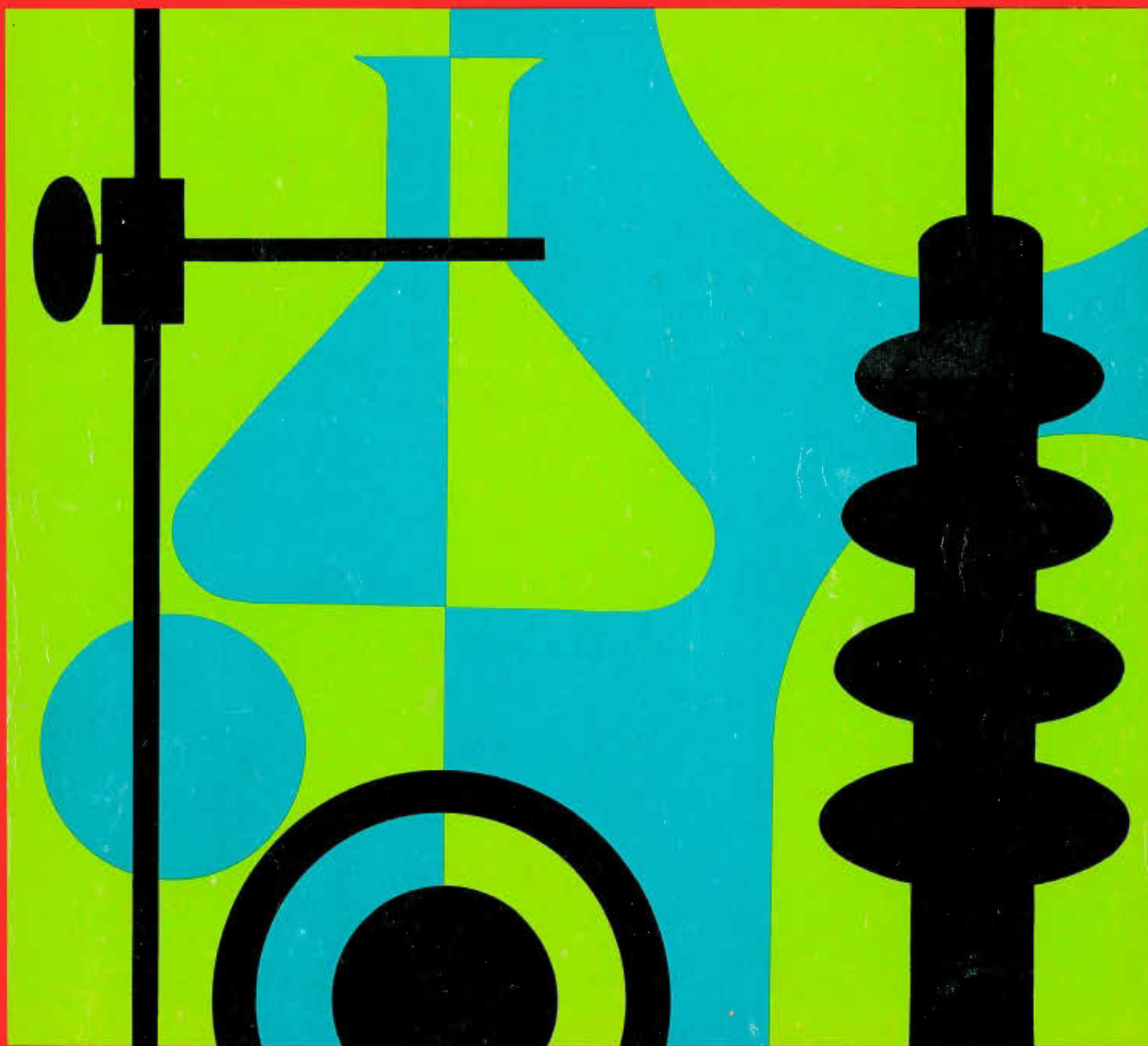


WIPO MODEL LAW
FOR DEVELOPING COUNTRIES
ON INVENTIONS

Volume I

PATENTS



WORLD INTELLECTUAL PROPERTY ORGANIZATION

Geneva 1979

WIPO MODEL LAW
FOR DEVELOPING COUNTRIES
ON INVENTIONS

Volume I
(WIPO Publication No. 840 (E))

CORRIGENDUM

1. On page 24, Section 127(2) should read as follows:

"(2) Where the application contains a declaration under subsection (1), the Patent Office may require that the applicant furnish, within the prescribed time limit, a copy of the earlier application, certified as correct by the Office with which it was filed."

2. On page 25, Section 130(3)(a)(ii) should read as follows:

"(ii) the request complies with the requirements of Section 123(2)(a) and the Regulations pertaining to the form and contents of the request;"

3. On page 75, the Alternative proposed for Section 127(2) should read as follows:

"Alternative: (2) Within three months from the filing of the application containing the declaration, the applicant shall furnish to the Patent Office a copy of the earlier application, certified as correct by the Office with which it was filed."

4. On page 125, Rule 123bis.1(a) should read as follows:

"(a) The request shall contain:

- (i) a petition, which shall appear on the printed form;
- (ii) the title of the invention;
- (iii) indications concerning the applicant and the agent, if there is an agent;
- (iv) information concerning the inventor, in accordance with Rule 123bis.5;
- (v) where applicable, a declaration of priority."

(September 1981)

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

**WIPO MODEL LAW
FOR DEVELOPING COUNTRIES
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Volume I

PATENTS



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INTRODUCTION

INTRODUCTION

History

1. In 1965, the United International Bureaux for the Protection of Intellectual Property (BIRPI), the predecessor of the World Intellectual Property Organization (WIPO), published a Model Law for Developing Countries on Inventions. About ten years later, the need was felt for a revision of this Model Law, in particular because of new trends appearing in the legislation of certain developing countries.

2. Placed under the guidance of the WIPO Permanent Committee for Development Cooperation Related to Industrial Property (hereinafter "the Permanent Committee"), the work on the revision of the BIRPI Model Law began in 1974. A Working Group on the Model Law for Developing Countries on Inventions and Know-How (hereinafter "the Working Group") was established and held eight sessions (November 1974, May 1975, November 1975, June 1976, November/December 1976, June 1977, May 1978 and March 1979).

3. The Working Group was composed of experts, acting in their personal capacities, from a certain number of countries and of observers representing a certain number of intergovernmental organizations and international non-governmental organizations. The experts had been appointed by the International Bureau of WIPO after consultation with the interested Governments. Experts from the following countries participated at sessions of the Working Group: Algeria, Argentina, Brazil, Cameroon, Cuba, Egypt, France, Germany (Federal Republic of), Hungary, Indonesia, Israel, Kenya, Mexico, Poland, Soviet Union, Spain, Sri Lanka, Tunisia, United Kingdom, United States of America, Yugoslavia, Zaire. Observers at sessions of the Working Group have been delegated by: the United Nations (UN), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the International Labour Organization (ILO); the following inter-governmental organizations: African Intellectual Property Organization (OAPI), Industrial Development Centre for Arab States (IDCAS), Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), Secretariat of the Cartagena Agreement (Andean Group); the following international non-governmental organizations: Council of European Industrial Federations (CEIF), European Federation of Agents of Industry in Industrial Property (FEMIP), Inter-American Association of Industrial Property (ASIPI), Inter-American Bar Association (IABA), International Association for the Protection of Industrial Property (IAPIP), International Chamber of Commerce (ICC), International Federation of Inventors' Associations (IFIA), International Federation of Patent Agents (FICPI), Licensing Executives Society (LES), Pacific Industrial Property Association (PIPA), Union of Industries of the European Community (UNICE). A complete list of the experts and other participants appears at the end of the present volume.

4. *The Permanent Committee has been regularly informed of the progress of the Working Group. The discussions of the Working Group have taken place on the basis of drafts prepared by the International Bureau of WIPO. During its first three sessions, the Working Group examined a first draft of model provisions. During its three following sessions, the Working Group examined a second draft of the model provisions as well as a first draft of a commentary and a first draft of Model Regulations (note that the BIRPI Model Law did not include Model Regulations). After the sixth session, the International Bureau prepared, on the basis of the discussions of the Working Group, the final draft of the new Model Law. This final draft was submitted, for written comments, to the Governments of the Member States of the Permanent Committee as well as to certain organizations. The comments thus received were brought to the attention of the Working Group.*

5. *The Working Group devoted its seventh session to the examination of Part I of the final draft of the new Model Law, which deals with patents. During their sessions of September/October 1978, the WIPO Coordination Committee and the Executive Committee of the International Union for the Protection of Industrial Property (Paris Union) approved the publication of Part I and decided that the remaining Parts of the new Model Law should be submitted to the Permanent Committee for comments prior to publication. In implementing these decisions, the present publication includes only the Part of the new Model Law which deals with patents.*

6. *Concerning the other Parts of the new Model Law, the Working Group examined the final draft thereof during its eighth (and last) session. The International Bureau is in the process of modifying this final draft, taking into account the views expressed during that session, before submitting it to the Permanent Committee for the 1980 session of the latter. Once the Permanent Committee has made its comments, the International Bureau will publish the final version of these other Parts. It is expected that these Parts will deal with know-how, the examination and registration of contracts (license or assignment contracts concerning patents or patent applications, and know-how contracts), inventors' certificates, innovations and transfer of technology patents.*

Structure of this Publication

7. *In this publication, Part I of the Model Law is presented in the following manner: the model provisions appear first (pages 11 to 43), followed by the Commentary (pages 45 to 115), and then the Model Regulations (pages 117 to 139). Each of these elements is preceded by a detailed table of contents. For the convenience of the reader (especially with regard to the Parts of the new Model Law which have not yet been published), the model provisions of Part I are numbered starting with 101 (those of Part II will start with 201, those of Part III with 301, etc.). In addition, the Model Regulations carry the same number as the model provisions to which they relate.*

Nature of the Model Law

8. *As its name indicates, the Model Law is only a model. The form of existing national legislation as well as the terminology utilized vary considerably, according to legal tradition, governmental structure and other factors. Countries wishing to rely on the new Model Law in the preparing or modifying of their legislation may adapt it not only to their specific developmental needs, which too may vary considerably, but also to their customary style of legislative drafting.*

9. *The Model Law is a model of a national law. If several countries forming a regional group would want to establish a regional system for the protection of inventions, the essential principles recognized in the new Model Law may be adopted, but a certain number of modifications would have to be made to it in order to take into account the regional character of the system being established.*

10. *The new Model Law does not contain final and transitory provisions. These must be all particularly adapted to the situation in each country. There are two cases to be considered. In the first case, the country which intends to prepare legislation does not yet have a law on inventions. In this case, it will not be necessary to provide transitory provisions, and it will be sufficient to include a provision on the entry into force of the law unless a rule generally applicable to all laws renders such a provision superfluous. In the second case, the country which intends to prepare legislation already has a law on inventions. In this case, it would be necessary not only to deal with the question of the entry into force of the new law, but also to include a provision repealing the previous legal provisions and fixing the status of patents granted and patent applications filed before the entry into force of the new law. In this regard, the best solution would seem to be to provide that the previous provisions continue to be applicable to those patents and patent applications as well as to the patents granted on the basis of the latter, so that the new law, which would only apply to patent applications filed after its entry into force, would be progressively introduced into the country.*

Assistance by the International Bureau

11. *Any Government of a developing country desiring supplementary information to that furnished in the present publication or desiring advice relating to the new Model Law may address inquiries to the International Bureau of WIPO, which will endeavor to give such information and to furnish such advice.*

Geneva, 1979

Arpad Bogsch
Director General of WIPO

TEXT OF THE MODEL LAW

**Preamble
and
Part I: Patents**

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PREAMBLE

1. Considering

(a) the importance of new technology for the economic development and in particular the industrialization of the country;

(b) the necessity of creating new technology in the country and of adapting existing technology to the needs of the country;

(c) the necessity of having access to foreign technology;

2. Considering further

(a) that one of the basic conditions for creating new technology in the country, for adapting existing technology to the needs of the country and for having access to foreign technology is the establishment of an appropriate legal and administrative framework for the promotion of inventiveness among nationals of the country, for the encouragement of investment in all branches of industry using inventions and for the evaluation, selection, acquisition and assimilation of foreign technology as well as the improvement of such technology in accordance with the needs of the country;

(b) that the protection of inventions and the remuneration of innovations are important elements of such a legal and administrative framework;

3. Taking into account the fact

(a) that the protection of inventions and the remuneration of innovations involve both private and public interests;

(b) that the grant of rights with respect to the protection of inventions or the remuneration of innovations is to be balanced by the imposition of obligations;

(c) that an important obligation for the owner of a patent is to ensure the appropriate working of the patented invention on the territory of the country;

(d) that, in addition to dealing with applications for the protection of inventions, an industrial property office has the task of supplying, on the basis of published patent documents, information to the public on existing technology;

(e) that the legal and administrative framework for the protection of inventions and the remuneration of innovations and for the resulting dissemination of information on technology constitutes an important element of the technological infrastructure of the country;

The [authority] adopts the following Law:

PART I: PATENTS

CHAPTER I: GENERAL PROVISIONS; PATENT OFFICE

Section 101: Protection of Inventions

Under this Law, inventions shall be protected by patents granted by the Patent Office.

Section 102: Organization of Patent Office

- (1) The Patent Office shall be established as a public authority. It shall be placed under the supervision of the [...].
- (2) The [...] shall appoint the Director of the Patent Office.
- (3) The [...] shall determine the organizational structure and regulate all questions concerning the financial and budgetary system of the Patent Office.
- (4) Decisions of the Patent Office shall be signed by its Director or an official designated by him.

Section 103: Functions of Patent Office

In addition to the grant of patents as referred to in Section 101, the Patent Office shall be entrusted with the promotion of inventiveness among nationals of the country and with the other functions assigned to it by this Law.

Section 104: Patent Information Services

- (1) The Patent Office shall provide patent information services to the public.
- (2) The patent information services shall be rendered on the basis of a patent documentation center, established by the Patent Office or available for its use, containing patent and relevant non-patent literature, in particular the domestic patent documents and such collections of foreign patent documents as are specified by the Regulations referred to in Section 110.
- (3) The patent information services may also be rendered on the basis of technical assistance provided by another institution specialized in patent information services, whether that institution is a regional or international or a foreign national institution, with which the Patent Office may reach agreement to that effect, particularly in the framework of Article 50 of the Patent Cooperation Treaty.
- (4) The patent information services shall be operated so as, in particular, to facilitate the transfer and acquisition of technology by the country, as well as by enterprises and research organizations established therein, and the development of indigenous research and technology. For this purpose, the Patent Office shall in particular institute, or make available under subsection (2), services providing, on request, information on the state of the art and on the existence of patented technology in a particular technical field. The Regulations referred to in Section 110 may prescribe a fee for the providing of such information.

Section 105: Patent Register

(1) The Patent Office shall maintain a register (“the Patent Register”) in which it shall record all patents granted and in which it shall, for each patent, effect all the recordings provided for in this Part.

(2) Any person may consult the Patent Register and obtain extracts therefrom. The Regulations referred to in Section 110 may prescribe fees for the consultation of the Patent Register and for the

Section 106: Gazette

The Patent Office shall publish a Gazette in which it shall effect all the publications provided for in this Law.

Section 107: Inspection of Files

(1) Any person may inspect the file relating to a patent and, subject to subsection (2), the file relating to a patent application, and may obtain extracts therefrom. The Regulations referred to in Section 110 may prescribe fees for the inspection of the file and for the obtaining of an extract.

(2)(a) The file relating to a patent application may be inspected before the grant of the patent only with the written permission of the applicant.

(b) Even before the grant of the patent, the Patent Office shall, on request, communicate the following bibliographic data:

(i) the name and address of the applicant and the name and address of the agent, if any;

(ii) the number of the application;

(iii) the filing date of the application and, if priority is claimed, the priority date, the number of the earlier application and the name of the State in which the earlier application was filed or, where the earlier application is a regional or international application, the name of the State or States for which it was filed as well as the Office with which it was filed;

(iv) the title of the invention;

(v) any change in the ownership of the application and any reference to a license contract appearing in the file of the application.

(c) Where an application is withdrawn in accordance with Section 129, the file relating to it may be inspected only with the written permission of the person who withdrew the application, and paragraph (b) shall not apply.

Section 108: Restrictions Concerning Employees of Patent Office

(1) Employees of the Patent Office may not file patent applications, be granted patents or hold rights relating to patents, while employed and for one year after the termination of their employment.

(2) Employees of the Patent Office shall have the obligation, even after the termination of their employment, neither to communicate information obtained in their capacities as employees of the Patent Office to persons not entitled to receive it, nor to disclose it to the public or make other use of it.

Section 109: Court of Competent Jurisdiction

(1) The [ordinary court] of the place where the Patent Office is located shall have jurisdiction in cases of disputes relating to the application of this Law and in matters which under this Law are to be referred to the court.

(2) Before deciding questions of a technological or economic nature, the court may hear the opinion of experts appointed by it, who must be independent of the parties and must have no interest in the outcome of the litigation.

Section 110: Regulations

The [...] shall issue Regulations prescribing the details for the implementation of this Law.

Section 111: Administrative Instructions

(1) The Director of the Patent Office shall issue Administrative Instructions relating to the procedure for the grant of patents as well as to the other functions of the Patent Office.

(2) In the case of conflict between the provisions of this Law or the Regulations and the provisions of the Administrative Instructions, the former provisions shall prevail.

CHAPTER 11: PATENTABILITY

Section 112: Inventions

(1) For the purposes of this Law, “invention” means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology.

(2) An invention may be, or may relate to, a product or a process.

(3) The following, even if they are inventions within the meaning of subsection (1), shall be excluded from patent protection:

(i) discoveries, scientific theories and mathematical methods;

(ii) plant or animal varieties or essentially biological processes for the production of plants or animals, other than microbiological processes and the products of such processes;

(iii) schemes, rules or methods for doing business, performing purely mental acts or playing games;

(iv) methods for treatment of the human or animal body by surgery or therapy, as well as diagnostic methods practiced on the human or animal body; this provision shall not apply to products for use in any of those methods.

Section 113: Patentable Inventions

An invention is patentable if it is new, involves an inventive step and is industrially applicable.

Section 114: Novelty

(1) An invention is new if it is not anticipated by prior art.

(2)(a) Prior art shall consist of everything disclosed to the public, anywhere in the world, by publication in tangible form or, in the country, by oral disclosure, by use or in any way, prior to the filing or, where appropriate, priority date of the patent application claiming the invention.

(b) Additionally, prior art shall comprise the contents of a domestic patent application having an earlier filing or, where appropriate, priority date than the patent application referred to in paragraph (a), to the extent that those contents are included in the patent granted on the basis of the said domestic application.

(3) A disclosure to the public of the invention shall not be taken into consideration with regard to the patent application referred to in subsection (2)(a) if it occurred within one year preceding the date at which the applicant filed that application and if it was by reason or in consequence of acts committed by the applicant or his predecessor in title.

(4) A disclosure to the public of the invention shall not be taken into consideration with regard to the patent application referred to in subsection (2)(a) if it occurred within one year preceding the date at which the applicant filed that application and if it was by reason or in consequence of an abuse committed with regard to the applicant or his predecessor in title.

Section 115: Inventive Step

An invention shall be considered as involving an inventive step if, having regard to the prior art relevant to the patent application claiming the invention, it would not have been obvious to a person having ordinary skill in the art.

Section 116: Industrial Application

An invention shall be considered industrially applicable if it can be made or used in any kind of industry. "Industry" shall be understood in its broadest sense; it shall cover, in particular, handicraft, agriculture, fishery and services.

Section 117: Prohibition by Law, Regulation or Public Order

The grant of a patent shall not be refused and a patent shall not be invalidated on the ground that the performance of any act with respect to the claimed invention is prohibited by law or regulation, except where the performance of that act would also be contrary to public ~~order~~.

Section 118: Temporary Exclusion from Patent Protection

(1) Inventions concerning certain kinds of products, or processes for the manufacture of such products, may be excluded from patent protection for not more than ten years by a decree of the [...]. The [...] may prolong the effect of such decree for periods not exceeding five years.

(2) Any decree referred to in subsection (1) shall not have effect with respect to any patent in force at the date of the decree or with respect to any patent application having an earlier filing or, where appropriate, priority date than the date of the decree.

CHAPTER III: RIGHT TO PATENT; NAMING OF INVENTOR

Section 119: Right to Patent

- (1) The right to the patent shall belong to the inventor.
- (2) If two or more persons have jointly made an invention, the right to the patent shall belong to them jointly.
- (3) The right to the patent may be assigned, and it may be transferred by succession.

Section 120: Inventions Made in Execution of Commission or by Employees

(1)(a) Notwithstanding Section 119, when an invention is made in execution of a commission or an employment contract, the right to the patent for that invention shall belong, in the absence of contractual provisions to the contrary, to the person having commissioned the work or to the employer.

(b) When the invention has an economic value much greater than the parties could have reasonably foreseen at the time of concluding the contract, the inventor shall have a right to special remuneration, which shall be fixed by the court in the absence of agreement between the parties.

(2) *Alternative A:* (a) Notwithstanding Section 119, when an employee whose employment contract does not require him to engage in inventive activity makes, in the field of activities of his employer, an invention by using data or means available to him through his employment, the right to the patent for that invention shall belong, in the absence of contractual provisions to the contrary, to the employer.

(b) The employee shall have a right to equitable remuneration taking into account his salary, the economic value of the invention and any benefit derived from the invention by the employer. In the absence of agreement between the parties, the remuneration shall be fixed by the court.

Alternative B: (a) When an employee whose employment contract does not require him to engage in inventive activity makes, in the field of activities of his employer, an invention by using data or means available to him through his employment, the right to the patent for that invention shall belong to the employee, except if, within a period of four months from the date at which the employer received the report referred to in paragraph (b) or the date at which the invention became otherwise known to the employer, whichever date is earlier, the employer notifies the employee by a written declaration of his interest in the invention.

(b) The employee who makes an invention of the kind referred to in paragraph (a) shall immediately submit it to his employer in a written report.

(c) Notwithstanding Section 119, if, within the period referred to in paragraph (a), the employer makes the declaration of interest, the right to the patent shall be considered as having belonged to him from the beginning. The employee shall have a right to equitable remuneration taking into account his salary, the economic value of the invention and any benefit derived from the invention by the employer. In the absence of agreement between the parties, the remuneration shall be fixed by the court.

(3) Any contractual provision which is less favorable to the inventor than the provisions of this Section shall be null and void.

Section 121: Judicial Assignment of Patent Application or Patent

Where the essential elements of the invention claimed in a patent application or patent were derived from an invention for which the right to the patent belongs under Section 119 or 120 to a person other than the applicant or owner of the patent, that person may request the court to order the assignment to him of the patent application or patent. The request for assignment may not be made after five years from the date of the grant of the patent.

Section 122: Naming of Inventor

The inventor shall be named as such in the patent, unless in a special written declaration addressed to the Patent Office he indicates that he wishes not to be named. Any promise or undertaking by the inventor made to any person to the effect that he will make such a declaration shall be without legal effect.

CHAPTER IV: PATENT APPLICATION; EXAMINATION OF APPLICATION; GRANT OF PATENT

Section 123: Application

(1)(a) The application for a patent (“the application”) shall be filed with the Patent Office and shall contain a request, a description, one or more claims, one or more drawings (where required), and an abstract.

(b) Where the applicant’s ordinary residence or principal place of business is outside the country, he shall be represented by an agent admitted to practice before the Patent Office.

(2)(a) The request shall contain a petition to the effect that a patent be granted, the name of and other prescribed data concerning the applicant, the inventor and the agent, if any, and the title of the invention.

(b) Where the applicant is not the inventor, the request shall be accompanied by a statement justifying the applicant’s right to the patent.

(3) The description shall disclose the invention in a manner sufficiently clear and complete for the invention to be evaluated, and to be carried out by a person having ordinary skill in the art, and shall, in particular, indicate the best mode known to the applicant for carrying out the invention.

(4)(a) The terms of the claim or claims shall determine the scope of the protection. The description and the drawings may be used to interpret the claims.

(b) Claims shall be clear and concise. They shall be fully supported by the description.

(5) Drawings shall be required when they are necessary for the understanding of the invention.

(6) The abstract shall merely serve the purpose of technical information; in particular, it shall not be taken into account for the purpose of interpreting the scope of the protection.

Section 124: Application Fee

The application shall be subject to the payment of an application fee.

Section 125: Unity of Invention

The application shall relate to one invention only or to a group of inventions so linked as to form a single general inventive concept.

Section 126: Amendment and Division of Application

(1) The applicant may amend the application, provided that the amendment shall not go beyond the disclosure in the initial application.

(2)(a) The applicant may divide the application into two or more applications (“divisional applications”), provided that each divisional application shall not go beyond the disclosure in the initial application.

(b) Each divisional application shall be entitled to the filing date and, where appropriate, the priority date of the initial application.

Section 127: Right of Priority

(1) The application may contain a declaration claiming the priority, pursuant to the Paris Convention for the Protection of Industrial Property, of one or more earlier national, regional or international applications filed by the applicant or his predecessor in title in or for any State party to the said Convention.

(2) Where the application contains a declaration under subsection (1), the Patent Office may require that the applicant furnish, within the prescribed time limit, a copy of the earlier application, certified as correct by the Office with which it was filed or, where the earlier application is an international application filed under the Patent Cooperation Treaty, by the International Bureau of the World Intellectual Property Organization.

(3) The effect of the declaration referred to in subsection (1) shall be as provided in the Convention referred to in that subsection.

(4) If the Patent Office finds that the requirements under this Section and the Regulations pertaining thereto have not been fulfilled, it shall invite the applicant to file the required correction. If the applicant does not comply with the said invitation, the declaration referred to in subsection (1) shall be considered not to have been made.

Section 128: Information Concerning Corresponding Foreign Applications and Patents or Other Titles of Protection

(1) The applicant shall, at the request of the Patent Office, furnish it with the date and number of any application for a patent or another title of protection filed by him with a national industrial property office of another country or with a regional industrial property office ("foreign application") relating to the same or essentially the same invention as that claimed in the application filed with the Patent Office.

(2)(a) The applicant shall, at the request of the Patent Office, furnish it with the following documents relating to one of the foreign applications referred to in subsection (1):

(i) a copy of any communication received by the applicant concerning the results of any search or examination carried out in respect of the foreign application;

(ii) a copy of the patent or other title of protection granted on the basis of the foreign application;

(iii) a copy of any final decision rejecting the foreign application or refusing the grant requested in the foreign application.

(b) The applicant shall, at the request of the Patent Office, furnish it with a copy of any final decision invalidating the patent or other title of protection granted on the basis of the foreign application referred to in paragraph (a).

(3) The applicant shall, at the request of the Patent Office, furnish it with the following documents relating to any foreign application other than the one referred to in subsection (2):

(i) a copy of any communication received by the applicant concerning the results of any search or examination carried out in respect of the foreign application and in which publications or other documents establishing the prior art are mentioned;

(ii) a copy of any final decision rejecting the foreign application or refusing the grant requested in the foreign application.

(4) The documents furnished under this Section shall merely serve the purpose of facilitating the evaluation of the novelty and inventive step of the invention claimed in the application filed with the Patent Office or in the patent granted on the basis of that application.

(5) The applicant shall have the right to submit comments on the documents furnished under this Section.

Section 129: Withdrawal of Application

The applicant may withdraw the application at any time during its pendency.

Section 130: Filing Date; Examination as to Form

(1)(a) The Patent Office shall accord as the filing date the date of receipt of the application, provided that, at the time of receipt, the application fee is paid and the application contains:

- (i) the name of the applicant;
- (ii) the name and address of the inventor and, where the applicant is not the inventor, the statement referred to in Section 123 (2)(b);
- (iii) a part which on the face of it appears to be a description;
- (iv) a part which on the face of it appears to be a claim or claims.

(b) If the Patent Office finds that, at the time of receipt of the application, the requirements referred to in paragraph (a) were not fulfilled, it shall invite the applicant to file the required correction.

(c) If the applicant complies with the invitation referred to in paragraph (b), the Patent Office shall accord as the filing date the date of receipt of the required correction. Otherwise it shall treat the application as if it had not been filed.

(d) Where the application refers to drawings which in fact are not included in the application, the Patent Office shall invite the applicant to furnish the missing drawings. If the applicant complies with the said invitation, the Patent Office shall accord as the filing date the date of receipt of the missing drawings. Otherwise the Patent Office shall accord as the filing date the date of receipt of the application and shall treat any reference to the said drawings as non-existent.

(2) Where the request is accompanied by the statement referred to in Section 123 (2)(b), the Patent Office shall send a copy of the statement to the inventor. The inventor shall have the right to inspect the application and to receive, for strictly personal purposes, a copy thereof at his own expense.

(3)(a) The Patent Office shall examine whether the following conditions are fulfilled:

- (i) where applicable, the requirements of Section 123(1)(b) and the Regulations pertaining to representation are complied with;
- (ii) the request complies with the requirements of Section 123(2)(a) and the Regulations pertaining thereto;
- (iii) where applicable, the requirement of Section 123(2)(b) is complied with;
- (iv) the description, the claims and, where applicable, the drawings comply with the physical requirements prescribed by the Regulations;
- (v) the application contains an abstract.

(b) Where the Patent Office finds that the conditions referred to in paragraph (a) are not fulfilled, it shall invite the applicant to file the required correction. If the applicant does not comply with the said invitation, the application shall, subject to paragraph (c), be rejected by the Patent Office.

(c) Where no abstract is provided in response to the invitation under paragraph (b), the Patent Office shall, on payment of the prescribed fee, itself prepare the abstract. If that fee is not paid within the prescribed time limit, the application shall be rejected by the Patent Office.

(d) Any decision rejecting the application shall be in writing and state the reasons for the rejection. The Patent Office shall notify the applicant of the decision.

Section 131: Examination as to Substance

- (1) The Patent Office shall examine whether the following conditions are fulfilled:
- (i) that which is claimed is an invention within the meaning of Section 112 (1) and is not excluded from patent protection under Section 112 (3);
 - (ii) the claimed invention is patentable within the meaning of Sections 113 to 116;
 - (iii) the claimed invention is not excluded from patent protection under Section 117 or 118;
 - (iv) the description and the claims comply with the requirements of Section 123(3) and (4) and the Regulations pertaining thereto;
 - (v) any drawing which is necessary for the understanding of the claimed invention has been furnished in accordance with Section 123(5);
 - (vi) the application complies with the requirement of unity of invention prescribed by Section 125 and the Regulations pertaining thereto;
 - (vii) where applicable, the amendment or the divisional application does not go beyond the disclosure in the initial application, as provided in Section 126;
 - (viii) the applicant has complied with any request of the Patent Office under Section 128.
- (2) Where the Patent Office is of the opinion that the conditions referred to in subsection (1) are not fulfilled, it shall notify the applicant accordingly and invite him, several times if it deems it necessary, to submit his observations and, where applicable, to amend or divide his application.
- (3) Where, despite any observation, amendment or division submitted by the applicant, the Patent Office finds that the conditions referred to in subsection (1) are not fulfilled, it shall refuse the grant of a patent. Any decision refusing the grant of a patent shall be in writing and state the reasons for the refusal. The Patent Office shall notify the applicant of the decision.

Section 132: Grant of Patent

- (1) Where the Patent Office finds that the conditions referred to in Sections 130(3)(a) and 131(1) are fulfilled, it shall grant the patent.
- (2) The Patent Office shall:
- (i) publish a reference to the grant of the patent;
 - (ii) issue to the applicant a certificate of the grant of the patent and a copy of the patent;
 - (iii) record the patent;
 - (iv) make available copies of the patent to the public, on payment of the prescribed fee; and
 - (v) make available a copy of the patent for the patent information services referred to in Section 104.
- (3) The patent shall be deemed to be granted on the date the Patent Office publishes a reference to the grant of the patent in accordance with subsection (2)(i).

Section 133: Appeals

The applicant may appeal to the court against any decision by which the Patent Office accords a filing date, treats the application as if it had not been filed, considers a declaration claiming priority not to have been made, rejects the application or refuses to grant a patent.

CHAPTER V: RIGHTS AND OBLIGATIONS OF APPLICANT OR OWNER OF PATENT

Section 134: Rights and Obligations; Definition of “Working”

(1) The applicant or the owner of the patent shall have the following rights:

(i) to be granted the patent, as provided for in Chapter IV, where the requirements of this Part are fulfilled;

(ii) once the patent has been granted, the right, subject to Sections 136(1) to (3), 137, 153(1) and 156(1), to take action against any person exploiting the patented invention in the country, within the meaning of Section 135(2), without his agreement;

(iii) to assign or transfer by succession the patent application or patent, as provided for in Section 140, and to conclude license contracts, as provided for in Chapter VIII.

(2) The applicant or the owner of the patent shall have the following obligations:

(i) to disclose the invention in a clear and complete manner and in particular to indicate the best mode for carrying out the invention, as prescribed in Section 123, subject to the sanctions provided for in Sections 131 and 158;

(ii) to give information concerning corresponding foreign applications and patents or other titles of protection, as prescribed in Section 128, subject to the sanction provided for in Section 131;

(iii) to work the patented invention in the country within the time limits and subject to the sanctions provided for in Chapters VI and IX;

(iv) to pay fees to the Patent Office, as prescribed in this Part, subject to the sanctions provided for therein.

(3) For the purposes of this Law, “working” of a patented invention means,

(i) where the patent has been granted in respect of a product, the making of the product;

(ii) where the patent has been granted in respect of a process, the use of the process.

Section 135: Effects of Grant of Patent; Definition of “Exploitation”

(1) Once the patent has been granted, the exploitation of the patented invention in the country by persons other than the owner of the patent shall require the latter’s agreement.

(2) For the purposes of this Law, “exploitation” of a patented invention means any of the following acts:

(a) when the patent has been granted in respect of a product:

(i) making, importing, offering for sale, selling and using the product;

(ii) stocking such product for the purposes of offering for sale, selling or using;

(b) when the patent has been granted in respect of a process:

(i) using the process;

(ii) doing any of the acts referred to in paragraph (a), in respect of a product obtained directly by means of the process.

Section 136: Limitation of Rights

(1) The rights under the patent shall extend only to acts done for industrial or commercial purposes and in particular not to acts done only for scientific research.

(2) The rights under the patent shall not extend to acts in respect of products which have been put on the market in the country:

(i) by the owner of the patent;

(ii) by a person having the right referred to in Section 137;

(iii) by a licensee within the meaning of Section 142(1);

(iv) by a beneficiary of a non-voluntary license within the meaning of Section 147(ii);
or

(v) by a person exploiting the patented invention under Section 156.

(3) The rights under the patent shall not extend to the use of the patented invention on any foreign vessel, aircraft, spacecraft or land vehicle which temporarily or accidentally enters the waters, airspace or land of the country, provided that the patented invention is used exclusively for the needs of the vessel or in the construction or operation of the aircraft, spacecraft or land vehicle.

(4) The rights under the patent shall be limited in duration as provided for in Chapter VI.

(5) The rights under the patent shall be limited by the provisions on non-voluntary licenses, as provided for in Chapter IX, and by the provisions on exploitation by the government or third persons authorized by the government, as provided for in Section 156.

Section 137: Rights Derived from Prior Manufacture or Use

Where a person, at the filing or, where appropriate, priority date of the patent application and in the country,

(i) was making the product or using the process which is the subject of the invention claimed in that application, or

(ii) had made serious preparations toward the making or using referred to in item (i), that person shall have the right, despite the grant of the patent, to exploit the patented invention, provided that the product in question is made, or the process in question is used, in the country by the said person, and provided that he can prove that his knowledge of the invention was not by reason or in consequence of acts committed by the owner of the patent or his predecessor in title or of an abuse committed with regard to the owner of the patent or his predecessor in title. Such right cannot be assigned or transferred by succession except as part of the establishment of the said person.

CHAPTER VI: DURATION OF PATENT AND ANNUAL FEES

Section 138: Duration of Patent and Extension

(1) Subject to subsection (2), a patent shall expire fifteen years after the filing date of the application.

(2)(a) Upon request, made not more than twelve months and not less than one month before the expiration of the period provided for in subsection (1), and on payment of the prescribed fee, the Patent Office shall extend the duration of that patent for a period of five years, provided that the person making the request proves, to the satisfaction of that Office, either that the patented invention is being worked sufficiently in the country at the date of the request or that there are circumstances which justify the failure so to work the invention. Importation shall not constitute such a circumstance.

(b) If the Patent Office does not reject the request referred to in paragraph (a) within six months after its receipt, it shall be deemed to have extended the duration of the patent as requested.

(c) The Patent Office shall notify the person making the request referred to in paragraph (a) of the extension of the duration of the patent or the rejection of the said request. Any rejection shall be in writing and shall state the reasons for the rejection.

(d) The person making the request under paragraph (a) may appeal to the court against any rejection of the said request.

(e) The Patent Office shall record and publish the extension of the duration of the patent.

Section 139: Annual Fees

(1) In order to maintain the patent application or the patent, an annual fee shall be paid in advance to the Patent Office starting with the second year after the filing date of the application. The amount of the annual fee shall be fixed by the Regulations so that it increases with the number of years. Several annual fees may be paid in advance at the same time.

(2) A period of grace of six months shall be granted for the payment of the annual fee on payment of the prescribed surcharge.

(3) If an annual fee is not paid in accordance with this Section, the patent application shall be deemed to have been withdrawn or the patent shall lapse. The Patent Office shall record the lapse of the patent and publish it as soon as possible.

CHAPTER VII: CHANGE IN OWNERSHIP AND JOINT OWNERSHIP OF PATENT APPLICATION OR PATENT

Section 140: Change in Ownership of Patent Application or Patent

(1) Any contract assigning a patent application or a patent must be in writing and must be signed by the parties to the contract. Otherwise it shall not be valid.

(2) Any change in the ownership of a patent application or a patent shall be recorded in accordance with the Regulations and on payment of the prescribed fee. Such change shall have no effect against third parties until such recording is effected. The Patent Office shall publish the change of ownership of the patent.

Section 141: Joint Ownership of Patent Application or Patent

(1) Where there are joint applicants of a patent application, each of the joint applicants may separately assign or transfer by succession his share of the application, but the joint applicants may only jointly withdraw the application or conclude license contracts with third parties under the application.

(2) Where there are joint owners of a patent, each of the joint owners may separately assign or transfer by succession his share of the patent or institute court proceedings for an infringement of the patent against any person exploiting the patented invention in the country without the agreement of all the joint owners, and the exploitation of the patented invention in the country by one of the joint owners shall not require the agreement of the other joint owners, but the joint owners may only jointly surrender the patent or conclude license contracts with third parties under the patent.

(3) The provisions of this Section shall be applicable only in the absence of an agreement to the contrary between the joint applicants or owners.

CHAPTER VIII: CONTRACTUAL LICENSES

Section 142: Definitions

(1) For the purposes of this Law, “license contract” means any contract by which a party (“the licensor”) gives to the other party (“the licensee”) his agreement for that other party to perform in the country any of the acts referred to in Section 135(2) in respect of an invention claimed in a patent or a patent application.

(2) For the purposes of this Chapter, the words “acts referred to in Section 135(2)” shall also apply where the license contract relates to a patent application.

Section 143: Form of License Contract

(1) A license contract must be in writing and must be signed by the parties to the contract. Otherwise it shall not be valid.

(2) The fact that a license contract has been concluded may be recorded in accordance with the Regulations and on payment of the prescribed fee.

Section 144: Rights of Licensee

(1) In the absence of any provision to the contrary in the license contract, the agreement given by the licensor to the licensee shall extend to the performance in respect of the invention of all the acts referred to in Section 135(2) without limitation as to time, in the entire territory of the country, and through any application of the invention.

(2) In the absence of any provision to the contrary in the license contract, the licensee may not give to a third person his agreement to perform in the country in respect of the invention any of the acts referred to in Section 135(2).

Section 145: Rights of Licensor

(1) In the absence of any provision to the contrary in the license contract, the licensor may give to a third person his agreement to perform in the country in respect of the invention the acts referred to in Section 135(2), and shall not be obligated to abstain from performing them himself in the country.

(2) If the license contract provides that the license is exclusive, and unless it is expressly provided otherwise in the license contract, the licensor may neither agree to the performance in the country in respect of the invention by any third person of, nor himself perform in the country, the acts referred to in Section 135(2) which are covered by the said contract.

Section 146: Effects of Patent Not Being Granted or Being Invalidated

(1) Where, before the expiration of the license contract, any of the following events occurs with respect to any patent application or patent referred to in that contract,

- (i) the patent application is withdrawn,
- (ii) the patent application is finally rejected,
- (iii) the grant of a patent is finally refused,
- (iv) the patent is finally declared invalid,

the licensee shall, from the date of the event, no longer have to make any payment directly relating to that patent application or patent.

(2) In any of the cases referred to in subsection (1), the licensee shall have a right to the repayment of the payments already made and directly relating to the patent application or patent in question, on grounds of equity, [*Alternative A: provided that he has not or practically not benefited from the license.*] [*Alternative B: to the extent that he has not benefited from the license, unless the license contract provides otherwise.*]

CHAPTER IX: NON-VOLUNTARY LICENSES

Section 147: Definitions

For the purposes of this Law,

(i) “non-voluntary license” means the authorization to perform in the country without the agreement of the owner of the patent, in respect of the patented invention, any of the acts referred to in Section 135(2), with the exception of importation;

(ii) “beneficiary of the non-voluntary license” means the person to whom a non-voluntary license has been granted in accordance with this Chapter.

Section 148: Non-Voluntary License for Non-Working or Insufficient Working

* (1) On the request of any person who proves his ability to work the patented invention in the country, made after the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last, the Patent Office may grant a non-voluntary license if the patented invention is not worked or is insufficiently worked in the country.

(2) Notwithstanding subsection (1), a non-voluntary license shall not be granted if the Patent Office is convinced that circumstances exist which justify the non-working or insufficient working of the patented invention in the country. Importation shall not constitute such a circumstance.

Section 149: Non-Voluntary License Based Upon Interdependence of Patents

(1) If the invention claimed in a patent (“later patent”) cannot be worked in the country without infringing a patent granted on the basis of an application benefiting from an earlier filing or, where appropriate, priority date (“earlier patent”), and provided that the invention claimed in the later patent constitutes an important technical advance in relation to the invention claimed in the earlier patent, the Patent Office, upon the request of the owner of the later patent, the licensee of a license contract under the later patent or the beneficiary of a non-voluntary license under the later patent, may grant a non-voluntary license to the extent necessary to avoid infringement of the earlier patent.

* *Alternative, not conforming to the Stockholm Act (1967) of the Paris Convention, which at the time (1979) of the publication of this Volume is the most recent Act in force; see the footnote to the title of this Chapter:*

(1) On the request of any person who proves his ability to work the patented invention in the country, made after the expiration of a period of [two] [three]^a years from the date of the grant of the patent, the Patent Office may grant a non-voluntary license if the patented invention is not worked or is insufficiently worked in the country.

^a The fixing of this time limit will depend upon the decision to be made, concerning Article 5A of the Paris Convention, at the Diplomatic Conference on the revision of that Convention.

¹ *Note:* The Preparatory Intergovernmental Committee on the Revision of the Paris Convention for the Protection of Industrial Property, at its second session (June 1977), adopted a draft for a new Article 5A of that Convention. The Diplomatic Conference which must finally decide this matter has not yet taken place at the time (1979) of publication of this Part of the Model Law. Certain provisions of this Chapter may have a different wording dependent upon whether based on the Stockholm Act of the Paris Convention or on the above-mentioned draft for a new Article 5A. For this reason, in addition to the main text, which is in conformity with the Stockholm Act of the Paris Convention, a version of Sections 148(1), 150(2), 150(3), 151(3) and 153(3), which is based on the said draft for a new Article 5A, has been added in footnotes. The Comments on this Chapter give explanations on both texts.

(2) If a non-voluntary license is granted under subsection (1), the Patent Office, upon the request of the owner of the earlier patent, the licensee of a license contract under the earlier patent or the beneficiary of a non-voluntary license under the earlier patent, may grant a non-voluntary license under the later patent.

Section 150: Request for Grant of Non-Voluntary License

(1) The request for the grant of a non-voluntary license ("the request") shall be made to the Patent Office and shall contain:

- (i) the name of and other prescribed data concerning the requesting person;
- (ii) the number of the patent in respect of which the non-voluntary license is requested;
- (iii) a statement of the grounds on which the request is based.

* (2) If the request is made under Section 149, it shall also contain the number of the patent owned by the requesting person.

* (3) The request shall be accompanied by evidence that the owner of the patent has received a request from the requesting person to obtain a contractual license, but that he has been unable to obtain such a license on reasonable terms and within a reasonable time.

(4) The request shall be subject to the payment of the prescribed fee.

Section 151: Procedure for Grant of Non-Voluntary License

(1) The Patent Office shall examine whether the requirements of Section 150 and the Regulations pertaining thereto are satisfied. Where the said requirements are not satisfied, the Patent Office shall reject the request. Any decision rejecting the request shall be in writing and shall state the grounds upon which it is based. Before rejecting the request, the Patent Office may inform the requesting person of the defect and allow him to make the necessary correction.

* *Alternative, not conforming to the Stockholm Act (1967) of the Paris Convention, which at the time (1979) of the publication of this Volume is the most recent Act in force; see the footnote to the title of this Chapter:*

(2)(a) If the request is made under Section 148, it may contain a statement that the non-voluntary license requested is an exclusive license.

(b) If the request is made under Section 149, it shall also contain the number of the patent owned by the requesting person.

(3)(a) The request shall be accompanied by evidence that the owner of the patent has received a request from the requesting person to obtain a contractual license, but that he has been unable to obtain such a license on reasonable terms and within a reasonable time.

(b) If the request contains, in accordance with subsection (2)(a), a statement that the non-voluntary license requested is an exclusive license, the request shall be accompanied by evidence that the circumstances constitute a special case where the grant of an exclusive non-voluntary license is necessary to ensure the working of the patented invention in the country.

(2)(a) Where the requirements of Section 150 and the Regulations pertaining thereto are satisfied, the Patent Office shall notify the owner of the patent with respect to which the non-voluntary license is requested of the request and the evidence accompanying it, and shall invite him to make his observations.

(b) The owner of the patent shall have the obligation to notify the licensees of the request and the evidence accompanying it. The licensees shall have the right to make their observations to the Patent Office.

(c) The Patent Office shall notify the beneficiaries of non-voluntary licenses and the persons exploiting the patented invention under Section 156 of the request and the evidence accompanying it. The said beneficiaries and persons shall have the right to make their observations to the Patent Office.

(d) The Patent Office shall notify the requesting person of the observations made under paragraphs (a), (b) and (c).

(e) The Patent Office shall hold a hearing, to which shall be invited the requesting person, the owner of the patent and the persons who made observations under paragraph (b) or (c).

(f) If the Patent Office finds that the conditions for the grant of the non-voluntary license are fulfilled, it shall make the decision to grant the non-voluntary license. Otherwise, it shall make the decision to refuse the non-voluntary license.

* (3) The decision granting the non-voluntary license shall fix:

(a) the scope of the license, specifying in particular:

(i) for what period the license is granted; and

(ii) to which of the acts referred to in Section 135(2) the license extends, provided that it may not extend to the act of importation;

(b) the time limit within which the beneficiary of the non-voluntary license must begin to work the patented invention in the country; and

(c) the amount and conditions of the payment due by the beneficiary of the non-voluntary license to the owner of the patent and to any person whose rights are affected under Section 153(3)(iii), such payment being determined on the basis of the extent to which the patented invention is worked.

** Alternative, not conforming to the Stockholm Act (1967) of the Paris Convention, which at the time (1979) of the publication of this Volume is the most recent Act in force; see the footnote to the title of this Chapter:*

(3) The decision granting the non-voluntary license shall fix:

(a) the scope of the license, specifying in particular:

(i) for what period the license is granted;

(ii) to which of the acts referred to in Section 135(2) the license extends, provided that it may not extend to the act of importation; and

(iii) whether or not the license is exclusive and, if the license is exclusive, for what period the exclusivity is granted, provided that this period shall not exceed [three] [six]^a years, as well as, where applicable, any other limitation on that exclusivity;

(b) the time limit within which the beneficiary of the non-voluntary license must begin to work the patented invention in the country; and

(c) the amount and conditions of the payment due by the beneficiary of the non-voluntary license to the owner of the patent and to any person whose rights are affected under Section 153(3)(a)(ii) or (b)(iii), such payment being determined on the basis of the extent to which the patented invention is worked.

^a The fixing of this period will depend upon the decision to be made, concerning Article 5A of the Paris Convention, at the Diplomatic Conference on the revision of that Convention.

(4) The decision shall be in writing and shall state the grounds upon which it is based. The Patent Office shall record the decision, publish it and notify the requesting person, the owner of the patent and the other persons invited to the hearing referred to in subsection (2)(e) of the decision.

(5) The Regulations shall fix the time limits for the acts to be performed by the Patent Office under this Section.

Section 152: Appeals

(1)(a) The owner of the patent, the person requesting the grant of the non-voluntary license or any other person referred to in Section 151(4) may, within one month from the publication referred to in that Section, appeal to the Minister [...] against the decision of the Patent Office referred to in Section 151(2)(f).

(b) The appeal referred to in paragraph (a) shall have a suspensive effect only with regard to those elements of the decision which are appealed against and only to the extent that those elements are appealed against.

(c) The decision made by the Minister on the appeal referred to in paragraph (a) shall be in writing and state the grounds upon which it is based. The Patent Office shall record the decision, publish it and notify all the persons referred to in the said paragraph of the decision.

(2)(a) The decision of the Minister referred to in subsection (1)(c) may be the subject of an appeal to the court only to the extent that it relates to the amount or conditions of the payment referred to in Section 151(3)(c). Such an appeal shall have a suspensive effect only with regard to those elements of the decision which are appealed against and only to the extent that those elements are appealed against.

(b) When the decision of the court on the appeal referred to in paragraph (a) becomes final, the registrar of the court shall notify the Patent Office of the decision, which shall record the decision and publish it.

Section 153: Rights and Obligations of Beneficiary of Non-Voluntary License; Other Effects of Non-Voluntary License

(1) The beneficiary of the non-voluntary license shall have the right to exploit the patented invention in the country according to the decision granting the license.

(2) The beneficiary of the non-voluntary license shall have the following obligations:

(i) to begin the working of the patented invention in the country within the time limit fixed in the decision granting the license and thereafter, in the case of a non-voluntary license granted on the basis of Section 148, to work the patented invention sufficiently in the country;

(ii) to respect the scope of the license as fixed in the decision granting the license;

(iii) to make payment when due, according to the decision granting the license.

*** (3) The grant of the non-voluntary license:**

- (i) shall exclude neither the conclusion of license contracts nor the grant of other non-voluntary licenses;
- (ii) shall not affect non-exclusive contractual licenses in force;
- (iii) shall deprive exclusive contractual licenses in force of their exclusivity, but only with regard to the non-voluntary license in question and within the scope of the latter;
- (iv) shall not affect non-voluntary licenses in force;
- (v) shall not exclude the exploitation of the patented invention under Section 156.

**Section 154: Sublicense Forbidden;
Transfer of Non-Voluntary License**

(1) The beneficiary of the non-voluntary license may not conclude license contracts with third persons under the patent in respect of which the non-voluntary license was granted.

(2)(a) The non-voluntary license may only be transferred with the establishment of the beneficiary of the license or with the part of the establishment within which the patented invention is being worked. Such transfer shall not be valid without a decision of the Patent Office authorizing the transfer.

(b) The authorization of the Patent Office may be requested either by the beneficiary of the non-voluntary license whose name appears as such in the Patent Register, or by the person to whom the non-voluntary license is to be transferred, or jointly by both.

(c) Before making its decision, the Patent Office shall give the owner of the patent and the other persons referred to in Section 151(4) an opportunity to make their observations.

(d) The decision of the Patent Office shall be in writing and state the grounds upon which it is based. The Patent Office shall record the decision, publish it and notify all the persons referred to in paragraphs (b) and (c) of the decision.

** Alternative, not conforming to the Stockholm Act (1967) of the Paris Convention, which at the time (1979) of the publication of this Volume is the most recent Act in force; see the footnote to the title of this Chapter:*

(3)(a) If the non-voluntary license is exclusive, and as long as it is exclusive, its grant:

(i) shall exclude, subject, where applicable, to any limitations on the exclusivity which are imposed under Section 151(3)(a)(iii), the conclusion of license contracts and the grant of other non-voluntary licenses;

(ii) shall preclude, subject, where applicable, to any limitations on the exclusivity which are imposed under Section 151(3)(a)(iii), the owner of the patent, any licensee of a license contract in force and any beneficiary of a non-voluntary license in force to perform in respect of the patented invention the acts referred to in Section 135(2);

(iii) shall not exclude the exploitation of the patented invention under Section 156.

(b) If the non-voluntary license is not exclusive, its grant:

(i) shall exclude neither the conclusion of license contracts nor the grant of other non-voluntary licenses;

(ii) shall not affect non-exclusive contractual licenses in force;

(iii) shall deprive exclusive contractual licenses in force of their exclusivity, but only with regard to the non-voluntary license in question and within the scope of the latter;

(iv) shall not affect non-voluntary licenses in force;

(v) shall not exclude the exploitation of the patented invention under Section 156.

(c) Any person referred to in paragraph (d) may, within one month from the publication referred to in that paragraph, appeal to the Minister [...] against the decision of the Patent Office. The appeal shall have a suspensive effect.

(f) The decision made by the Minister on the appeal referred to in paragraph (e) shall be in writing and state the grounds upon which it is based. The Patent Office shall record the decision, publish it and notify all the persons referred to in paragraph (d) of the decision. The decision of the Minister may not be the subject of an appeal.

(g) Once the transfer is authorized, the new beneficiary of the non-voluntary license shall assume the obligations that were incumbent on the former beneficiary.

Section 155: Amendment and Cancellation of Non-Voluntary License; Surrender of Non-Voluntary License

(1) Upon the request of the owner of the patent or of the beneficiary of the non-voluntary license or of any other person referred to in Section 151(4), the Patent Office may amend the decision granting the non-voluntary license to the extent that new facts justify such amendment.

(2)(a) Upon the request of the owner of the patent or of any other person referred to in Section 151(4), the Patent Office shall cancel the non-voluntary license:

(i) if the ground for the grant of the non-voluntary license no longer exists;

(ii) if the beneficiary of the non-voluntary license has, within the time limit fixed in the decision granting the license, neither begun the working of the patented invention in the country nor made serious preparations toward such working;

(iii) if the beneficiary of the non-voluntary license, in the case of a non-voluntary license granted on the basis of Section 148, does not sufficiently work the patented invention in the country after the expiration of the time limit referred to in item (ii);

(iv) if the beneficiary of the non-voluntary license does not respect the scope of the license as fixed in the decision granting the license;

(v) if the beneficiary of the non-voluntary license is in arrears of the payment due, according to the decision granting the license.

(b) Notwithstanding paragraph (a), the Patent Office shall not cancel the non-voluntary license if it is convinced that circumstances exist which justify the maintenance of the license. In particular the Patent Office shall not cancel the non-voluntary license, in the case referred to in paragraph (a)(i), if the beneficiary of the non-voluntary license is working the patented invention in the country or has made serious preparations toward such working.

(3) Sections 150(1) and (4), 151 and 152 shall apply by analogy to the amendment or cancellation of the non-voluntary license.

(4) The beneficiary of the non-voluntary license may surrender the license by a written declaration submitted to the Patent Office, which shall record the surrender, publish it and notify the owner of the patent and the other persons referred to in Section 151(4) of the decision. The surrender shall take effect from the date that the Patent Office received the declaration of surrender.

CHAPTER X: EXPLOITATION BY GOVERNMENT OR BY THIRD PERSONS AUTHORIZED BY GOVERNMENT

Section 156: Exploitation by Government or by Third Persons Authorized by Government

(1) Where the public interest, in particular, national security, nutrition, health or the development of other vital sectors of the national economy, so requires, the Minister concerned may decide that, even without the agreement of the owner of the patent, a government agency or a third person designated by the Minister may exploit the patented invention in the country by performing any of the acts referred to in Section 135(2), including importation if necessary, subject to payment therefor.

(2)(a) When the Minister intends to make a decision under subsection (1), he shall consult the Patent Office, notify the owner of the patent and the beneficiaries of non-voluntary licenses of his intention and invite them, as well as other persons whose participation he considers useful, to a hearing.

(b) The owner of the patent shall have the obligation to notify the licensees of the hearing referred to in paragraph (a). The licensees shall have the right to participate in that hearing.

(3)(a) Once the hearing referred to in subsection (2) has been held, the Minister shall make his decision. The decision shall be written and state the grounds upon which it is based.

(b) If the decision of the Minister authorizes the exploitation under subsection (1), the Patent Office shall fix the amount and conditions of the payment due by the State to the owner of the patent and to any exclusive licensee whose rights are affected by the decision of the Minister, such payment being determined on the basis of the extent to which the patented invention is exploited.

(c) The Patent Office shall record the decision of the Minister and the decision of the Patent Office fixing the amount and conditions of the payment, publish the decisions and notify the owner of the patent and the other participants in the hearing referred to in subsection (2) of the decisions.

(4)(a) The decision of the Minister may not be the subject of an appeal.

(b) The decision of the Patent Office fixing the amount and conditions of the payment may be the subject of an appeal to the court by the owner of the patent or any licensee referred to in subsection (3)(b). Such an appeal shall not preclude the exploitation of the patented invention according to the decision of the Minister.

(c) When the decision of the court on the appeal referred to in paragraph (b) becomes final, the registrar of the court shall notify the Patent Office of the decision, which shall record the decision and publish it.

CHAPTER XI: SURRENDER AND INVALIDATION

Section 157: Surrender of Patent

- (1) The owner of the patent may surrender the patent by a written declaration submitted to the Patent Office.
- (2) The surrender may be limited to one or more claims of the patent.
- (3) If a non-voluntary license has been granted under Section 148, the surrender of the patent shall only be admissible if the owner of the patent submits a written declaration by the beneficiary of the non-voluntary license consenting to the surrender, or if the Patent Office is convinced that circumstances exist which justify the surrender.
- (4) The Patent Office shall record the surrender and publish it as soon as possible. The surrender shall take effect from the date that the Patent Office received the declaration.

Section 158: Invalidation of Patent

- (1) Any interested person may institute court proceedings against the owner of the patent for the invalidation of the patent.
- (2) The court shall invalidate the patent if the person requesting the invalidation proves that:
 - (i) any of the conditions referred to in Section 131(1)(i) to (v) were not fulfilled at the time the patent was granted; or
 - (ii) the right to the patent does not belong to the person to whom the patent was granted, provided that the patent has not been assigned to the person to whom the right to the patent belongs.
- (3)(a) Where the provisions of subsection (2) apply only to some of the claims or some parts of a claim, such claims or parts of a claim shall be invalidated by the court.
(b) The invalidity of part of a claim shall be declared in the form of a corresponding limitation of the claim in question.
- (4) The court may require the owner of the patent to submit to it for the purpose of examination publications and other documents showing the prior art which have been referred to either in connection with an application for a patent or other title of protection filed, for the same or essentially the same invention, by the owner of the patent, with any other national or regional industrial property office, or in connection with any proceedings relating to the patent or other title of protection granted upon such application.
- (5)(a) The owner of the patent shall have the obligation to notify the licensees of the proceedings. The licensees shall have the right to join in the proceedings in the absence of any provision to the contrary in the license contract.
(b) The person requesting invalidation shall have the obligation to notify the beneficiaries of non-voluntary licenses granted under Section 148 of the proceedings. The said beneficiaries shall have the right to join in the proceedings.
(c) Where the ground for invalidity referred to in subsection (2)(ii) is invoked, the person requesting invalidation shall have the obligation to notify the person alleged to have the right to the patent of that fact.

Section 159: Effects of Invalidation

(1) Any invalidated patent, or claim or part of a claim shall be regarded as null and void from the date of the grant of the patent.

(2) When the decision of the court becomes final, the registrar of the court shall notify the Patent Office of the decision, which shall record the decision and publish it as soon as possible.

CHAPTER XII: INFRINGEMENT

Section 160: Acts of Infringement

Subject to Sections 136(1) to (3), 137, 153(1) and 156(1), an infringement of the patent shall consist of the performance of any act referred to in Section 135(2) in the country by a person other than the owner of the patent and without the agreement of the latter, in relation to a product or a process falling within the scope of protection of the patent.

Section 161: Infringement Proceedings

(1) The owner of the patent shall have the right to institute court proceedings against any person who has infringed or is infringing the patent. The owner of the patent shall have the same right against any person who has performed acts or is performing acts which make it likely that infringement will occur ("imminent infringement"). The proceedings may not be instituted after five years from the act of infringement.

(2)(a) If the owner of the patent proves that an infringement has been committed or is being committed, the court shall award damages and shall grant an injunction to prevent further infringement and any other remedy provided in the general law.

(b) If the owner of the patent proves imminent infringement, the court shall grant an injunction to prevent infringement and any other remedy provided in the general law.

(3) The defendant in any proceedings referred to in this Section may request in the same proceedings the invalidation of the patent. In that case, the provisions of Section 158(2) to (5) shall apply.

(4)(a) For the purposes of this subsection, "beneficiary" means:

(i) any licensee, unless the license contract provides that the provisions of this subsection do not apply or provides different provisions;

(ii) the beneficiary of a non-voluntary license granted under Section 148.

(b) Any beneficiary may request the owner of the patent to institute court proceedings for any infringement indicated by the beneficiary, who must specify the relief desired.

(c) The beneficiary may, if he proves that the owner of the patent received the request but refuses or fails to institute the proceedings within three months from the receipt of the request, institute the proceedings in his own name, after notifying the owner of the patent of his intention. The owner shall have the right to join in the proceedings.

(d) Even before the end of the three-month period referred to in paragraph (c), the court shall, on the request of the beneficiary, grant an appropriate injunction to prevent infringement or to prohibit its continuation, if the beneficiary proves that immediate action is necessary to avoid substantial damage.

Section 162: Declaration of Non-Infringement

(1) Subject to subsection (4), any interested person shall have the right instituting proceedings against the owner of the patent, that the court declare that the performance of a specific act does not constitute an infringement of the patent.

(2) If the person making the request proves that the act in question does not constitute an infringement of the patent, the court shall grant the declaration of non-infringement.

(3)(a) The owner of the patent shall have the obligation to notify the licensees of the proceedings. The licensees shall have the right to join in the proceedings in the absence of any provision to the contrary in the license contract.

(b) The person requesting the declaration of non-infringement shall have the obligation to notify the beneficiaries of non-voluntary licenses granted under Section 148 of the proceedings. The said beneficiaries shall have the right to join in the proceedings.

(4) If the act in question is already the subject of infringement proceedings, the defendant in the infringement proceedings may not institute proceedings for a declaration of non-infringement.

(5) Proceedings for a declaration of non-infringement may be instituted together with proceedings to invalidate the patent, except where invalidation of the patent is requested under Section 161(3).

Section 163: Threat of Infringement Proceedings

(1) Any person threatened with infringement proceedings shall have the right to institute court proceedings against the person making the threats. The proceedings may not be instituted after five years from the making of the threats.

(2) If the person instituting the proceedings proves that the acts he has performed, is performing or is going to perform do not constitute a patent infringement, the court shall award damages for financial loss resulting from the threats and shall grant an injunction to prohibit such threats.

(3) The notification of the existence of the patent and the calling to the attention of the legal consequences of a patent infringement shall not in themselves constitute threats for the purposes of this Section.

Section 164: Offenses

(1) Any person who performs an act which he knows constitutes an infringement of the patent shall commit an offense. The proceedings may not be instituted after five years from the commission of the offense.

(2) Such offense shall be punishable by a fine between [...] and [...] or by imprisonment between [...] and [...] or both.

(3)(a) In the event of repetition, the maximum penalties shall be doubled.

(b) Repetition shall be deemed to have occurred when, within the preceding five years, the offender has been convicted of another infringement of a patent.

COMMENTARY ON THE MODEL LAW

**Preamble
and
Part I: Patents**

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PREAMBLE

a. The purpose of the Preamble is to set the general framework within which the Law on Inventions and Know-How is to be placed. This general framework is the economic development of the country and, in particular, its industrialization.

b. The term “foreign technology,” which appears in paragraphs 1(c) and 2(a) of the Preamble is to be understood in a broad sense as including the most advanced technology, which permits the developing country to stay abreast of technological progress, as well as other technology, which may also be useful if it is more easily adaptable to the needs of the country.

c. In laying particular stress on the fact that the rights conferred with respect to the protection of inventions or the remuneration of innovations are counter-balanced by the imposition of obligations, the Preamble demonstrates that the Law aims above all at serving the public interest and, in particular, the social and economic objectives of the country.

d. An important obligation imposed upon the owner of a patent is to ensure the appropriate working of the patented invention on the territory of the country. The “working” of the patented invention means the making of the product, or the use of a process, that is the subject of the patent (see Section 134 (3)). It should be appreciated, however, that the working of certain inventions may be unreasonable due to technical or economic considerations. This may be especially true in countries having small markets for particular inventions. Therefore, the possibility of permitting the owner of the patent to satisfy his obligation by working the invention within a regional group of countries could be given consideration.

e. The principles laid down in the Preamble will not only give the general public a better understanding of the Law but also enable the authorities responsible for its application to interpret its provisions as intended by the legislator.

f. The word “authority” in square brackets at the end of the Preamble is to be replaced by the name of the authority competent in the country concerned to adopt the Law.

PART I: PATENTS

Part I of the Model Law deals with patents. It includes twelve Chapters.

CHAPTER I: GENERAL PROVISIONS; PATENT OFFICE

a. Chapter I, containing general provisions as well as provisions relating to the Patent Office, comprises eleven Sections.

b. If the authority called the "Patent Office" in the Model Law is entrusted with not only those functions assigned under this Law but also other functions, it should be given another name, for example, the Patent and Trademark Office if its authority extends also to the field of trademarks, the Industrial Property Office if it is also concerned with industrial designs or any other name appropriately indicating its activities.

Section 101: Protection of Inventions

This Section, in stating the fundamental principle of the protection of inventions by patents, highlights the main subject of the Model Law. It means that an invention, whether made by a domestic or a foreign inventor, can enjoy patent protection in the country only if the Patent Office of the country has granted a patent. Thus, the patent protection of inventions is established in the country under the control of the Government.

Section 102: Organization of Patent Office

a. Subsection (1) indicates that the Patent Office must be established as a public authority under the supervision of an authority whose official title should replace the square brackets in subsections (1), (2) and (3). Depending on the governmental structure of the country basing its legislation on the Model Law, such authority may be, for example, the Head of State, the Council of Ministers or a single minister such as the Minister of Industry or the Minister for Economic Affairs.

b. Subsection (2) provides that the appointment of the Director of the Patent Office shall be within the competence of the authority supervising the Patent Office.

c. Subsection (3) deals with the organizational structure and the financial and budgetary system of the Patent Office. It gives the authority supervising the Patent Office the task of determining the organizational structure and of regulating all questions relating to the financial and budgetary system. The organizational structure should be such as to allow for the necessary autonomy and efficient internal hierarchical structure and division of labor in order to permit responsible and expedient decisions. Concerning the financing of the expenditures of the Patent Office, the theoretically ideal solution would appear to be that it be self-supporting from its own revenues. It seems natural that the expense of maintaining an industrial property system should be borne by the users of the system rather than by the taxpayers, especially in developing countries. However, it must be appreciated that it is not just the users of the patent system who benefit from it but also the general tax-paying public as a consequence of the disclosure of technical information through patents and of investments made in technology protected by patents. It will thus be up to the Government to determine the extent to which the expenses of the Patent Office should be borne by its users. In this regard, the system of fees charged by the Patent Office for acts performed in relation to patent applications and patents

should be so devised to take into account the maintenance costs of the Patent Office, as far as both staff and equipment are concerned. One aspect of particular importance in this context could be a system of progressive annual fees for the maintenance of patent applications and patents (see Section 139). But, considering that the functions of the Patent Office exceed merely dealing with patent applications and patents (see, in particular, Section 103, entrusting the Patent Office with the promotion of inventiveness among nationals of the country which will involve considerable expense), the fees due from users could be prohibitive if an excessively high percentage of the total costs were placed on the users. Thus, potential users might be discouraged from filing patent applications, and this could be detrimental to the entire industrial property system, including the financing of the Patent Office. In sum, such financing must be carefully devised so as to provide adequate funds for the successful operation of the Office while balancing the interests of the public and the users of the patent system.

d. Subsection (4) deals with the question who is entitled to sign decisions of the Patent Office. Normally, in a smaller Office, the signature should be that of the Director or his representative. Depending on the number of patent applications filed, decisions may, however, become too numerous for the implementation of that system. Moreover, it might be felt that in a number of routine cases, signature of a decision by the Director of a Patent Office is not necessary. Under such circumstances, delegation of the power to sign to certain senior officials appointed for that purpose by the Director of the Patent Office may be advisable.

Section 103: Functions of Patent Office

a. This Section deals in a general manner with the functions of the Patent Office.

b. The primary function of the Patent Office of granting patents is only referred to in Section 103, as it has already been stated in Section 101.

c. The promotion of inventiveness among nationals of the country is a task of the Patent Office which, because of its great importance, is specially mentioned. This function could be assumed by a special department of the Office. This department should use several methods for encouraging the public to make inventions and to utilize the patent system. The significance and operation of the patent system could be explained to the public in special publications of the Patent Office, in newspapers of wide circulation, in technical and professional journals and through radio and television broadcasts. Exhibitions could be organized displaying interesting inventions patented in the country. The Patent Office could also select the "Invention of the Year" from all those that have been patented in the country during the course of the past year and award a prize to the inventor of this invention. Besides, the Patent Office could actively collaborate with the universities in the country by furnishing them with the necessary documentation to teach patent law in an effective manner; in addition, officials of the Office could on occasion lecture to students or participate in seminars.

d. The Model Law assigns the Patent Office other functions in addition to the grant of patents and the promotion of inventiveness. Independent of those functions which result from the Parts of the Model Law dealing with the examination and registration of contracts (Part III*) and inventors' certificates (Part IV*), these other functions involve, for example, patent information services (see Section 104), the administration of granted patents (in particular the collection of annual fees, in accordance with Section 139) and the procedure for the grant of non-voluntary licenses (see Chapter IX).

Section 104: Patent Information Services

a. This provision deals with a task of the Patent Office requiring special mention both in view of its particular importance and in view of the fact that it goes beyond what is considered to form part of the traditional tasks of a Patent Office. The existence of an institution rendering patent information services to the public is of vital importance for

* Not yet published.

developing countries, although its absence would not endanger the operation of the patent system itself. Each developing country which wishes to develop and implement a national technological policy, permitting acceleration and proper channeling of the transfer of foreign technology to the country as well as providing incentives for the creation of domestic technology, must provide access to patent documentation. Patent documents are of significant importance and a source *par excellence* of modern technology. Proper access to patent information in classified form, i.e. grouped according to the finest subdivision of the International Patent Classification, enables the public to take cognizance and to keep abreast of developments in a given technical field. While of course the main sources of published technical information are books, scientific and technical periodicals and patent documents, the consultation of patent documents provides persons interested in the state of the art in any given branch of technology with a number of special advantages, in particular the following:

(i) Patent documents have a fairly uniform presentation, frequently containing explanatory drawings. The description sets out in detail the solution of the problem which the invention tends to solve; the claims show the essence of the scope of protection sought for the invention. Frequently patent documents also contain an abstract, allowing a general idea to be formed of the contents of the document within a much shorter time than would be required to read the full text.

(ii) Patent documents pertaining to the same "priority family" frequently exist in a number of different languages, so that one is able to choose the document in the most familiar language.

(iii) The bibliographic indications on the title page of the patent document, in particular the name and address of the applicant, the patentee and the inventor, allow any potential licensee to contact those persons in order to find out under what conditions he may be authorized to exploit the invention.

(iv) Patent documents pertaining to a given subdivision of the International Patent Classification contain a highly concentrated and the usually technically advanced cluster of information on any given technological field.

b. Subsection (1) establishes the principle according to which patent information services are provided to the public by the Patent Office. The most appropriate government authority to be entrusted with that task would seem to be the Patent Office in view of its function in granting patents and with its qualified technically trained staff.

c. Subsection (2) states that the patent information services should be rendered on the basis of a patent documentation center. Such center could be either a center established within the framework of the Patent Office or an outside governmental or non-governmental institution which, on the basis of special contractual arrangements between the Patent Office and that institution, could be used by the Patent Office for the rendering of patent information services.

d. The expression "patent documents" covers the following. Concerning domestic patent documents: copies of the patents granted in the country (see Section 132(2)(v)) as well as, if Part IV* of the Model Law is adopted, copies of the inventors' certificates granted in the country. Concerning foreign patent documents: first, copies of titles of protection for inventions granted by foreign countries, the nature of these titles depending upon the law of those countries (patents, inventors' certificates, utility certificates, utility models, patents of addition, certificates of addition, inventors' certificates of addition, utility certificates of addition, for example); second, copies of the published applications for such titles of protection, where the law of the country in question provides for the publication of those applications (the Model Law does not so provide).

e. In view of the very great and ever-growing volume of patent documents and the cost of their acquisition and organization in classified form in order to be readily accessible, the question whether it is practical and feasible for the Patent Office of a developing country to establish its own patent document collection must be very carefully evaluated

* Not yet published.

in the light of the purpose that it is intended to serve, the amount of funds available for its establishment and maintenance, and the technical and language capabilities of the available staff. In order to minimize the cost and maximize the usefulness, the possibility of establishing regional patent documentation centers serving a group of countries should be carefully studied. The kind of patent and relevant non-patent literature to be included in the collection of the patent documentation center must be determined separately for each country wishing to set up such a center, again taking into account the purpose the collection is intended to serve, the staff and the funds available and the language capabilities of both the technical staff and the users of the center. Since a high percentage of the very important inventions are described in patent documents in several languages and can normally be found in the collections of a small number of countries, a high degree of selection as to languages or countries is possible. These details are therefore best left to the Regulations.

f. Subsection (3) points to the possibility of obtaining patent information services not through the activity of the Patent Office itself, but through technical assistance provided by an institution outside the country. In this context, particular reference is made to the possibility of concluding agreements with institutions other than national ones: institutions specialized in patent information services and established on a regional or international basis or established in a foreign country but at the disposal of developing countries for the rendering of patent information services. In this connection, subsection (3) makes particular reference to the provisions on patent information services contained in Article 50 of the Patent Cooperation Treaty (PCT). According to that Article, the International Bureau may, either directly or through one or more International Searching Authorities or other national or international specialized institutions, furnish services by providing technical and other pertinent information available to it on the basis of published patent documents. Those information services are to be operated in a way particularly facilitating the acquisition by contracting States which are developing countries of technical knowledge and technology, including available published know-how. The information services are to be available to governments of States party to the PCT and their nationals and residents.

g. Subsection (4) describes in general the goals to be aimed at in operating patent information services (see paragraph *a* of the comments on this Section). Moreover, it permits the Regulations to prescribe (which Rule 104 does) a fee for providing requested information on the state of the art and the existence of patent protection in a particular technical area.

Section 105: Patent Register

a. Subsection (1): The simplest way of recording granted patents is to insert a copy of each patent in the Patent Register. The entries to be made in respect of each patent may be made on a special sheet with headings corresponding to the different types of entry: such as the extension of the duration of the patent, the lapse of the patent for non-payment of an annual fee, a change of ownership, the surrender of the patent and the invalidation of the patent.

b. Subsection (2): Any person is authorized to consult and obtain an extract from the Patent Register, but the Regulations may subject these services to the payment of fees. Rule 105*bis*.1 permits free consultation of the Patent Register while Rule 105*bis*.2 requires the payment of a fee for an extract, which should be fixed at a high enough level to cover the effective costs incurred by the Patent Office in preparing the extract.

c. Not all the information likely to interest the public can be included in the Patent Register. For this reason Section 107(1) provides that any person may consult the file relating to a patent.

Section 106: Gazette

a. Each time that the Model Law prescribes that the Patent Office must publish a certain fact, this publication will be made in the Gazette. The publications required by Part I of the Model Law are those of the grant of a patent (Section 132(2)(i)), the extension of the duration of a patent (Section 138(2)(e)), the lapse of a patent for the non-payment of an annual fee (Section 139(3)), the change in ownership of a patent (Section 140(2)), the decisions taken with respect to non-voluntary licenses (Sections 151(4), 152(1)(c) and (2)(b), 154(2)(d) and (f) and 155(3) and (4)) and with respect to exploitation by the Government or by third persons authorized by the Government (Section 156(3)(c) and (4)(c)), the surrender of a patent (Section 157(4)) and the invalidation of a patent (Section 159(2)).

b. Other pertinent information may be published in the Gazette, such as amendments of the Regulations.

Section 107: Inspection of Files

a. This provision deals with the principles relating to the inspection of the files of the Patent Office.

b. *Subsection (1)* established the principle that any person may, upon request, inspect the files relating to patents and patent applications and obtain extracts from those files. The Regulations may prescribe fees for the inspection of a file and for obtaining extracts therefrom. Analogously to Rules 105*bis.1* and 105*bis.2*, Rule 107 provides that inspection of the file will be free of charge, while a fee will be payable for the preparation of an extract.

c. *Subsection (2)* contains, however, an important limitation of this principle of access to the files: for the time during which the patent application must be kept secret, inspection may take place only with the written permission of the applicant (paragraph (a)). Nevertheless, the public interest in the immediate availability of certain bibliographic data of patent applications requires an exception to this limitation. The bibliographic data of patent applications listed in paragraph (b) shall be communicated by the Patent Office, if requested, even before the grant of the patent. Most of the bibliographic data listed are data which are not related to the technical content of the application. Their publication could not lead to any premature disclosure of the invention contained in the patent application. The title of the invention gives only a general indication of the technical field to which the invention relates, so that its communication to the public would not give rise to any danger of a premature disclosure of the invention. One important bibliographic datum of patent applications has, however, intentionally not been included in the list of paragraph (b): the relevant symbol of the International Patent Classification (IPC). It is generally felt that, in view of the very detailed subdivision of the entire field of technology provided in the IPC (the IPC comprises roughly 51,000 subdivisions), the identification of the invention by one or more of the symbols of that refined Classification would, at least in some cases, reveal the precise field of technology to which the invention relates, much more so than the title of the invention. It is therefore generally recognized (see also PCT, Article 30(2)(b)) that the communication by the Patent Office of bibliographic data of patent applications should be limited to the data listed in paragraph (b) and should not include the IPC symbols allotted to the application.

d. *Subsection (2)(c)* removes the file of an application which has been withdrawn in accordance with Section 129 from public access unless the former applicant agrees in writing to such access. Moreover, the Patent Office may not supply the bibliographic data specified in subsection (2)(b) after an application has been withdrawn, which preserves the full confidentiality of any information in the file of withdrawn applications.

Section 108: Restrictions Concerning Employees of Patent Office

a. This provision establishes certain obligations and restrictions applying to employees of the Patent Office which are due to the special nature of the professional activity of such employees. The employees of the Patent Office have particular responsibilities since they are dealing with the highly confidential information on new technological developments contained in patent applications. That information must be kept secret until the invention is protected through the grant of the patent: this means that it must be kept secret at least until the publication of the invention in the form of the granted patent and, in the case of an application not leading to the grant of a patent, without limitation in time. The employees of the Patent Office therefore hold a position of special confidence and responsibility and must not engage in any activity which is likely to shed doubt on their absolute objectivity, impartiality and trustworthiness in the eyes of those entrusting confidential information to them for the purposes of patent procedure. An "employee" should be understood as including any person in the service of the Patent Office, by way of contract or otherwise.

b. Subsection (1): This provision is based on the fact that the confidence of the users of the patent system in the objectivity and impartiality of the employees of the Patent Office would be seriously affected, if those employees were allowed to file patent applications and to hold rights relating to patents. In such a situation, rightly or wrongly the impression could be created that the employees of the Patent Office called upon to process patent applications of others, would use the knowledge derived from such applications for their own benefit or would be biased against such applications if they were filed in a field in which they themselves held patent rights. It is therefore necessary to prescribe that employees of the Patent Office are not permitted to file patent applications, to obtain patents or to hold any rights relating to patents. This prohibition is applicable not only during the term of employment of the employee but also for one year after the termination of that employment (see paragraph *d*, below).

c. A special case is that of an employee who inherits a patent application or a patent. The Administrative Instructions referred to in Section 111 should provide that the employee must assign the application or patent within a time limit of six months, for example, otherwise the application will be deemed to be withdrawn or the patent will be deemed to be surrendered.

d. Subsection (2) establishes a special obligation of secrecy on employees of the Patent Office. They should under no circumstances have the right to make any use of the confidential information contained in patent applications or transmitted to them in relation to the processing of a patent application, as long as that information retains its confidential character. This obligation must continue to apply to any employee after leaving the Patent Office, without limitation as to time. What is forbidden is not only a disclosure to the public, but also the communication of the information to any unauthorized person and in general any use of the information which cannot be justified by the needs of the professional tasks of the employee concerned.

Section 109: Court of Competent Jurisdiction

a. Subsection (1): This provision defines the "court," referred to throughout the Model Law, as the ordinary court of the place where the Patent Office is located. The words "ordinary court" should be replaced by the official title of the court given jurisdiction. Where a special court having jurisdiction in patent matters exists in a country basing its legislation on the Model Law, reference to the ordinary court should be replaced by a reference to that special court. What is important is that jurisdiction be given to a single court to hear all litigation arising out of the application of the Law whether it be appeals against decisions by the Patent Office, proceedings for the invalidation of a patent, infringement proceedings or any other action in respect of which the Law recognizes the

jurisdiction of the courts. The advantage of having a single court with jurisdiction is that it enables the Law to be applied consistently through the continuous formation of a homogeneous body of case law. In addition, litigation arising from the application of the Law may pose extremely complex problems, with which most ordinary courts may not be familiar. The solution proposed thus enables the judges belonging to one court progressively to acquire a considerable degree of specialization.

b. One exception to the sole jurisdiction over patent matters by the court referred to in subsection (1) could be provided: if there exists in the country basing its legislation on the Model Law special courts having jurisdiction over disputes between employers and employees (labor courts), it is possible to entrust to these courts the resolution of disputes arising from the application of Section 120, but it is also possible to maintain the general rule established in Section 109(1).

c. The court referred to in subsection (1) is, of course, competent in the first instance only, and its decisions are subject to the general rules of procedure relating to appeal, annulment or review.

d. Subsection (2): Most litigation relating to inventions raises complex technical or economic questions. To ensure optimum conditions for taking a well-founded decision in such cases, it is desirable for the court to hear the opinions of independent experts appointed by the court and having no personal interest in the outcome of the litigation.

Section 110: Regulations

a. The official title of the authority which will be competent to issue the Regulations for implementing the Law should replace the square brackets. It would be logical that such authority be the same as the one supervising the Patent Office under Section 102.

b. The Regulations should deal not only with matters expressly referred thereto by the Law, but also include all details necessary to implement the Law. Thus, the Regulations should lay down the method of fixing dates, a most important question in respect of the filing date, in particular; in this respect, a decision must be taken as to whether a document is to be considered filed when it is actually received by the Patent Office or on the date of posting; the same solution will not necessarily be chosen for documents posted within the country and those dispatched from abroad. A second question to be settled is that of calculating periods of time. Not only must the starting date of each period be determined but also its expiration, particularly when the last day of a period falls on a date on which the Patent Office is closed. A third question concerns the language or languages in which documents are required to be furnished to the Patent Office. A fourth question relates to signatures; where under the Law or the Regulations a signature is necessary, the Regulations should provide that no authentication or certification of that signature is required.

c. It should be noted that under Section 111 the Director of the Patent Office issues Administrative Instructions laying down the practical details in the application of the Regulations.

Section 111: Administrative Instructions

a. Subsection (1): This provision deals with the power of the Director of the Patent Office to issue Administrative Instructions under the Law and its Regulations. The provision states the potential content of such Administrative Instructions in very general terms so as to provide a sufficient degree of flexibility.

b. Subsection (2): This provision, taking into account the difference in legal rank and importance of provisions of the Law, the Regulations and the Administrative Instructions, establishes the principle that in case of conflict, provisions of the Administrative Instructions are always overruled by the provisions of the Law and the Regulations with which a particular provision of the Administrative Instructions is in conflict. This is a measure of precaution since normally care will be taken to draft the Administrative Instructions in a way that avoids any situation of conflict with the legally superior text.

CHAPTER II: PATENTABILITY

Chapter II deals with patentability in the broad sense, that is, the general conditions which an invention must satisfy in order to be protected by a patent. This Chapter comprises seven Sections.

Section 112: Inventions

a. Subsection (1) defines what is to be considered an invention for the purposes of this Law. It should be pointed out that existing national laws do not always contain a definition of invention. In some countries, the definition is left to the courts, whereas in other countries (the Soviet Union, for example), the laws do include such a definition. The advantage of a definition is that it indicates clearly that the word "invention" has a legal meaning which is more restricted than the meaning usually given to it by the general public. On the other hand, the incorporation of a definition in the Law itself entails the risk that the definition may prove too narrow in practice in the light of technological developments. A country preferring to leave it to the courts to give a definition of invention could simply delete subsection (1), in which case the other subsections of Section 112 would have to be renumbered and the words "even if they are inventions within the meaning of subsection (1)," at the beginning of subsection (3), deleted.

b. An invention must first be conceived in the mind of a person (the inventor) as an idea. A mere idea, however, according to the definition of subsection (1), is not sufficient to qualify as an invention. The idea must, when it is practiced, permit a problem to be solved. Moreover, the problem to be solved must be a specific one. However, the idea need not be the solution to the problem itself but need only permit in practice the solution.

c. The word "solution" is to be understood in a broad sense. Typically research, experimentation or development, is undertaken to obtain a solution to a specific problem. The solution need not, however, be a solution to the specific problem which is under investigation: for instance, during the course of developing a material capable of withstanding the extreme temperature differences encountered by space vehicles, a material is developed which solves the problem of providing a cooking utensil which can be taken from a refrigerator and placed in an oven, and vice versa, without damaging the utensil. The word "solution" should also be understood as including those solutions which constitute improvements made to earlier inventions. As it often occurs, a "basic" invention will stimulate the making of one or more "improvement" inventions either by the same or different inventors. The patent protection of improvement inventions is particularly valuable for developing countries since it encourages nationals of the country to adapt foreign inventions to local conditions. An improvement invention may be patented even without the cooperation of the owner of the patent for the earlier invention: the question of the relationship between the two patents is governed by Section 149.

d. There is an invention only if the solution found belongs to the field of technology; thus all the solutions which do not belong to the field of technology are excluded from the scope of application of this Law; it will be for the courts to decide, in individual cases, what does or does not belong to the field of technology. It should be noted that it does not make any difference whether or not the problem to be solved itself belongs to the field of technology; what matters is that the solution found be of a technical nature.

e. Subsection (2) states the principle that two major categories of inventions exist: product inventions and process inventions. Product inventions are all those inventions which appear in tangible form, for instance, machines, equipment, apparatus, devices,

etc. The invention may reside either in an independent product or in a product which forms only a part of another product and which may only be sold as a part of that other product. A process invention is generally a solution consisting of a series of steps for producing a product. However, the process may be limited to an intermediate stage in the preparation of the product. Moreover, a process invention may consist of the new use of a known process or a known product.

f. Subsection (3) gives an exhaustive list of inventions which are excluded from patent protection even if the requirements of the definition of subsection (1) are fulfilled. Such a list appears in existing national laws and international conventions and, where this is not the case, generally corresponds to the principles recognized by the courts. The exclusion from patent protection of subsection (3) can only be changed by an amendment of the Law as compared to the temporary exclusions from patent protection provided for in Section 118, which can be changed by decree (see paragraph *a* of the comments on Section 118).

g. Although computer programs are excluded from patent protection under certain laws or conventions or by court decisions, they are not included in the list of subsection (3) because the problem of their protection is presently being studied on the international as well as the national level.¹ The Model Law does not take a position on this; therefore, a court interpreting Section 112 could either permit patent protection of computer programs or deny it, finding such programs as constituting mathematical methods (item (i)) or methods for performing purely mental steps (item (iii)) or as not being of a technical character as required by subsection (1).

h. Under item (i), discoveries are excluded from patent protection. A discovery may be defined as the recognition of phenomena, properties or laws of the physical universe not hitherto recognized and capable of verification. The basic difference between an invention and a discovery is that the person making an invention creates something that has not existed before, whereas the person making a discovery does not "create" but reveals the existence of something which was simply unknown up to then. For example, in the case of a previously unknown chemical element one would talk of discovery (since the element previously existed but was merely unknown to man until its discovery). This is to be compared to the case of combining the newly discovered element with other chemical elements or compounds in a particular manner to create a new chemical compound, where one would speak of invention (since this new compound did not already exist).

i. Under item (ii), plant and animal varieties are excluded from patent protection, along with the processes of their production, provided such processes are essentially biological. If the process is essentially non-biological, for example, based essentially on the use of heat or radiation, it is not excluded from patent protection. It should be noted that the protection of plant and animal varieties is the subject of special legislation in some countries.

j. Under item (iii), instructions directed to the human mind cannot be the subject of patent protection. This rule does not preclude their possible protection by copyright.

k. Under item (iv), it is clearly stated that the exclusion of methods of treatment and diagnostic methods does not extend to the products used in applying such methods (for example, medical apparatus).

Section 113: Patentable Inventions

This Section sets out the three basic conditions for patentability of an invention: novelty, inventive step and industrial applicability. These concepts are defined in Sections 114 to 116.

¹ Model provisions for a national law on the protection of computer software have been prepared and published by WIPO (Publication No. 814 and *Industrial Property*, 1977, page 259).

Section 114: Novelty

- a. This Section deals with the first condition of patentability referred to in Section 113, that is, novelty.
- b. *Subsection (1)* states the principle that the invention must not only be an inventor's idea (i.e., subjectively new) but must also be objectively new. An invention is objectively new if it does not form part of the state of the art, that is, it is not "anticipated" by prior art; thus the definition of novelty is negative. If, for example, the invention has already been described in a printed publication, that publication constitutes an "anticipation" and therefore the invention is not new.
- c. *Subsection (2)*: "Prior art" may be described as the sum of knowledge to be taken into consideration to evaluate the novelty of an invention and also the "inventive step," (see Section 115). The decisive moment for determining prior art in respect of a given invention (since the state of the art is developing all the time, and prior art increases with each moment) is the filing date of the patent application for the invention or, where appropriate, the filing date of the application on the basis of which priority is claimed. To obtain the benefit of such a "priority date," the patent application must comply with the provisions of Section 127.
- d. Novelty may be universal or local. In the first case, novelty can be destroyed by an event occurring anywhere in the world. In the second case, novelty can be destroyed only by an event taking place in the country. Both systems have advantages and disadvantages. Theoretically, universal novelty is the more satisfactory since it corresponds to the very concept of a *new* invention, since something which has already been created somewhere cannot be new in the strict sense. However, the system of local novelty enables patents to be granted for products and processes which are new in the country without being new in a worldwide context, and this can have a stimulating effect on both inventive activity and investments in the country.
- e. The Model Law recommends a mixed system prescribing universal novelty as far as publications in tangible form are concerned and local novelty as far as other forms of disclosure are concerned. Naturally, a country may, if it prefers, choose universal novelty even for as far as non-tangible disclosures are concerned.
- f. As regards universal novelty, the concept of "publication" is to be understood in a restrictive sense. For example, a text reproduced in a limited number of copies which are not available to the public does not constitute "publication" for the purposes of prior art. It would be necessary that at least one copy be available to the public, for example in a library. The words "in tangible form" are used to qualify "publication" in order to distinguish disclosures having a corporeal existence from oral disclosures and disclosures by use or otherwise. Examples of such "publications in tangible form" would be printed, typewritten or handwritten publications, as well as microfilms, tape or disc recordings, computer cards, tapes or discs.
- g. In the case of local novelty, making available to the public might occur by means of oral disclosure (during a public lecture, for example), by use of the product or process incorporating the invention, or by any other means (such as demonstration or exhibition).
- h. In principle, the prior art only includes that which has been disclosed to the public before the determining date (paragraph (a)). However, there is an exception in the case of the contents of a domestic patent application having a filing or, where appropriate, priority date which is prior to the determining date: those contents are made part of the prior art although they had not yet been disclosed to the public, but provided that they are included in the patent which is subsequently granted on the basis of the said application (paragraph (b)). The goal of this provision is to avoid the same invention being protected by two patents when two applications are pending before the Patent Office at the same time and one cannot be applied against the other as a prior disclosure to the public. To resolve this situation, two solutions are possible. The first is that which is

presented in the Model Law (the so-called “whole contents” system): all the contents of the application having the earlier filing or priority date (“earlier application”) are made part of the prior art with regard to the other application (“later application”), that is to say, not only that which is claimed in the earlier application but also that which is described therein without being claimed; it is all the contents of the earlier application which are to be compared with the claims of the later application. It is thus possible, within the “whole contents” system, that the later application will have applied against it something that is not the invention claimed in the earlier application. On the other hand, according to the second solution possible (the so-called “prior claim” system), the earlier application will only preclude the grant of a patent on the later application if the same invention is being claimed in both applications; in other words, something which is only described in the earlier application without being claimed therein cannot be invoked against the later application.

i. The Model Law recommends the adoption of the so-called “whole contents” system because it is more easily administered; indeed, the comparison of the claims of the two applications which is necessary in the “prior claim” system is a difficult task. It should be noted that, in either system, only that which appears in the patent granted on the basis of the earlier application may be invoked against the later application; an element appearing in the earlier application as filed but which was later deleted would not be taken into account. The Patent Office, when it examines the later application and discovers that an earlier application exists which might be applied against the later application, must suspend the examination of the later application until the procedure on the earlier application has been completed; then, and only then, will it be possible to know what is to be applied against the later application and to proceed with its examination.

j. In evaluating whether an invention is new, each element of the prior art should be considered separately. Thus, there is an anticipation only if the invention claimed in the patent application is entirely found in a single element of the prior art. On the contrary, the prior art is to be considered as a whole in evaluating inventive step (see Rule 115 and paragraph *e* of the comments on Section 115).

k. *Subsection (3)* provides a “period of grace” for a patent application claiming an invention to be filed after the invention has been disclosed to the public as a result of acts by the applicant or his predecessor in title, without such disclosure being considered prior art against the application. The period of grace proposed is one year from the date of the disclosure of the invention to the public. Such a period of grace is of particular interest for a developing country since it is not always to be expected that the nationals of such countries will be fully aware at the time of making an invention of the importance of keeping it secret until a patent application is filed. The period of grace therefore enables them to avoid the loss of their rights through sheer inexperience. A typical case of disclosure covered by subsection (3) would be the display, during the period of grace, of the invention at an official or officially recognized international exhibition (see Article 11 of the Paris Convention for the Protection of Industrial Property, hereinafter referred to as “the Paris Convention”).

l. It should be understood that the period of grace only relates to domestic applications. In a foreign country whose law does not contain a provision similar to Section 114(3), a public disclosure of the invention prior to the filing of a domestic application may constitute prior art precluding the grant of a patent. Thus, if patent protection is to be sought also in other countries, it is important to file a domestic application before making any disclosure of the invention, without relying on the period of grace.

m. *Subsection (4)* deals with the case where disclosure resulted from an abuse in relation to the applicant or his predecessor in title. Acts of abuse would be, for instance, theft of the invention or breach of an agreement obliging a person to keep secret the invention communicated to him by the applicant or his predecessor in title. If the applicant files a patent application claiming the invention within one year from the disclosure of the invention due to an abuse, such disclosure will not be considered prior art against the application.

Section 115: Inventive Step

- a.* This Section defines the second condition of patentability referred to in Section 113, that is, inventive step (sometimes called “non-obviousness”).
- b.* For an invention to be patentable, it is not enough for it to be new; it must also not be obviously deducible from the prior art. The prior art available for the purposes of evaluating inventive step is the same as that available for evaluating novelty and is specified in Section 114. Prior art therefore includes the contents of earlier applications in accordance with Section 114(2)(b); additionally, if the invention is disclosed to the public in the circumstances referred to in Section 114(3) or (4), this disclosure will not be taken into account in the evaluation of inventive step.
- c.* In the same way as for novelty, the definition of inventive step is negative: inventive step exists where the invention is not obviously deducible from the prior art. This condition is satisfied if, at the date of filing the patent application (or of possible priority), the invention is unexpected, in relation to the prior art, for a person having ordinary skill in the art.
- d.* The person having ordinary skill in the art, with regard to whom the inventive step is evaluated, is someone specialized, in the country, in the field in question but not necessarily the best expert of the country in that field, as the use of the adjective “ordinary” denotes.
- e.* In evaluating inventive step, the prior art is to be considered as a whole (see Rule 115), whereas, for the purpose of evaluating novelty, anticipations are taken into account individually (see paragraph *j* of the comments on Section 114).

Section 116: Industrial Application

- a.* This Section defines the third condition of patentability referred to in Section 113, that is, industrial applicability.
- b.* The term “industry” is to be understood in its broadest sense. It is any kind of industry where the invention can be made (in the case of a product) or used (in the case of a process). This not only includes the making or the using of the invention in manufacturing activities, but also in activities related, in particular, to handicraft, agriculture, fishery and services. The words “in particular” indicate that the list of activities set out in Section 116 is not exhaustive: for example, viticulture and forestry would also fall within “industry.”
- c.* It is, of course, not the field of use or purpose of the product comprising or made according to the invention which determines whether the invention is industrially applicable. Thus, the fact that an oven is used in the home for cooking purposes, an audio-visual device is used in a school for instructional purposes, or a tennis racket is used on a tennis court for recreation purposes, is irrelevant in this respect.

Section 117: Prohibition by Law, Regulation or Public Order

- a.* A patent does not, in itself, give the right to exploit the patented invention (see Section 135(2) for the definition of “exploitation”), or even to perform any act with respect to the invention; it merely grants the right to prevent others from exploiting the invention without the agreement of the owner of the patent. It is therefore perfectly conceivable that a patent can be granted for an invention even though the owner of the patent is not allowed to perform certain acts with respect to the invention since they are prohibited by the laws or regulations of the country.

b. This principle is in conformity with Article 4^{quater} of the Paris Convention. It is all the more justified by the fact that laws and regulations are frequently modified.

c. Where, for example, a law forbids the sale to the public or the advertising of certain products (firearms, untested pharmaceuticals, etc.), nothing should prevent an inventor from obtaining a patent for such products. In such a case, he would not be able to exploit his invention commercially in the territory of the State, but the patent could be useful to him where, for instance, at a later date but before the expiration of the patent, the ban is lifted, or where the patent application is used to claim priority in other States. A further example is where the exploitation of a certain product is a State monopoly. In the latter case, the owner cannot himself exploit his invention; he can, however, draw revenue from it by granting a license to the State.

d. On the other hand, where the performance of any act with respect to a product or process is forbidden for reasons of public order, it is not possible to obtain a patent. This could be the case, for example, of an invention the use of which has no other possible purpose than to kill human beings.

Section 118: Temporary Exclusion from Patent Protection

a. Certain patent laws exclude certain categories of inventions from patent protection. These categories excluded vary from country to country in accordance with the public policy of that country as reflected in its patent legislation. The Model Law itself excludes four categories from patent protection in Section 112(3). When the circumstances so require, the list of excluded categories, may, of course, be modified by amending Section 112(3), but the legislative process is often a slow and cumbersome one, which may not be able always to react effectively to the rapidly changing needs of a developing country in the area of industrial development. For this reason, the Model Law proposes a more flexible solution enabling the temporary exclusion from patent protection of categories of inventions, which would not be specified in the Law itself but which would be designated by decree.

b. *Subsection (1)* gives to an authority whose official title should replace the square brackets the competence to exclude from patent protection by decree, for a limited period, certain kinds of products and the processes for the manufacture of such products. It would be logical that such authority be the same as the one supervising the Patent Office under Section 102 and competent for the issuance of the Regulations under Section 110; however, if one minister is designated in Sections 102 and 110, it would have to be examined whether several ministers interested in this matter or perhaps even the Head of State or the Council of Ministers, should not be designated in Section 118 rather than the one minister. The period of exclusion is fixed in the decree, but it may not exceed ten years. However, if the exclusion continues to be justified at the end of the period fixed by the decree, it may be extended for periods of a maximum of five years. At the end of each period, a positive act of the competent authority is necessary to extend the exclusion, thus assuring a periodic reexamination of the necessity of the exclusion and, consequently, a periodic reexamination of the economic development within the affected field.

c. The exclusion of specific categories of inventions from patent protection may be motivated by the consideration that the exploitation of patented products, or of products manufactured by a patented process, in the field in question, should be free for reasons of public interest, whether the exploitation takes the form of local manufacture or the form of importation, in order to ensure that the products concerned are available to the public and that they are available at the lowest price possible through the free and unhampered action of competition. Therefore, one may consider, in the case of public health, that it would be unjustifiable to allow the owner of a patent to prevent the public from having access to a medicine or to impose his own price on sales of that medicine. The exclusion

of certain categories of inventions from patent protection may also be motivated by the necessity of eliminating or preventing abusive practices which may exist within the country with regard to certain kinds of products.

d. On the other hand, the exclusion from patent protection has certain disadvantages. In fact, it favors neither the development of inventive activity within the country nor the acquisition of foreign technology, and necessary investment is discouraged by the lack of all protection, which in the long term is not in the country's interest. As to the short term interests of the country and abusive practices, measures other than the exclusion from patent protection are available, such as, non-voluntary licenses (see Chapter IX) and the exploitation by the Government or by third persons authorized by the Government (see Chapter X); such measures would be taken not automatically but only when necessary, and this would have the effect of alleviating the disadvantages mentioned earlier.

e. As far as the categories of inventions excluded from patent protection are concerned, some laws provide that patents may not be obtained for such products as pharmaceuticals, food and drink, chemical substances in general or inventions in the nuclear field. Sometimes, but not always, exclusion applies not only to the products in the field concerned but also to processes for obtaining those products.

f. At present the tendency in developing countries is to exclude certain categories of inventions. In industrialized countries, on the other hand, and notably in Europe, the opposite tendency, consisting in the repeal of the legal provisions that excluded certain categories of inventions, is becoming more apparent.

g. An alternative to the system proposed in Section 118 of the Model Law could be to adopt the principle of temporary exclusion but to require a law, and not just a decree, to pronounce the exclusion. In such a case, it would be sufficient not to incorporate Section 118 in the Law, leaving it to the legislature to adopt a law concerning temporary exclusion when it saw fit.

h. *Subsection (2)* provides that a decree issued under subsection (1) may not have retroactive effect. This means that patents falling within a category excluded from patent protection by decree which have been granted before the date of the decree or which will be granted later on but on the basis of applications having filing dates or, where appropriate, priority dates which are prior to that date will remain in full force until their termination. This provision assures the legal security which is indispensable especially in cases where the invention in question is being worked in the country by the owner of the patent or the applicant or under a license contract.

CHAPTER III: RIGHT TO PATENT; NAMING OF INVENTOR

Chapter III deals with the right to the patent and the naming of the inventor. It consists of four Sections.

Section 119: Right to Patent

a. *Subsection (1)* states the basic principle that the right to the patent belongs to the inventor. Section 120 provides for an exception to this principle in the case of inventions made in execution of a commission and employees' inventions. "Right to the patent" means the right to file a patent application and to be granted a patent.

b. When two or more persons have made the same invention independently of each other, the existence of two or more patents protecting the same invention in the country should be excluded. Under the Model Law, the patent will be granted to the person who is the "first-to-file," in other words the person whose patent application has the earliest filing or, where appropriate, priority date, rather than to the person who is "first-to-invent," in other words the person who first made the invention. The "first-to-file" system is less difficult to apply, as it is not always easy to prove the date on which an invention was made. It should be noted that, if the application of the first applicant does not lead to the grant of a patent, the second applicant may obtain a patent (see paragraph *i* of the comments on Section 114).

c. *Subsection (2)* deals with the case of joint inventions, which arises more and more frequently, for instance where inventions are made in a laboratory by a team of researchers. In such cases, the right to the patent belongs to all the inventors jointly. (For the joint ownership of patent applications and patents, see Section 141.)

d. A person who has merely assisted in the making of an invention without actually having contributed any real inventive activity, in other words without having taken part in the actual conception of the invention, should not be considered an inventor or a joint inventor; this would apply to a laboratory assistant, for instance, whose contribution, important though it may be in practice, does not have the required creative character.

e. *Subsection (3)* specifies that the inventor may assign his right to the patent or that it may be transferred by succession. This provision means that assignment or transfer may occur even before a patent application has been filed (for the assignment or transfer of the patent application or patent, see Section 140). In the case of a joint invention, one or more of the joint inventors may assign his or their share of the right to the patent; similarly, that share may be transferred by succession; in such a case, the right to the patent belongs jointly to all the inventors who have retained ownership of their shares and to the successors in title of the other joint inventors.

Section 120: Inventions Made in Execution of Commission or by Employees

a. Section 120 deals with the cases of inventions made in execution of a commission and employees' inventions. In this respect, some countries (for example, France and Japan) have included provisions on this matter in their patent laws; other countries have regulated this question in a special law (as in the Scandinavian countries, for instance, and in the Federal Republic of Germany). It should be noted, however, that in certain highly industrialized countries (the United States of America, for instance) there are no legislative provisions of general application on the subject, which is therefore regulated by contract and by case law.

b. As far as employees' inventions are concerned, one may distinguish three cases: the first is that of what are often called "service" inventions, made under an employment contract for the performance of research work; the second is that of the so-called "dependent" inventions, which are made in the field of activity of the employer by an employee who, according to his employment contract, was under no obligation to exercise an inventive activity but who, in making the invention, used data or means available to him through his employment. The third case is that of the so-called "free" inventions, which are made by an employee outside the scope of his employment contract and without the use of data and means available to him through his employment or which the employee makes in the same circumstances as in the second case except that the invention does not fall within the field of activities of the employer; in this third case, the right to the patent belongs to the employee but it is not necessary to specify this in Section 120, the general rule of Section 119 being applicable.

c. *Subsection (1)* deals with inventions made in the execution of a commission (commissioned inventions) and service inventions. Paragraph (a), in derogation of the general principle of Section 119, provides that the right to the patent belongs to the person having commissioned the work or to the employer except if there are contractual provisions providing otherwise (specifying, for instance, that the right to the patent is to be a joint right or is to belong to the inventor with a license free of charge being granted to the person having commissioned the work or to the employer).

d. In the case of a commissioned or a service invention, the inventor normally does not have the right to a special remuneration, the amount of remuneration due under the commission or employment contract being fixed on the basis of inventive activity which is the subject of the contract. However, paragraph (b) provides that the inventor has the right to a special remuneration if the invention has economic value much greater than that which has been foreseen and on the basis of which the amount of remuneration under the contract has been fixed. This special remuneration is to be fixed in principle by common consent of the parties but, if they cannot reach an agreement, it is to be fixed by the court referred to in Section 109 (see, however, paragraph *b* of the comments on Section 109 with regard to the possible jurisdiction of a special court over employer-employee relations). A possible alternative would consist in requiring the parties, before proceeding to the court, to refer the matter to the Patent Office, which would offer conciliation services to them in order to settle the amount of the remuneration. Naturally, this would only be possible if the Patent Office had the requisite expertise to provide such conciliation services.

e. *Subsection (2)* deals with so-called "dependent" inventions. It is presented in two alternatives, since two basic approaches are possible. The first (Alternative A) is to regard the right to the patent as directly vesting in the employer unless there are contractual provisions to the contrary, and the second (Alternative B) to regard the right to the patent as belonging in principle to the employee except where the employer declares his interest in the invention, in which case the right to the patent is regarded as having belonged to the employer from the beginning.

f. The two approaches have their advantages and disadvantages. For a developing country whose industry is owned for the most part by nationals but employs a great number of foreign researchers, the first approach makes it possible to ensure that the right to the patent will automatically belong to the country's nationals, whereas the second approach could be of greater interest in this respect to a developing country whose industry is for the most part in foreign hands but employs mainly national researchers. The first approach is less in keeping with the fundamental principle which states that the right to the patent belongs to the inventor, but the second approach produces the same result as the first in the majority of cases (as the employer has only to declare his interest in the invention for the right to the patent to be vested in him). Finally, a system based on the first approach is easier to administer than one based on the second approach, since the latter calls for more formalities.

g. In the system of Alternative A, the employee who makes a dependent invention is in the same position as the inventor of a service invention: the right to the patent belongs to the employer except if there are contractual provisions providing otherwise; however, the inventor is entitled to special remuneration in all cases, as his salary does not cover his inventive activity. The equitable remuneration payable to the employee is fixed in principle by common consent between the employer and the employee. The factors to be taken into account when determining the amount of the remuneration are the employee's salary, the economic value of the invention (in other words, its commercial value in terms of profits derived, for example, from the sale of products made with the aid of the invention) and the benefit derived from the invention by the employer (for example, reduced manufacturing costs, increased efficiency, higher quality). In the absence of agreement between the parties, the remuneration is fixed by the court (see paragraph *d*, above). These principles governing remuneration are also valid for Alternative B, where the right to the patent belongs to the employer (paragraph *c*)).

h. In the system of Alternative B, the right to the patent belongs to the employee, except if the employer declares his interest in the invention. If the employer does not make the declaration in the prescribed time limit of four months, the right to the patent then belongs to the employee, who may file a patent application in his own name or dispose of the invention as he pleases. On the other hand, if the employer declares his interest in the invention within the prescribed time limit, the right to the patent belongs to him, but the employee has the right to an equitable remuneration on the same basis as that for Alternative A. The system of Alternative B could be modified to oblige the employer not only to declare his interest in the invention, but also to file a patent application within a certain time limit in order to obtain the right to the patent; however, the employer should be exempted from filing a patent application where legitimate interests of his business require that the invention not be disclosed.

i. Subsection (3): Contractual provisions which are less favorable to the inventor than as provided by this Section are null and void. The benefits which may not be taken away from the inventor or diminished by contract are the right to a special remuneration according to subsection (1), the right to an equitable remuneration according to the two alternatives of subsection (2), and the right to the patent according to Alternative B of subsection (2) where the conditions are fulfilled which, in the system of that Alternative, bestow upon the employee the right to the patent.

j. The provisions of Section 120 are intended to establish the benefits that an inventor must receive under this Law. It goes without saying that an inventor is also entitled to any other more extensive rights which may be granted to inventors by other legal provisions, such as, the labor laws or international arrangements affording additional benefits to employees in the country. It is thus considered unnecessary to specify in this Law that an inventor may also be entitled to further benefits.

Section 121: Judicial Assignment of Patent Application or Patent

a. This Section provides the legal means whereby the person to whom the right to the patent belongs under Section 119 or 120 may assert his right when a patent application for his invention has been filed by another person without his authorization. If, for instance, someone steals the documents describing the invention from the person having the right to the patent and files a patent application, that person has the right to request the court to order the assignment to him of the patent application or of the patent, if the application has already led to its grant. The right to obtain an assignment is of a limited duration; the request must be made within five years from the date of the grant of the patent.

b. It is understood that this Section cannot be invoked to prevent another person from being granted a patent for an improvement on an invention that is already the subject of a patent application or a patent since, in such cases, it is not a question of a person

“deriving the essential elements of the invention” and then claiming that same invention on his own but rather making a separate invention by improving an existing invention.

c. Apart from situations involving theft or a similar act, another situation in which this Section can apply is the case of a commission or an employment contract (see Section 120), where the party who regards the right to the patent as belonging to him, although it is the other party that has filed the patent application, may invoke Section 121 to assert his right before the court. Another situation for the application of this Section would be where the invention was made jointly by two or more inventors (see Section 119(2)), but the patent application was filed by only one of them, who claims to be the sole inventor: the other joint inventors may request the court to order the assignment to them of their share of the patent application or patent.

d. The provisions of this Section are applicable irrespective of whether the person filing the patent application did so in bad faith (for instance in case of theft), or in good faith, (for instance under a claim of right): if the person requesting the assignment of the patent application or patent can prove that he is the person to whom the right to the patent belongs under Section 119 or 120, the assignment should be ordered. However, in cases where the applicant acted in good faith and would be seriously harmed by the assignment, the court may fashion an equitable remedy to mitigate this harm; for example, the court could allow the person who obtained the patent in good faith and who is working the patented invention in the country to sell out his inventory of patented products or even to continue, subject to payment to the assignee of the patent, to exploit the patented invention.

Section 122: Naming of Inventor

a. This Section corresponds to Article 4*ter* of the Paris Convention. It establishes the inventor’s “moral right” to be named as such in the patent. This right acquires its full importance when the patent is issued not to the inventor but to his successor in title (where the right to the patent or the patent application has been assigned or transferred by succession) or when the right to the patent belongs not to the inventor but, by virtue of Section 120, to the person having commissioned the work or the inventor’s employer.

b. It is only logical that, if the inventor has the right to be named as such in the patent, he should also have the right not to be named in the patent if he wishes to remain anonymous. As the application of this principle might lead to complications and even abuses, it is specified, first, that the inventor’s wish not to be named must be set down in a special written declaration (see Rule 122), and, second, that any promise or undertaking made by the inventor to the effect that he will waive his right to be named as such in the patent is devoid of legal effect.

c. As the inventor is not necessarily a person specialized in patent law, it would be important for the general public, which includes a multitude of potential inventors, to be informed of the legal position of the inventor and particularly of his main rights (right to the patent, right to remuneration in certain cases of commissioned inventions or employees’ inventions, right to be named in the patent). The circulation of such information could be arranged by the national inventors’ association, if there is one in the country, but it should also be one of the tasks of the Patent Office within the framework of Section 103, which the latter could fulfill by preparing a brochure or information leaflet for distribution to the public.

CHAPTER IV: PATENT APPLICATION; EXAMINATION OF APPLICATION; GRANT OF PATENT

a. This Chapter, which deals with the procedure for the grant of patents and the related questions, contains eleven Sections.

b. The main problem in the context of Chapter IV is what kind of grant procedure should be adopted. Should a patent only be granted after an examination as to the patentability of the invention whose protection is sought (the so-called preliminary examination system), or should a patent be granted without such an examination as to patentability, requiring only an examination relating to the formal requirements for the application (the so-called registration system)?

c. Whereas the BIRPI Model Law provided alternatives on this point, this Chapter puts forward a single solution: the preliminary examination system. Only this system guarantees to a very large extent that patents are granted solely for deserving inventions, namely those which fulfill the requirements of patentability laid down by the law. Such a system is to everybody's advantage: it is in the interest of the public that no unjustified exclusive right should arise; it is in the applicant's interest that he should know the real value of his invention before launching out into its exploitation, whose success may depend upon that real value; it is in the interest of competitors to know with a maximum of certainty whether or not there is any danger of their activity rendering them liable to infringement proceedings. From the point of view of development, the preliminary examination system has a further advantage in that it contributes to the training of the engineering and scientific staff who carry out the examination, thus raising the scientific and technical level of the country.

d. The preliminary examination system, although the ideal solution in principle, does, however, give rise to certain difficulties in practice. Since every patent application has to undergo a close scrutiny by persons with high technical qualifications and sufficient experience, it is first of all necessary that persons with such qualifications and experience be available in the country. Some developing countries may not have such personnel or may not have them available for the Patent Office. Furthermore, the preliminary examination is time-consuming. Some of the applications will in any event be abandoned after a number of months or years because the prospects for the commercial exploitation of the inventions to which they relate have turned out to be less interesting than the applicant had hoped; thus, the examination of those applications will not achieve its purpose. In countries where there are a large number of filings, there may be an accumulation of unexamined applications, which means a delay in the whole procedure. Finally, the preliminary examination is very expensive, due to the cost of the necessary documentation and personnel.

e. It is in order to solve these difficulties that the laws of some countries provide for different forms of examination or combine the preliminary examination system with other procedures.

f. One example of such a combination is the opposition procedure, which may be organized in different ways. If an opposition procedure is to precede the grant of the patent (as is the case in Sweden, for example), the patent application has first of all to be published (or laid open to public inspection) — either before or after (or even during) the examination of the application. The grounds upon which third parties may enter opposition may be very general (any fact precluding the grant of a valid patent) or limited (for instance, to earlier disclosures constituting anticipations). The purpose of the opposition procedure is to enable the Patent Office to have facts which are relevant to the evaluation of the patentability of the invention and which it may not be aware of. At the same time,

the procedure is rather complicated, and to some extent it duplicates the examination carried out by the Patent Office; it can moreover cause a delay in the grant of the patent, which some of the applicant's competitors may consider a sufficient reason for entering opposition. Another system is to have an opposition procedure after the grant of the patent (as is provided for in the European Patent Convention); such a system has the advantage of not delaying the grant of the patent, but it does duplicate a remedy which is always available—namely, legal proceedings for the invalidation of the patent—although an administrative procedure such as the opposition procedure is in principle simpler and quicker.

g. Another possibility is the deferred examination system (to be found, for example, in the Netherlands, the Federal Republic of Germany and Japan). Under this system, a patent application undergoes an examination as to substance only at the request of the applicant or of another person: if no such request is made within a certain time limit (seven years, for example), the application is deemed to have been withdrawn. The advantage of the deferred examination system is that it avoids an examination being carried out as to substance with respect to applications which are eventually abandoned after a few months or years: it thus brings about substantial savings in money and effort. The deferred examination is particularly suitable where the number of applications filed is so large that the Patent Office is unable to deal with them in a reasonable time. The deferred examination system has a major disadvantage, however, in that it allows a degree of legal uncertainty to subsist for a considerable number of years, since sometimes ten years or so may go by before a final decision is taken on the grant of the patent, especially if the deferred examination procedure is coupled with an opposition procedure, which is quite possible.

h. What might be described as an intermediate system between that of preliminary examination and mere registration is the "documentary report" system (to be found in France). Under this procedure, the patent application is the subject of a search on novelty and inventive step, the results of which are contained in a "documentary report" ("*avis documentaire*"). The documentary report has no legal effect: it is merely information placed at the disposal of the applicant (who, according to its contents, can gain a good idea of the real value of the patent that he has applied for and can withdraw or maintain his application in full knowledge of the position), at the disposal of the courts (which will perhaps be called upon later to decide whether the patent is valid) and at the disposal of the public; the documentary report does not directly affect the grant of the patent, since the Patent Office is not empowered to refuse the grant even if the findings of the report show that the invention is not patentable. The documentary report system is certainly preferable to the registration system, in that it enables interested persons to have indications concerning the patentability of the invention, but its weakness lies in the fact that it does not prevent invalid patents from being granted.

i. Apart from the procedures mentioned above, there are other means for solving the practical difficulties encountered in the application of the preliminary examination system. One such means is to use the possibilities offered by the Patent Cooperation Treaty (PCT). Under the PCT, contracting States will be able to receive, for international applications concerning them, international search reports and international preliminary examination reports, which will relieve them of the greater part of the examination tasks relating to international applications. Moreover, the reports received in this way will contribute to the training of the examiners of the country, who will have models for their own search and examination work. In the case of patent applications other than international applications, the PCT enables any contracting State to receive international-type search reports, relieving it of the need to carry out a novelty search also in the case of national applications. Accession to the PCT may be extremely useful not only for a State which does not presently have examiners in a position to carry out the preliminary examination, but also for a State which does not have all the documentation necessary for searches on novelty and inventive step to be carried out in accordance with the requirements of its legislation.

j. Accession to the PCT will entail the inclusion of implementing provisions in the patent law. For the benefit of countries which might wish to adhere to the PCT, a section is proposed below which would meet this purpose and could be placed in Chapter IV, for example after Section 132: this section, if adopted, would have to be complemented by provisions in the Regulations which would, in particular, specify the options offered by the PCT that are chosen by the country.

Section 132*bis*: International Applications

(1) In the case of international applications filed under the Patent Cooperation Treaty, the Patent Office shall act as a receiving Office when the international application is filed with it and the applicant is a national or resident of the country.

(2) In the case of any international application in which the country is designated or elected, the Patent Office shall act as a designated or elected Office.

(3) As far as proceedings concerning international applications are concerned, the provisions of the Patent Cooperation Treaty and the Regulations under that Treaty, supplemented by this Law and the Regulations thereunder, shall apply. In case of conflict, the provisions of the Patent Cooperation Treaty and the Regulations under the Treaty shall apply.

k. Another means of mitigating the difficulties connected with the preliminary examination is to introduce it gradually. Under such a system, patents relating to a field that is particularly important to the country would be granted only after a preliminary examination: patents covering inventions in other fields would, initially, be granted without an examination as to substance (registration system). Step by step, as the Patent Office's resources in manpower and documentation increase, the preliminary examination would be extended to those other fields. At the end of the process, which might if necessary last for some years, the preliminary examination would be in force for all technical fields. As a variation of this system, the deferred examination could be resorted to for some technical fields, with an "immediate" preliminary examination for others.

l. Still another system could be to provide for an accelerated procedure for certain patent applications, which would be given priority for their examination. The applications benefiting from the accelerated procedure could be selected by reference to different criteria: by reference to the technical field to which the inventions covered by the applications relate, for example; whether or not the invention has been made in the country or whether or not its working has already begun in the country or is imminent are examples of other possible criteria. The implementation of such an accelerated procedure for certain patent applications would not in fact seem to require any express legal provision to that effect.

Section 123: Application

a. This Section, which deals with the application for a patent, is complemented by model rules; the complete text of such provisions is provided, except for the last of them, which is proposed only in outline. These model rules, which are based on corresponding provisions in the PCT, should be considered merely as examples, and not as the only

provisions which could be devised for the application of Section 123. This observation is, it should be added, applicable in the case of all the model rules proposed for the implementation of the Model Law.

b. Subsection (1)(b): As a possible alternative to the compulsory representation by an agent where the applicant's ordinary residence or principal place of business is outside the country, an applicant could, in such a case, simply be obliged to designate an address for service in the country.

c. For determining how agents are to be admitted to practice before the Patent Office, a number of different systems could be devised. Depending upon the system chosen for adoption, it may be desirable to regulate the matter in a special law (or a special decree or order). The system providing the greatest guarantee of competent representation would be that which admitted agents to practice only if they were included in a list maintained by the Patent Office; in order to be included in the list, an agent would have to be domiciled in the country and to have passed a professional examination or possess other appropriate qualifications, for example a university degree in engineering.

d. Subsection (2)(b): The most frequent case in which the applicant will have to furnish the statement referred to in this provision is where the inventor is his employee. In such a case, it will be sufficient if the statement simply mentions that the right of the applicant to the patent is based on the existence of an employment contract.

e. Subsection (3): The obligation to disclose the invention in a clear and complete manner in the description and to indicate, in particular, the best mode for carrying out the invention is one of the fundamental obligations of the applicant (see Section 134(2)(i)). Failure to comply with this obligation, moreover, gives rise to the sanction of the invalidation of the patent: there is indeed no justification for the grant of an exclusive right with respect to an invention which does not contribute to the general wealth of technical knowledge because it has been badly disclosed, or where the applicant only indicates an unsatisfactory way of carrying out the invention although he knows a most satisfactory mode for carrying it out. The sufficiency of the description is a matter of primary importance to a developing country. Therefore, the Patent Office must insist upon rigorous compliance with this requirement. It should be understood that the person having ordinary skill in the art is such a person in the art to which the invention pertains. "The best mode known to the applicant for carrying out the invention" is to be understood as the best mode known to the applicant at the time of filing the application.

f. Subsection (4): The function of the claim or claims is to determine the scope of the protection. They alone are decisive in this respect. The description does not serve this function, nor does the abstract, as indeed subsection (6) makes clear. Consequently, each claim must be drafted in such a way as to enable the public and the court to know for certain the scope of the protection. However, the description and drawings may be used to interpret the claims, which often are drafted in highly technical language peculiar to particular arts. Moreover, the claims must be clear and concise and must be fully supported by the description; it would be contrary to the public interest to permit the scope of protection of a patent to be ambiguously defined or extended beyond any foundation for it in the description of the patent.

g. Subsection (5): Whether, in a given case, drawings are required, in other words whether drawings are necessary for the understanding of the invention, can be decided only during the examination of the patent application as to substance (see Section 131(1)(v)), because it requires examining the claims and the description as to substance.

h. Subsection (6): The abstract serves a limited but still important function. First, it provides technical information regarding the subject matter of the application; thus it should be drafted in terms which would enable the quick identification of the technical field involved, the problem to be solved and the solution given by the invention (see

Rule 123*septies*). This permits the application to be classified and routed to the proper technical department of the Patent Office. Second, once the patent has been granted, the abstract is published in the Gazette (see Rule 132) and thus enables a reader (engineer, researcher, etc.) rapidly to determine whether or not the subject matter of the patent is of any particular interest to him; if it is of interest, a copy of the complete patent may be obtained from the Patent Office (see Section 132(2)(iv)). It should be remembered, however, that the claims must be consulted to ascertain the scope of protection afforded under the patent (see paragraph *f*, above).

Section 124: Application Fee

- a.* A number of systems are possible with respect to fees in general.
- b.* The system proposed in the Model Law is to require a single application fee under Section 124 and annual fees under Section 139 for maintaining the application and later the patent.
- c.* Another system could be to provide for no annual fees but only for an application fee. As the amount of the application fee would have to be quite large, this system is not proposed for it would risk discouraging the filing of applications.
- d.* Still another system could consist in providing, in addition to the application fee itself and annual fees, fees payable during the course of the examination procedure, for example, a fee payable before beginning the examination as to substance (in a country adopting the deferred examination system, the request for examination could be subject to such a fee) and a fee payable before the grant of the patent, with the amount of the latter depending on the number of claims and the number of pages of the patent. The disadvantage of such a system is that it is difficult to administer due to the necessity at several stages in the procedure of collecting fees, which must be requested from the applicant each time; on the other hand, the system selected for the Model Law is simple to administer (the application fee is a set amount: once this fee has been paid, the examination procedure automatically is effected, etc.).
- e.* In the system selected for the Model Law, it is not necessary that the amount of the application fee be fixed in a manner to cover all the costs of the grant procedure since a good part of this could be covered by the annual fees. The amount of the application fee is fixed by the Regulations (see Rule 124).
- f.* As long as the application fee is not paid, the Patent Office will not accord a filing date to the application (see Section 130(1)(a) to (c)).

Section 125: Unity of Invention

- a.* This Section is designed to prevent an applicant from including in a single application claims relating to two or more different inventions: each invention must be the subject of a separate application.
- b.* The principle of one invention per patent permits the isolation of each invention, and thus the patentability of each can be better evaluated on its own merits. A practical purpose is also served: in the absence of Section 125, some applicants might include as many inventions as possible in the same application, in order to have to pay only a single application fee.
- c.* A typical example of the violation of the principle of unity of invention would be the claiming in the same application of a new material for making ball point pens and a new ink for use in a ball point pen, without there being any relationship between the said material and the said ink.

d. Rule 125 resolves many of the complicated problems which frequently arise in the application of the principle of unity of invention.

e. If the requirement of unity of invention is not complied with—a question which is examined during the examination of the patent application as to substance (see Section 131(1)(vi))—the Patent Office will invite the applicant to divide his application into two or more separate applications called “divisional applications” (see the comments on Section 126(2)). It is to be noted that the lack of unity of invention is not a ground for the invalidation of a patent (see Section 158(2)).

Section 126: Amendment and Division of Application

a. This provision allows the applicant to amend or divide the application on his own initiative, that is, without having been invited to do so by the Patent Office during the examination of the application.

b. Subsection (1): The applicant can amend the application (i.e., the request, description, claims, drawings and abstract) at any time while the application is pending, subject to the important proviso that the amendment cannot go beyond the disclosure in the application as filed. The term “amendment” is to be construed broadly: the applicant may make amendments in the form of corrections, additions, deletions, etc.

c. A typical case of amendment on the initiative of the applicant would be an amendment of the claims. The claims may be amended in a manner either to broaden the scope of protection or, which is the most usual case, to narrow it, provided the amended claims remain supported by the description contained in the application as filed. This allows the applicant some flexibility in ultimately claiming the scope of protection to which he is entitled, because, at the time the original claims were drafted, the invention may have been at an early stage of development and also the extent of the prior art may not have been fully appreciated until the examination by the Patent Office. This is why, even though an amendment made during the examination might, in some cases, make it necessary for the application to be reexamined, at least in part, the Model Law does not propose that the applicant only be permitted to amend the claims on his own initiative until the beginning of the examination as to substance.

d. It should be understood that limiting amendments to matters which do not go beyond the initial disclosure does not preclude the applicant desirous of having improvements on his initial invention protected from filing other patent applications. In fact, this is the usual case, with the initial application being filed on the “basic” invention, which is then followed by one or more applications covering improvements on the “basic” invention. However, these applications are, of course, not entitled to the filing date (or priority date, where appropriate) of the initial application.

e. Subsection (2): The possibility for an applicant to divide the application is laid down in Article 4G of the Paris Convention. Failure to comply with the requirement of unity of invention, provided for in Section 125, is not the only case where the division of an application may occur; another case is, for example, that of multiple priorities (that is, where the priority of two or more earlier applications is claimed for one application).

f. The application may be divided at any time before the end of the procedure for the grant of the patent. Each divisional application must not, however, go beyond the disclosure in the application as filed; otherwise, it would not be a case of “division.”

g. The only effect of division is that the divisional applications benefit from the filing date (and, where appropriate, the priority date) of the initial application. If multiple priorities were claimed for the initial application, it will be necessary to ascertain which of them is or are applicable to each divisional application, which means that the Patent Office will have to compare the contents of the earlier applications that are being used as

the basis of the priority claim with the contents of each divisional application. In all other respects, each divisional application is an ordinary application and is treated as such, which means in particular that it is subject to the full amount of the application fee: the division will be considered to have been made only when the application fees due in respect of the divisional applications have been paid.

Section 127: Right of Priority

a. This Section deals with the form in which an applicant, wishing to avail himself of the priority of an earlier application filed abroad for the same invention, must present his claim.

b. The substantive provisions on the right of priority are contained in Article 4 of the Paris Convention. That Article provides, in particular, that any person who has duly filed an application for a patent in one of the countries party to the Paris Convention, or his successor in title, enjoys, for the purpose of filing a patent application for the same invention in the other countries, a right of priority during a period of twelve months from the date of filing of the first application. Consequently, any subsequent filing, if made before the end of the twelve-month period, cannot be “invalidated” by reason of any acts accomplished in the interval, in particular, another filing or the publication or exploitation of the invention, and such acts cannot give rise to any third-party right or any right of personal possession.

c. The scope of protection sought in the application will not necessarily be exactly the same as that sought in the earlier application. Priority can, of course, only be claimed for matter contained in the earlier application. However, as is stated in Article 4F of the Paris Convention, it is possible for one application to claim the priorities of two or more earlier applications; this will be the case where, after the first application has been filed abroad, improvements are invented and are made the subject of further patent applications; the contents of all such applications filed abroad can therefore be grouped together to form a single application filed in the country, and such application can claim the priorities of all the earlier applications, provided that the different earlier applications were filed during the priority period which started when the first of them was filed; there is thus a claim to “multiple priorities.” Article 4F of the Paris Convention also allows the priority of an earlier application to be claimed with respect to an application where only some of the elements of that application were included in the earlier application; the other elements may not have been the subject of a separate patent application filed abroad or such an application may have been filed too late for multiple priorities to be claimed, in such a case, there is a claim to “partial priority.”

d. Subsection (1): Under this provision, the declaration of priority must be contained in the application. Another possible solution would be to allow the declaration of priority to be filed separately from the application within a certain time limit (two months, for example, from the filing date of the application).

e. As the text of subsection (1) indicates, it is not necessary that the applicant of the domestic application and the applicant of the foreign application be the same person: it is possible that the applicant of the foreign application would have assigned his right of priority to the applicant of the domestic application.

f. The indication of the symbol of the International Patent Classification allocated to the foreign application (see Rule 127.1(a)(iii) and (c)) is particularly useful to a developing country which thus could more easily classify the domestic application.

g. Subsection (2): Under this provision, there is no automatic requirement on the applicant to furnish a copy of the earlier application. Such a requirement could, however, be provided for. In this case, subsection (2) should be replaced by the following:

Alternative: (2) Within three months from the filing of the application containing the declaration, the applicant shall furnish to the Patent Office a copy of the earlier application, certified as correct by the Office with which it was filed or, where the earlier application is an international application filed under the Patent Cooperation Treaty, by the International Bureau of the World Intellectual Property Organization.

h. Subsection (3): Article 4B of the Paris Convention indicates the effect of the right of priority.

i. Subsection (4): The decision of the Patent Office by which the declaration of priority is considered as not having been made may be the subject of an appeal under Section 133.

Section 128: Information Concerning Corresponding Foreign Applications and Patents or Other Titles of Protection

a. There is no equivalent to Section 128 in the BIRPI Model Law, but systems comparable to the one proposed in it exist in certain national legislations (the laws of Brazil, Canada and the Nordic countries, for instance). The procedure provided for in this Section takes place in stages, and it is for the Patent Office to take the initiative at each of those stages.

b. Subsection (1): The Patent Office first asks the applicant to furnish it with the date and the number of all the applications he may have filed for the same invention in other countries. The Patent Office is not obliged to ask for such information, but it should do so every time it has reason to believe that there have been foreign applications (for instance if the application has been filed in the country with a claim to priority, or if the applicant resides abroad). When it has received the information required under subsection (1), the Patent Office will decide whether to move on to the next stage and, if so, will select from the foreign applications the one which interests it most: it will apply the provisions of subsection (2) to that one, whereas it will apply subsection (3) to the others.

c. Subsection (2): Under this provision, the Patent Office may request the applicant to furnish it with very comprehensive information on the fate of the foreign application designated by it (paragraph (a)) and on the fate of the patent that may perhaps have already been granted on the basis of that foreign application (paragraph (b)). The reason for providing that this information—which may not be drafted by the applicant but must always consist of copies of official documents—may only be requested for a single foreign application is to save the Patent Office from being swamped with documents containing the same information (which is pointless) or contradictory information (which is possible especially where the conditions of patentability are not the same in the foreign countries concerned, and which will unnecessarily complicate, rather than facilitate, the task of the Patent Office). Another reason for the limitation is that, if there are many foreign applications, the task of obtaining documents in a large number of countries will be excessively onerous for the applicant.

d. When selecting a foreign application for the purposes of subsection (2), the Patent Office will take a number of criteria into account. First it must consider the examination system in force with respect to foreign applications: it will be able to eliminate at the outset those that are not subject to examination as to substance, or are subject to deferred examination (in the latter case the information may be available only after a number of years). The Patent Office will then consider the conditions of patentability: it

will thus eliminate foreign applications filed in countries whose concept of novelty, for example, is different from that of the country, as well as foreign applications for which the novelty search is confined to certain written publications in a manner that the Office considers too restrictive. One last factor to be taken into account is that of the language in which the documents to be furnished are drafted. It will not always be possible, of course, to find the ideal foreign application: in that case the Patent Office will have to select the one that comes closest to the ideal application or even decide not to act under subsection (2) and to make use only of subsection (3). Finally, it should be borne in mind that the foreign application selected under subsection (2) may be the application on the basis of which priority has been claimed, but this will not necessarily be the case in view of the various criteria set forth above.

e. One item of information that will become available to the Patent Office through subsection (2) is the International Patent Classification symbol allocated to the foreign application. This will be of particular interest where the symbol has not been made known to the Patent Office under Rule 127.1(a)(iii).

f. Subsection (3): Under this provision, the Patent Office may request the applicant to furnish, in respect of the foreign applications other than the one designated under subsection (2), information that is less complete than for the latter, but nevertheless interesting. The language problem is less important here than under subsection (2), as the main thing that the Patent Office will receive is a search report containing a list of publications or other documents establishing the prior art. The Patent Office may also request a copy of any final decision whereby a foreign application is rejected or the grant of a patent on the basis of such an application is refused. If, in a given case, the Patent Office considers that the information obtained under subsection (2) is sufficient, it may decide not to apply subsection (3), which should rather be regarded as a complementary expedient available to the Patent Office. A possible alternative to the system proposed in subsection (3) would be to limit the possibility of requesting information under subsection (3) to only one foreign application.

g. As for the time at which the various requests under subsections (1) to (3) have to be sent to the applicant, the Patent Office should not be bound by a rigid system but should be able to choose the right moment. The request referred to in subsection (1) may be sent very early (during the examination as to form). With regard to the requests referred to in subsections (2) and (3), on the other hand, the Patent Office must allow for the fact that the examination of foreign applications takes some time, so that little would be gained by sending the requests too soon. It is obvious, however, that, if the foreign application referred to in subsection (2) is the priority application, the Patent Office may send these requests earlier than in the case of a non-priority application.

h. Subsection (4): This provision states the sole purpose of Section 128, which is to facilitate the evaluation of the novelty and inventive step of the invention. Consequently, the Patent Office is not allowed to draw conclusions on matters other than the novelty and inventive step of the invention from the documents furnished under Section 128. Moreover, the fact that a document furnished in this way indicates that the grant of a foreign patent has been refused because the invention was not considered new or lacked inventive step in the country concerned does not allow the Patent Office automatically to refuse the grant of the patent on the application filed with it, for this would be contrary to the principle of the independence of patents laid down by Article 4*bis* of the Paris Convention.

i. Information received under Section 128 will be kept in the files of the application, so as to be available not only to the Patent Office and court but also to the public (see Section 107(1)).

j. Subsection (5): This provision allows the applicant to comment on the documents he has furnished to the Patent Office. Thus he may draw the latter's attention to the fact that a particular conclusion contained in a document is not applicable in the country owing, for instance, to the fact that a disclosure regarded as an anticipation in the foreign country is not considered as such under the law of the country.

k. It is in the course of the examination as to substance that it is decided whether the applicant has responded satisfactorily to the requests sent to him by the Patent Office (see Section 131(1)(viii)).

l. A possible alternative to the system of Section 128 would be to exempt the applicant from any obligation under Section 128 if the Patent Office receives the reports provided in the Patent Cooperation Treaty (PCT), namely, an international search report and, where applicable, an international preliminary examination report, or an international-type search report (see paragraph *i* of the comments on Chapter IV).

Section 129: Withdrawal of Application

This provision allows the applicant to withdraw his application at any time while it is pending. After the grant of the patent it is no longer a question of withdrawal of the application, but of surrender of the patent (see Section 157). As far as the file relating to a withdrawn application is concerned, see Section 107(2)(c).

Section 130: Filing Date; Examination as to Form

a. Subsection (1): This provision deals with the filing date to be accorded to the application. The requirements imposed in this respect are relatively mild, as it is important that a filing date be fixed as soon as possible. However, it should be noted that the payment of the application fee is a condition for obtaining a filing date. The other items which are considered essential to establish the filing date are listed in paragraph (a).

b. Paragraph (a): The name and address of the inventor must be included in the application (item (ii)) because the Patent Office is obligated under subsection (2) to send to the inventor a copy of the statement justifying the applicant's right to the patent (see Section 123(2)(b)). If the applicant and the inventor are the same person, the requirement to state the name and address of the inventor is met if the application contains a statement to that effect (see Rule 123bis.5(a)).

c. Paragraph (b): If the Patent Office finds that the requirements of paragraph (a) are not complied with, it is required to invite the applicant to file the required correction. Of course, the Patent Office can only transmit an invitation if sufficient information is provided in the application to enable communication with the applicant, e.g., if the name and address of the applicant or his agent are missing, the Patent Office merely inserts the invitation in the file of the application (see Rule 130).

d. Paragraph (c): Where a defect preventing a filing date from being accorded has been corrected in time, the application receives as filing date the date on which the correction was received by the Patent Office. On the other hand, where the defect has not been corrected in time, the application is treated as if it had not been filed: the Patent Office's decision to this effect is, under Section 133, subject to appeal. The absence of a filing date means that the purported application may not be used as a basis for a claim to priority in a foreign country (see Article 4A(3) of the Paris Convention). This case should be distinguished from that in which the application is rejected on account of a formal defect under subsection (3), in other words, after a filing date has been accorded: in the latter case the application may, in spite of its rejection, serve as a basis for a claim to priority in a foreign country.

e. Paragraph (d): This paragraph deals with the case where drawings are mentioned in the description but are not included in the application. The applicant has two options: either he furnishes the missing drawings and obtains as the filing date the date that the missing drawings are received by the Patent Office, or he does not furnish the missing

drawings and retains the original filing date. The latter option has the danger of having the grant of the patent refused on the basis of Section 131(1)(v), requiring that drawings be furnished which are necessary for the understanding of the invention. However, if the description remains sufficient under Section 123(3) in spite of the absence of the missing drawings, the grant of the patent should not be refused on this basis.

f. Subsection (2): Where the applicant is not the inventor, the latter must receive a copy of the statement justifying the applicant's right to the patent, in order that he may satisfy himself that he has not been the victim of any abuse. For the same purpose, the inventor must be able to see the contents of the application (as the statement does not give an exact indication of the invention to which the application relates); this he can do by inspecting the application at the Patent Office or by receiving a copy of it at his own expense, but with the obligation to respect the confidentiality of the application (as indicated by the words "for strictly personal purposes"). If the inventor considers that the statement is unfounded and that the right to the patent does not belong to the applicant, he must bring an action before the court under Section 121; if a final decision has not yet been taken at the time of the grant of the patent, the Gazette and the patent will mention the fact that an action is in progress (see Rules 132 and 132*ter*).

g. Subsection (3): The purpose of the examination as to form is to ascertain that there are no formal defects other than those that would prevent a filing date from being accorded (any such defects will have been corrected under subsection (1)).

h. Only one of the defects referred to in subsection (3) does not cause the application to be rejected if it is not corrected in time, namely the absence of an abstract: subject to payment of a fee, the applicant can have the abstract prepared by the Patent Office (paragraph (c)). Moreover, the Patent Office is free to amend the abstract proposed by the applicant. In practice, if the Patent Office finds that the abstract is missing, it will fix a time limit within which the applicant must provide the abstract or pay the fee; if, at the expiration of the time limit, the abstract is not provided or the fee is not paid, the Patent Office will reject the application.

i. The decision whereby the Patent Office rejects the application must be in writing and must give the reasons for the rejection (paragraph (d)). The reasons should be specific and should not be merely a statement to the effect that the requirements of Section 130 have not been complied with. The applicant must be notified of the decision; this should be accomplished by sending the applicant a copy of the decision. The decision may be the subject of an appeal under Section 133.

Section 131: Examination as to Substance

a. As indicated in the general comments on Chapter IV, the Model Law lays down the principle that patents are granted only after an examination of the applications as to substance.

b. Subsection (1) lists eight points which are checked in the examination as to substance to ascertain whether the substantive conditions for the grant of a patent are fulfilled.

c. Subsection (2) provides for a notification procedure whereby the applicant may express his views if the Patent Office considers that any of the conditions referred to in subsection (1) are not fulfilled and may, if the defect can be remedied, amend the application or divide it (where the rule concerning unity of invention has not been complied with).

d. Subsection (3): As far as the decision whereby the Patent Office refuses the grant of a patent, after the notification procedure under subsection (2), is concerned, the principles enunciated in paragraph *i* of the comments on Section 130 are also applicable, in particular the principle that such decision may be the subject of an appeal under Section 133.

e. As can be seen from subsection (1)(ii), it is the Patent Office itself that carries out the tasks relating to the novelty search and the patentability examination. The legislature may, however, not wish to entrust the entire task to the national Patent Office (because it does not have the necessary documentation or technical staff, or for any other reason). To allow for that eventuality, an alternative could be considered according to which the search and the examination are carried out by an authority other than the Patent Office. This authority could be another authority of the same country (a scientific institution, for instance) or an authority located outside the country, in particular an International Preliminary Examining Authority under the PCT. The alternative set out below could be adopted by a country wishing to use this system. Adoption of the alternative would call for special provisions in the Regulations to designate the searching and examining authority, to fix the details of the relations between the Patent Office and the authority and to lay down the procedure before the authority: the relations and procedure referred to may also be set out in a working agreement between the Patent Office and the authority. Under the alternative, the task of the authority is not limited to searching; but such a limitation could be provided for, in which case the Patent Office would carry out the actual examination itself. With regard to the search, the files of the authority would have to contain copies of the other pending domestic applications referred to in Section 114(2)(b). According to the alternative proposed below, the Patent Office may alter the conclusions in the authority's report if they are not in conformity with the national law (subsection (2)(a)); in other words, the Patent Office is not bound by the authority's conclusions. The abbreviation "etc." appearing at the end of the text presented below as an alternative indicates that the remainder is identical to the text of Section 131 of the Model Law itself, subject to the necessary changes in the numbering and the references. (Subsection (2)(b)(ii) of the alternative is in fact identical to subsection (1)(iii) of the Model Law, and is repeated only as an indication of the point at which the two texts come together again.)

Alternative: Section 131: Search and Preliminary Examination; Examination as to Substance

(1) (a) When the application is found in order as to its form, the Patent Office shall transmit it to the authority designated in the Regulations for a search covering the relevant prior art and for a preliminary examination as to the patentability of the claimed invention.

(b) The authority referred to in paragraph (a) shall establish a report on the conclusions of its search and examination and shall transmit it to the Patent Office and to the applicant.

(c) The procedure before the said authority and the details of the application of paragraphs (a) and (b) shall be fixed by the Regulations.

(2)(a) Upon receipt of the report referred to in subsection (1)(b), the Patent Office may itself examine whether the claimed invention is patentable and, if it finds that the conclusions of the report are not in conformity with this Law, shall alter such conclusions accordingly.

(b) In all cases, the Patent Office shall examine whether the following conditions are fulfilled:

(i) that which is claimed is an invention within the meaning of Section 112(1) and is not excluded from protection under Section 112(3);

(ii) the claimed invention is not excluded from protection under Section 117 or 118;

etc.

Section 132: Grant of Patent

a. Subsection (1): When the Patent Office finds that the formal and substantive conditions for the grant of a patent are fulfilled, it then grants the patent.

b. All patents are presumed to be valid, but they are granted without any guarantee by the State as to their validity. As a consequence, the validity of any patent can always be challenged before the court (see Section 158).

c. Subsection (2): The procedure for the actual grant of the patent involves the performance by the Patent Office of the steps listed in items (i) to (v). A reference to the grant of the patent is published in the Gazette (see Rule 132). A certificate of grant is issued to the applicant, which is the legal document establishing his ownership of the patent (see Rule 132*bis*). The patent is recorded in the Patent Register by inserting a copy of the patent in that Register (see Rule 105.1). A copy of the patent is issued to the applicant, another copy is made available for the patent information services, and further copies are made available to the public, subject to payment of a fee (see Rule 132*quater*). The contents of the patent are prescribed in the Regulations (see Rule 132*ter*).

d. Subsection (3): The date on which the patent is deemed to be granted is the date on which the reference to the grant of the patent is published in the Gazette. It is highly desirable that the date of the grant of the patent occur as soon as possible after the decision to grant the patent has been taken, for this is the date the patent has legal effect (see Sections 134(1)(ii) and 135(1)), even though the duration of the patent runs from the filing date of the application (see Section 138). Moreover, it is in the interest of the country that the patented invention be made known to the public at the earliest possible date.

e. The Model Law provides only for the publication of the patent itself (which, in the broad sense, consists of the publication of the reference to the grant in the Gazette and the making of copies of the patent available to the public), and not that of the patent application as well (which could be effected by laying open the application for public inspection and by publishing a notice of that fact in the Gazette), in order to avoid the administrative complications and costs that double publication would cause. However, publication of the application after 18 months following the filing or, where appropriate, priority date is a necessity if the system of opposition prior to the grant of the patent or the system of deferred examination is adopted, in order that the technological information contained in the patent application may be disseminated rapidly. In this respect, publication of the application may be of interest even under the examination system proposed in the Model Law: it is thus up to each country to judge whether the public's earlier access to information, which would result from the publication of the application, justifies the administrative complications and the costs entailed in such publication. If the principle of the publication of the application is adopted, it is desirable to give the applicant provisional protection, which could for instance take the following form: a person exploiting the invention claimed in the patent application would be liable to pay damages for such exploitation which occurred during the period between the publication of the application and the grant of the patent; but such damages could be claimed only after the grant of the patent.

Section 133: Appeals

a. This provision allows the applicant to appeal against decisions rendered by the Patent Office which the applicant considers unjustified. As far as the filing date is concerned (Section 130(1)), the applicant may appeal not only against the Patent Office's decision to treat the application as if it had not been filed, but also against the decision according the filing date, as the applicant may not be in agreement with the date fixed by the Office, for instance if he considers that a correction he made in response to an invitation by the Office should not have given rise to a later filing date. Also, the applicant has the right to appeal a decision of the Patent Office denying a claim of priority (see Section 127(4)). The other decisions against which the applicant may appeal are the rejection of the application, during its examination as to form (Section 130(3)), and the refusal to grant the patent, during the examination of the application as to substance (Section 131(3)).

b. As an alternative to listing specific grounds for appeal, a general right to appeal could be provided against any decision of the Patent Office which adversely affects the applicant.

c. The court referred to in this Section is the ordinary court of the place where the Patent Office is located (see Section 109).

d. A possible alternative would be to provide that the applicant, before being able to appeal to the court, must first appeal to a designated minister, for example, the Minister of Industry, or to a special body established within the Patent Office. Among the advantages of providing an administrative appeal are that many controversies could be resolved without resorting to time-consuming and expensive court proceedings and that complex technical questions can be handled more efficiently in an administrative procedure. Provided that the constitutional law of the country does not require the availability of an appeal to the court, still another alternative would be to give the applicant only the right to appeal to the designated minister or the special body mentioned above. (It would then not be possible to appeal to the court in the cases referred to in Section 133.)

e. The Model Law does not specify the time limit within which an appeal under Section 133 must be taken, because the general rules in force in the country with respect to administrative law appeals to the courts should be applicable to this subject. If there are no such general rules, a time limit for appeals should be prescribed in the law adopted on the basis of the Model Law, which should apply not only to appeals under Section 133 but also to administrative law appeals to the court under other provisions of the Model Law (namely, as far as Part I is concerned, under Sections 138(2)(d), 152(2)(a), 155(3) and 156(4)(b)).

CHAPTER V: RIGHTS AND OBLIGATIONS OF APPLICANT OR OWNER OF PATENT

This Chapter contains four Sections and deals with the rights and obligations of applicants and owners of patents, and with the limitations placed on such rights. These rights, obligations and limitations need to be balanced, in order to ensure that the social objectives of the law are respected. It is not only the owner of a patent who has rights and obligations but the applicant as well. Thus, although the applicant has the right to be granted a patent if all legal requirements are fulfilled, he is under the obligation, in particular, to disclose the invention fully and to pay the prescribed fees.

Section 134: Rights and Obligations; Definition of “Working”

a. This Section lists the rights and obligations of applicants and owners of patents. More detailed provisions governing these rights and obligations are given elsewhere in the Model Law. Since one of the obligations is to work the patented invention, a definition of “working” is provided in this Section.

b. Subsection (1): The right to be granted a patent (subsection (1)(i)) is a right which the applicant possesses vis-à-vis the State. As a result, the Patent Office may apply only the criteria of the law when deciding on the grant or refusal of a patent. It is understood that the applicant has the right to be granted a patent only if he has the right to the patent under Chapter III. If he does not have such right, the person who does have the right to the patent may have the patent application or patent assigned to him under Section 121.

c. The right to take action against any person exploiting the patented invention in the country without the agreement of the owner of a patent (subsection (1)(ii)) constitutes his most important right (see Section 135), since it permits him to derive the material benefits to which he is entitled as a reward for his intellectual effort and work, and compensation for the expenses which his research and experimentation leading to the invention have entailed.

d. The right to assign or transfer by succession and the right to agree to the exploitation of the patented invention by others under a license contract (subsection (1)(iii)), are basic rights. The right to conclude license contracts has special significance since it enhances the opportunities for patented inventions to be exploited and, in particular, to be exploited locally, which is one of the basic aims of developing countries.

e. Subsection (2): As already mentioned in connection with Section 123(3), the obligation to disclose the invention in a clear and complete manner in the description and, in particular, to indicate the best mode for carrying it out is a basic obligation (subsection (2)(i)). The grant of a patent is justified only if the invention for which it is granted contributes to the wealth of technical knowledge: this is one of the fundamental conditions to be fulfilled in return for protection. If the invention has not been disclosed in the prescribed manner, no patent should be granted (see Section 131(1)(iv) and (3)), and, if a patent has been granted, it can be invalidated (see Section 158(2)(i)); thus, for example, a defendant in an infringement suit could invoke lack of adequate disclosure and put an end to the protection by obtaining the invalidation of the patent (see Section 161(3)).

f. A further obligation to be fulfilled by the applicant is to give information, at the request of the Patent Office, on the fate of any applications filed abroad for the same invention and on any patents granted as a result of such applications (subsection (2)(ii)). As mentioned in connection with Section 128, the sole purpose of such information is to facilitate the evaluation of the patentability of the invention. The sanction corresponding to this obligation on the part of the applicant is the refusal to grant the patent (see Section 131(1)(viii) and (3)).

g. The obligation to work the patented invention in the country (subsection (2)(iii)) is of very special significance for a developing country. Such working is one of the requirements for the industrialization of the country. Failure to work or insufficient working within the prescribed time limits has therefore consequences not only with regard to non-voluntary licenses (see Chapter IX) but also with regard to the duration of the patent (see Chapter VI).

h. It would run counter to the social objectives of the law if the operation of the Patent Office were to be entirely financed from the normal resources of the country and thus, in effect, by the citizens of the country, for that would mean that certain persons would be obtaining protection completely at the expense of those with respect to whom such protection would apply. This is all the more important in developing countries, where a larger proportion of patent applications are filed by foreigners than is the case in other countries. The operation of the Patent Office must therefore be financed partly by those who benefit directly from its services, namely, applicants for patents and owners of patents (see paragraph *c* of the comments on Section 102). That is why the obligation to pay fees is mentioned in subsection (2)(iv). If the application fee is not paid, the patent application does not receive a filing date and is treated as if it had not been filed (see Section 130(1)). If an annual fee is not paid, the patent application is deemed to have been withdrawn or the patent lapses (see Section 139(3)).

i. *Subsection (3)*: This provision defines "working." The definition given is valid for all provisions of the Model Law in which reference is made to working (Sections 138 and 148, for instance). Purely commercial acts such as importing or selling do not constitute working: there must be manufacture of the product or use of the process. Working may be of an artisanal nature; thus, it does not necessarily imply the existence of a factory.

Section 135: Effects of Grant of Patent; Definition of "Exploitation"

a. *Subsection (1)*: The effects of the grant of the patent are that the patented invention may not be exploited in the country by persons other than the owner of the patent unless the owner agrees to such exploitation. The performance of any act of exploitation falling within the scope of protection of the patent by a person without the agreement of the owner constitutes an infringement of the patent under Section 160, subject to the exceptions provided in Sections 136(1) to (3) (limitation of rights), 137 (rights derived from prior manufacture or use), 153(1) (non-voluntary licenses) and 156(1) (exploitation by the Government or by third persons authorized by the Government). The agreement of the owner of the patent may be a formal one, by means of a license contract, which must be in writing (see Section 143(1)), or may be informal, whereby the owner agrees (expressly or tacitly) not to institute infringement proceedings under Section 161.

b. It should be pointed out that the patent itself does not confer on its owner the right to exploit the patented invention. If, for example, the importation of a product is forbidden or limited by the Government, the prohibition or restriction also applies to the owner of the patent, who may not rely upon his patent to circumvent this.

c. *Subsection (2)*: The definition of "exploitation" lists those acts which require the agreement of the owner of the patent to be performed. This is a very important definition in the Model Law, and express reference is made to this subsection in various provisions of this Part, namely, Sections 142, 144, 145, 147, 151(3)(a)(ii), 156(1) and 160.

d. One of the acts requiring the agreement of the owner of the patent is the importation of the protected product, that is to say, the product which is the subject of the patented invention or which has been obtained directly by means of the patented process. This point is controversial. Admittedly, the inclusion of importation among the said acts makes it possible for the owner of the patent not to work the invention, to enjoy the exclusive right of importation which he may use against the interests of the country (for example, by fixing selling prices at an excessively high level), and to prevent any importation by others even if he does not import himself. In Section 134(2)(iii) of the Model Law, however, it is provided *expressis verbis* that the owner has the obligation to work the patented invention in the country, and, if he does not do so, not only will it be impossible to extend the duration of the patent (see Section 138) but non-voluntary licenses may be granted after certain time limits (see Chapter IX). On the other hand, failure to include importation among the said acts would not have any practical effect unless it were extended to the other acts (particularly selling) done in respect of the imported products; but it would be illogical for the owner to be able to preclude the sale of products manufactured in the country but not that of products imported from a foreign country. Furthermore, if the owner of the patent had no means of prohibiting the sale of imported products, he would be less inclined to manufacture the product in the country since he would be less able to withstand the competition of the importers: unrestricted importation would in fact be a very effective means of discouraging local working of the invention. Therefore, if the owner of the patent is to work the invention in the country, it is essential that he be protected against the sale by others of imported products. If he does not meet his obligation to work the invention in the country, the sanctions provided for should be adequate to prevent him using his patent as a means of ensuring an importation monopoly for himself. For all these various reasons, therefore, importing is included in Section 135 among the acts which require the agreement of the owner of the patent.

e. The acts constituting exploitation which are mentioned in subsection (2) may be considered as "direct" acts of exploitation. The laws of a number of countries (e.g., the United States of America and some European countries) also consider as an exploitation of a patented invention certain "indirect" acts which contribute, in a significant manner, to the exploitation thereof. Such acts generally consist of supplying means, relating to an essential element of the patented invention, for putting it into effect. Where certain persons supply those means (with the exception of staple commodities) with the knowledge that the means are suited and intended for putting the patented invention into effect, those persons commit what is commonly called a "contributory infringement." It would have to be considered whether the concept of "contributory infringement," which has not been expressly included in the Model Law, should be adopted in view of the above considerations.

Section 136: Limitation of Rights

a. This Section groups together all limitations of the rights under the patent. Some of the limitations are instituted by the Section itself (subsections (1) to (3)) and the others are contained in other provisions of the Model Law and simply referred to here (subsections (4) and (5)).

b. Subsection (1): This provision clearly establishes the principle that the acts referred to in Section 135(2) require the agreement of the owner of the patent only if they are done for industrial or commercial purposes. The use of the patented invention for other purposes is not covered by the exclusive right. Such is the case of acts done only for purposes of scientific research (thus permitting new inventions to be made on the basis of patented inventions), for educational purposes or for strictly personal use. However, any industrial or commercial application of a scientific, educational or personal use will of

course be covered by the patent. The fact that an act is committed on a large or small scale does not play any role in its qualification as an infringement. The identity of the person committing the act is equally immaterial in this regard. Thus, a charitable organization will commit an infringement if it sells a patented product without the agreement of the owner of the patent, even if that sale is made on only one occasion and does not involve any profit: conversely, a university will not commit an infringement by carrying out the patented invention on a large scale if that operation is only undertaken for the purposes of scientific research, and this is so even if the university receives a large sum of money in consideration for its research work.

c. Subsection (2): The important limitation set forth in this provision to the rights under the patent is usually called the "exhaustion" of patent rights. It only applies to those products which have been put on the market in the country by one of the persons referred to in items (i) to (v), that is, to products lawfully put on the market in the country. It thus assures the free circulation of products in the country. A simple example will permit a better understanding of the scope of this limitation. If the owner of a patent covering a particular type of scissors manufactures and sells in the country to a wholesaler a certain number of pairs of those scissors (for example, three thousand pairs), commerce would be seriously hindered if the owner, for example in order to enforce a certain marketing policy, could invoke his patent to block the wholesaler from selling these three thousand pairs of scissors to a retailer and if he could also invoke his patent to block the retailer from selling the three thousand pairs of scissors to consumers. By the sale to the wholesaler, the owner of the patent has "exhausted" his right with regard to those three thousand pairs of scissors. On the other hand, the rights of the owner of the patent are intact with regard to any other pair of the patented scissors which has been put on the market in the country by a person *not included* in the list of subsection (2): in such an instance, which is a case of infringement, the owner has the right to intervene at any stage of commercialization of these particular pairs of scissors, even against the above-mentioned wholesaler, who cannot rely on the fact that he received the agreement of the owner for the original three thousand pairs. Likewise, the rights of the owner of the patent are not exhausted with regard to any pair of the patented scissors which has been put on the market in a foreign country, even if it is the owner himself or one of the other persons enumerated in subsection (2) who so put it on the foreign market; however, an exception to this could be provided if the country legislating on the basis of the Model Law would belong to an economic community constituting a common market: in such a case, the law of this country could provide that the rights of the owner of the patent are also exhausted with regard to any pair of the patented scissors which has been put on the market, by himself or by one of the other persons enumerated in subsection (2), in any of the other countries of the community.

d. Subsection (3): This provision implements the principles contained in Article 5ter of the Paris Convention. The aim is to avoid the situation where the full exercise of the rights under the patent might be too prejudicial to the public interest in maintaining freedom of transport. Subsection (3) itself is limited in four ways: firstly, it is only the use of the patented invention to which the rights under the patent will not apply (but they will apply to the manufacture or sale of the patented invention); secondly, only that use which is exclusively for the needs of the vessel or in the construction or operation of the aircraft, spacecraft or land vehicle is concerned (and therefore the rights under the patent continue to apply to any other use of the patented invention); thirdly, only vessels, aircraft, spacecraft and land vehicles of other countries are concerned (and therefore the rights continue to apply to those of the country itself); fourthly, only those vessels, aircraft, spacecraft and land vehicles which temporarily or accidentally enter the waters, airspace or land under the sovereignty of the country are concerned.

e. Subsection (4): The limitation in time of the rights under the patent is dealt with in detail in Chapter VI.

f. Subsection (5): The last limitation of the rights under the patent is in respect of non-voluntary licenses (see Chapter IX) and in respect of the exploitation of the patented invention by the Government or by third persons authorized by the Government (see Section 156).

Section 137: Rights Derived from Prior Manufacture or Use

a. This Section contains another possible limitation of the rights of the owner of the patent. The limitation applies if a person was already in good faith using the invention, or was already making serious preparations for its use in the country at the filing date of the patent application or, where appropriate, at the priority date. The aim of this provision is not to prejudice an industrial investment made by a person for the use of an invention which, later, becomes patented by another person.

b. Naturally, if, at the filing or, where appropriate, the priority date, the invention had been disclosed to the public by its use or in any other way in the country, then the invention is no longer new (see Section 114(2)(a)) and no patent may be validly granted. But if the use preceding the filing or priority date was non-public use—that is, the invention was not disclosed to the public within the meaning of Section 114(2)(a)—then the novelty is unaffected and a patent may be validly granted. In both situations—public or non-public use—this Section protects the “prior user”: in the case of the public use, by allowing him to continue the use of the patented invention without having to institute invalidation proceedings under Section 158; in the case of non-public use, again by allowing him to continue this use notwithstanding the validity of the patent. In other words, as far as the “prior user” is concerned, it is a matter of indifference whether there is a valid patent or not: his right to continue the use is the same in both situations.

c. In order for a person to be protected under Section 137, it is necessary that he prove that his knowledge of the invention was not by reason or in consequence of acts committed by the owner of the patent or his predecessor in title or of an abuse committed with regard to the owner of the patent or his predecessor in title. (Concerning the effects of a disclosure of the invention resulting from such acts or such an abuse on the novelty of the invention, see Section 114(3) and (4).) It is thus necessary that the “prior user” have made the invention himself or have had knowledge of it independently of the owner of the patent or his predecessor in title.

d. The acts which allow the claiming of the benefit of this provision are the acts of manufacturing a product and of using a process (and preparations for these acts), but not the acts of importing, offering for sale, selling, using, or stocking, of products, since the aim of the provision is to protect local industrial investment. However, the rights derived from prior manufacture of the product or use of the process not only allow the beneficiary to continue these acts in the country, but also to sell the products thus obtained and to exploit the patented invention in any other manner by performing the acts referred to in Section 135(2), provided that this exploitation would be done with regard to a product manufactured or a process used in the country by the beneficiary himself. In other words, Section 137 does not give the “prior user” the right to import the protected product and to put the product thus imported on the market; it gives him only the right to locally manufacture the protected product and to put the product so manufactured on the market.

e. In order to avoid abuses, it is prohibited to assign or transfer by succession the right itself, that is the assignment or transfer of the right without at the same time assigning or transferring the enterprise of the beneficiary.

f. Since this Section is rather difficult to apply in practice (particularly in the case of “serious preparations”) and the situations to which it pertains rarely occur, it is quite possible to abstain from adopting it.

CHAPTER VI: DURATION OF PATENT AND ANNUAL FEES

This Chapter deals in its two Sections with the most important limitation placed on the rights under the patent, that is, the duration of the patent.

Section 138: Duration of Patent and Extension

a. This Section puts forward a solution to the problem of the duration of the patent which is new in that it conditions the duration beyond a certain minimum, on the sufficient working of the patented invention in the country. Under the proposed system, the minimum duration of fifteen years counted from the filing date of the application may be extended for a period of five years on condition that the patented invention is being sufficiently worked in the country. The aim of this system is to promote the local working of patented inventions. "Working" is defined in Section 134(3).

b. A number of alternatives could be devised for Section 138. One would be to also provide a maximum possible duration of twenty years, but to divide it into an initial period of twelve years (instead of fifteen) and into two extension periods of four years each (instead of a single extension period of five years), each extension period only being obtainable if the patented invention is being sufficiently worked in the country. Another alternative would be to compute the duration of the patent from the date of the grant of the patent rather than from the filing date of the application; in this case, the initial period could be something like twelve years instead of fifteen. Another alternative would be to replace subsection (2)(a) by a provision stipulating that the duration of the patent can be extended beyond the fifteenth year only if it is in the interests of the national economy; under this system, further extensions, even beyond twenty years, could be authorized if it would be in the interests of the national economy. Yet another alternative would be to make the duration of the patent dependent upon the branch of technology to which the patented invention belongs; this alternative could, however, give rise to difficulties since it would presuppose the use of an effective classification system (preferably the International Patent Classification) to determine the relevant branch of technology, and also because of possible uncertainty about the duration of the patent where more than one classification symbol had been allocated to the patent.

c. The simplest alternative would be to provide for a single duration instead of the system of extensions, but if this solution were accepted, it would mean losing the major advantage of the proposed system, which is that of promoting local working.

d. Most existing national laws use the system of a fixed duration for patents. In the majority of countries, the duration is computed from the filing date of the application and, in a minority, from the date of the grant of the patent. A few countries calculate the duration from the publication date of the application. In particular, as far as the laws of developing countries are concerned, it should be noted that the duration of a patent is generally calculated in Latin American countries from the date of the grant, and that the maximum duration in these countries varies from ten to seventeen years; in developing countries on other continents, the duration of a patent is generally calculated from the filing date, and the maximum duration varies from fourteen to twenty years; in addition, the duration of a patent is shorter, in certain countries, for inventions in designated fields than the generally applicable duration.

e. *Subsection (1)*: The minimum duration of a patent is fifteen years even if the patented invention is not worked in the country. This rule does not, however, exempt the owner

of the patent from his obligation to work the patented invention under Section 134(2)(iii). If he fails to meet this obligation, he runs the risk of a non-voluntary license being granted under Section 148 before the initial period expires. At the end of fifteen years, the patent expires unless the conditions for extending its duration have been fulfilled.

f. Subsection (2): The conditions for extending the duration of the patent are the following. A request for extension must be made to the Patent Office. The request may be made by any person. The request is subject to a special fee, which is to be distinguished from the annual fee provided for in Section 139. The request and the fee must reach the Patent Office within the period elapsing between twelve months and one month before the expiration of the fifteen year period. To be granted the extension the person making the request must prove to the satisfaction of the Patent Office that there is sufficient working of the patented invention in the country or that there are circumstances which justify failing to do so. As far as the question of justifying circumstances is concerned, subsection (2)(a) specifies that importation may not be invoked as such a circumstance; generally, the fact that local working would be uneconomical would not constitute a justifying circumstance. On the other hand, the fact that the factory in which the patented invention was being (or was to be) worked had been destroyed by fire or by an earthquake, or the fact that the Government itself had prohibited or had not yet authorized the marketing of the product concerned, or the fact that the procedure of grant of the patent has been exceptionally long, could, for example, constitute justifying circumstances. It should be noted that the situation at the time of the request is decisive. It is immaterial, in this respect, that the patented invention had been worked in the country for a number of years if it is no longer being worked, without justifying circumstances, at the time of the request.

g. To avoid any uncertainty about the extension of the duration, it is provided that the duration is extended if the Patent Office does not reply in the negative within six months after the request for extension (paragraph (b)). This period of six months may appear long but in certain cases the Patent Office's decision will be difficult to reach: it might take quite a long time to determine, for instance, whether the working claimed by the person making the request is sufficient.

h. The Patent Office must notify the person making the request whether the request for the extension has been accepted or rejected; if the request is rejected, the reasons therefor must be stated in writing (paragraph (c)). The person making the request has the right to appeal the rejection to the court (paragraph (d)); as far as the time limit to appeal to the court is concerned, see paragraph *e* of the comments on Section 133.

i. If the duration of the patent is extended, this extension must be recorded in the Patent Register and published by the Patent Office in the Gazette in order to give the public notice of the fact that the patent remains in force (paragraph (e)).

Section 139: Annual Fees

a. Subsection (1): As explained in the comments on Section 124, the Model Law proposes a system of fees consisting of an application fee and annual fees to maintain the application or the patent. The annual fees are due as from the second year after the filing date of the application and are payable in advance. If, as an example, the application is filed on June 1, 1978, the first annual fee will be due for the period from June 1, 1980, to May 31, 1981, and payment will be required (subject to the period of grace provided for in subsection (2)) by May 31, 1980, at the latest. No annual fee is due for the period from June 1, 1978, through May 31, 1980. As indicated by that name, annual fees are payable on a yearly basis; however, several annual fees—which may comprise all those payable for the entire duration of the patent—may be paid in advance, but they are not refundable (see Rule 139).

b. The amount of the annual fee should progressively increase with each year. This progression is based on the assumption that patents kept in force for a long period are generally those which have great, and even growing, economic value for their owners, who can therefore afford to carry an ever-increasing burden of fees. A system of progressive fees also tends to eliminate unnecessary patents, that is to say, those which are no longer of interest to their owners, since, with the growing burden of increasing fees, they will stop and think harder every year about whether they should keep their patents in force, and will probably pay the annual fees only for those which are of some economic value to them. The actual progression of the fees could be calculated in such a way that the last annual fee would be several times the amount of the first.

c. A large number of countries provide for measures for the benefit of inventors of limited financial means. Depending on their nature, these measures may be provided for in the patent law or in other legal texts. One possible measure would be to reduce the amount of the fees for such inventors; another possibility would be to give them provisional exemption from, for example, the first four or five annual fees, requiring them to pay such fees only if their inventions are being commercially exploited in a way which makes it possible for them to pay. A further system could be to grant subsidies, from special funds, to inventors of limited financial means.

d. Subsection (2): The six-month period of grace for the payment of annual fees is provided for under Article 5*bis* of the Paris Convention. The effect of this period of grace is that a patent is not necessarily considered to have lapsed if an annual fee has not been paid on the date it falls due. It is only after the annual fee and the prescribed surcharge have not been paid on expiration of the period of grace that the patent lapses, and it lapses retroactively with effect from the date on which the annual fee was payable. If, however, the annual fee and surcharge are paid within the period of grace, the validity of the patent continues without interruption as if the annual fee had been paid on the due date. To benefit from the period of grace it is not necessary to submit a request or present any justification: it suffices to pay the annual fee and the surcharge.

e. Subsection (3): If an annual fee is not paid before the due date or before the expiration of the six-month period of grace, the patent application will be deemed to have been withdrawn. In the case of a patent, its lapse means that the invention hitherto protected may now be freely exploited by any person. It is therefore important that the public should be informed as rapidly as possible by publishing in the Gazette any lapse of a patent for failure to pay an annual fee.

CHAPTER VII: CHANGE IN OWNERSHIP AND JOINT OWNERSHIP OF PATENT APPLICATION OR PATENT

Chapter VII consists of two Sections: Section 140 deals with changes in the ownership of the patent applications and patents, while Section 141 deals with the cases in which a patent application or patent is owned by more than one person (joint ownership).

Section 140: Change in Ownership of Patent Application or Patent

a. This Section provides that the ownership of patent applications and patents may change (as far as changes in ownership of the right to the patent are concerned, see Section 119(3)). Subsection (1) relates to changes in ownership that are effected by contract of assignment, while subsection (2) applies to all changes in ownership, in other words, not only to those which result from contracts of assignment but also to those which result from transfers by inheritance, for instance (see paragraph *e*, below, however).

b. The ownership of a patent application or patent may only change as an inseparable whole. It is not possible for instance to assign a patent for only one specific technical application of the invention, for only part of the territory or for only some of the acts referred to in Section 135(2). As far as a change in ownership of a share in a patent application or patent, in the framework of joint ownership, is concerned, see Section 141.

c. *Subsection (1):* To be valid, a contract of assignment must be in writing and signed by the parties to the contract, that is to say by the assignor and the assignee. These formal conditions are the same as for contractual licenses (see Section 143(1)).

d. Any contract of assignment that does not meet the above-mentioned formal conditions is not valid. It is for the general rules of law of the country to interpret the expression "shall not be valid," and to define the consequences of this lack of validity. Generally speaking, however, it may be said that a contract of assignment that is not valid has no effect for any purpose, either between the parties or vis-à-vis third persons.

e. *Subsection (2):* If the system for the examination and registration of contracts provided for in Part III* of the Model Law is adopted, the provisions of that Part are applicable to assignment contracts. In such a case, the recording provided in Section 140(2) should be effected, as far as any change in ownership resulting from a contract of assignment is concerned, only after the registration of the contract in the Contract Register referred to in the said Part.

f. If the change in ownership is not recorded in accordance with subsection (2), it has no effect against third persons. On the other hand, such absence of recording does not prevent for example, in the case of an assignment contract, the contracting parties from enforcing the contract, which is an important difference from the lack of validity referred to in subsection (1). However, if the change of ownership by an assignment contract is not recorded and if the assignor concludes another such contract with another assignee, the second assignee, if he, in good faith, records the change in ownership, would then prevail over the first assignee, who would be left only with the possibility of recovering damages from the assignor.

* Not yet published.

Section 141: Joint Ownership of Patent Application or Patent

a. Joint ownership of a patent application or patent may exist for various reasons. It will exist from the outset if several persons applied jointly for, and were granted, the patent. It may, however, come into existence later, for instance where the patent application or patent is transferred to several heirs or is assigned to several assignees.

b. If the country has general legislation on joint ownership that applies also to the joint ownership of patent applications and patents, it will have to adapt Section 141 to that legislation or even delete it. Another solution would be to remove from the legislation any reference to patent applications and patents, or to adapt it to this Section.

c. Subsections (1) and (2): In the case of the joint ownership of a patent application or patent, each of the joint applicants or owners may transfer his share separately (by contract of assignment or otherwise). Also, in the case of an infringement, each of the joint owners of the patent may institute infringement proceedings. Also, the exploitation of the patented invention in the country by one of the joint owners would not require the agreement of the other joint owners. On the other hand, the grant of a contractual license under a patent application or patent requires joint action on the part of all the joint applicants or owners, as does the withdrawal of the patent application and surrender of the patent, as separate action in these areas on the part of one of the joint applicants or owners might prejudice the interests of the others.

d. A possible alternative to the right given to each joint applicant or owner to transfer his share separately would be to provide for a preferential right in favor of the joint applicants or owners in respect of the acquisition of the share that one of them no longer wishes to retain; according to this system, the joint applicants or owners could acquire the share in question on the terms offered to another person by the joint applicant or owner who no longer wishes to retain it.

e. Subsection (3): As indicated in this subsection, the provisions of subsections (1) and (2) are only presumptions. The joint applicants or owners may agree upon a different arrangement. They may, for example, reserve the possibility of exploiting the patented invention in the country to only one of the joint owners; in such a case, if another joint owner would exploit the patented invention in the country, he could be subject to an action for damages for breach of the agreement, but infringement proceedings could not be sustained against him, as the owner of a patent cannot infringe his own patent (see Section 160).

CHAPTER VIII: CONTRACTUAL LICENSES

a. As indicated in the Preamble to the Model Law, the governmental grant of patent rights is balanced by obligations imposed in the name of the general economic interest of the country. A primary obligation of this kind is that the owner of a patent ensures the appropriate working of the invention in the country itself, so that it will be the local industries that benefit by the patented invention (as for the definition of “working,” see Section 134(3)).

b. The working of a patented invention in the country may be effected by the owner of the patent himself or by another person with his agreement; this agreement is most commonly given in the form of a contractual license. Chapter VIII, which consists of five Sections, contains provisions regulating the relationship between the parties to a license contract. These provisions also apply to a license contract covering an invention that has not yet been patented but which is the subject of a patent application; the advantage of this system is that the same rules would continue to be applicable once the patent is granted.

c. The provisions on license contracts are important because they establish a legal framework for the acquisition of technology which is the subject of a patent or patent application. They safeguard, in particular, the position of the party acquiring the technology—the licensee.

d. The five Sections of this Chapter do not deal with all the legal aspects of license contracts. Such contracts will be governed also by other provisions in the law of the country, particularly the general rules of the law of contracts and, if the system for the examination and registration of contracts provided for in Part III* of the Model Law is adopted, by the provisions of that Part. In particular, the questions of the applicable law and the competent jurisdiction are normally governed by the general rules of law, including the rules of private international law and the law of contracts. Normally, the law of the country where a given act or performance is to take place will govern disputes arising out of that act or performance and the courts having jurisdiction are the courts of that country. In the case of a license contract involving a foreign licensor and a domestic licensee, this would mean the law and courts of the licensee’s country, as most, if not all, acts or performances take place in his country. In other words, where the licensee is from a developing country and the licensor is from a developed country, it is the law of the developing country which would apply and it is the courts of the developing country which would have jurisdiction. This is generally considered to be advantageous to the developing country. However, the contract may stipulate, subject to possible limitations under the law of the licensee’s country, that disputes arising under the contract will be subject to arbitration rather than to judicial proceedings. In fact, arbitration clauses are quite frequently included in license contracts; one way of stipulating arbitration is to make reference to the UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules or the Rules of Conciliation and Arbitration of the International Chamber of Commerce.

e. Although it is a common practice to include both technology which is the subject of a patent or patent application and know-how in the same contract, the Model Law treats these two forms of technology in separate provisions, because of their different attributes and the possibility of using individual contracts with respect thereto. Part II* of the Model Law deals with “know-how” and in particular with “know-how contracts.”

* Not yet published.

Section 142: Definitions

a. Subsection (1): The licensor as defined in this provision is generally the owner of the patent (or patent application) which is the subject matter of the license contract, but he may also be another person: for example, in the case of a sublicense, the licensor would be the licensee under an earlier license contract permitting the grant of sublicenses (see Section 144(2)).

b. Subsection (2): The definition given in this provision is* needed in view of the extension of license contracts to include patent applications.

Section 143: Form of License Contracts

a. Subsection (1): To be valid, a license contract must be in writing and signed by the parties to the contract. These formal conditions are the same as for assignment contracts (see Section 140(1)).

b. A license contract which does not meet the above-mentioned formal conditions is not valid. As for the expression "shall not be valid," see paragraph *d* of the comments on Section 140.

c. Subsection (2): There is no requirement that the fact that a license contract has been concluded be recorded; however, if either or both of the parties desire to do so, this may be effected in accordance with the Regulations and on payment of the prescribed fee (see Rule 143). Subsection (2) and the corresponding provisions of the Regulations are superfluous and should therefore be deleted if the system for the examination and registration of contracts provided for in Part III* of the Model Law is adopted.

Section 144: Rights of Licensee

a. Subsection (1) means that, unless otherwise stipulated in the license contract, the license will be regarded as an agreement given for the exploitation of the invention without limitations as to time, national territory or field of use and with respect to all the acts referred to in Section 135(2). Subject to the registration requirements of Part III,* if adopted, of the Model Law, and subject to any other laws proscribing the foregoing limitations, the license contract may provide for any of those limitations.

b. The following are examples of limitations within the scope of this subsection: the contract may limit the licensee to do less than all the acts (making, selling, using, etc.) set forth in Section 135(2). The licensee may be limited by the contract to utilize the invention for a period of time less than the term of the patent. The contract may limit the licensee to an area less than the entire country (e.g., permit the licensee to sell in only certain parts of the country). The licensee may be authorized by the contract to work the invention in only one field, while the invention has broader applications (e.g., permit the licensee to make and sell product A but not product B, where both products A and B are covered by the same patent).

c. Subsection (2) means that, unless otherwise stipulated in the license contract, a licensee may neither assign nor grant a sublicense under the license. Of course, if the contract authorizes the licensee to assign the license or grant sublicenses, such authorization may include certain limitations, for example, those referred to in connection with subsection (1), or the limitation that the license may be assigned only together with the enterprise of the licensee.

Section 145: Rights of Licensor

a. Subsections (1) and (2) of this Section deal with non-exclusive and exclusive licenses, respectively. Whether a license grant is exclusive or non-exclusive will depend upon the terms of the contract.

* Not yet published.

b. Unless the contract expressly provides that the license is an exclusive license, the license is regarded as non-exclusive, which is probably the most often used type of license. Consequently, the licensor is not obligated to abstain from exploiting the invention himself and may grant non-exclusive licenses to other licensees. If, however, the contract provides for an exclusive license, no person other than the licensee may exploit the invention in the country, unless the contract provides otherwise: the contract may, for instance, qualify the exclusive license by specifying that the licensor is not prevented from continuing to exploit the invention; this is called a "sole" license.

c. A license is said to be partially exclusive when it is exclusive only for part of the duration of the patent, for part of the country's territory, or in respect of only some of the technical applications of the invention or of the acts referred to in Section 135(2). In such cases, subsection (2) shall apply to whatever is designated as exclusive in the contract, and subsection (1) shall apply to the residue. A typical example of a partially exclusive license would be where the licensee is granted an exclusive license to manufacture a patented product in the country and a non-exclusive license to use and sell the product in the country. This would not prevent the licensor himself or third persons with his agreement from using and selling the product in the country, but would preclude the licensor or third persons from manufacturing the product in the country.

Section 146: Effects of Patent Not Being Granted or Being Invalidated

a. Subsection (1) establishes the recourse of a licensee, with regard to future payments, if, before the expiration of the license contract a licensed patent application is withdrawn or finally rejected, the grant of a patent on the basis of a licensed application is finally refused, or a licensed patent is finally declared invalid. In such cases, the licensee is not required to make further payments in relation to the patent application or patent in question.

b. Subsection (2) governs the rights of the licensee in the four cases listed in subsection (1), with regard to payments already made under the license contract. Because of the controversial nature of provisions of this type, this subsection is presented in two alternatives. Alternative A gives the licensee the right to repayment regardless of the terms of the license contract, provided that the licensee has not, or practically has not, benefited from the license. On the other hand, Alternative B makes the right to repayment dependent on the terms of the license contract, and, in the absence of any contractual provision to the contrary, enables the licensee to recover payments already made to the extent that the licensee has not benefited from the license.

c. The words "finally rejected," "finally refused" and "finally declared invalid" are used in this Section to mean that a final decision has been reached on the patent application or patent in question. "Final" means not subject to any appeal.

d. The surrender of the patent is not mentioned as one of the circumstances which permits the application of Section 146, because the patent has had valid legal effects until its surrender, while, in comparison, an invalidated patent is regarded as having been null and void from the date of its grant (see Section 159(1)), and, in the other circumstances referred to in Section 146, no patent has ever been granted. However, this would not preclude the possibility for a licensee harmed by the surrender of the patent to obtain redress from the owner of the patent.

e. Whenever a number of patents, patent applications or both are covered in the same license contract and only one patent, for example, is invalidated, only the payments which relate specifically to that patent are affected by the provisions of Section 146. In order to avoid litigation on the proportion of the total payments which relate to the said patent, it would be useful to specify in the contract the proportion of payments which must be attributed to each of the patents or applications covered by the contract.

CHAPTER IX: NON-VOLUNTARY LICENSES

- a.* This Chapter deals with non-voluntary licenses. It comprises nine Sections.
- b.* These nine Sections, as well as the single Section of the following Chapter of the Model Law (Exploitation by Government or by Third Persons Authorized by Government), lay down rules limiting the right, conferred by the patent on its owner, to take action against any person exploiting the patented invention in the country without the agreement of the owner (see Section 134(1)(ii)). The three measures Chapters IX and X introduce allow the exploitation of the patented invention without any agreement on the part of the owner of the patent. These three measures are applicable in three different sets of circumstances and therefore answer to different needs. Two of them are non-voluntary licenses, and they are regulated in essentially the same way. The third is exploitation for reasons of public interest by the Government or by third persons authorized by the Government, and it is regulated in a special way, although somewhat analogous to that for non-voluntary licenses.
- c.* The first of the three measures is the non-voluntary license for non-working or insufficient working (Section 148). It is a sanction imposed on the owner of the patent when he fails to fulfill his obligation to work the patented invention (see Section 134(2)(iii)).
- d.* The second measure is the non-voluntary license based on the interdependence of patents (Section 149). Its purpose is to remedy the situation that arises where one patent obstructs another, in the sense that the existence of an earlier patent prevents the exploitation of the invention covered by a later patent. This non-voluntary license is therefore not a sanction.
- e.* The third measure is exploitation by the Government or by third persons authorized by the Government (Section 156). This measure is applicable for reasons of public interest, whereas the other two measures, as we have seen, are taken for other reasons.
- f.* Other measures that could be envisaged are not proposed in the Model Law. One of these is the non-voluntary license for reasons of public interest. In fact this measure is identical with the third one proposed as far as the grounds on which it may be based are concerned, and its effects are not very different, so that it would seem superfluous once the third measure is adopted (although it could, of course, be adopted instead of the latter).
- g.* Another measure that is not proposed is the revocation of the patent for non-working or insufficient working. In many cases, this measure is not likely to promote working, while, on the other hand, the grant of a non-voluntary license places an obligation on the beneficiary of the non-voluntary license to begin to work the patented invention within a certain time limit (see Section 151(3)(b)); moreover, the beneficiary is protected against competitors, as far as the patented invention is concerned, by the patent, which is an important incentive for his working. It is of course true that revocation of the patent is the strongest sanction for failure by the owner of the patent to fulfill his obligation to work the patented invention; but the main reason why revocation of the patent is not proposed relates to the system adopted by the Model Law for governing the duration of the patent: as this duration can be extended beyond fifteen years—for a further period of five years—only on proof of sufficient working, there is in practice even less justification for revocation of the patent than there would be in a system where the duration of the patent is in no way contingent on working. In the system adopted by the Model Law for the duration of the patent, the non-voluntary license under Section 148 would appear to be a sufficient remedy for non-working or insufficient working, both during the initial fifteen-year period and during the period of extension (in cases where working ceases or becomes insufficient during the latter period).

h. The value of the non-voluntary license system should not necessarily be assessed according to the frequency with which use is made of it. Both the non-voluntary license provided for in Section 148 and that provided for in Section 149 have an important dissuasive function: the knowledge that the owner of the patent may be unable to prevent the grant of a license is an incentive for him to enter into a license contract. The grant of a contractual license is, for all those concerned, preferable to the grant of a non-voluntary license. The owner of the patent may avoid the embarrassing publicity of a procedure in which he must justify the non-working or insufficient working or his refusal to conclude a license contract on reasonable terms; moreover, he will be able to negotiate the terms of the license contract rather than having the conditions of a non-voluntary license imposed upon him by a governmental authority. The contractual licensee may benefit from the cooperation of the owner of the patent, who is more likely to agree to communicate know-how related to the patented invention as it is developed, this being an important factor for successful working. Finally, the public will be provided with products which may be of better quality, more advanced and even less expensive if the owner of the patent assists the contractual licensee in the production of the products, which is not likely in the case of a non-voluntary license; furthermore, these products may be put on the market more rapidly, taking into account the inevitable delays of the procedure for the grant of non-voluntary licenses. This dissuasive aspect of non-voluntary licenses should not be overlooked when the effectiveness of the system is considered.

i. The procedures provided for in Chapters IX and X are administrative rather than judicial (except for certain appeals: see Sections 152(2)(a) and 156(4)(b)). The advantage of this choice is that an administrative procedure is in principle quicker and cheaper than a judicial one, and speed and cost are essential factors in the efficiency of the system of non-voluntary licenses and exploitation by or for the Government. It goes without saying, however, that there is nothing to prevent a country from opting for an entirely judicial procedure, either because such a procedure is better suited to its legal traditions or for any other reason. In that case, a way of retaining the main advantages of the administrative procedure would be to have a summary form of judicial procedure, if there is one, for non-voluntary licenses and exploitation by or for the Government.

j. The provisions of this Chapter which are applicable to non-voluntary licenses for non-working or insufficient working have been drafted on the basis of Article 5A of the Stockholm Act (1967) of the Paris Convention. However, in the framework of the current revision of the Paris Convention, a draft for a new Article 5A has been adopted by the Preparatory Intergovernmental Committee on the Revision of the Paris Convention for the Protection of Industrial Property, at its second session held in June 1977. The Diplomatic Conference, where this matter must finally be decided in 1980 has not yet taken place at the time of publication (1979) of this Part of the Model Law. Certain provisions of this Chapter may have a different wording dependent upon whether based on the Stockholm Act of the Paris Convention or on the above-mentioned draft for a new Article 5A. The provisions involved are Sections 148(1), 150(2), 150(3), 151(3) and 153(3). Alternatives to these provisions, drafted on the basis of the draft for a new Article 5A, are contained in footnotes. The differences between the alternatives and the principal text concern two issues: first, the time after which a non-voluntary license for non-working or insufficient working may be requested (Section 148(1)); second, the exclusive or non-exclusive character of such a non-voluntary license (Sections 150(2), 150(3), 151(3) and 153(3)).

k. Concerning the time after which a non-voluntary license may be requested, the draft for a new Article 5A provides that developing countries having an examination system for patent applications of the kind proposed in the Model Law could fix a certain number of years from the grant of the patent (in other words, the filing date of the patent application would no longer play any role). Regarding the number of years, the Preparatory Committee mentioned in the preceding paragraph failed to reach agreement: it would be either two or three years, according to the proposals which have been presented and upon which the final decision will be made at the Diplomatic Conference for the Revision of the Paris Convention.

l. Concerning the question of the possible exclusive character of non-voluntary licenses, whereas Article 5A of the Stockholm Act imposes a non-exclusive character on such licenses without exception, the draft for a new Article 5A provides that, in special cases where exclusive licenses are necessary to ensure local working, such exclusive licenses may be granted for a maximum period of a certain number of years. As far as the number of years is concerned, the Preparatory Committee mentioned in paragraph *j*, above, failed to reach agreement: it would be either six or three years, according to the proposals which have been presented and upon which the final decision will be made in 1980 at the Diplomatic Conference for the Revision of the Paris Convention.

m. The question of the possible exclusive character of non-voluntary licenses is very controversial. The supporters of exclusive licenses point out that Article 5A of the Stockholm text deprives non-voluntary licenses based upon non-working or insufficient working of a good part of their efficacy in advance. According to this argument, working by the beneficiary of a non-voluntary license often involves a considerable investment, to which must be added the payment due under the non-voluntary license. If, after these investments have been made, the beneficiary finds himself exposed to the competition of the owner of the patent or licensees, he may not be able to be competitive, especially if this competition is from imported products. The risks encountered by the beneficiary are thus considerable, which discourages requests for the grant of non-voluntary licenses and, consequently, prevents the system from achieving its goal, which is the promotion of local working. It may also be added that the necessity of permitting the grant of exclusive non-voluntary licenses in certain cases is recognized even in some developed countries. In this regard, the law of the United Kingdom permits the grant of non-voluntary licenses, in particular for non-working or insufficient working, having the effect of depriving the owner of the patent of the right to work the invention or to grant licenses; and also having the effect of revoking existing licenses. However, this same law specifies that such a license may not be granted in variance with an international convention to which the United Kingdom is a party (the United Kingdom is bound by the Stockholm Act of the Paris Convention).

n. The opponents to exclusive non-voluntary licenses point out that the possibility of the grant of such licenses will discourage the filing of patent applications, because the potential owner of the patent will risk being excluded from exploiting his own invention and thus finding himself in a less favorable position than if he had not taken the trouble to obtain a patent, except of course in the cases where he would be sure to work the invention in question in the country himself or through a licensee. But, it is not possible to work an invention in each country where the invention may be patented; especially in developing countries, the domestic market does not permit, from the economic point of view, the local manufacture of a given product, at least initially; for this reason, it is frequently the practice to establish a centralized production facility, where the invention may be sufficiently worked to satisfy the market of an entire geographical area, which may encompass several countries. If patent protection is not obtained on an invention because of the risk that an exclusive non-voluntary license may be granted, this will severely jeopardize the chances that the invention will ever be worked in the country, due to the fact that any person wishing to work the invention will be unable to protect his investment. Moreover, if patent protection is not obtained, this will have a detrimental effect on the transfer of technology, since the grant of a license under a patent often serves as the framework for the conclusion of a broader agreement, whereby know-how related to the patented invention is also supplied.

Section 147: Definitions

a. This Section contains two important definitions, namely, the definition of "non-voluntary license" and that of "beneficiary of the non-voluntary license."

b. Under the definition given in item (i), a non-voluntary license does not permit its beneficiary to import products covered by the patent. This means that the importation of such products remains subject to the agreement of the owner of the patent. This principle, which applies both to non-voluntary licenses for non-working or insufficient working (Section 148) and to non-voluntary licenses based upon interdependence of patents (Section 149), constitutes one of the essential differences between the system of non-voluntary licenses, provided in Chapter IX, and the system of exploitation by or for the Government, provided in Chapter X: in the latter system, the importation of products covered by the patent without the agreement of the owner of the patent may be permitted (see Section 156(1)).

Section 148: Non-Voluntary License for Non-Working or Insufficient Working

a. Subsection (1): It is proposed that the authority competent to grant the non-voluntary license should be the Patent Office. In view of the fact that the Patent Office is competent to extend the duration of the patent and therefore to assess the question of working (see Section 138 as well as Section 134(3), which defines “working”), it is logical that it should also be responsible for the grant of the non-voluntary license referred to in Section 148, which involves the same question. However, there is nothing to prevent the designation of another governmental authority or an administrative court, if there is one in the country (concerning the choice of an administrative rather than a judicial procedure. see paragraph *i* of the comments on Chapter IX).

b. The person requesting the grant of the non-voluntary license may be a natural or legal person, including an enterprise in the public sector. The controlling factor is that the requesting person be able to work the patented invention in the country. This requirement permits the Patent Office to refuse the grant of a non-voluntary license in all cases where the objective of such a license, which is the local working of the invention in question, would appear not realizable at the offset because of the inability of the requesting person. The requesting person must prove to the Patent Office his ability to work; this may be done, for example, by pointing to the fact that the requesting person is an enterprise specialized in the technical field to which the patented invention belongs, and to the fact that it already manufactures products of the same kind as those that it is seeking to manufacture under a non-voluntary license.

c. Concerning the time limit before which a non-voluntary license may not be requested and the alternative appearing in the footnote, see paragraphs *j* and *k* of the comments on this Chapter.

d. If the question of working is disputed, it is the owner of the patent who bears the burden of proof and has to show that the patented invention is in fact being worked in the country in a sufficient manner. It should be remembered that the owner of the patent must provide the Patent Office with proof of sufficient working in the country if he wants the duration of the patent to be extended. It does not seem desirable to require in addition that, at the end of the time limit after which non-voluntary licenses may be requested, he automatically provide this proof, in the absence of any request for a non-voluntary license.

e. Subsection (2): Even if the conditions under subsection (1) are met, a non-voluntary license is not granted if the Patent Office is convinced that circumstances exist which justify the non-working or insufficient working. In principle, the owner of the patent would have the burden of convincing the Patent Office, but any interested person would be able to do so, a licensee for example, in the course of the procedure prescribed in Section 151(2). The concept of justifying circumstances is the same here as in the case of the extension of the duration of a patent: in particular, importation may not be relied upon as such a circumstance (see paragraph *f* of the comments on Section 138).

Section 149: Non-Voluntary License Based Upon Interdependence of Patents

a. The purpose of this Section is to remedy the situation that arises where it is not possible, without infringing an earlier patent, to work in the country an invention claimed in a later patent. To use the customary terminology, the earlier patent and the later patent are “interdependent.” The best solution for the owner of the later patent is to obtain a contractual license from the owner of the earlier patent. If, however, the owner of the earlier patent does not wish to grant him a license on reasonable terms and within a reasonable time (see Section 150(3)), the owner of the later patent may, provided the invention claimed in the later patent constitutes an important technical advance with respect to the invention claimed in the earlier patent, obtain a non-voluntary license under Section 149. Without this provision, the owner of the earlier patent could arbitrarily block the working in the country of a patented invention constituting an important technical advance. It should be noted that the possibility of obtaining such a non-voluntary license is available not only to the owner of the later patent, but also to any licensee or beneficiary of a non-voluntary license under the later patent.

b. It should be borne in mind that, in the same manner as non-voluntary licenses based on Section 148, non-voluntary licenses based on Section 149 may not extend to the act of importation (see Sections 147(i) and 151(3)(a)(ii)).

c. Subsection (1): For a non-voluntary license to be granted, the invention which is the subject of the later patent must constitute an important technical advance in relation to the invention of the earlier patent even if both inventions serve different industrial purposes. In addition to the fact that Section 149, as stated in paragraph *a*, above, avoids the possibility of the working of inventions constituting an important technical advance being blocked, the requirement of an important technical advance serves the purpose of avoiding abuses which could result from applicants filing patent applications on trifling inventions for the sole purpose of being able to work, thanks to Section 149, an interesting invention.

d. Subsection (2): The possibility given to the owner of the earlier patent (or any licensee or beneficiary of a non-voluntary license under the earlier patent) likewise to obtain a non-voluntary license under the later patent, even if the two inventions serve different industrial purposes, is designed to introduce a certain balance between the relative positions of the interested persons.

Section 150: Request for Grant of Non-Voluntary License

a. This Section deals with the formal requirements for the request for the grant of a non-voluntary license. Subsections (1) and (4) are also applicable, by analogy, to the requests for the amendment and for the cancellation of a non-voluntary license (see Section 155(3)).

b. Subsection (1): The wording of this provision parallels that of Section 123(1) and (2), which deals with the patent application.

c. Subsection (2): Concerning the alternative appearing in the footnote, see paragraphs *j* and *l* to *n* of the comments on this Chapter.

d. Subsection (3): A non-voluntary license may be granted only if efforts have been made to obtain a contractual license and have failed: as indicated earlier (see paragraph *h* of the comments on this Chapter), a contractual license is preferable for all concerned to that of a non-voluntary license.

e. To discharge his obligation to provide proof of having sought in vain to obtain a contractual license, the requesting party may, for instance, submit a copy of the letter he sent to the owner of the patent by registered mail or in any other legally recognized manner according to the practices of the country and a copy of the reply he received, if any.

f. Concerning the alternative appearing in the footnote, see paragraphs *j* and *l* to *n* of the comments on this Chapter.

g. *Subsection (4)*: The purpose of the fee is to cover the costs arising out of the procedure for the grant of the non-voluntary license, including those associated with the recording, publication and notification of the decision granting or refusing the non-voluntary license (see Section 151(4)).

Section 151: Procedure for Grant of Non-Voluntary License

a. This Section deals with the procedure for the grant of the non-voluntary license. It is also applicable, by analogy, to the procedures for the amendment and for the cancellation of the non-voluntary license (see Section 155(3)).

b. *Subsection (1)*: The examination carried out by the Patent Office under this provision, which represents the first stage of the procedure, is an examination as to form of the request for the grant of a non-voluntary license.

c. If the Patent Office discovers a defect, it may (but is not obliged to) allow the requesting party to correct his request. The Patent Office will give the requesting party this possibility when it considers that the defect can in fact be corrected, for instance where one of the particulars referred to in Rule 150*bis* is missing; it will not do so, however, if the defect is such that there is clearly no purpose in attempting to correct it.

d. *Subsection (2)*: This provision regulates the second stage of the procedure, leading to the decision of the Patent Office. The owner of the patent (or a contractual licensee) may, in his observations, bring forward any justifying circumstances that exist (where the non-voluntary license is requested under Section 148) or request a license under the later patent (where the non-voluntary license is applied for under Section 149). He may also argue that evidence furnished by the requesting person under Section 150(3) or Rule 150*bis*.1(a)(v) is not sufficient.

e. The hearing which the Patent Office is obliged to hold allows all the interested persons (requesting person, owner of the patent, contractual licensees, beneficiaries of non-voluntary licenses and persons exploiting the invention with the authorization of the Government) to state their views, and thus to give the Patent Office the maximum of data on which to base its decision. Owing to the presence of the Patent Office, the hearing may also allow an agreement to be reached between the parties, leading to the conclusion of a license contract. In order for the contractual licensees to be able to present their observations and participate in the hearing, the owner of the patent has the obligation to notify them of the procedure by bringing to their attention the request and the evidence accompanying it, whereas the Patent Office is responsible for notifying beneficiaries of non-voluntary licenses and persons exploiting the invention with the authorization of the Government, since these beneficiaries and persons appear in the Patent Register whereas contractual licensees do not necessarily appear therein, the recording of license contracts being only optional (see Section 143(2)). If the system of examination and registration of contracts provided in Part III* of the Model Law is adopted, contractual licensees would necessarily appear in the Patent Register, so that it would be possible to make the Patent Office also responsible for notifying them of the procedure. The hearing covers all elements that could have a bearing on the matter: the request, the evidence provided under Section 150(3) and Rule 150*bis*.1(a)(v) and the observations presented (including justifying circumstances). The hearing may consist of one or more sessions: if the parties decide to seek an agreement on the amount of payment due in the event of a positive decision on the request, the Patent Office may adjourn the hearing and resume it on expiration of the period which it will have imposed on the parties.

* Not yet published.

- f.* Unless an appeal is lodged under Section 152, the procedure ends with the Patent Office's decision. This decision may be given at the end of the hearing if the case is not too complicated, or after a period allowing for the Patent Office to prepare its decision.
- g.* The Patent Office's decision is either positive (grant of the non-voluntary license) or negative (refusal of the non-voluntary license). If a non-voluntary license has been requested under Section 149 (in the case of interdependent patents), the decision may grant two non-voluntary licenses simultaneously, in accordance with subsection (2) of that Section.
- h.* *Subsection (3)*: If the decision is positive, it has to fix the scope of the license, the time limit within which the beneficiary must begin to work and, in the absence of agreement between the parties, the amount of payment.
- i.* As far as the scope of the non-voluntary license is concerned (paragraph (a)), the decision must in any event specify two things. The first is the period for which the non-voluntary license is granted: it may be for the full duration of the patent or a shorter period. It should be borne in mind that the beneficiary of the license is protected against any extinction of the patent brought about by its owner: if the owner does not apply for extension of the duration of the patent, the beneficiary may do so (Section 138(2)); if the owner does not pay the annual fees (Section 139), the beneficiary may do so. If the owner surrenders the patent, the surrender is only acceptable with the consent of the beneficiary, provided the non-voluntary license was granted for non-working or insufficient working (Section 157(3)).
- j.* The second element in the scope of the non-voluntary license is the enumeration of the acts referred to in Section 135(2) to which the license extends. As the purpose of the grant of a non-voluntary license is to bring about local working, the non-voluntary license cannot give the right to import the protected product. With that reservation, it can cover all the acts referred to in Section 135(2) or only some of them.
- k.* Concerning the alternative appearing in the footnote, see paragraphs *j* and *l* to *n* of the comments on this Chapter.
- l.* As indicated by the use of the words "in particular" at the beginning of paragraph (a), other elements of the scope of the non-voluntary license may, according to the case, be specified in the decision. An example of this would be to limit the scope of the license to one part of the territory of the country.
- m.* Another element to be specified in the decision is the time limit within which the beneficiary must begin working the patented invention in the country. This time limit should be determined according to circumstances: it may be short if the beneficiary is ready to manufacture the product; it will have to be longer if he is not. Such a time limit will also have to be fixed if the non-voluntary license is being granted on the basis of Section 149 (interdependent patents).
- n.* The amount and conditions of payment (paragraph (c)) are fixed in the decision of the Patent Office if the parties have not been able to agree on them. The payment is to be determined on the basis of the extent of working of the patented invention. If the beneficiary of the non-voluntary license wishes to receive the know-how relating to the patented invention which has been developed after the grant of the patent, the owner of the patent may agree to communicate such know-how for additional payment, which would facilitate the working of the patented invention and thereby promote the success of the non-voluntary license.
- o.* *Subsection (4)*: The Patent Office records the decision, publishes it and notifies the indicated persons of its decision, even if it is negative.
- p.* *Subsection (5)*: The reason why the Model Law proposes an administrative procedure for non-voluntary licenses is above all so that decisions may be taken rapidly. This presupposes prompt action on the part of the Patent Office. The fixing in the Regulations of time limits within which the various actions of the Patent Office are preferably to be performed promotes the realization of this aim.

Section 152: Appeals

a. This Section deals with appeals against the decision of the Patent Office granting or refusing a non-voluntary license. It is also applicable, by analogy, to amendment and cancellation of a non-voluntary license (see Section 155(3)).

b. Subsection (1): The appeal provided for in this provision is administrative, so that the procedure may be cheaper and above all quicker. It is proposed that the authority competent to hear appeals should be a minister, who would be designated by the country (for example, the Minister of Industry), but it could be an administrative tribunal, if there is one. Another system could be to provide for a judicial appeal.

c. It is provided that the appeal has a suspensive effect only with regard to those elements of the decision which are appealed against and only to the extent that those elements are appealed against. This avoids delaying the beginning of working by the beneficiary of the non-voluntary license when the appeal does not relate to the principle of the grant of the non-voluntary license but, for example, relates to the payment referred to in Section 151(3)(c). Similarly, if the non-voluntary license is granted for the entire remaining duration of the patent but the owner of the patent appeals because he asserts that the non-voluntary license should be granted for a shorter period, the beneficiary of the license may, despite the appeal, work the invention during the period which is not contested.

d. Subsection (2): This provision establishes a judicial appeal in the second instance concerning the amount and conditions of payment due under the non-voluntary license. Outside of the question of payment, the decision taken by the Minister in the appeal procedure in the first instance is final. The competent court is the ordinary court of the place where the Patent Office is located (see Section 109). Concerning the time limit within which an appeal under subsection (2) must be lodged, see paragraph *e* of the comments on Section 133.

e. Concerning the suspensive or non-suspensive effect of an appeal entered under subsection (2), see paragraph *c* above.

f. As an alternative, it would be possible to provide that a special board be given jurisdiction, instead of the court, to hear the appeal referred to in subsection (2). This board could have three members, one designated by the Government, a representative of industry (for example, the president of a chamber of commerce) and the chief judge of a court, who would preside over the board.

Section 153: Rights and Obligations of Beneficiary of Non-Voluntary License; Other Effects of Non-Voluntary License

a. Subsections (1) and (2): These provisions, which list the rights and obligations of the beneficiary of a non-voluntary license, correspond to Section 134(1) and (2), which lists the rights and obligations of the owner of the patent. If the beneficiary of a non-voluntary license fails to fulfill any of his obligations, he risks the cancellation of the non-voluntary license under Section 155(2).

b. Subsection (3): This provision deals with the effects of the non-voluntary license on existing or future contractual licenses, on existing or future non-voluntary licenses and on the exploitation of the patented invention by or for the Government under Section 156. Concerning the alternative appearing in the footnote, see paragraphs *j* and *l* to *n* of the comments on this Chapter.

Section 154: Sublicense Forbidden; Transfer of Non-Voluntary License

a. Subsection (1): If the beneficiary of a non-voluntary license could grant a sublicense—in other words, a license based on his own license—the procedure, which is strict, for the grant of non-voluntary licenses could be circumvented; it is to avoid such an abuse that sublicenses are forbidden.

b. Subsection (2): Unlike the sublicense referred to in subsection (1), transfer of the non-voluntary license is not forbidden, but it is only possible together with the establishment of the beneficiary of the license or the part of his establishment that exploits the patented invention, and on condition that the Patent Office authorizes the transfer of the non-voluntary license. In order to decide whether or not to authorize the transfer, the Patent Office has only one criterion to take into account: namely, whether or not the establishment, or the relevant part of the establishment, of the beneficiary of the non-voluntary license has in fact been transferred.

c. The Patent Office proceeds to record its decision, publish it and to notify the designated persons of the decision, even if it is a decision refusing to authorize the transfer.

d. The decision of the Patent Office authorizing or refusing to authorize the transfer of the non-voluntary license may be the subject of an appeal to a minister, who would be designated by the country but who should be the same one as in Section 152(1); likewise, if an authority other than a minister has been designated in Section 152(1), the same authority should be designated in Section 154(2)(e) and (f). The decision taken on the appeal is not subject to an appeal in the second instance.

**Section 155: Amendment and Cancellation of Non-Voluntary License;
Surrender of Non-Voluntary License**

a. Subsection (1): Amendment of the decision on the grant of the non-voluntary license cannot be decided upon ex officio by the Patent Office. It is allowed only if it is justified by new facts. An example of a new fact justifying the amendment of the decision granting the non-voluntary license would be the conclusion of a license contract covering the same patent and containing conditions more favorable to the licensee than those applicable to the beneficiary of the non-voluntary license. In such a case, the disadvantage of the beneficiary could be eliminated by an amendment placing the beneficiary under the same conditions as the licensee.

b. The amendment may relate to the scope of the license as well as to the amount or conditions of payment. The time limit within which the beneficiary of the non-voluntary license must begin the working may also be the subject of an amendment.

c. Subsection (2): Cancellation of the non-voluntary license may not be decided upon ex officio by the Patent Office. There are several grounds for cancellation.

d. The first ground for cancellation is that the ground for the grant of the non-voluntary license no longer exists (paragraph (a)(i)): for example, a non-voluntary license has been granted for non-working (Section 148) and the owner of the patent shortly thereafter starts manufacturing in the country the protected product in significant quantities; in such case, the non-voluntary license should be cancelled if the beneficiary has not begun to work in the country and has not even made serious preparations toward such working, even if working by the owner of the patent occurs before expiration of the time limit allowed the beneficiary under Section 151(3)(b). If, on the other hand, the beneficiary works in the country the patented invention parallel to the owner of the patent or has made serious preparations towards such working, the license will not be cancelled (paragraph (b)): it will be necessary for the owner of the patent to bear the parallel working, as account has to be taken of the investments and efforts made by the beneficiary, which might be completely wasted if the non-voluntary license were cancelled. However, whereas in that case the non-voluntary license cannot be cancelled, it can be amended under subsection (1), as working

by the owner of the patent constitutes a new fact in terms of that provision; a possible amendment would be to shorten the duration of the non-voluntary license.

e. In the other cases for cancellation of the non-voluntary license (paragraph (a)(ii) to (v)), cancellation is a sanction imposed on the beneficiary of a non-voluntary license for failure to comply with his obligations provided in Section 153(2). However, the non-voluntary license will not be cancelled in those cases if circumstances exist justifying its maintenance (paragraph (b)).

f. Subsection (3): For amendment or cancellation of the non-voluntary license to occur, a request for amendment or cancellation of the non-voluntary license, as the case may be, has to be submitted to the Patent Office, and the requesting person has to pay a fee. A procedure identical with that provided for in Sections 150 and 151 then has to take place with the possibilities of appeals according to Section 152, and particularly the possibility of an appeal in the second instance to the court when the amendment affects the payment or the cancellation was requested on the basis of Section 155(2)(a)(v).

g. Subsection (4): This provision, which has been drafted in a parallel manner to that of Section 157 (Surrender of Patent), permits the beneficiary of the non-voluntary license to surrender it, in the case, for example, where he would not be able, or no longer wanted, to work the patented invention and where he would desire to avoid a proceeding for the cancellation of the non-voluntary license.

CHAPTER X: EXPLOITATION BY GOVERNMENT OR BY THIRD PERSONS AUTHORIZED BY GOVERNMENT

Chapter X, which comprises a single Section, introduces the third and perhaps the most important of the measures whereby a patented invention may be exploited in the country without any agreement on the part of the owner of the patent, namely exploitation for reasons of public interest by the Government or by third persons authorized by the Government. It differs from the two measures provided in Chapter IX, namely, the non-voluntary license for non-working or insufficient working (Section 148) and the non-voluntary license in case of interdependence of patents (Section 149), essentially with respect to the grounds on which it may be based: Section 156 is applicable for reasons of public interest; such reasons need not exist in respect of non-voluntary licenses.

Section 156: Exploitation by Government or by Third Persons Authorized by Government

a. The procedure provided in Section 156 is, subject to the appeal referred to in subsection (4)(b), administrative rather than judicial (see paragraph *i* of the comments on Chapter IX). This choice is particularly justified since it may be necessary to use this Section in cases of emergency, particularly with regard to matters of national security, nutrition or health.

b. Subsection (1): This provision states the principles, while the other subsections of Section 156 regulate the procedure. For the Government to be able to exploit the patented invention or cause it to be exploited, in the public interest, there is no need for it to await the expiration of a certain period: such exploitation is possible immediately after the patent has been granted, provided that the procedure prescribed in Section 156 is completed. (Exploitation is of course possible before the grant of the patent, since the agreement of the applicant for the exploitation of the invention is not required by the terms of Section 135(1).)

c. For use to be made of Section 156, there has to be a public interest. Subsection (1) gives examples: national security, nutrition and health and the development of other vital sectors of the national economy constitute public interest grounds, but this list is not exhaustive.

d. Any of the acts referred to in Section 135(2), including importation, may be performed where Section 156 applies, in contrast to the situation under Sections 148 and 149, where the acts cannot include importation. The question whether all or only some of the acts may be performed in a given case is determined by the decision of the Minister concerned. "Minister concerned" means the Minister for Defense, the Minister for Health, the Minister for Economic Affairs, etc., according to whether the applicable ground relates to national security, nutrition, health, the national economy or other aspects of the public interest. If the protected product is not available in the country but is urgently needed, and if the time required for its manufacture or production in sufficient quantity is too long, the Minister concerned may decide that this product should be imported despite the patent. If, on the other hand, the protected product is available on the market in the country as a result of importation, but its manufacture locally would enable a vital sector of the national economy to be developed, the Minister concerned may decide that it should be manufactured in the country notwithstanding the patent. The difference between this case—where working begins immediately—and the case in which a non-voluntary license is requested under Section 148—and can only be requested after a certain period—is that the working carried out under Section 156 has to be in response to a need of the public interest, whereas that condition is not necessary under Section 148.

- e.* Any government agency or any private person or enterprise independent of the Government may be designated by the Minister concerned to exploit the invention.
- f.* When Section 156 is used, any exploitation so authorized is subject to payment therefor. The principle of payment is stated in subsection (1), while the method of fixing its amount is indicated in subsection (3).
- g.* *Subsection (2):* Before the Minister concerned takes his decision, the Patent Office is consulted in order that it may give its opinion, on technical matters, for instance. This consultation is also useful owing to the fact that, under subsection (3)(b), it is for the Patent Office to fix the amount and conditions of payment.
- h.* As with non-voluntary licenses (see Section 151(2)), it is necessary that the owner of the patent, any licensees and any beneficiaries of non-voluntary licenses be heard. Other persons may also be invited to the hearing, for instance representatives of ministries other than the one taking the decision.
- i.* *Subsection (3):* The decision in principle to authorize exploitation is taken by the Minister concerned, but it is the Patent Office that has the task of fixing the amount and conditions of payment. In the long run, the assignment of tasks will make it possible to establish general rules applicable to payment, not only because it is the Patent Office that fixes the amount of payment, irrespective of the ministry that issues the decision on the exploitation, but also because it has an identical task with respect to non-voluntary licenses (see Section 151(3)(c)). The amount of payment is to be determined on the extent of the exploitation. The payment is due by the State, and not by the person who actually exploits the patented invention.
- j.* The owner of the patent has a right to payment in all cases where the decision in principle of the Minister is positive. Otherwise, if there is an exclusive licensee and if his rights are affected by the Minister's decision, the exclusive licensee has also a right to payment. It is possible that the rights of an exclusive licensee will not be affected by the Minister's decision, for example, if the exclusive license only extends to the manufacture of the patented product and if the Minister authorizes the importation (but not the manufacture) of the product; in that case, the exclusive licensee would not have a right to payment.
- k.* *Subsection (4):* Whereas the decision of the Minister in principle to authorize exploitation is not appealable (paragraph (a)), the decision of the Patent Office fixing the amount and conditions of payment may be the subject of an appeal directly to the court (paragraph (b)). The court having jurisdiction is the ordinary court of the place where the Patent Office is located (see Section 109). As to the time limit within which such an appeal must be lodged, see paragraph *e* of the comments on Section 133.
- l.* An appeal entered under subsection (4)(b) will not preclude the exploitation of the patented invention, since it does not relate to the principle of exploitation.
- m.* If the country legislating on the basis of the Model Law replaces in Section 152(2) the jurisdiction of the court with that of a special board (see paragraph *f* of the comments on Section 152), it would be appropriate for it to make the same substitution in Section 156(4).

CHAPTER XI: SURRENDER AND INVALIDATION

Chapter XI deals with two subjects, namely the surrender of the patent, which occupies one Section, and the invalidation of the patent, which occupies two Sections.

Section 157: Surrender of Patent

a. If the owner of a patent no longer wishes to benefit from it, the simplest thing for him to do is to stop paying the annual fees provided for in Section 139, which will cause the patent to lapse. There may however be cases—as a result of the discovery of prior art not previously known by the owner or the Patent Office, or business agreements, for instance—in which the owner of the patent wants the effects of his patent or of some of its claims to cease immediately. There is thus a voluntary procedure of “surrender,” which is regulated by this Section.

b. Subsection (1): Surrender is only possible in the case of granted patents. The corresponding procedure for patent applications is the withdrawal of the application (see Section 129).

c. Subsection (2): When surrender relates to the whole patent, it is called total. When it relates to only one or more claims, it is called partial.

d. Subsection (3): If a non-voluntary license is in force which has been granted on the ground of non-working or insufficient working of the patented invention (Section 148), the surrender of the patent that is the subject of the non-voluntary license may be prejudicial to the beneficiary of the non-voluntary license, particularly if he is working the patented invention or has made serious preparations toward such working. In order to protect the investment of the beneficiary of the non-voluntary license, this subsection requires that he consent (by a written declaration) to the surrender. However, in the public interest, the Patent Office may, even in the absence of such consent, accept the declaration of surrender if it is convinced that the surrender is justified under the circumstances, for example, where prior art is brought to its attention which clearly anticipates the invention claimed in the patent sought to be surrendered.

e. If the beneficiary of a non-voluntary license does not consent to the surrender of the patent, he, of course, should expect the owner of the patent not to continue to pay annual fees; but he can remedy such a situation by paying those fees himself, thereby preventing the lapse of the patent.

f. In the case of a contractual license, the consent of the licensee is not required. However, the licensor who surrenders the patent which is the subject of the license contract may be subject to legal recourse by the licensee.

g. Subsection (4): As surrender constitutes termination (total or partial) of the rights conferred by the patent, it is important that the public be informed of the fact as soon as possible; therefore the surrender must be published in the Gazette as soon as possible. However, the surrender is effective from the date of the receipt of the declaration by the Patent Office.

Section 158: Invalidation of Patent

a. It is essential in any law on inventions to provide for the possibility of invalidating patents not satisfying specific fundamental requirements of the law. Such a possibility should be provided for even if the country adopts, as recommended in the Model Law,

the system of preliminary examination of patent applications. Since it is always possible that a fact which would have prevented the grant of a patent if it had been known at the time of examination becomes available only at a later time, and if as a result of this fact, a fundamental requirement of the law was not satisfied, it would be untenable that patent protection should continue to exist.

b. This Section provides for a judicial procedure for the invalidation of the patent, mainly because it is preferable to entrust this delicate task to an authority independent of the one that (wrongly) granted the patent, which might be somewhat reluctant to take a decision amounting in fact to the reversal of a decision rendered earlier by itself. It is quite possible, however, to provide for a system whereby, at least in the first instance, invalidation decisions are taken by an administrative authority, for instance the Patent Office. Such a system would necessitate the establishment within the competent administrative authority of an independent department entrusted with taking such decisions.

c. Subsection (1): Only an "interested person" may request invalidation of a patent. Such a restriction might at first sight appear undesirable, as it is in the interest of the community as a whole that protection having an invalid basis should be removed and that the right to request invalidation of the patent should therefore be given to any person. However, there would be a risk of abuse in such a system. A strong competitor of the owner of the patent could bring an invalidation action without in fact having a direct interest in the invention concerned, for the sole purpose of intimidating the owner of the patent and forcing him to make concessions in other areas. This risk would be all the greater in a developing country where the owner of the patent was a local enterprise whose financial means—which would have to be strong to face the considerable costs entailed by an invalidation action—and other resources were not comparable with those that certain foreign competitors could muster. This is why it seems preferable to limit the right to request invalidation of the patent to interested persons alone. In general terms, one could define an interested person as being any person who, because of the existence of the (wrongly granted) patent, is hampered in the exploitation of the (wrongly patented) invention. A public authority, entrusted, for example, with the regulation of trade or consumer protection, could perhaps also qualify as an "interested person" on behalf of the public. However, in any given case, the court will have to determine whether a person is "interested" within the meaning of this provision.

d. There are two ways of requesting invalidation of a patent. The first consists in bringing an action against the owner of the patent for the invalidation of his patent under this Section. The second consists in requesting invalidation under Section 161(3) when the owner of the patent has instituted infringement proceedings under Section 161(1).

e. Subsection (2): This provision lists the two grounds on which a patent may be invalidated. If one of these grounds is found to exist, the court is obliged to invalidate the patent.

f. The first ground (subsection (2)(i)) is that the patent should not have been granted for specific reasons of substance. This ground is subdivided into a series of specific grounds, each corresponding to one of the first five of the eight conditions stated in Section 131(1). The five specific grounds requiring invalidation may be listed as follows. First, what is claimed in the patent is not an invention within the meaning of Section 112(1) or is excluded from protection under Section 112(3). Second, the invention claimed in the patent is not patentable within the meaning of Sections 113 to 116 because it is not new, does not involve an inventive step or is not industrially applicable. Third, the invention is excluded from protection under Section 117 or under Section 118. Fourth, the description or the claims do not comply with the requirements prescribed by Section 123(3) and (4), and the Regulations pertaining thereto, for instance because the description did not disclose the invention completely or did not indicate the best mode known to the applicant for carrying out the invention. Fifth, the drawings necessary for the understanding of the invention were not furnished (Section 123(5)). The deciding factor is the situation at the time of the grant of the patent: if, for instance, the invention

was excluded from protection under Section 118, at the time of the grant of the patent but the exclusion has been removed since then, invalidation is possible: conversely, if the invention was not excluded from protection at the time of the grant of the patent but the exclusion was introduced afterwards, invalidation is not possible.

g. Irregularities relating to the other three substantive conditions for the grant of a patent which are referred to in Section 131(1) are not grounds for invalidation, namely: the requirement of unity of invention has not been complied with (Section 125 and the corresponding provisions of the Regulations), the patent granted on the basis of an amended or divisional application goes beyond the disclosure of the initial application (Section 126), or the applicant did not respond in a satisfactory manner to requests of the Patent Office relating to corresponding foreign applications and patents or other titles of protection (Section 128). These irregularities are not considered sufficiently serious to affect the validity of a patent (the same applying to the conditions for granting a filing date referred to in Section 130(1)(a) and to the formal conditions referred to in Section 130(3)(a)).

h. The second ground for the invalidation of a patent (subsection (2)(ii)) is that the person to whom the patent has been granted had no right to it. Invalidation on this ground is possible even though the person to whom the patent was wrongly granted is no longer the owner of the patent, except if the patent has in the meantime been assigned to the person who in fact has the right to it: in that case there is no justification for invalidation, as the assignment has so to speak remedied the defect. If the patent has not been assigned to the person who has the right to it, the latter has a choice: he may request either that the patent be assigned to him pursuant to Section 121, provided he makes the request within five years from the date of the grant of the patent or that it be invalidated pursuant to Section 158(2)(ii). Other persons, however, cannot demand that the patent be assigned to the person having the right to it: they can only request invalidation of the patent, provided they qualify as "interested persons."

i. Subsection (3): It is possible for grounds of invalidity to exist only in respect of some of the claims (or some parts of a claim). This is a case of "partial invalidity." If partial invalidity applies to only part of a claim, it will not always be possible merely to delete the part to be invalidated: in such a case the invalidity of the claim concerned will have to be declared in a form which appropriately limits the scope of that claim.

j. Subsection (4) is complementary to Section 128, which deals with the information that the applicant may be asked to give the Patent Office, at the time of the examination of the patent application, on corresponding foreign patent applications or patents or other titles of protection. This provision enables the court, which may already have the file established by the Patent Office, to obtain additional information on the novelty of the invention or on inventive step. This does not affect in any way the usual rules concerning the burden of proof; in particular, it does not relieve the person requesting the invalidation of the patent, for example on the ground that it lacks novelty, from having to adduce proof in support of his allegation. Moreover, this provision does not limit the freedom of the court to require the evidence which it deems most pertinent. Finally, this provision shall not affect the absolute independence of the decision of the court.

k. Subsection (5): This provision allows licensees and beneficiaries of non-voluntary licenses granted on the ground of non-working or insufficient working of the patented invention (Section 148) to join in the invalidation proceedings, either to contest the validity of the patent or to defend it. It is possible, however, that the license contract may forbid the licensee to contest the validity of the patent, except where such a clause is prohibited in the country (the Model Law makes no provision for such a prohibition): in the latter case, the expression "in the absence of any provision to the contrary in the license contract" should be removed from paragraph (a). In order for contractual licensees to be able to join in the court proceedings, the owner of the patent has the obligation to notify them of the proceedings, whereas this notification must be made by the person requesting invalidation with respect to beneficiaries of non-voluntary licenses,

since these beneficiaries appear in the Patent Register whereas contractual licensees do not necessarily appear therein, the recording of license contacts being only optional (see Section 143(2)). If the system of examination and registration of contracts provided in Part III* of the Model Law is adopted, contractual licensees would necessarily appear in the Patent Register, so that it would be possible to make the person requesting the invalidation also responsible for notifying them of the proceedings. Where the ground for invalidity invoked is the fact that the patent was not granted to the person to whom the right to the patent belongs, it is important to that person to be informed of the proceedings so that he can, in particular, demand the assignment of the patent under Section 121 (provided the five-year time limit provided by that Section has not expired). The notification of the proceedings must be made by the person requesting the invalidation on that ground.

Section 159: Effects of Invalidation

- a. Subsection (1):* When invalidation is declared, it has retroactive effect since the patent should not have been granted (such grant being contrary to the law) or should not have been granted to the person to whom it was granted. The consequences of the retroactive character of invalidation will be governed by the general rules of law of the country. However, Section 146 lays down special rules for the effect of invalidation on license contracts, and to some extent mitigates the extreme consequences of retroactivity.
- b. Subsection (2):* When the decision pronouncing invalidation becomes final, in other words, when all remedies of appeal have been exhausted or have not been availed of, the public should be informed as soon as possible of the termination (whether total or partial) of the rights conferred by the patent.

* Not yet published.

CHAPTER XII: INFRINGEMENT

a. This Chapter deals with infringement, in other words the violation of the rights under the patent. It consists of five Sections.

b. This Chapter does not regulate in detail the civil and criminal sanctions to be provided for, as they depend to a very large extent on the general rules of law of the country with respect to civil and criminal proceedings. What is particularly important, therefore, is to adapt the provisions of Chapter XII to the practice and needs of the country. Neither does the Model Law regulate procedural questions, which are left entirely to the procedural codes or laws of the country.

c. As for the burden of proof, the usual rules of the country will apply. Generally it is for the plaintiff to provide proof of his allegations. In an infringement action the owner of the patent, who is the plaintiff, must therefore prove that the defendant has, without the owner's agreement, performed or prepared to perform one or more of the acts specified in Section 135(2) falling within the scope of protection of the patent. Where the patent has been granted for a product, the plaintiff may provide such proof to the court by introducing in evidence samples of the product put on the market by the defendant and demonstrating to the court that the product is covered by at least one claim of the patent. Where the patent has been granted for a process, on the other hand, it will be, in the first place, more difficult in most cases to detect that an infringement has occurred, as it is not easy, without resorting to unlawful methods such as industrial espionage, to discover whether the defendant is using the patented process in his industrial establishment, to which the owner of the patent does not have access. Then it would be very difficult for the owner of the patent, if he instituted infringement proceedings to prove the infringement, unless he would be given full access to that part of the defendant's establishment where the process alleged to infringe the patent is being used. It is for these reasons that the laws of many countries provide for the reversal of the burden of proof in respect of patents for processes by introducing the following presumption: if the product resulting directly from the use of the patented process was new on the filing date of the patent application (or its priority date), an identical product manufactured by a third party is presumed to have been obtained by the same process. It is then for the defendant to prove to the court that he has obtained his product by means of a process other than the patented process, which should not be an unreasonable burden where there genuinely has not been any infringement. A country wishing to include such a presumption in its law could do so by introducing the following provision, for instance between Sections 161 and 162:

Section 161bis: Presumption of Use of Patented Process

If a patent relates to a process for the manufacture of a new product, such a product shall, in the absence of proof to the contrary, be presumed to have been manufactured by that process.

Section 160: Acts of Infringement

a. This Section provides the definition of infringement. The provision is made subject to Sections 136(1) to (3), 137, 153(1) and 156(1) because, on the one hand, any act covered by Section 136(1) to (3) (which limits the rights under the patent) obviously cannot

constitute infringement and, on the other hand, any act performed without the agreement of the owner of the patent but by virtue of rights derived from prior manufacture or use (Section 137), a non-voluntary license (Section 153(1)) or authorization granted in the public interest (Section 156(1)) obviously cannot constitute an infringement either.

b. There will not be an infringement if the agreement of the owner of the patent is directly or even indirectly given to the person performing an act to which patent protection extends. If, for example, the owner of the patent has concluded a license contract expressly providing for the possibility of sublicenses and the licensee effectively concludes a sublicense contract, the sublicensee is considered as having received, for the purpose of Section 160, the agreement of the owner of the patent.

c. The scope of protection is determined by the claims (see Section 123(4)). Any act with respect to material appearing in a patent but which is not claimed in the patent does not constitute an infringement of that patent. Thus the act in question must fall within the scope of at least one claim of the patent in order to infringe that patent.

d. As far as the concept of "contributory infringement" is concerned, see paragraph *e* of the comments on Section 135.

Section 161: Infringement Proceedings

a. *Subsection (1)* establishes the basic right of the owner of the patent to enforce it by instituting legal proceedings against any person who has infringed the patent or who is infringing it or who is likely to infringe it. The justification for providing a legal remedy in case of imminent infringement is to prevent the violation of the patent rights before it has actually begun and damage is done that is difficult or even impossible to repair. A five-year statute of limitations on the institution of infringement proceedings is imposed, with the five-year period beginning to run from the act of infringement.

b. *Subsection (2)*: The burden is on the owner of the patent to prove infringement. However, in order to ascertain whether or not an infringement has taken place, the court may obtain expert assistance (see Section 109(2)). It can also request the advice of the Patent Office or designate Patent Office examiners as experts.

c. If the owner of the patent proves that infringement has occurred or is occurring, he is entitled to damages, which the court shall assess. The amount of damages may be calculated in different ways. One way would be to set damages at the amount of the financial loss suffered as a result of the infringement by the owner of the patent. Under another method of calculation, damages would be equivalent to the amount of profits gained by the defendant as a result of the infringement. Under still another method, damages would be awarded in the form of a reasonable payment corresponding to the infringing exploitation of the invention made by the defendant. In the absence of a law specifying how damages are to be determined, it is for the court to choose the appropriate method of calculation in the light of the plaintiff's demands.

d. If infringement (including imminent infringement) is proven, the court shall grant an injunction to prevent infringement from occurring in the future. (An alternative would be to leave it to the discretion of the court as to whether an injunction should be granted in view of the circumstances of the case.) The court also shall provide relief to the owner of the patent in the form of any other remedy provided for in the general law of the country, for instance the seizure and destruction of the infringing products or the tools used for the manufacture of those products.

e. *Subsection (3)* enables the defendant in the infringement proceedings to assert as a defense the invalidity of the patent concerned and have this issue litigated in the infringement proceedings. It should be noted that the plaintiff does not have the burden of proving the validity of the patent but that the defendant has the burden of proving the invalidity of the patent (see Section 158(2)).

f. Subsection (4) protects a “beneficiary,” which is defined in paragraph (a) as including any licensee (except in the case discussed in paragraph *k*, below) and the beneficiary of a non-voluntary license granted on the ground of non-working or insufficient working of the patented invention (Section 148), against inaction on the part of the owner of the patent by giving him the right to institute infringement proceedings in his own name, if the owner of the patent, after being called upon to do so by the beneficiary, does not do so within the specified period (paragraphs (b) and (c)).

g. This provision is particularly useful to a developing country where the beneficiary is a local enterprise and the owner of the patent a foreigner: in such a case, and especially in the case of an exclusive contractual license, it is the interests of the beneficiary rather than those of the owner of the patent that are directly threatened by an infringement, and there is a risk that the owner of the patent may take no action in order to avoid the cost and the complications of legal proceedings.

h. In his formal request to the owner of the patent, the beneficiary must specify not only the act of infringement against which he is requesting the latter to take action, but also the relief that he wishes to see granted, in other words, whether he wishes an injunction to prohibit the infringement (if it is imminent) or the continuation of the infringement (if it has already been committed), or damages, or another remedy.

i. Before being able to bring an infringement action in his own name, the beneficiary has to call upon the owner of the patent to do so himself, whereupon the latter has three months in which to decide. If the owner of the patent does not comply with the request, the beneficiary may bring the infringement action in his own name. Before doing so, however, the beneficiary must notify the owner of the patent of his intention, and the owner may join in the proceedings. Another possibility would be to make it mandatory for the owner of the patent to join in the proceedings, the cost of which would be shared in an equitable manner between the owner of the patent and the beneficiary as determined by the court. Still another alternative would be to provide that the owner of the patent is not just entitled or obliged to join in the proceedings instituted by the beneficiary but actually obliged to bring the infringement proceedings himself; the sanction for failure to comply with this obligation could be that, if the owner of the patent has not brought the action and the beneficiary has therefore had to bring it himself, the payments due under the license are reduced if the action is successful; there would be no sanction if the beneficiary was unsuccessful (the inaction of the owner of the patent being subsequently justified by the unsuccessful outcome of the action).

j. It could happen that the infringement causes the beneficiary very serious, perhaps even irreparable damage, during that three-month period that the beneficiary must wait before having the right to proceed in his own name. This is why the beneficiary is immediately allowed to request the grant of an injunction without awaiting the reply of the owner of the patent (paragraph (d)).

k. In the case of a contractual license, the parties may alter the operation of subsection (4) by the terms of the contract (see paragraph *f*, above). Thus, a licensee may be accorded the right to institute infringement proceedings without having to request the owner of the patent to do so, or, to the contrary, the licensee may be completely barred from instituting infringement proceedings.

Section 162: Declaration of Non-Infringement

a. The purpose of this Section is to avoid infringement proceedings in borderline cases. It is possible that a person's present or future activity may perhaps be an infringement, but that the person is not certain. In order to clarify the matter, he may avail himself of the procedure provided for in this Section. If the outcome is favorable to him, in other words, if the court's finding is that the performance of the act in question does not infringe the patent, the person may engage in (or continue) his activity without risk.

whereas he will discontinue (or forgo) the activity if the court's finding is unfavorable to him. Such a procedure is particularly useful to a developing country in that it allows local industry to be effectively protected. A feature that distinguishes the infringement action from the declaration of non-infringement is that the person who is the defendant in the former is the plaintiff in the latter.

b. Subsection (1): The procedure which is provided for is a judicial one. A possible alternative would be to give the Patent Office power to issue the declaration, with a right of appeal to the courts.

c. The request must be made by an "interested person," for instance, a person who is engaged in the manufacture of, or is planning to manufacture, a product and wishes to know whether that product is covered by the patent. In any given case, it will be for the court to determine whether a person is "interested" within the meaning of this provision (see paragraph *c* of the comments on Section 158).

d. Subsection (2) provides that the person making the request is entitled to the declaration if he proves that the act in question does not infringe any of the claims of the patent.

e. Subsection (3) imposes the same notice requirements on the patent owner and the person requesting the declaration of non-infringement as those imposed, within the framework of invalidation proceedings under Section 158(5)(a) and (b) and gives to the licensees and the beneficiaries of non-voluntary licenses granted on the ground of non-working or insufficient working of the patented invention (Section 148) the same right to join in the proceedings (see paragraph *k* of the comments on Section 158).

f. Subsection (4) provides that a declaration of non-infringement may not be sought if infringement proceedings under Section 161(1) are in progress. If such infringement proceedings are in progress, the question of whether the acts in question constitute infringement is to be considered solely in the context of the infringement proceedings. This thus prevents the bringing of a separate legal action where the same legal issue is already the subject of pending proceedings.

g. Subsection (5), however, permits a person instituting proceedings to invalidate a patent under Section 158(1) to request, at the same time, that the court grant a declaration of non-infringement with respect to specified acts, except where the invalidity of the patent has been raised as a defense under Section 161(3) to a charge of infringement under Section 161(1) (in that case, the rule provided by subsection (4) of Section 162 prevails).

Section 163: Threat of Infringement Proceedings

a. This Section establishes a legal action for the benefit of persons threatened with infringement proceedings. It has above all a dissuasive character and tends to avoid questionable practices in the form of unjustified pressure and to assure fair competition among enterprises, thus benefiting the economic development of the country.

b. Subsection (1): The action under Section 163 is to be instituted against the person making the threats. This person may be the owner of a domestic patent in force, but he may also be a person making the threats with respect to a domestic patent no longer in force or with respect to a foreign patent; indeed, he may not even be the owner of any patent and may never have been. A five-year statute of limitations on the institution of court proceedings against the person making the threats is imposed, with the five-year period beginning to run from the time that the threats are made.

c. Subsection (2): To obtain damages and an injunction to prohibit any future threats, the instituting person must prove that he has been threatened by an infringement action (for example, by producing a threatening letter from the defendant), that he has suffered financial losses due to the threats (for example, a disruption of his industrial operations as a consequence of the threats), and, finally, that the acts that he has performed, is

performing or is going to perform do not constitute a patent infringement. If the instituting person proves that the patent which the defendant alleges to be infringed is only an expired patent or a foreign patent, the proof of non-infringement is thus made. If, on the other hand, the allegedly infringed patent is a domestic patent in force, the instituting person must prove non-infringement in the same manner as in an action for a declaration of non-infringement under Section 162.

d. Subsection (3): Section 163, having as its sole objective to combat abuses, does not deprive the owner of a domestic patent in force of any right, since the owner of such a patent has always the possibility not only of effectively instituting infringement proceedings, but also of giving notice that he is the owner of such a patent and calling to the attention the legal consequences of an infringement. If the person thus notified refuses to take account of this notice, the owner may, of course, warn him that he intends to proceed with an infringement action. However, the owner runs the risk, if he does not follow through on his warning, of having an action instituted against him under Section 163.

Section 164: Offenses

a. The usefulness of providing for criminal sanctions lies in the fact that infringement of patents affects the public interest also, and that such sanctions may be the only means of stopping it that has any practical effectiveness.

b. This Section contains only some basic rules (for instance the application of criminal sanctions only where the person performing the act knows that it is an infringement and provisions for a five-year statute of limitations on the institution of criminal proceedings (subsection (1)). The question of the term of imprisonment and the amount of the fine (subsection (2)) will have to be settled in each country according to its own penal system. This means that the Section will particularly have to be harmonized with the penal system of the country concerned. It is possible that in some countries, in which the criminal laws are devised in broad enough terms to be applied also to patent infringements, it will be sufficient to replace this Section with a simple statement to the effect that patent infringements are to be dealt with in accordance with the provisions of the criminal code. Some of the provisions of this Section could be of interest, however, even in such a country, inasmuch as they introduce a special system as compared with the general rules of law (see for instance the definition and consequences of repetition of the offense as set forth in subsection (3)).

REGULATIONS FOR THE MODEL LAW

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PART I: PATENTS

RULES UNDER CHAPTER I: GENERAL PROVISIONS; PATENT OFFICE

[There are no rules under Sections 101, 102, 103, 108, 109, 110 and 111.]

Rule 104: Patent Information Services

Outline: This rule would specify the collection of foreign patent documents which the Patent Office is required to maintain for the purposes of the patent documentation center set up under Section 104(2). This rule would furthermore fix the amount of the fee referred to in Section 104(4).

Rule 105: Recordings in Patent Register

105.1 Recording of Patents

(a) The recording of a granted patent shall be effected by insertion in the Patent Register of a copy of the patent.

(b) Patents shall be recorded in the order of grant.

105.2 Other Recordings

Any recording other than that of the patent itself shall be effected by recording, under the appropriate heading of a page of the Patent Register reserved for each patent, the fact or instrument to be recorded.

Rule 105bis: Consultation of and Extracts from Patent Register

105bis.1 Consultation

The consultation of the Patent Register shall be free of charge.

105bis.2 Extracts

The fee payable for an extract from the Patent Register shall be [...] per page.

Rule 106: Gazette

Outline: This rule would determine the periodicity of the Gazette, which should depend upon the number of publications to be effected, and would delegate to the Administrative Instructions referred to in Section 111 the authority to fix the subscription and other sale prices of the Gazette, its format and all other details relating to the Gazette.

Rule 107: Inspection of Files

Outline: This rule would state that certain documents are not to be considered part of the files to be open for inspection; such documents would, in particular, include draft decisions and opinions and other documents used for the preparation of decisions, the designation of the inventor, if he has waived his right to be named as inventor under Section 122, and any other document excluded from the file by the Director of the Patent Office on the ground that inspection of that document would not convey to the public the kind of information which it needs and to which it is entitled. This rule would furthermore indicate the details of the procedure of inspection, which may be either by consultation on the premises of the Patent Office or by the communication, by the Patent Office, upon request, of information concerning any file which is open for inspection. Finally, this rule would provide that the inspection of the files on the premises of the Patent Office is free of charge and would fix the amount of the fees payable for the communication of information and for the preparation of extracts; the amount of the fees should be fixed in a manner to cover the effective costs incurred by the Patent Office.

RULES UNDER CHAPTER II: PATENTABILITY

[There are no rules under Sections 112, 113, 114, 116, 117 and 118.]

Rule 115: Inventive Step

115.1 Approach to Prior Art

For the purposes of the evaluation of inventive step, the relation of any particular claim to the prior art as a whole shall be taken into consideration. The claim's relation not only to each element of the prior art or to each part thereof shall be taken into consideration but also, where combinations of elements of the prior art or of parts of such elements are obvious to a person having ordinary skill in the art, the claim's relation to such combinations.

RULES UNDER CHAPTER III: RIGHT TO PATENT; NAMING OF INVENTOR

[There are no rules under Sections 119, 120 and 121.]

Rule 122: Naming of Inventor

122.1 Declaration of Inventor

(a) The inventor may address the declaration referred to in Section 122 to the Patent Office at any time during the pendency of the application.

(b) If there are joint inventors, paragraph (a) shall apply to each of them.

**RULES UNDER CHAPTER IV:
PATENT APPLICATION;
EXAMINATION OF APPLICATION; GRANT OF PATENT**

[There are no rules under Section 133.]

Rule 123: Form of Request

123.1 Printed Form

The request shall be made on a printed form.

123.2 Availability of Forms

Copies of the printed form shall be furnished free of charge by the Patent Office.

123.3 Check List

(a) The printed form shall contain a list which, when filled in, will show:

(i) the total number of sheets constituting the application and the number of the sheets of each element of the application (request, description, claims, drawings, abstract);

(ii) whether or not the application as filed is accompanied by a power of attorney, a priority document, a receipt for the fee paid or a check for the payment of the fee, a statement justifying the applicant's right to the patent and any other document (to be specified in the check list);

(iii) the number of the most illustrative drawing which the applicant suggests should accompany the abstract when the abstract is published.

(b) The list shall be filled in by the applicant, failing which the Patent Office shall fill it in and make the necessary annotations.

Rule 123bis: Contents of Request

123bis.1 Contents

(a) The request shall contain:

(i) a petition, which shall appear on the printed form;

(ii) the title of the invention;

(iii) indications concerning the applicant and the agent, if there is an agent;

(iv) information concerning the inventor, in accordance with Rule 123bis.5.

(b) The request shall be signed.

123bis.2 Title of Invention

The title of the invention shall be short (preferably from two to seven words) and precise.

123bis.3 Names and Addresses

(a) Names of natural persons shall be indicated by the person's family name and given name(s), the family name being indicated before the given name(s).

(b) Names of legal entities shall be indicated by their full, official designations.

(c) Addresses shall be indicated in such a way as to satisfy the customary requirements for prompt postal delivery at the indicated address and, in any case, shall consist of all the relevant administrative units up to, and including, the house number, if any. It is recommended to indicate any telegraphic and teleprinter address and telephone number.

(d) For each applicant, inventor, or agent, only one address may be indicated.

123bis.4 Applicant

(a) The request shall indicate the name, address, nationality and residence of the applicant or, if there are several applicants, of each of them.

(b) The applicant's nationality shall be indicated by the name of the State of which he is a national.

(c) The applicant's residence shall be indicated by the name of the State of which he is a resident.

123bis.5 Inventor

(a) Where the applicant is the inventor, the request shall contain a statement to that effect.

(b) Where the applicant is not the inventor, the request shall:

(i) state the name and address of the inventor;

(ii) be accompanied by a statement specifying the basis of the applicant's right to the patent; such statement shall be furnished in a sufficient number of copies to enable the Patent Office and the inventor or each joint inventor to have a copy thereof.

(c) Where there are joint inventors, paragraphs (a) and (b) shall apply to each joint inventor.

123bis.6 No Additional Matter

(a) The request shall contain no matter other than that specified in Rules 123bis.1 to 123bis.5 and 123ter.

(b) If the request contains matter other than that specified in Rules 123bis.1 to 123bis.5, and 123ter, the Patent Office shall ex officio delete the additional matter.

Rule 123ter: Representation

123ter.1 Representation

(a) If the applicant is represented by an agent, the request shall so indicate, and shall state the name and address of the agent.

(b) The appointment of the agent may be made in the request or in a power of attorney furnished at the latest two months after the appointment has been communicated to the Patent Office. If the power is not furnished within that time limit, any procedural steps other than the filing of the application taken by the agent shall be deemed not to have been taken.

(c) The appointment of the agent in the request or in the power of attorney shall be signed by the applicant.

(d) If there is more than one applicant and the request does not refer to an agent representing all the applicants ("a common agent"), the request shall designate one of the applicants as their common representative.

(e) If there is more than one applicant and the request does not refer to an agent representing all the applicants and it does not comply with the requirement of designating one of the applicants as provided in paragraph (d), the applicant first named in the request shall be considered the common representative.

Rule 123^{quater} : Description

123^{quater}.1 Manner of Description

(a) The description shall first state the title of the invention as appearing in the request and shall:

- (i) specify the technical field to which the invention relates;
- (ii) indicate the background art which, as far as known to the applicant, can be regarded as useful for the understanding, searching and examination of the invention, and, preferably, cite the documents reflecting such art;
- (iii) disclose the invention in such terms that it can be understood, and state its advantageous effects, if any, with reference to the background art;
- (iv) briefly describe the figures in the drawings, if any;
- (v) set forth at least the best mode contemplated by the applicant for carrying out the invention; this shall be done in terms of examples, where appropriate, and with reference to the drawings, if any;
- (vi) indicate explicitly, when it is not obvious from the description or nature of the invention, the way in which the invention is industrially applicable and the way in which it can be made and used, or, if it can only be used, the way in which it can be used.

(b) The manner and order specified in paragraph (a) shall be followed except when, because of the nature of the invention, a different manner or a different order would result in a better understanding and a more economic presentation.

Rule 123^{quinqies}: Claims

123^{quinqies}.1 Number and Numbering of Claims

(a) The number of the claims shall be reasonable in consideration of the nature of the invention.

(b) If there are several claims, they shall be numbered consecutively in arabic numerals.

123^{quinqies}.2 References to Other Parts of Application

(a) Claims shall not, except where absolutely necessary, rely, in respect of the technical features of the invention, on references to the description or drawings. In particular, they shall not rely on such references as: "as described in part ... of the description," or "as illustrated in figure ... of the drawings."

(b) Where the application contains drawings, the technical features mentioned in the claims shall preferably be followed by the reference signs relating to such features. When used, the reference signs shall preferably be placed between parentheses. If inclusion of reference signs does not particularly facilitate quicker understanding of a claim, it should not be made.

123^{quinqies}.3 Manner of Claiming

(a) The definition of the invention shall be in terms of the technical features of the invention.

(b) Whenever appropriate, claims shall contain:

(i) a statement indicating those technical features of the invention which are necessary for the definition of the latter but which, in combination, are part of the prior art;

(ii) a characterizing portion—preceded by the words "characterized in that," "characterized by," "wherein the improvement comprises," or any other words to the same effect—stating concisely the technical features which, in combination with the features stated under (i), it is desired to protect.

123quinquies.4 Dependent Claims

(a) Any claim which includes all the features of one or more other claims (claim in dependent form, hereinafter referred to as "dependent claim") shall do so by a reference, if possible at the beginning, to the other claim or claims and shall then state the additional features claimed. Any dependent claim which refers to more than one other claim ("multiple dependent claim") shall refer to such claims in the alternative only. Multiple dependent claims shall not serve as a basis for any other multiple dependent claim.

(b) Any dependent claim shall be construed as including all the limitations contained in the claim to which it refers or, if the dependent claim is a multiple dependent claim, all the limitations contained in the particular claim in relation to which it is considered.

(c) All dependent claims referring back to a single previous claim, as well as all dependent claims referring back to several previous claims, shall be grouped together to the extent and in the most practical way possible.

Rule 123sexies: Drawings**123series.1 Flow Sheets and Diagrams**

Flow sheets and diagrams are considered drawings.

Rule 123septies: Abstract**123septies.1 Contents and Form of Abstract**

(a) The abstract shall consist of the following:

(i) a summary of the disclosure as contained in the description, the claims, and any drawings, the summary shall indicate the technical field to which the invention pertains and shall be drafted in a way which allows the clear understanding of the technical problem, the gist of the solution of that problem through the invention, and the principal use or uses of the invention;

(ii) where applicable, the chemical formula which, among all the formulae contained in the application, best characterizes the invention.

(b) The abstract shall be as concise as the disclosure permits (preferably 50 to 150 words).

(c) The abstract shall not contain statements on the alleged merits or value of the invention or on its speculative application.

(d) Each main technical feature mentioned in the abstract and illustrated by a drawing in the application shall be followed by a reference sign, placed between parentheses.

(e) The abstract shall be accompanied by the most illustrative of any drawings furnished by the applicant.

123septies.2 Guiding Principles in Drafting

The abstract shall be so drafted that it can efficiently serve as a scanning tool for purposes of searching in the particular art.

Rule 123octies: Expressions, Etc., Not To Be Used**123octies.1 Definition**

The application shall not contain:

- (i) expressions or drawings contrary to morality;
- (ii) expressions or drawings contrary to public order;
- (iii) statements disparaging the products or processes of any particular person other than the applicant, or the merits or validity of applications or patents of any such person (mere comparisons with the prior art shall not be considered disparaging *per se*);
- (iv) any statement or other matter obviously irrelevant or unnecessary under the circumstances.

Rule 123novies: Terminology and Signs**123novies.1 Terminology and Signs**

(a) Units of weights and measures shall be expressed in terms of the metric system, or also expressed in such terms if first expressed in terms of a different system.

(b) Temperatures shall be expressed in degrees centigrade, or also expressed in degrees centigrade if first expressed in a different manner.

(c) Density shall be expressed in metric units.

(d) For indications of heat, energy, light, sound, and magnetism, as well as for mathematical formulae and electrical units, the rules of international practice shall be observed; for chemical formulae, the symbols, atomic weights, and molecular formulae, in general use, shall be employed.

(e) In general, only such technical terms, signs and symbols should be used as are generally accepted in the art.

123novies.2 Consistency

The terminology and the signs shall be consistent throughout the application.

Rule 123decies: Physical Requirements of Application

Outline: This rule would have to cover such questions as the number of copies of the application, its language, fitness for reproduction, the paper to be used, the sheets in the application, the margins and drawings. Rule 11 of the Regulations under the PCT could be used as a model.

Rule 124: Application Fee**124.1 Application Fee**

The application fee shall be [...].

Rule 125: Unity of Invention

125.1 Claims of Different Categories

Section 125 shall be construed as permitting, in particular, either of the following two possibilities:

(i) in addition to an independent claim for a given product, the inclusion in the same application of one independent claim for one process specially adapted for the manufacture of the said product, and the inclusion in the same application of one independent claim for one use of the said product; or

(ii) in addition to an independent claim for a given process, the inclusion in the same application of one independent claim for one apparatus or means specifically designed for carrying out the said process.

125.2 Claims of One and the Same Category

Subject to Section 125, it shall be permitted to include in the same application two or more independent claims of the same category which cannot readily be covered by a single generic claim.

125.3 Dependent Claims

Subject to Section 125, it shall be permitted to include in the same application a reasonable number of dependent claims, claiming specific forms of the invention claimed in an independent claim, even where the features of any dependent claim could be considered as constituting in themselves an invention.

Rule 126: Divisional Applications

126.1 Reference to Initial Application

Any divisional application shall contain a reference to the initial application.

126.2 Priority

(a) If the applicant wishes a divisional application to benefit from any priority claimed for the initial application, the divisional application must contain a request to that effect. In such a case, the declaration of priority and the documents furnished in accordance with Rule 127 for the initial application shall be deemed to relate also to the divisional application.

(b) Where the priorities of two or more earlier applications were claimed for the initial application, a divisional application may benefit only from the priority or priorities that are applicable to it.

Rule 127: Declaration of Priority

127.1 Contents of Declaration

(a) The declaration referred to in Section 127(1) shall indicate:

(i) the date of the earlier application;

(ii) the number of the earlier application, subject to paragraph (b);

(iii) the symbol of the International Patent Classification which has been allocated to the earlier application, subject to paragraph (c);

(iv) the name of the State in which the earlier application was filed or, where the earlier application is a regional or an international application, the name of the State or States for which it was filed;

(v) where the earlier application is a regional or an international application, the Office with which it was filed.

(b) Where, at the time of filing the declaration referred to in paragraph (a), the number of the earlier application is not known, that number shall be furnished within three months from the date on which the application containing the declaration was filed.

(c) Where a symbol of the International Patent Classification has not been allocated to the earlier application, or had not yet been allocated at the time of filing the declaration referred to in paragraph (a), the applicant shall state this fact in the said declaration. The Patent Office may invite the applicant to furnish proof of such statement within three months from its invitation.

127.2 Amendment of Declaration

The applicant may, at any time before the grant of the patent, amend the contents of the declaration referred to in Section 127(1).

Rule 127bis: Copy and Translation of Earlier Application

127bis.1 Copy of Earlier Application

(a) Where Section 127(2) applies, the period for furnishing the certified copy of the earlier application shall be three months from the date of the Patent Office's request.

(b) Where the copy referred to in paragraph (a) has already been furnished for another application, the applicant may respond to the Patent Office by making a reference to that other application.

127bis.2 Translation of Earlier Application

Where the earlier application is in a different language from that of the application, the Patent Office may require the applicant, within three months from the date of the Patent Office's request, to furnish it with a translation of the earlier application into the language of the application, unless such a translation has already been furnished for another application.

Rule 127ter: Multiple Priorities

127ter.1 Application of Rules 127 and 127bis

Rules 127 and 127bis shall apply where the priorities of two or more earlier applications are claimed. However, the indications relating to those earlier applications may be included in a single declaration.

Rule 127quater: Requirements Not Fulfilled

Outline: This rule could contain two provisions. The first provision, which would deal with the invitation to correct according to Section 127(4), would fix the time limit for filing the correction; in response to a reasoned request, the Patent Office would be able to grant an extension of the time limit. The second provision would specify that the applicant must, where applicable, be informed in writing of the grounds upon which the Patent Office decided that the claim of priority should be considered as not having been made.

Rule 128: Information Concerning Corresponding Foreign Applications and Patents or Other Titles of Protection

Outline: This rule should deal with the time limits for complying with the requests referred to in subsections (1), (2) and (3) of Section 128. These time limits should not be directly specified in Rule 128, which should only give a minimum and a maximum (from two to six months, for instance); the Patent Office would fix the time limit according to the circumstances of each case and, in response to a reasoned request, would be able to grant an extension of the time limit. In addition, should the applicant reply that the required documents are not yet available, Rule 128 should give the Patent Office the possibility of suspending the procedure for the examination of the application until such time as the documents are furnished.

Rule 129: Withdrawal of Application

129.1 Withdrawal of Application

- (a) Withdrawal of the application shall be effected by a written declaration addressed to the Patent Office.
- (b) The application fee shall not be refunded in the case of withdrawal of the application.

Rule 130: Filing Date

Outline: This rule could contain four provisions. The first would require the Patent Office, on receiving an application, to mark the date of actual receipt and a number on the request and on each sheet received; where sheets are received on different dates, where corrections are made, or where missing drawings are furnished, the Patent Office would correct the date marked on the request (but in such a way that the date or dates marked earlier remain legible), indicating the most recent date except in the case of the abstract (where the date marked on the request would not be changed); the Patent Office would promptly examine whether the application meets the requirements of Section 130(1)(a). The second provision would deal with the invitation to correct (Section 130(1)(b)), which must be sent to the applicant promptly; the Patent Office would fix a time limit for the filing of the correction, which must not be less than ten days or more than one month from the date of the invitation; in response to a reasoned request, the Patent Office would be able to grant an extension of the time limit; if the application does not contain the necessary information to send the applicant the invitation to make corrections, for example, the name and address of the applicant or the agent are missing, the Patent Office would place this invitation in the file of the application. The third provision would specify that, if the Patent Office has decided to treat the application as if it had not been filed, the applicant must be informed in writing of the reasons. The fourth provision would state that, once a filing date has been accorded to the application, the Patent Office would send the applicant a certificate of filing in the form of a copy of the request, with the date and the number of the filing marked on it.

Rule 130bis: Examination as to Form

Outline: This rule could contain three provisions. The first provision would deal with the invitation to correct (Section 130(3)(b)), which must be sent to the applicant as soon as possible; the Patent Office would fix a time limit for the filing of the correction, which must not be less than one month and, save in exceptional cases, more than two months

from the date of the invitation; in response to a reasoned request, the Patent Office would be able to grant an extension of the time limit. The second provision would specify that rejection of the application under Section 130(3)(b) would not affect the filing date, which would remain valid. The third provision would fix the amount of the fee payable by the applicant where he does not furnish an abstract, would provide for the refund of the fee if the Patent Office does not prepare an abstract (because the application has been withdrawn or rejected in the meantime), and would fix a time limit (of one month, for instance) for the payment of the fee: in response to a reasoned request, the Patent Office would be able to grant an extension of the time limit.

Rule 131: Examination as to Substance

Outline: This rule would provide that the Patent Office would allow the applicant a time limit within which to comply with the invitation under Section 131(2); this time limit must be reasonable in the circumstances, and be between one and three months from the date of the invitation; in response to a reasoned request, the Patent Office would be able to grant an extension of the time limit.

Rule 132: Publication of Reference to Grant of Patent

Outline: This rule would specify the contents of the publication of the reference to the grant of the patent in the Gazette, namely: the number of the patent; the name and address of the owner of the patent; the name and address of the inventor, except where he has asked not to be named in the patent; the name and address of the agent, if any; the filing date of the application; if priority has been claimed and the claim has been accepted, a statement of that priority, the priority date and the name of the country or countries in which or for which the earlier application was filed; the date of the grant of the patent; if a person alleging that the right to the patent belongs to him has informed the Patent Office that he has brought an action against the applicant under Section 121 and if the Patent Office has not in the meantime received a copy of the final judgment on that action, a statement that an action is in progress between that person and the applicant on the date of the grant of the patent; the title of the invention; the abstract; if there are drawings, the most illustrative drawing; the symbol of the International Patent Classification. It should be noted that the description, the claims and the drawings, if any, other than the most illustrative one, are not published in the Gazette.

Rule 132bis: Certificate of Grant

Outline: This rule would specify the contents of the certificate of grant referred to in Section 132(2)(ii), namely: the number of the patent; the name and address of the owner of the patent; the filing date and priority date, if any, of the application; the date of the grant of the patent; the title of the invention. The certificate would be signed by the Director of the Patent Office.

Rule 132ter: Contents of Patent

Outline: This rule would specify the contents of the patent, which would be the same as the publication under Rule 132, except that the patent would contain the description, the claims and all the drawings, if any.

Rule 132^{quater}: Fee to Obtain Copy of Patent

Outline: This rule would fix the amount of the fee to obtain a copy of the patent in accordance with Section 132(2)(iv). The amount of this fee should not depend on the number of pages of the patent.

**RULES UNDER CHAPTER V:
RIGHTS AND OBLIGATIONS OF APPLICANT OR OWNER OF PATENT**

[There are no rules under Chapter V (Sections 134 to 137).]

**RULES UNDER CHAPTER VI:
DURATION OF PATENT AND ANNUAL FEES****Rule 138: Duration of Patent and Extension**

Outline: This rule could contain three provisions. The first provision would lay down the formal requirements of the request for extension and would fix the amount of the relevant fee. The second provision would require the Patent Office to decide on the request within a period of six months after it has been filed and would stipulate that the patent is to be deemed to have been extended as long as no negative decision is taken by the Patent Office and that the patent is automatically extended for five years if no decision is taken on expiration of the six-month period. The third provision would indicate the data which must be recorded in the Patent Register and those which must be published in the Gazette in case of an extension of the duration of the patent.

Rule 139: Annual Fees

Outline: This rule could contain four provisions. The first provision would fix the amounts of the annual fees, which would progressively increase in amount with the number of years. The second provision would fix the amount of the surcharge to be paid if the annual fee is paid during the six-month period of grace. The third provision would indicate the data which must be recorded in the Patent Register and those which must be published in the Gazette in case of the lapse of the patent for non-payment of an annual fee. The fourth provision would state that annual fees are not refundable.

**RULES UNDER CHAPTER VII:
CHANGE IN OWNERSHIP AND JOINT OWNERSHIP
OF PATENT APPLICATION OR PATENT**

[There are no rules under Section 141.]

Rule 140: Change in Ownership of Patent Application or Patent

Outline: This rule would state that the recording may be requested by the former owner, by the new owner or jointly by both. The request for recording must be signed and indicate the number of the patent application or the patent, the name of the former owner and the name, address, nationality and residence of the new owner, these indications relating to the new owner being given in accordance with the requirements of Rules 123*bis*.3 and 4. The request for recording must be accompanied by documents proving to the satisfaction of the Patent Office the change of ownership; these documents will be kept confidential. The amount of the fee referred to in Section 140(2) would be fixed. The Patent Office would refuse to record the change of ownership if the conditions prescribed above are not fulfilled or if the fee is not paid. If the change of ownership relates to a patent application, the Patent Office would process the recording by replacing in the request referred to in Section 123(2)(a) the information relative to the former applicant by the above indicated information relative to the new applicant. If the change of ownership relates to a patent, the Patent Office would record in the Patent Register the name and address of the new owner as well as the date of the recording. The Patent Office would issue a certificate of recording to the new owner indicating the number of the patent application or patent, the name of the former owner, the name of the new owner, the date of the request for recording and the date of the recording: a copy of this certificate would be inserted in the file of the patent application or the patent. Finally, if the change of ownership relates to a patent, the Patent Office would publish in the Gazette the data appearing on the certificate of recording. It should be noted that this rule, in the case of the adoption of Part III* of the Model Law (Examination and Registration of Contracts), could be simplified as far as it relates to changes of ownership by assignment contracts: it may be limited to imposing on the Patent Office the obligation to insert in the file of the patent application or to record in the Patent Register, as the case may be, a reference to the registration effected in the Contracts Register established under Part III* and of issuing to the new owner a corresponding certificate, of which one copy would be inserted in the file of the patent application or the patent, these operations not being subject to the payment of a fee.

**RULES UNDER CHAPTER VIII:
CONTRACTUAL LICENSES**

[There are no rules under Sections 142, 144, 145 and 146.]

Rule 143: Recording of License Contracts

Outline: This rule, which is meaningful only if Part III* of the Model Law (Examination and Registration of Contracts) is not adopted, would state that the recording may be requested by the licensor, by the licensee or jointly by both. The request for recording must be signed and indicate the number of the patent application or the patent as well as the names and addresses of the parties to the contract. The amount of the fee referred to in Section 143(2) would be fixed. The Patent Office would refuse to effect the recording if the conditions prescribed above are not fulfilled or if the fee is not paid. If the license contract covers a patent application, the Patent Office would process the recording by inserting in the file of the application a reference to the fact that a license contract has been concluded, including the names of the parties, this reference being recorded in the

* Not yet published.

Patent Register after the grant of the patent. If the license contract covers a patent, the Patent Office would record in the Patent Register a similar reference, which would also include the date of recording. The Patent Office would issue to both parties a certificate of recording indicating the date of recording.

RULES UNDER CHAPTER IX: NON-VOLUNTARY LICENSES

[There are no rules under Sections 147, 148, 149 and 153.]

Rule 150: Form of Request

150.1 Printed Form

The request shall be made on a printed form.

150.2 Availability of Forms

Copies of the printed form shall be furnished free of charge by the Patent Office.

Rule 150bis: Contents of Request

150bis.1 Contents

- (a) The request shall contain:
 - (i) a petition, which shall appear on the printed form;
 - (ii) the number of the patent in respect of which a non-voluntary license is requested as well as, if the request is made under Section 149, the number of the patent owned by the requesting party;
 - (iii) indications concerning the requesting party;
 - (iv) a statement of the grounds, in accordance with Rule 150ter;
 - (v) an indication of the plan according to which the requesting person intends to work the patented invention, including, if the request is made under Section 148, evidence that the requesting party has the ability to work the patented invention in the country.
- (b) The request shall be signed.

150bis.2 Requesting Person

- (a) The request shall indicate the name, address, nationality and residence of the requesting person.
- (b) Rule 123bis.3 shall apply to the indication of the name and address of the requesting person.
- (c) The nationality of the requesting person shall be indicated by the name of the State of which he is a national.
- (d) The residence of the requesting person shall be indicated by the name of the State in which he has his residence.

Rule 150ter: Grounds**150ter.1 Grounds**

The grounds on which the request is based shall be indicated by a reference to the provision that the requesting person considers to be applicable (Section 148, Section 149(1) or Section 149(2)) and by reference to the facts that the requesting person considers as justifying the grant of a non-voluntary license.

Rule 150quater: Fee**150quater.1 Fee**

The fee referred to in Section 150(4) shall be [...].

Rule 151: Time Limits to be Observed by Parties**151.1 Time Limit for Correction of Request**

Where the last sentence of Section 151(1) applies, the Patent Office shall allow the requesting person a time limit of one month for the correction of the request.

151.2 Time Limit for Submission of Observations

The Patent Office shall allow the owner of the patent and anyone referred to in Section 151(2)(c) a time limit of three months in which to submit their observations in writing on the request and the evidence accompanying it. Anyone referred to in Section 151(2)(b) must present his observations in writing within the same time limit.

151.3 Time Limit for Agreement

Where the parties request an adjournment of the hearing referred to in Section 151(2)(e) in order that they may seek an agreement, the Patent Office shall allow a maximum time limit of one month for the purpose, on expiration of which the hearing shall be resumed.

151.4 Extension of Time Limits

Upon reasoned request, the Patent Office may grant an extension of any time limit referred to in Rules 151.1, 151.2 and 151.3.

Rule 151bis: Recording and Publication of Decision of Patent Office

Outline: This rule would specify the contents of the recording of the decision of the Patent Office (Section 151(2)(f)), namely: the date and the nature of the decision (grant or refusal), the name and address of the beneficiary of the non-voluntary license (or of the requesting person in the case of a decision refusing the grant), the applicable provision under which the license is granted (or was requested) and the date on which the request was filed. In addition, this rule would specify the contents of the publication in the Gazette of the decision of the Patent Office, which would be the same as that of the recording, but adding the title of the patented invention, the number and date of the grant of the patent in question and, in case of a decision to grant, the elements referred to in Section 151(3).

Rule 151ter: Time Limits to be Observed by Patent Office

151ter.1 Time Limits to be Observed by Patent Office

The Patent Office shall take the actions mentioned below preferably within the following time limits:

- (i) rejection of the request or notification of the request and the accompanying evidence with the invitation to submit observations: three months from the filing of the request;
- (ii) notification of observations to the requesting person and convening of the hearing: six months from the filing of the request;
- (iii) taking of the decision, if not taken at the end of the hearing: one month from the end of the hearing;
- (iv) recording, publication and notification of the decision: one month from the end of the hearing, if the decision is taken at the end of it, or two months from the end of the hearing, if it is not.

Rule 152: Appeals

Outline: This rule could contain two provisions. The first provision would specify the contents of the recording of the Minister's decision (Section 152(1)(c)) and the contents of the publication of that decision in the Gazette. The second provision would specify the contents of the recording of the court's decision (Section 152(2)(b)) and the contents of the publication of that decision in the Gazette.

Rule 154: Transfer of Non-Voluntary License

154.1 Request for Authorization

The request for authorization shall be accompanied by proof of the transfer of the establishment or of the part of the establishment where the patented invention is worked.

154.2 Consultation

When the Patent Office is in possession of the request for authorization accompanied by the required proof, it shall notify the owner of the patent and any person referred to in Section 151(4) thereof and shall invite them to submit their observations in writing within one month from the notification. Upon reasoned request, the Patent Office may grant an extension of that time limit.

154.3 Recording and Publication of Decision of Patent Office

Outline: This rule would specify the contents of the recording of the decision of the Patent Office (Section 154(2)(d)) and the contents of the publication of that decision in the Gazette.

154.4 Recording and Publication of Decision of Minister

Outline: This rule would specify the contents of the recording of the Minister's decision (Section 154(2)(f)) and the contents of the publication of that decision in the Gazette.

Rule 155: Amendment and Cancellation of Non-Voluntary License**155.I Amendment and Cancellation of Non-Voluntary License**

Rules 150, 150*bis*, 150*ter*, 150*quater*, 151, 151*bis*, 151*ter* and 152 shall apply by analogy to the amendment or the cancellation of a non-voluntary license.

Rule 155*bis*: Surrender of Non-Voluntary License

Outline: This rule would specify the contents of the recording of the surrender of a non-voluntary license (Section 155(4)) and the contents of the publication of that surrender in the Gazette.

**RULES UNDER CHAPTER X:
EXPLOITATION BY GOVERNMENT OR BY
THIRD PERSONS AUTHORIZED BY GOVERNMENT****Rule 156: Exploitation by Government or by Third Persons Authorized by Government**

Outline: This rule could contain three provisions. The first provision would specify the contents of the recording of the Minister's decision (Section 156(3)(a)) and the contents of the publication of that decision in the Gazette. The second provision would specify the contents of the recording of the decision of the Patent Office (Section 156(3)(b)) and the contents of the publication of that decision in the Gazette. The third provision would specify the contents of the recording of the court's decision (Section 156(4)(c)) and the contents of the publication of that decision in the Gazette.

**RULES UNDER CHAPTER XI:
SURRENDER AND INVALIDATION**

[There are no rules under Section 158.]

Rule 157: Recording and Publication of Surrender of Patent

Outline: This rule would specify the contents of the recording of the surrender of a patent and the contents of the publication of that surrender in the Gazette.

Rule 159: Recording and Publication of Invalidation of Patent

Outline: This rule would specify the contents of the recording of the invalidation of a patent and the contents of the publication of that invalidation in the Gazette.

**RULES UNDER CHAPTER XII:
INFRINGEMENT**

[There are no rules under Chapter XII (Sections 160 to 164).]

**LIST OF THE EXPERTS AND OTHER PARTICIPANTS IN
THE WORKING GROUP REFERRED TO IN THE INTRODUCTION**

LIST OF THE EXPERTS AND OTHER PARTICIPANTS IN THE WORKING GROUP REFERRED TO IN THE INTRODUCTION*

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* It is to be understood that the appearance in the present list of any expert or other participant does not imply that all the elements of the Model Law necessarily reflect his or her views.

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III

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