

**From:** Samantha Garner  
**Sent:** Tuesday, February 04, 2014 2:41 PM  
**To:** ac87.comments  
**Cc:** Herbert C. Wamsley; Johnson, Philip [LAW][JJCUS]; Laura Jacobius  
**Subject:** IPO Comments on USPTO Proposed Rules to Implement the Hague Agreement (78 Fed. Reg. 71870)

Dear Mr. Milef,

Please find attached IPO's comments on the USPTO proposed rules to implement the Hague Agreement.

Please let us know if you have any questions.

Kind regards,  
Samantha

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February 4, 2014

The Honorable Margaret Focarino, Commissioner for Patents  
Attn.: Mr. Boris Milef, Senior PCT Legal Examiner  
Office of PCT Legal Administration  
United States Patent and Trademark Office  
600 Dulany Street  
P.O. Box 1450  
Alexandria, VA 22313

Submitted to: [AC87.comments@uspto.gov](mailto:AC87.comments@uspto.gov)

**RE: IPO Comments on Notice of Proposed Rulemaking: Changes to Implement the Hague Agreement Concerning International Registration of Industrial Designs, 78 Fed. Reg. 71870 (Nov. 29, 2013)**

Dear Commissioner Focarino:

Intellectual Property Owners Association (IPO) submits this letter in response to the USPTO's request for comments on the proposed rules to implement the Hague Agreement as codified in Title I of the Patent Law Treaties Implementation Act of 2012 (PLTIA). *See* 78 Fed. Reg. 71870 (Nov. 29, 2013). We appreciate the opportunity to comment.

IPO is a trade association representing owners of patents, trademarks, copyrights, and trade secrets. IPO's membership includes over 200 member companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO serves intellectual property owners in all industries and across all fields of technology.

IPO commends the USPTO's efforts in formulating the proposed rules to implement the Hague Agreement with regard to industrial designs. Our comments focus on two aspects of the proposed rules, the first being proposed rule 37 CFR § 1.53(d)(1)(ii) and the second relating to the payment of fees when filing through the USPTO. We address each issue below.

**Comments regarding proposed rule 37 CFR § 1.53(d)(1)(ii)**

*Background*

The proposed amendment to Section 1.53(d)(1)(ii) provides that a continued prosecution application (CPA) may not be filed in an international design application (IDA).

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The Federal Register notice states that “[t]he filing of a CPA of a prior nonprovisional international design application would not be appropriate, as a CPA is a design application under 35 U.S.C. chapter 16 and thus subject to different statutory and regulatory requirements relative to a nonprovisional international design application.” 78 Fed. Reg. 71870, 71877-78.

Additionally, at the Hague Agreement Public Forum at the USPTO on January 14, 2014, Mr. David Gerk, Office of Policy and International Affairs, and Mr. Boris Milef, Office of PCT Legal Administration, suggested that differing statutory requirements governing chapter 16 and IDA applications, as well as logistical complications, were reasons for not allowing CPAs to be filed in IDAs.

### *Suggestion*

The USPTO should provide for filing a CPA in an IDA or should implement an alternative policy to effectively continue prosecution in an IDA so that an applicant can expeditiously address issues that are conventionally addressed with CPAs in chapter 16 design applications. Alternatively, the USPTO should implement a mechanism to prioritize/expedite examination of a continuation application of an IDA, similar to how the USPTO prioritizes/expedites examination of a CPA.

### *Rationale*

In many instances, applicants use CPAs to quickly address one or two remaining issues in prosecution. After filing a CPA, the applicant often receives a notice of allowance as the next response from the USPTO. For many design patent applications, filing a CPA is much more efficient than filing a continuation or divisional application.

For example, when corresponding or related design applications are being examined in parallel, it is common that a new prior art reference is brought to the attention of an applicant after a Notice of Allowance has been received. At this late stage, the applicant has limited options to have the new reference considered by the USPTO. In a design application under chapter 16, a CPA can be filed and the new reference can be submitted in an Information Disclosure Statement to ensure consideration thereof.

The Proposed Rules, however, do not allow CPAs to be filed in IDAs. Although a continuation application could be filed, the proposed rules do not set forth any other mechanism to address newly-discovered art or other similar issues in a timely and cost effective manner.

35 U.S.C. § 382(c) recites, with reference to IDAs, “[e]xcept as otherwise provided in this chapter, the provisions of chapter 16 shall apply.” Additionally, 35 U.S.C. § 384(a) recites, “[n]otwithstanding the provisions of this part, an international design application designating the United States that otherwise meets the requirements of chapter 16 may be treated as a design application under chapter 16.” Moreover, the proposed treatment

of an IDA by the USPTO with respect to examination and general filing requirements appears to be modeled after the current treatment of chapter 16 applications before the USPTO.

Overall, 35 U.S.C. chapter 38 and the proposed rules demonstrate an intent to treat IDAs as chapter 16 design applications. The proposed changes to Section 1.53(d)(1)(ii) appear to be contradictory to the explicit language and intent of 35 U.S.C. chapter 38 and the other portions of the proposed rules, resulting in a disparity between the treatment of an IDA and a chapter 16 design application. The cost difference between filing a CPA (\$180) and a continuation (\$760 for a large entity) will further increase this disparity.

Not allowing CPAs of IDAs will serve to lengthen the time to resolution of a case, in contrast to the Office's policy of compact prosecution. There is no guarantee that the same Examiner will examine a new continuation application, and the application could be placed at the bottom of an Examiner's docket. The filing of a continuation, rather than a CPA or similar alternative, would most likely result in unnecessary delay.

The filing of a continuation may also remove the possibility of obtaining damages based on the prior publication of the IDA. One of the primary benefits of an IDA is the ability to obtain damages from the date of publication until patent grant under 35 U.S.C. § 154(d). Upon the filing of a continuation it appears that the Office would view the application no longer as an IDA with a prior publication, but as a new unpublished application. Thus, under the current law the public would not have access to the file history of the application and would not be able to determine the scope of the continuation until the design patent grants. Because the public would not be able to determine the scope of the pending continuation, there would be an argument that provisional rights are not available. If the USPTO does not ultimately allow the filing of a CPA to continue prosecution of an IDA, the USPTO should ensure that applicants can retain the benefits of 35 U.S.C. § 154(d) using an alternative approach.

If the USPTO allows filing of a CPA or similar request to continue prosecution/examination of an IDA, the IB could be notified when either the USPTO has granted a design patent or the application has been abandoned in the United States. This notification step would ensure that the IB is informed as to the final status of examination in the U.S. IPO would be willing to participate in a roundtable or other opportunity to help solve any logistical difficulties that may stem from allowing CPA practice for IDAs.

If the USPTO does not allow CPAs to be filed in IDAs and does not provide an alternative mechanism to continue prosecution of an IDA, then the USPTO should implement other policies to limit the disparity between the treatment of an IDA and a chapter 16 design application. One approach is for the USPTO to adopt policies to expedite or prioritize examination of a continuation application filed to address an issue in an IDA. This approach could be applied only in limited circumstances, such as to consider a new prior art reference or to address another issue that is conventionally

addressed with a CPA in a chapter 16 design application. Another possible approach is to amend petition practice to allow for consideration of IDSs or other issues after receipt of a Notice of Allowance with a conditional petition. If a new issue is raised, the filing of the petition would constitute the filing of a continuation, similar to the conditional Request for Continued Examination (RCE) pilot program for Utility Patents entitled “Quick Path Information Disclosure Statement” (QPIDS).

*Conclusion*

The rules should reflect equal treatment between chapter 16 design applications and IDAs as much as possible by allowing CPAs or similar requests in IDAs. Alternative but less preferred approaches to address issues that would arise from not allowing CPAs include: 1) expediting examination of continuation applications, and 2) allowing petitions for conditional consideration.

**Comments regarding the payment of fees when filing through the USPTO (indirect filing)**

*Background*

At the Hague Agreement Public Forum at the USPTO on January 14, 2014, the USPTO presented information on the payment of fees for IDAs when filing through the USPTO as an office of indirect filing. Two options were presented: (1) paying the USPTO all of the required fees, and (2) paying WIPO all of the fees except for the transmittal fee to the USPTO. The presentation also noted that WIPO will process the payment of fees in Swiss Francs, and that discrepancies may occur due to fluctuations in exchange rates.

*Suggestion*

Applicants should be advised as to any options pertaining to deposit accounts with WIPO to account for any fee discrepancies. The USPTO should process and send payments to WIPO with minimal delay and with same-day confirmations of fees received by WIPO in Swiss Francs. Also, the USPTO should prompt applicants filing IDAs through the USPTO with a link to pay fees directly to WIPO to avoid discrepancies.

*Rationale*

Although any discrepancy in fees due to fluctuations in exchange rate may be nominal, there is a concern that a deficiency in fees, even a nominal deficiency, may result in a delayed registration date. Consequently, the filing date under proposed rule 37 CFR § 1.1023 may also be delayed, which could cause the filing date of the IDA in the United States to be after a 6-month priority claim period. Additionally, the delay of the filing date will broaden the available prior art.

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Burdening an applicant with any of these exemplary issues due to a nominal deficiency in the payment of fees resulting from a fluctuation in exchange rates would be unreasonable.

*Conclusion*

Policies and procedures should be implemented to minimize the occurrence and impact of nominal fee discrepancies due to fluctuations in exchange rates.

\* \* \*

IPO applauds the USPTO's efforts in developing the proposed rules to implement the Hague Agreement with regard to industrial designs and appreciates the opportunity to comment. IPO looks forward to working with the USPTO to support the continued implementation of the Hague Agreement with regard to industrial designs.

Sincerely,

A handwritten signature in cursive script that reads "Herbert C. Wamsley".

Herbert C. Wamsley  
Executive Director