS

As in the case of other multilateral intellectual property treaties, such as the Protocol to the Madrid Agreement Concerning the International Registration of Marks and the Patent Law Treaty, amendments to certain provisions of the Geneva Act may be adopted by a super-majority vote of the Assembly and such amendments may take effect for all once accepted by three-fourths of the Contracting Parties, even absent the explicit consent of all the Parties.

Such a tacit amendment procedure applies with respect to amendments to Articles 21, 22, 23 and 26, which are largely procedural in nature but could, in some circumstances, have substantive effect. Article 21 deals with the Assembly and covers such issues as its composition, tasks to be performed, and its decision-making procedures. Article 22 describes the administrative duties of the IB and the IB's relationship to the Assembly. Article 23 addresses the financing of the Hague Union, which is a body comprised of Contracting Parties established in the 1925 Hague Agreement and maintained in subsequent Acts, including the Geneva Act (Article 20). Article 26 sets forth the tacit amendment procedure that is available for amending Articles 21, 22, 23 and 26.

Article 26 provides that in general, amendments to Articles 21, 22, 23 and 26 require a three-fourths majority to adopt, and enter into force one month after three-fourths of the Contracting Parties that were members of the Assembly and had the right to vote on the amendment when it was adopted have accepted the amendment in writing to the Director General. Amendments to certain provisions, however, have stricter requirements with respect to their adoption and entry into force. The adoption of any amendment to Article 21, for example, requires a four-fifths majority. Moreover, amendments to Article 21(3) and (4), which set forth the decision-making procedures of the Assembly and the requirements of a quorum, as well as Article 26(3)(b), which sets forth this particular entry into force requirement, will not enter into force if any Contracting Party objects within six months of the amendment's adoption by the Assembly.

In accordance with Article 26(1), any proposal by a Contracting Party, or by the Director General of WIPO, to amend Articles 21, 22, 23 and 26 must be communicated by the Director General to the Parties at least six months in advance of their consideration by the Assembly. The committee expects the executive branch to inform it of any proposed amendments subject to this tacit-amendment procedure upon receipt of a proposed amendment from the Director General and to consult with the committee in a timely manner in order to determine whether Senate advice and consent is necessary.

In addition to the tacit amendment process described above, the Assembly established in the Agreement may, under Article 21(2)(iv), amend the Regulations. In accordance with Article 21(4), the Assembly endeavors to take decisions by consensus; however, if a decision cannot be arrived at by consensus, the matter may be decided by a vote and consequently, unless the Regulations specifically require unanimity or a four-fifths majority for the amendment at issue, the Regulations could be amended by a two-thirds vote of the Assembly pursuant to Articles 21(5) and 24(2).

The committee recognizes that a tacit amendment procedure for amending regulations annexed to a treaty is fairly common in multilateral intellectual property treaties negotiated under the auspices of WIPO, many of which have been ratified by the United States. Allowing the Assembly to amend the Regulations in this manner makes it possible for the technical implementation of the treaty to evolve without going through the formalized and standard amendment process, which frequently takes years to effect. Amendments effected through this mechanism may not, as a matter of law, rise to the level of those that require the advice and consent of the Senate. The executive branch has assured the committee that there is an inherent limitation on any implementing regulations the Assembly can consider, because the Regulations cannot exceed and can only implement the Agreement's provisions. Such modifications to the Regulations should not, in the normal course, require advice and consent. If there is any question, however, as to whether an amendment to the Regulations goes beyond the implementation of specific provisions in the Geneva Act, the committee expects the executive branch to consult with the committee in a timely manner in order to determine whether Senate advice and consent is necessary.

VIII. Resolution of Advice and Consent to Ratification

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO DECLARATIONS

The Senate advises and consents to the ratification of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (the "Agreement"), adopted in Geneva on July 2, 1999, and signed by the United States of America on July 6, 1999 (Treaty Doc. 109–21), subject to the declarations of section 2.

SECTION 2. DECLARATIONS

The advice and consent of the Senate under section 1 is subject to the following declarations, which shall be included in the United States instrument of ratification:

(1) Pursuant to Article 5(2)(a) and Rule 11(3) of the Agreement, the United States of America declares that its Office is an Examining Office under the Agreement whose law requires that an application for the grant of protection to an industrial design contain: (i) indications concerning the identity of the creator of the industrial design that is the subject of the application; (ii) a brief description of the reproduction or of the characteristic features of the industrial design that is the subject of the application; and (iii) a claim. The specific wording of the claim shall be in formal terms to the ornamental design for the article (specifying name of article) as shown, or as shown and described.

(2) Pursuant to Article 7(2) and Rule 12(3) of the Agreement, the United States of America declares that, as an Examining Office under the Agreement, the prescribed designation fee referred to in Article 7(1) of the Agreement shall be replaced by an individual designation fee, that is payable in a first part at filing and a second part payable upon allowance of the application. The current amount of the designation fee is US$1,230, payable in a first part of US$430 at filing and a second part of US$800 upon allowance of the application. However, for those entities that qualify for "small entity" status within the meaning of section 41(h) of title 35 of the United States Code and section 3 of the Small Business Act, the amount of the individual designation fee is US$615, payable in a first part of US$215 and a second part of US$400. In addition, these amounts are subject to future changes upon which notification to the Director General will be made in future declarations as authorized in Article 7(2) of the Agreement.

(3) Pursuant to Article 11(1)(b) of the Agreement, the United States of America declares that the law of the United States of America does not provide for the deferment of the publication of an industrial design.

(4) Pursuant to Article 13(1) of the Agreement, the United States of America declares that its laws require that only one independent and distinct design may be claimed in a single application.

(5) Pursuant to Article 16(2) of the Agreement, the United States of America declares that a recording by the International Bureau under Article 16(1)(i) of the Agreement shall not have effect in the United States of America until the United States Patent and Trademark Office has received the statements or documents recorded thereby.

(6) Pursuant to Article 17(3)(c) of the Agreement, the United States of America declares that the maximum duration of protection for designs provided for by its law is 15 years from grant.

(7) Pursuant to Rule 8(1) of the Agreement, the United States of America declares that the law of the United States of America requires that an application for protection of an in-

dustrial design be filed in the name of the creator of the industrial design. The specific form and mandatory contents of a statement required for the purposes of Rule 8(2) of the Agreement are contained in section 1.63 of title 37 of the Code of Federal Regulations of the United States.

(8) Pursuant to Rule 13(4) of the Agreement, the United States of America declares that the period of one month referred to in Rule 13(3) of the Agreement shall be replaced by a period of six months as to the United States of America in light of the security clearance required by United States law.

(9) Pursuant to Rule 18(1)(b), the United States of America declares that the period of six months referred to in Rule 18(1)(a) of the Agreement shall be replaced by a period of twelve months with respect to the United States of America, as the Office of the United States of America is an Examining Office under the Agreement.

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