

Title: Joining the Hague Agreement on Designs IA No: BIS0351 Lead department or agency: Intellectual Property Office Other departments or agencies:	Date: 20/12/2012 Stage: Final Source of intervention: Domestic Type of measure: Primary Legislation Contact for enquiries: Mike.Foley@ipo.gov.uk
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Summary: Intervention and Options	RPC Opinion: RPC Opinion Green
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£0.09m	£0.09m	-£0.009m	Yes Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?

The Hague agreement allows you to register design rights in any signatory country, through one application in one language. At present the UK is not a member, but the EU is, meaning firms can get protection in the UK via an EU application, but this is more costly than selecting the individual country. This disadvantages UK designers, specifically SME's, as they are not able to use Hague to gain protection at home and in specific overseas markets through a single application. The only way to join the Hague agreement is through ratifying the treaty in Parliament, which is why government intervention is needed.

What are the policy objectives and the intended effects?

The objective is to enable designers, particularly SME's, to take full advantage of the flexibilities and economies of using Hague registrations to gain protection at home and in important overseas markets.

As a result, firms should be able to save money on design registrations, be able to protect their Intellectual Property more efficiently, and it should encourage non-UK owners of designs to register their rights in the UK for basing manufacturing, distribution or licensing of their intellectual property.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: Do nothing

Option 2: Join the Hague Agreement.
 The chosen option is option 2. This will provide non-UK firms and UK business with enhanced opportunities to protect their intellectual property.

Consultation found that the consensus of respondents were in favour of independent membership, which will increase flexibility for UK applicants and harmonise our approach with the EU.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 04/2018					
Does implementation go beyond minimum EU requirements?				No	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible :**SELECT SIGNATORY** Date:

Summary: Analysis & Evidence

Policy Option 2

Description: Joining the Hague Agreement on Designs

FULL ECONOMIC ASSESSMENT

Price Base Year 2009	PV Base Year 2009	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 0	High: 0.25	Best Estimate: 0.09

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual Transition) (Constant Price) (excl.)	Total Cost (Present Value)
Low	0	0.000	0
High	0.000	0.000	0
Best Estimate	0	0.000	0

Description and scale of key monetised costs by 'main affected groups'

There will be no IT transition cost to the Intellectual Property Office from implementing Hague compliant software as the office is already undertaking an update and there will be no additional costs as a result of this proposal.

Other key non-monetised costs by 'main affected groups'

We have not identified any other costs as the system will be opt-in and firms would only choose to register through Hague if they felt it was better than the available national registration.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual Transition) (Constant Price) (excl.)	Total Benefit (Present Value)
Low	0.000	0.000	0.000
High	0.000	0.029	0.247
Best Estimate	0.000	0.010	0.085

Description and scale of key monetised benefits by 'main affected groups'

The direct cost saving for firms in switching from available EU registrations to European bundles with fewer countries would be between £0 and £109 per application. Additional applications are expected to the Hague system as a result of joining, which on average are 95 per annum in the low estimate and 274 per annum in the high. See page 5 for applications, and page 6 for costs.

Other key non-monetised benefits by 'main affected groups'

There will be savings to firms from simplifying the management of multiple nation registration into one, and benefits to firms who will be able to access a simpler European design registration system for picking individual nation protection. Being able to select specific countries, particularly the UK, rather than being forced into EU wide protection reduces the risk of conflict with other designers and the loss design protection, and leaves protection open for legitimate design protection for others.

Key assumptions/sensitivities/risks

We assume that Hague applications from the UK would follow the number of applications from other similar European signatories who have joined in the last 10 years, scaled up by the size of the economy; see page 6. We expect the benefits to firms to outweigh the costs accruing to government, with no net costs to firms from this opt-in scheme. Consultation suggests that more businesses would use the international registration system if you could include the UK in an application.

(%) 3.5

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:	In scope of OITO? Measure qualifies as
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Costs: 0.000	Benefits: 0.009	Net: 0.009	Yes	ZERO NET COST
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Evidence Base (for summary sheets)

• Problem under consideration

The Hague System for the International Registration of Industrial Designs allows design rights to be registered in several countries with a single application, filed in one language and with one set of fees in one currency (Swiss Francs). The UK is not a national member of this agreement, but the EU is a member, so firms can only use the Hague system to apply for protection within the UK by selecting and paying for EU-wide protection.

This is a barrier to businesses, especially SMEs, who may wish to obtain design protection in the UK and a smaller bundle of countries than the whole EU, as EU protection is more expensive than selecting a few EU countries. With an EU application there is also a higher risk of challenge from other designers (or IP offices), who could argue that a design registration overlapped their existing rights. So while it is possible to get EU wide coverage through the Hague System, or registering an EU community design with the Office for Harmonisation of the Internal Market (OHIM), there is no simple way to register a smaller bundle of national rights which include the UK.

Getting a design registered through The Hague System is equivalent to getting domestic protection in each of the countries that are selected. There are currently 60 members of the system, which include the EU, Singapore, Switzerland and several Balkan, Central Asian and African members [7]. The Hague System also simplifies the management of registrations as all administration is handled through a single agency: The International Bureau of WIPO.

• Rationale for intervention

The EU became a member of the Hague Agreement on 1 January 2008. This provides the option of having a registration that covers the EU as a whole, or any of the 17 EU states that have individually signed up to the agreement. The UK is not a member in its own right, so is excluded from being included in country-specific applications.

Smaller businesses are unlikely to need EU wide design protection, or able to afford the considerably higher cost and risk that this would incur. They are more likely to require protection in the specific countries where they carry on business, but as the UK cannot be included in an application (called self-designation) firms must make, pay for, and manage a separate UK application with the UK Intellectual Property Office, in addition to any Hague application.

A similar position exists for non-UK business wishing to gain protection for their designs within the UK, which may well be denying opportunities for UK business to manufacture; distribute or license products of these foreign owned designs.

• Policy objective

The aim is to provide firms a direct route to gain UK protection for designs through this international mechanism. It is also intended that UK firms, especially SMEs, who wish to have registered designs across multiple countries can have a simpler method for managing their rights.

As of 2010 there were more than 25,000 live Hague designs (which last a number of years), and the 2,216 applications in 2010 signified a 30% rise in applications [reference 4, p.2], indicating the growing popularity of a system we think UK designers should have full access to.

• Description of options considered (including do nothing)

Option 1: Do nothing

Option 2: Join the Hague Agreement

Option 1: Do nothing

- **Costs and benefits**

There are no costs or benefits associated with not joining the Hague Agreement as it is the base case.

- **Wider impacts**

Following the review of Intellectual Property (IP) by Ian Hargreaves in May 2011 [1], the Government agreed that there was limited information on how important design rights were to growth, and whether the current design IP framework was meeting the needs of business [2]. The IPO issued a 'call for evidence' and an associated survey to acquire this information [3]. Responses to the 'call' confirmed that the IP framework around designs needed to be simplified and improved to make it more fully meet the needs of business.

Doing nothing risks failing to act on the evidence which suggests the current design protection is not optimal for firms.

Option 2: Join the Hague Agreement on designs

Option 2 would give the owner of a design the ability to use the Hague system to manage the protection of their designs in important markets, including the UK, through a single process. This would negate the need, cost and risks of having to take out EU-wide protection or making a UK domestic application alongside an application through the Hague system.

Independent membership of the Hague Agreement would highlight the UK's commitment to IP Treaties and enable us to encourage further countries to sign up, thus, opening up further markets for UK business. By not joining we run the risk of the UK being excluded from a large and influential group which, in the long term, could be detrimental to UK users.

Making this possible will require a statutory change to primary legislation in order to recognise and enable use of the rights obtained through the Hague international system, and for the UK to officially sign the Hague agreement.

- **Costs**

IT system upgrade and use:

We do not expect that there will be any additional cost to the IPO from joining the Hague agreement in terms of updating IT systems, as IPO's IT systems are already in the process of being updated to implement an e-filing system. The IPO's IT department estimates that the total cost of £500,000 - £1,000,000 for full electronic case management in designs, but as this money is already being invested this proposal will have no impact on these costs.

Whether there would be any costs to the IPO in managing design activities under The Hague system will depend upon whether this is done wholly or in part by electronic means. Based on the IPO's experience with WIPOs equivalent to Hague applications in trade marks (the Madrid system) it is likely that information between WIPO and the IPO would be done electronically.

There would not be any transition costs from introducing the electronic filing system as the ability to electronically file designs will be part of a Cooperation Fund project with the Office for Harmonisation of the Internal Market (OHIM), fully funded by OHIM.

We have not been able to identify any other costs at this stage, as the system will be opt-in and firms would only choose to register through Hague if they felt it was better than the available national registration, the EU design right available through the European office responsible for granting design rights (OHIM), or an EU right from the Hague System.

- **Benefits**

There are at least three benefits which we have identified, and had hoped to get the require information through the consultation to fully monetise. Unfortunately, respondents were unable to provide any tangible examples. A small minority confirmed that the work would be carried out by paralegals but nothing specific was received.

1. Savings to firms who want to register in a set of EU countries, including the UK
2. Saving to firms from managing a Hague registration
3. Benefits to UK firms from access to the Hague agreement

To estimate the benefits we need a prediction of how many Hague applications would be filed by UK designers. To get an estimate of this, we look at the application figures for the 12 European Countries which have joined the Hague System in the last ten years, before and after joining. Annex 1 provides the underlying data, and the main observations are that applications went from zero before joining to 10 in the second year for all countries, but from 8 to 30 on average for those countries with a GDP per capita similar to the UK. We approximate this as ten additional applications per year for the UK.

It is worth noting that these countries are Finland, Denmark and Norway, whose economies on average (in World Bank adjusted PPP dollars) together approximate to one third of the UK economy (\$690bn to \$2,200bn in 2010). We therefore scale the number up to reflect the size of the UK. This gives us an expected increase of 30 applications per annum. Given the uncertainty around this figure, we apply an error margin of 50% to get a low and high estimate. No specific estimations were provided by respondents to the consultation although no respondents commented that our estimated increase in applications was unrealistic. A number indicated that they or their clients would use the international route. Another commented that they would recommend it to clients and others felt that, on average, it would result in more registrations.

The UK already submits Hague applications, which is unlike ten of the countries that joined, so the UK starts from a higher base of applications. The UK filed 26, 16, 30 and 29 applications in the years 2008, 2009, 2010 and 2011. This is a relatively static number so we set a baseline for applications at the average from these four years: 25.

These are quite uncertain projections as we do not have the recent experience of other large European economies, such as Germany or France who filed 584 and 241 Hague applications in 2011. Given this, we impose an upper bound for our high estimate of 412 which is the average of the two. This provides the base from which we do our cost-benefit analysis:

Expected UK Hague Applications after joining:

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9		Ave
Best	55	85	115	145	175	205	235	265	295	325		190
Low	28	43	58	73	88	103	118	133	148	163		95
High	83	128	173	218	263	308	353	398	412	412		274

At present the IPO receives an average of 3,500 design applications per year [5]. We expect the Hague applications to be, on average, between 95 and 274 applications over ten years, so they would make up between 3% and 8% of the total domestic applications.

1. Savings to firms who want to register in a set of EU countries, including the UK

For firms that do not take out EU wide registration of their design rights, the cost of registering with a bundle of EU countries, including the UK, would be cheaper than any EU-wide right available. So the issue is how many firms would substitute the EU wide rights offered through OHIM or the Hague, and what that saving would be.

If firms wish to have a smaller bundle of countries there would be a saving from getting a Hague registration with UK as a designated country. The current system sets a price depending on the number of designs within each application and the number of countries protection is sought for.

The cost of registering is however different, depending on the number of countries you wish to register in, and the amount of designs within an application. Below we consider the ‘average’ Hague application which has 3 designs and designates an average of 5 territories – with 70% of them designating the EU as one of those territories at present [4].

The cost of acquiring coverage in five territories, including the EU, would be between £587 and £847. But firms, who take out UK protection today, as part of a bundle, pay marginally more (meaning £2 more, with a range from £589 to £849; See Annex 2 for detailed calculations).

Today’s UK fee for registering three designs is £140, but the fee to designate the UK through a Hague application would be £93, so there would be a saving of £47 for firms who switch from EU wide Hague registrations, and £109 for firms already using UK design rights as part of a national bundle.

Firms choosing to register EU designs also have the option to file with OHIM who grant a Registered Community Design, so rational firms would be switching out of either Hague or OHIM applications. The cost of the ‘average’ registration would be €460 for three designs, and an additional €240 in publication fees [6, p.6]; totalling €700, or £583 (at a 1.2 €/£ exchange rate, which is the average rate to date in 2012).

The cost of an ‘average’ design application which includes the UK

	Current prices			After joining Hague	
	OHIM EU coverage	Hague EU coverage	Hague European bundle	European bundle	Firm saving
Low	£583	£587	£589	£480	£103 -£109
High	£583	£847	£849	£740	£ 0 -£109

Given our predicted annual Hague applications from the UK, we multiply the firm savings by the applications to get a low, central and high estimate of the benefit to firms. We use the ‘high’ cost range from £0 to £109 in savings, and take the average (£54.50) as the best estimate. This gives us a direct cost saving to firms choosing to take out Hague registrations as:

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Ave
Best	£2,998	£4,633	£6,268	£7,903	£9,538	£11,173	£12,808	£14,443	£16,078	£17,713	10,355
Low	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	0
High	£9,047	£13,952	£18,857	£23,762	£28,667	£33,572	£38,477	£43,382	£44,908	£44,908	29,953

In order to get a better estimate of the potential savings to UK firms, we would need to establish if firms wish to register designs as bundles, if they already do so, and if they would switch out of OHIM or other Hague applications. However many of the respondents were unable to provide a specific answer, as they pointed out it would depend on individual circumstances and whether, or not, the registration was part of a larger project.

2. Saving to firms from managing a Hague registration

Joining The Hague agreement would create savings as firms would not need to manage multiple applications to gain the desired registration coverage. They would also save any translation fees, notary fees and other fees. One legal firm who we consulted with informed us that national filing maintenance for six countries would be £1,500 plus £500 for each national agent, adding up to £7,500. To maintain the same set of registrations through The Hague would cost £500, so there is scope for firm savings.

There would be a time saving if firms wish to register in the UK and have a Hague registration for the EU or other Hague Agreement signatories. We know that UK designers are quite active outside of the EU, and as more countries join the Hague Agreement, in particular, the US, China and Korea, it is likely that the number of countries in an application will increase. Whilst part of the argument for joining Hague is lower fees – it is just as much to simplify registration at home and overseas, the need for translation of documents, and being able to manage a single registration wherever it extends.

We have not been able to quantify the cost to firms of filing a UK application and maintaining it, as we would need to know how many firms this would be relevant to before estimating the total benefit. We expect that there will be a significant monetised benefit; however we do not currently have figures for this. In the consultation we asked:

“How many hours per year do you spend:

- Renewing design a UK design registration where there is a corresponding Hague registration?
- Making changes to a UK design registration where there is a corresponding Hague design registration?
- What level of staff conducts this work?”

Respondents to the consultation were unable to provide actual costings in respect of the questions above, although some answered that paralegals carried out the work, another that the work would be carried out at an appropriate level and one suggested a few minutes every few years.

Going the EU-wide route runs a significant risk of a challenge from other designers (or IP offices) which could lose all design protection. Also, we would not want to encourage wider registration than needed; as this excludes others from entering the market. Joining Hague (and encouraging others to do so) would therefore increase choice for designers and lower risks as well as costs.

3. Benefits to UK firms from access to the Hague agreement

Looking at comparable countries like Germany or France, UK designers currently make very little use of The Hague system in protecting their designs overseas, with only 20-30 applications filed each year. Other countries which have joined the Hague agreement have seen a rapid increase in the use of the system, which suggests that UK companies under-utilise the system at present.

Larger companies obtaining EU wide protection by applying through the Hague system incur lower basic application fees than if they had made an application for an EU community design with OHIM.

Smaller companies with more limited markets do not want such broad protection, and by not being able to designate their home UK market may be deterred from using the Hague system because they see little benefit in doing so. That may either be because they are incurring the costs of making domestic applications in overseas markets, or may not be protecting their designs through registration.

Micro-businesses are likely to have the most limited requirements for protection in overseas markets. If they opted to get registered protection at all this would certainly include their home UK market. If the only option is to go EU wide there is every reason to expect they would elect not to protect their designs through registration.

In order to be able to gather evidence on this assumption that there will be a motivational benefit to UK being a member of Hague we asked in the consultation to allow us to understand if there will be further monetisable benefits to joining the Hague system, and identify clearly the scale of the non-monetised benefit from making the UK a national choice.

“Do you register your designs outside of the UK?”

- If yes, do you do this through the international Hague registration system, or by applying separately in each country?”

“If you could include the UK in an application through the international Hague registration system, would you be more likely to register your designs overseas?”

Consultation responses showed that a number of respondents filed through both the Hague registration system and independently depending on where protection was sought. One respondent felt that the need to file separately in different countries may change if the US, Japan, China, and/or South Korea joined the Hague. We were not able to monetise these benefits and do not consider it to be proportionate to do so given that registering with the Hague is optional.

In respect of filing designs overseas a number of respondents to the consultation indicated that they or their clients would use the international route. Another commented that they would recommend it to clients and others felt that, on average, it would result in more registrations.

- **Risks and assumptions**

We are assuming that UK firms would make more use of the Hague agreement route if they could choose to include protection for their designs in the UK, but will be testing this assumption at consultation.

- **Direct costs and benefits to business calculations** (following OITO methodology)

Joining The Hague System requires the UK to ratify a treaty which the UK was not previously a signatory to and so this would be an additional piece of regulation. The net impact on business would however be positive, so we have classified this opt-in measure as a **Zero Net Cost** policy.

- **Wider impacts**

This is part of the Government’s commitment to simplify the design IP framework as suggested in the Hargreaves Review [1] and accepted by the Government [2].

- **Summary and preferred option with description of implementation plan**

Our chosen option is option 2, joining the Hague agreement to allow UK designers better access to design right protection.

Evaluation

A full evaluation strategy and Post Implementation Review is being developed for the introduction of the Hargreaves recommendations. The Post Implementation Review will detail the benefits associated with the introduction of the design reforms and will include input from external stakeholders. The plan will also set out how and when the benefits will be measured, which will depend on the type of benefit, as some benefits will be measured by applications and take-up that can be measured from the first year of operation, whereas others will depend on information that will take several years. The evaluation strategy will set out the activities that will be undertaken in order to evaluate the policy, drawing on management information collected through the design system, as well as research that is commissioned in order to measure the benefits.

The main source of data available for evaluation will be collated using industry figures. These statistics, alongside other management information on the operation of the system will be used by Government to assess the impact of the design reforms, including assessing whether benefits have been achieved and how policy or operations can be developed to realise benefits more effectively.

- **References**

- [1] Hargreaves, Ian. 2011. *Digital Opportunity: A review of intellectual property and growth*. <http://www.ipo.gov.uk/ipreview-finalreport.pdf>
- [2] HM Government. 2011. *The Government Response to the Hargreaves Review of Intellectual Property and Growth*. <http://www.ipo.gov.uk/ipresponse-full.pdf>
- [3] IPO. 2011. *Call for Evidence: Design*. <http://www.ipo.gov.uk/hargreaves-designs-c4e.pdf>
- [4] WIPO. 2011. *Hague System for The International Registration of Industrial Designs – Report for 2010*. http://www.wipo.int/freepublications/en/designs/930/wipo_pub_930_2010.pdf
- [5] IPO. *Facts and Figures 2009-10*. Page 17: <http://www.ipo.gov.uk/about-facts0910.pdf>
- [6] IPO. *How to apply for a Registered Community Design*. Page 6; <http://www.ipo.gov.uk/applyingcomdes.pdf>
- [7] WIPO. 2012. "Hague agreement concerning the international registration of industrial designs"; <http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/haque.pdf>

ANNEX 1 – Hague applications from European Countries that joined Hague

The data below provides the Hague applications filed by each European country that joined the Hague Agreement in the last ten years, sorted by the GDP per capita, adjusted for purchasing power parity. The shadowed boxes indicate years where countries are signatories to the Hague agreement.

Joined Hague	GDP per capita	Country of origin	2000	01	02	03	04	05	06	07	08	09	10	11
2008	\$8,590	Bosnia and Herzogovina	0	0	0	0	0	0	0	0	0	0	3	2
2007	\$8,817	Albania	0	0	0	0	0	0	0	0	0	0	0	0
2005	\$15,321	Turkey	0	0	0	0	0	11	27	21	39	59	106	86
2005	\$16,312	Latvia	0	0	0	0	0	0	1	0	0	5	0	0
2008	\$18,184	Lithuania	0	0	0	0	0	0	0	0	1	2	0	1
2004	\$19,516	Croatia	0	0	0	0	1	3	2	5	7	5	7	19
2009	\$19,783	Poland	0	1	0	0	0	0	0	0	5	3	19	17
2003	\$20,615	Estonia	0	0	0	0	0	0	0	0	1	0	1	1
2003	\$34,895	Iceland	0	0	0	0	0	0	0	0	3	3	6	9
	\$35,904	U.K.	6	1	5	4	1	0	0	0	26	16	30	29
2011	\$36,651	Finland	0	0	0	0	0	0	0	0	16	14	23	15
2008	\$39,489	Denmark	3	1	0	0	0	0	0	0	5	12	11	18
2010	\$56,692	Norway	1	1	2	0	0	0	0	0	0	0	20	47

Applications, by country of origin and contracting state, sorted by year of joining: Sorting the countries by GDP per capita, and looking at the average number of applications, they appear to be higher for the top 3 income nations on average than for the rest of the countries.

GDP per capita	Country of origin	-5	-4	-3	-2	-1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6
\$8,590	Bosnia and Herzogovina	0	0	0	0	0	0	0	3	2		
\$8,817	Albania	0	0	0	0	0	0	0	0	0		
\$15,321	Turkey	0	0	0	0	0	11	27	21	39	59	106
\$16,312	Latvia	0	0	0	0	0	0	1	0	0	5	0
\$18,184	Lithuania	0	0	0	0	0	1	2	0	1		
\$19,516	Croatia		0	0	0	0	1	3	2	5	7	5
\$19,783	Poland	0	1	0	0	5	3	19	17			
\$20,615	Estonia		0	0	0		0	0	0	0	0	1
\$34,895	Iceland		0	0	0		0	0	0	0	0	3
\$36,651	Finland	0	0	16	14	23	15					
\$39,489	Denmark	3	1	0	0	0	5	12	11	18		
\$56,692	Norway	1	1	2	0	0	20	47				
	Average	0	0	1	1	2	5	10	5	7	12	23
	Top 3 income	0	0	5	5	8	13	30	11	18		

Sources: Hague applications, WIPO: <http://www.wipo.int/hague/en/statistics/index.jsp> Joined Hague, WIPO: <http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/hague.pdf> GDP, World Bank: <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>

ANNEX 2 – An overview of Hague System fees:

1. Hague has a tiered structure of fees, some standard, others that are optional to reflect the level of work carried out by a national office.
 - i. There is a basic fee of £275 for an application for a single design.
 - ii. A further £12 will be payable for each subsequent design added.
 - iii. a “publication” fee of £13 is payable for the 2nd and each subsequent design.

For the average design application (3 designs) this makes the Hague fee:

1 x £275
2 x 12 = £24
2 x £13 = £26

Before adding any countries the fees will be around £325

2. A “standard” fee of £31, £70 or £96 will be payable for each country added to the application, the amount depending on how in-depth the examination carried out is (only 6 of the 60 members have fees above the bottom tier). Individual countries can also set their own fees (the EU has taken this option) which cannot be higher than domestic fees.

For the average “design” application with 1 image, to be registered for one country, the fees would range from £356 to £421.

Around 70% of all applications under the Hague system take protection in the EU as a whole. Based on an “average” design application designating the EU bloc (at present the only way to get protection in the UK via the Hague system) the fees would be:

1 x “basic” fee	£325
3 x £46 (EU fee)	£138

Total fees for EU wide registration will be around £463

3. The average number of countries selected in an application is 5 , so the most “common” application (includes the EU) taking the “average” number of countries (5) for the average number of designs (3) the fees would be:

1 x “basic” fee	£325
3 x EU fee (£46)	£138
4 x Countries (£31/£96)	£124 – £384

Total fees would be £587 - £847

4. If the EU was not selected in a Hague application (which is most likely to be the case with SME’s) but protection is still needed in the UK, a UK domestic application would have to be made. A comparable UK application costs £60 for the first design and £40 for each subsequent design.

The cost of getting the average application (5 countries for 3 designs) would come in at:

Hague Basic” fee	£325
4 x Countries(£31/£96)	£124 – £384
UK 1 (first design)	£60
2 (2 + 3 design)	£80

Total fees would be £589 -£849

5. If the UK could be designated in a Hague application and took the “standard” Level one fee of £31 (we do not do an in-depth examination) the fees would be:

Hague Basic fee	£325
5 x Countries (£31/£96)	£155 - £415

Total fees would be £480 - £740 representing a saving of:
£109 on the Hague + UK domestic route, and
£107 on the Hague including EU route