



European Communities Trade Mark Association

24 July 2012

ECTA POSITION PAPER

Registered Community Designs v. International Designs designating OHIM¹

I. Introduction

The European Communities Trade Mark Association (ECTA) was formed in 1980. ECTA numbers approximately 1.400 members, coming from all the Member States of the European Union with associate members from all over the world. It brings together all those persons practising professionally in the field of trade marks, designs and related IP matters who can be considered specialist practitioners in these areas.

The extensive work carried out by the Association, combined with the high degree of professionalism and recognised technical capabilities of its members has established ECTA at the high level and has allowed the Association to achieve the status of a recognised spokesman on all the questions related to the protection and use of trade marks, designs and domain names in and throughout the European Union.

More information on ECTA can be found at www.ecta.eu.

II. Purpose of this paper

This paper deals only with a comparison between RCD filings (direct registered Community design filings at OHIM) and International (Hague Agreement - IR) filings where only the OHIM is designated in the IR.

The paper is not intended to present one system (RCD System v IR Hague System) better than the other, but simply to take various considerations into account in order to show that both systems may improve and may learn from each other.

III. Comparison between RCD filings and IR filings designating OHIM

There are no differences in the legal effect of a RCD obtained directly as opposed to an international registration designating OHIM. The comparison really concerns speed, ease of use and costs, with a few issues concerning the application as a basis for protection outside the Community.

Appendix 1 is a table comparing the two systems mainly by procedure.

Appendix 2 is a series of tables comparing the cumulative official fees applicable to the two systems for filing, at first, second, third and final renewal, where (in one case) there is only one representation and where (in the other case) there are seven representations.

¹ The Position Paper has been drafted under the lead of **Keith Hodkinson**, Member of ECTA Design and OHIM Link Committees.

We have only modelled from 1 up to 65 multiple designs; clearly the trend will become more divergent with each additional design in the multiple design. This is current: fees will change in October.

Appendix 3 shows some renewal statistics, indicating the high attrition rate of designs after the first renewals have taken place.

Please note that:

- We assume electronic filing in each case.
- We have not included consideration of divisional fees; nor of correction fees.
- We have not included consideration of deferred publication fees: There are no additional fees incurred for deferred publication of IR designs under the Hague Agreement but this is of limited impact since only about 9% of RCDs are subject to deferred publication requests (2010 figures) and, for most applicants, the speed of publication is an advantage.
- The exchange rate used is 1.000 CHF = 0.83254 EUR (26 June 2012 rate).

III.1. Fees

WIPO becomes more favourable, in terms of fees, the longer the lifespan of the design and the more multiple designs one has and especially if one has few representations, such as for a typical two dimensional design.

Note that over the recent years well over half of IRs filed are for single designs (WIPO statistics - see <http://www.wipo.int/export/sites/www/hague/en/statistics/pdf/stat2009.pdf>).

Whilst not a very reliable statistic, in 2009 32 of the 630 IRs designating the EU (less than 5%) were in class 32 of Locarno (ornamentation, logos etc) and thus definitely 2 dimensional, possibly requiring only a single representation (and therefore more favourable to an IR filing in terms of any price comparison) (same source).

However, for the majority, short lived designs and those three dimensional designs with the full complement of seven views, which is the norm, WIPO is not nearly as favourable as using OHIM directly, accepting always that if one is filing outside OHIM, use of WIPO avoids duplication of many other fees.

In this context it should be recalled that renewal rates are not high: see the attached Appendix 3, showing fewer than half RCDs being renewed at 5 years.

If publication is deferred there are additional fee benefits to using WIPO but these are not modelled here since deferred publication is relatively uncommon.

The fee structures do however make WIPO much more attractive for those filing from outside the EU, since they will usually have been filing in their home country to begin with and thus OHIM will almost always be an additional designation, whereas many EU based applicants file only in the OHIM.

Obviously if the applicant wishes to designate other countries there will be additional advantages to using the Hague system and designating OHIM and those other countries, and these advantages will multiply as new members include USA, JP, KR and CN.

ECTA recommends that fees to WIPO should be payable in Euros to assist in avoiding currency exchange risks for applicants, or there should be a fixed rate of exchange used over set periods of time much as in the EPO.

III.2. Eligible Applicants

Clearly RCD currently has a major advantage for those located in USA, JP, CN and KR in that they are not eligible to use the Hague Agreement, though this will soon change and at that point a significant number of direct applications could be lost, whilst the number of additional designations could well exceed the losses.

Last year 11.5% of RCD applications at OHIM came from these four countries – according to OHIM statistics – see:

http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc007-statistics_of_community_designs_2010.pdf.

III.3. Priority claims

WIPO does not require priority documents for IR applications; OHIM does require certified priority documents for RCD applications, which can be a significant cost issue in some cases. Under IR common procedural regulations a designated contracting party (DCP) can request them from IR applicants but OHIM has stated that it will never do so.

ECTA recommends that the requirement for a certified priority document be deleted.

III.4. Timescales

OHIM remains a faster system, with very rapid grant, but WIPO is catching up and the introduction of a two week cycle to its notices of grant reduces the gap between the two systems significantly.

Conversely there is no difference on deferred publication. If the IR designates other countries deferred publication may only be requested to the shortest deferral allowed under the rules of the designated contracting Party so the full impact of deferral may be lost, but since publication is international in many countries this is not a major issue.

III.5. Representations and multiple designs

For use when filing overseas the absence of a limit on the number of representations in WIPO is marginally more convenient; in very rare cases a paper filing of more than 100 designs might be desired and available in OHIM but not in WIPO (how many multiple designs of over 100 designs have there ever been?).

Use of representations meeting IR requirements (allowing for the additional requirements clauses specified in the rules) will always satisfy OHIM (subject to the rule on maximum number of representations) and the other Designated Contracting Parties whether IR or nationally based. Use of these rules is therefore a good way of ensuring compliance with overseas laws for formalities purposes.

Use of the RCD rules satisfying OHIM will not necessarily satisfy the laws of other IR Designated Contracting Parties. This will become more of an issue when KR, JP, CN and the US are members of Hague.

ECTA recommends that there be total harmonisation of RCD and IR rules.

The ECTA OHIM Link Committee position paper presented at the ECTA-OHIM meeting of 17 February 2012 (“Registered Designs Representations in OHIM under CDR Article 4 and Other IPOs”) may be referred to in this regard.

III.6. Languages

The OHIM system is slightly more flexible on languages but languages play only a small part in designs (allowing always for the possibility of a voluntary description, infrequently used); the Locarno (IR) and Euro Locarno (OHIM) classifications are substantially harmonised and three out of five of the languages in OHIM are available in WIPO which between them represent over 40% of the first language filings and over 86% of the second language choice filings.

ECTA makes no recommendation to change the language regime.

III.7. Prosecution bureaucracy

WIPO is more flexible on professional representation and on fees, including credit card payments, and renewals, an attraction for SMEs.

WIPO will deal with formalities matters by telephone, proactively contact the applicant and undertake corrections over the telephone; however, corrections of errors attract publication fees unlike the case in OHIM.

ECTA recommends that OHIM review its service levels in dealing with formalities questions

III.8. Post grant administration

The two systems are both very simple, with simple forms. WIPO’s forms are being revised and should become simpler than in the past. Both allow electronic filing of changes.

However, WIPO’s rule sending renewal notices to both owner and attorney can cause duplicate effort and unnecessary communications and misunderstandings.

ECTA recommends to WIPO that WIPO reconsider its policy on the transmission of renewal notices



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III.9. Other points: Searching RCDs and IRs designating OHIM

To search the whole of the registrations applicable in OHIM it is still necessary to search both the OHIM RCD and the WIPO IR designs register since OHIM does not include IRs designating OHIM in its RCD database; this is highly regrettable.

ECTA recommends that a single search database be provided to cover both WIPO, OHIM and all Member States.