

Industrial Property

Monthly Review of the International Bureau
for the Protection of Industrial Property
Geneva

2nd Year

No. 5

May 1963

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INTERNATIONAL UNION

BELGIUM

Ratification

of the Arrangement of Madrid for the International
Registration of Trade Marks (Nice Text)

Supplementary Declaration of 5th October, 1962

On 29th April, 1963, the following communication has been received from the Swiss Federal Political Department:

(Translation)

"The Belgian Embassy presents its compliments to the Federal Political Department and refers to the Note which it addressed to the Department on 14th September, 1962, with regard to the ratification by Belgium, on 8th March, 1962, of the Arrangement of Madrid concerning the International Registration of Trade Marks, as revised at Nice on 15th June, 1957.

On the instructions of its Government, it has the honour to notify the following declaration:

'In application of Article 3^{bis} of the Arrangement of Madrid, as revised at Nice on 15th June, 1957, it is declared that the protection resulting from an international registration shall only extend to the territory of the Kingdom of Belgium if the proprietor of the mark expressly demands it.'

The Belgian Embassy will be grateful if the Federal Political Department would communicate this declaration to the countries concerned."

TANGANYIKA

Adhesion

of the Republic of Tanganyika to the Convention of Paris
for the Protection of Industrial Property (Lisbon Text)

The following communication has been received from the Swiss Federal Political Department:

(Translation)

"In compliance with the instructions of the Swiss Federal Political Department dated 16th May, 1963, the Swiss Embassy has the honour to inform the Ministry of Foreign Affairs that its Government has received on 2nd April, 1963, the instrument of adhesion of the Republic of Tanganyika to the Convention of Paris for the Protection of Industrial Property of 20th March, 1883, as last revised at Lisbon on 31st October, 1958.

In application of Article 16 (3) of the said Convention, the adhesion of Tanganyika will take effect on 16th June, 1963.

With regard to its contribution to the common expenses of the International Bureau of the Union, this State is placed, at its request, in the Sixth Class, in accordance with Article 13 (8) and (9) of the Convention of Paris as revised at Lisbon."

RHODESIA AND NYASALAND

Ratification

by the Federation of Rhodesia and Nyasaland of the Convention
of Paris for the Protection of Industrial Property (Lisbon Text)

The following communication has been received from the Swiss Federal Political Department:

(Translation)

"In compliance with the instructions of the Swiss Federal Political Department dated 16th May, 1963, the Swiss Embassy has the honour to inform the Ministry of Foreign Affairs that the instrument of ratification of the Federation of Rhodesia and Nyasaland to the Convention of Paris for the Protection of Industrial Property of 20th March, 1883, as last revised at Lisbon on 31st October, 1958, has been deposited with the Swiss Government on 21st March, 1963.

In accordance with Article 18 (1) of the said Convention, the ratification of the Federation of Rhodesia and Nyasaland will take effect on the 16th June, 1963."

Conference

of Directors of the National Industrial Property Offices of the
countries of the Arrangement of Madrid for the International
Registration of Trade Marks

(Geneva, 8th and 9th October, 1962)

On the 8th and 9th October, 1962, there was held in Geneva a Conference of Directors of the National Industrial Property Offices of the countries of the Arrangement of Madrid for the International Registration of Trade Marks.

In the course of this Meeting, the following Resolution was passed:

(Translation)

Resolution

Considering that the receipts of the Madrid Arrangement consist of payments by the depositors of the Member States;

Considering that the excess of receipts over expenses is shared out among the States Members;

Considering that the States Members of the Madrid Arrangement are also Members of the Paris Union and that in this capacity they are called upon to finance the expenses inherent in the preparation of international meetings dealing with that Union;

Considering that they should not be obliged to finance them a second time as Members of the Arrangement of Madrid, nor to finance the expenses of the Berne Union;

Considering that it was decided in 1953 to establish by appropriate means:

1. the creation of a Management Fund for marks;
2. the amortization of the technical deficit of the pension fund and the creation of a balanced pension system;
3. the establishment of a building fund which would permit the installation of the services in more favourable conditions;

Considering that these measures have led to a reduction of the profits to be shared between the States Members of the Madrid Arrangement;

Seeing that to-day the programme established in 1953 has been carried out satisfactorily, since the BIRPI has now:

- (a) a Management Fund for marks;
- (b) a balanced pension fund;
- (c) a building properly adapted to their needs and constituting a good investment;

Considering furthermore that the Madrid Arrangement has ensured until now, to a great extent, the finances of BIRPI, taking into account the delays by certain States Members of the Paris Union in the payment of their annual contributions;

Considering moreover that it is possible that the profitable situation of the Madrid Arrangement might be compromised by other international Arrangements;

Considering also that if the payments at present made by depositors to the Arrangement of Madrid appear too high, it would be for the States Members to take all necessary steps including possibly a reduction of fees,

For these reasons:

1. requests the Supervisory Authority to be good enough to consider that the objects of 1953 are already achieved;
2. requests the Supervisory Authority [to see] that the budget of the Madrid Arrangement is not called upon to subsidize, directly or indirectly, the other Unions or Arrangements, nor to pay the expenses of Diplomatic Conferences or other expenses of initiation (*dépenses de conception*) concerning the Unions, including the salaries of the directing staff and of the staff of other Unions, nor to subsidize in any form whatever the pensions of officials other than those of the Marks Service;
3. decides to nominate an expert to examine the organisation of the services of the Madrid Arrangement and to propose, in collaboration with the Supervisory Authority, the Director of BIRPI and the President of the Committee of Directors of the Madrid Arrangement, the necessary measures to permit the establishment of a separate administrative and financial organisation in conformity with the requirements of the Arrangement.

LEGISLATION

POLAND

(Translation)

Inventions Act

(of 31st May, 1962)

PART III¹⁾

Utility Models

Article 76

The subject matter of a utility model shall be the technical configuration of an article, which has not previously been used in Poland, or of its arrangement, construction or assembly, of permanent form, which enables greater utility of facilitates the use of an article.

Article 77

(1) Authorship of a utility model shall belong to the author or joint authors of the utility model. The provisions of Article 14, paragraph (2), shall apply accordingly.

(2) Authorship of a utility model shall be confirmed to the author or joint authors by the issue to them of a certificate of authorship.

Article 78

The property in a utility model and the exclusive right of use shall be confirmed by the issue of a utility model protection certificate.

Article 79

(1) The Patent Office shall be the competent authority for issuing certificates of authorship and utility model protection certificates.

(2) Certificates of authorship and utility models in respect of which protection certificates have been issued, shall be entered in the Register of utility models.

Article 80

(1) Registration of the utility model shall bestow exclusive user rights in respect of the model in the course of trade or profession.

(2) The exclusive user right of the utility model shall extend to the entire territory of the state and its term shall be ten years from the date of notification of the utility model to the Patent Office.

Article 81

(1) Where a patented invention also has the characteristics of a utility model, the patentee may apply to exchange the patent for the rights derived from utility model registration. This provision does not apply to inventions made by employees.

¹⁾ Parts I and II of the Polish Inventions Act were published in the December, 1962, issue of *Industrial Property*, pp. 278 *et seq.*

(2) Upon application by the interested party, a utility model protection certificate may in suitable cases be converted into a patent.

Article 82

The provisions relating to inventions and patents contained in Article 18, paragraph (1), Article 18, paragraph (4), Articles 20-33, Articles 35-38, Article 39, paragraph (3), as well as Articles 40-75, shall apply appropriately to utility models as well as certificates of authorship and utility model protection certificates.

PART IV

Rationalization Proposals

Article 83

(1) A proposal not having the characteristics of an invention or a utility model shall be regarded as a rationalization proposal, if, in the field of the national economy:

1. by technological application, it introduces improvements relating to the quality of products, technical control methods, testing or safety and operational hygiene, or
2. enables increased performance or improved utilization of the factors of production, energy, appliances, materials and raw materials.

(2) Rationalization proposals may also reside in the adaptation of a known solution to the requirements of a unit of the national economy.

Article 84

A rationalization proposal is deemed to be new if it has not previously been notified to or used by others in the unit of the national economy to which it has been notified, or if it was not recorded in the plans of this unit, or if its use had not been recommended by the superior unit after disclosure of its nature and the solution of the problem.

Article 85

Rationalization proposals which cannot be used independently of each other shall be regarded as a single rationalization proposal.

Article 86

A rationalization proposal which constitutes a development or which augments another proposal used in the unit concerned of the national economy, and which satisfies the requirements of Articles 83 and 84, shall be regarded as an independent rationalization proposal only in respect of that part of it which constitutes the said development or augmentation.

Article 87

Where such a rationalization proposal has been filed in a unit of the national economy which is the same as one which had already been notified to the same unit by another person, but which had not been accepted for use at that time, the person who had previously made the proposal shall be deemed to be the author.

Article 88

(1) Authorship of a rationalization proposal shall belong to the author or joint authors of the rationalization proposal.

The provisions of Article 14, paragraph (2), shall apply accordingly.

(2) Authorship of a rationalization proposal shall be confirmed to the author or joint authors by the issue to them of a rationalization certificate.

(3) The rationalization certificate shall be issued by the unit of the national economy in which the proposal was first used.

Article 89

Where the subject of a rationalization proposal is held to be a problem which is also the subject of an invention or a utility model protected in Poland, the rationalization certificate shall be declared invalid upon application by an interested party. The Patent Office shall be the competent authority for deciding on declarations of invalidity of rationalization certificates.

Article 90

(1) The provisions of this Act shall not apply to proposals which have the characteristics referred to in Articles 83 and 84, and which have been notified by scientific workers, scientific research workers or technologists employed in organizational units conducting scientific, development or manufacturing work, if these proposals have been developed by such workers in the course of their duties.

(2) Rules relating to the application of the provisions of paragraph (1) shall be made by the President of the Committee for Technical Matters, by agreement with the Central Council of the professional bodies, and after obtaining the views of the governing technical organization and other competent technical organizations.

Article 91

Article 58, paragraphs (1) and (4), as well as Article 59, shall apply appropriately to rationalization proposals.

PART V

The Use of Inventive Proposals in the National Economy

Article 92

(1) All units of the national economy shall be equally entitled, according to their functions in the economy plans, to use inventive proposals made by employees as well as other inventive proposals constituting state property.

(2) The unit of the national economy shall be required to make available inventive proposals to other interested units without payment upon refund of the documentation expenses.

(3) The provisions of paragraphs (1) and (2) shall not apply where the unit of the national economy is entitled by contract to use an inventive proposal not made by an employee.

(4) The Ministerial Council may, in certain cases which are exceptional due to special circumstances, apply other principles relating to the use of inventive proposals made by employees as well as other inventive proposals in the national economy representing state property.

Article 93

The employee-author of an inventive proposal is required to notify the proposal to that unit of the national economy in which the proposal was made.

Article 94

The author of an inventive proposal not having the characteristics of an inventive proposal made by an employee may notify the proposal to a unit of the national economy which is competent with regard to the nature of the proposal for the purpose of using the proposal in accordance with the principles laid down in this law regarding inventive proposals made by employees, or according to the conditions of a contract of sale, licence agreement or other agreement.

Article 95

(1) The unit of the national economy shall ascertain whether the inventive proposal notified is capable of use in its field of activity or indeed in the national economy.

(2) The costs of the examination and any tests required for judging the inventive proposal shall be borne by the unit of the national economy. This unit is moreover required to complete the necessary application procedure at its own expense if the author of the proposal is not able to do so himself.

(3) In the case of inventions or utility models not originating from employees, the provisions of paragraph (2) shall apply only if they were notified for use in the national economy in accordance with the principles applying to inventive proposals made by employees.

Article 96

(1) After examination of the inventive proposal notified (Article 95), the unit of the national economy shall make the decision as to acceptance of the proposal for use in its entirety or in part, or as to rejection of the proposal as unusable in the unit concerned.

(2) In the event of rejection of the proposal on the ground that it is unusable the unit of the national economy is required at the same time to refer the proposal to its superior unit for examination, if it holds that the proposal may be usable in other units of the national economy. The author shall be notified if the proposal is referred in this way.

(3) Upon demand by the author of the proposal the unit of the national economy is required to refer the proposal to another unit of the national economy if the proposal has not been accepted for use in its entirety.

(4) The units of the national economy to whom the inventive proposal has been referred in accordance with paragraphs (2) and (3), shall examine the proposal and thereafter decide as to its acceptance for use or its rejection. The provisions of paragraphs (1) to (3) shall apply as appropriate.

Article 97

If the inventive proposal made by an employee has been held to be unusable in the national economy and the decision which has been promulgated in this matter has been made final (Article 96), the competent Minister shall permit the

author of the proposal to apply for a patent or utility model in respect of the inventive proposal in the name of the author.

Article 98

A unit of the national economy may decline realization of an inventive proposal which has been accepted for use, or limit its use, only with the approval of the superior unit, and the superior unit is required to examine the possibility of realization of the inventive proposal by other units of the national economy.

Article 99

The Ministerial Council shall determine the principles on which the inventive proposal shall be disseminated throughout the units of the national economy with a view to the proposal being utilized in the national economy to the greatest possible extent.

Article 100

Professional institutions and technical associations, technological societies and other social organizations competent in matters relating to inventions may, in the interests of authors who are members of these organizations, appear before units of the national economy in connection with matters relating to the use and utilization of the inventive proposals.

PART VI

Remuneration for Inventive Proposals

SECTION I

Remuneration for inventive proposals made by employees

Article 101

(1) The employee-author of an inventive proposal accepted for use by one or more units of the national economy is entitled to remuneration in accordance with the principles laid down in this Act.

(2) The basis for deciding the amount of remuneration for an inventive proposal made by an employee shall be the effects resulting from the application of the proposal.

Article 102

(1) Remuneration for an employee-invention shall be paid annually in respect of the period during which the invention has actually been used in the national economy, but not for more than the first five years of its use.

(2) In cases where this is justified, remuneration on an appropriately reduced scale may be paid in respect of an employee-invention for a further period of five years.

(3) The period of experimental use of the invention shall not count towards the periods provided for in paragraphs (1) and (2).

(4) Remuneration shall be payable only over a period of fifteen years from the date of notification of the invention to the Patent Office.

Article 103

Remuneration for an employee-invention shall also be payable where the patent has ceased as a result of surrender or arrears in official fees (Article 70, paragraph [1]).

Article 104

(1) Remuneration for an employee-utility model as well as for a rationalization proposal shall be payable for the period of actual use of the utility model or rationalization proposal in the national economy, but for not longer than a period of use of twelve months.

(2) The basis for determining remuneration shall be the greatest effects which were achieved resulting from the use of the utility model or rationalization proposal over a period of twelve months during the first two years of its use.

(3) Remuneration for an employee-utility model shall be payable only over a period of ten years from the date of notification of the model to the Patent Office.

Article 105

Until a patent is granted for an employee-invention, the author shall be paid a provisional remuneration in accordance with the principles relating to the remuneration for rationalization proposals. The provisional remuneration shall be deducted from the remuneration paid in respect of the invention.

Article 106

If the remuneration provided for in a contract relating to the use of an inventive proposal made by an employee (Article 7, paragraph [3]), is less than that which would be payable in accordance with the provisions of Articles 101-105, the author of the proposal is entitled to remuneration in accordance with these provisions.

Article 107

If an inventive proposal made by an employee, which has been accepted for utilization, cannot be used immediately and is only intended to be used at a future date, the author of the proposal shall be entitled to provisional remuneration on a scale determined by the competent Minister, or, in respect of organizational units under the direction of State Councillors, by the President of the Presidium of the National Council of the *Wojewodschaft* (of the town). The provisional remuneration shall be deducted from the remuneration paid to the author after the proposal is put into use. If the proposal is not used the provisional remuneration shall not be repayable.

Article 108

If the national economy derives any advantages from application for protection abroad of an invention or a utility model (Article 75), the author of the invention or utility model shall be entitled to additional remuneration which shall be determined in accordance with the advantages derived.

Article 109

The employee-author of an inventive proposal shall be entitled to special remuneration for providing documentation enabling utilization of the proposal.

Article 110

(1) Remuneration paid for inventive proposals made by employees shall not be liable to repayment.

(2) The provision of paragraph (1) shall not apply if the remuneration was paid for the benefit of a person who has acted maliciously or in respect of a punishable act.

Article 111

The provisions of civil law shall be applied appropriately to remuneration for inventive proposals made by employees in relation to matters which are not provided for in this Act or any regulations made thereunder.

Article 112

(1) The remuneration payable in respect of an inventive proposal made by an employee shall be determined by the unit of the national economy in which the proposal was adopted for use.

(2) The unit of the national economy mentioned in paragraph (1) shall pay the remuneration. The competent Minister and, in respect of units under the direction of State Councillors, the President of the Presidium of the National Council of the *Wojewodschaft* (of the town), may nominate a different unit of the national economy for the purpose of payment.

Article 113

(1) If the employee-author of the inventive proposal is not satisfied with the amount of remuneration determined by the unit of the national economy, he shall be entitled to refer to the superior unit for determination of the remuneration.

(2) The superior unit shall determine the amount of remuneration after seeking the views of a fellow organ which shall also consist of the representatives of professional bodies and technical associations. An appeal against the decision shall lie to the superior organ.

(3) An employee-author of an inventive proposal who is not satisfied with the remuneration determined in accordance with the procedure according to paragraph (2), shall be entitled to refer to the Referee Committee of the Patent Office (Article 123) for determination of the remuneration.

Article 114

(1) Any person assisting the employee-author of an inventive proposal in the execution or development of the proposal in the national economy shall be entitled to remuneration.

(2) Persons who have collaborated in the realization of an inventive proposal made by an employee or who have contributed to accelerating its utilization or its dissemination shall be entitled to a reward.

Article 115

The Ministerial Council shall, in co-operation with the Central Council of the professional bodies and after seeking the views of the governing technical organization and other competent technical organizations, determine precise principles concerning:

1. determination of the basis for calculating the amount of remuneration;

2. calculation of remuneration for employee-authors of inventive proposals as well as the remuneration provided for in Articles 107, 108, 109 and Article 114, paragraph (1), and also payment of this remuneration and advances of remuneration;
3. determination of the rewards provided for in Article 114, paragraph (2), as well as the procedure for determining these rewards;
4. determination of the cases where the provisions of Article 102, paragraph (2), apply;
5. responsibility for new working standards resulting from the use of the inventive proposal in relation to the author of the proposal and the persons mentioned in Article 114, paragraph (2).

SECTION II

*Remuneration for inventions and utility models
not made by employees*

Article 116

(1) The author of an invention or utility model which does not constitute an inventive proposal made by an employee and which is being used by a unit of the national economy, shall be entitled to remuneration or a royalty or other payment in accordance with the provisions of the Agreement for the assignment of the property rights or the licence authorising the use of the invention or utility model.

(2) In accordance with Article 94, where an invention or utility model has been accepted for utilization in the national economy according to the provisions for inventive proposals made by employees, remuneration for the invention or utility model shall be payable in accordance with the provisions of Articles 101-113 and Article 115.

Article 117

(1) A unit of the national economy may enter into agreements for an assignment in its own favour or for a licence authorising it to use an invention or utility model which does not constitute an inventive proposal made by an employee, only in accordance with the provisions of this Act relating to the value of the property and the calculation of remuneration in respect of inventive proposals made by employees.

(2) The competent Minister may, with the agreement of the Minister of Finance, determine the remuneration according to principles other than those provided in paragraph (1), in cases where special considerations apply.

Article 118

The provisions of this Act relating to the determination of the value of the property and the calculation of the remuneration for inventive proposals made by employees shall also apply in cases in which a unit of the national economy enters into an agreement with a party which is not a unit of the national economy, for the assignment of the property rights to the latter, or for a licence to use an invention or utility model which constitutes state property.

PART VII

Procedure - Register - Fees

Article 119

The Patent Office, the organs of national administration as well as the units of the national economy, shall use the provisions of the law relating to administrative procedure and, in litigation, the procedure according to Article 112, paragraph (2), in all decisions and resolutions provided for in this law or proceedings based thereon.

Article 120

(1) The Patent Office shall decide in the following matters in connection with litigation:

1. declaration of nullity of a certificate of authorship, a rationalization certificate, a patent and the rights arising from registration of a utility model;
2. revocation of a patent or of the rights arising from registration of a utility model;
3. assignment of a patent or of the rights arising from the registration of a utility model acquired by a person not entitled thereto (Article 54);
4. the declaration of the dependence of a patent or utility model;
5. the right to use a patent or utility model in the cases specified in Articles 44, 68 and 72;
6. determination of non-infringement of a patent or registered utility model by a particular manufacture;
7. determination to the effect that an invention or utility model was made by an employee;
8. determination of the identity of the author or joint authors of an inventive proposal made by an employee or employees;
9. determination to the effect that a proposal notified to a unit of the national economy is an inventive proposal;
10. determination of entitlement to compensation by the author of an inventive proposal made by an employee;
11. other matters relating to litigation proceedings in respect of which the Patent Office is competent.

(2) The Patent Office shall decide the matters mentioned in paragraph (1), as a Tribunal in which the representatives of the professional bodies and technical associations participate.

Article 121

Appeals and complaints against the decisions of the Patent Office mentioned in Article 119, as well as appeals and complaints against the decisions of the Patent Office issued in accordance with the procedure mentioned in Article 120 shall be heard by the Appeal Commission of the Patent Office. The Appeal Commission shall reach its decisions as a Tribunal with the representatives of the professional bodies and technical associations participating.

Article 122

The Ministerial Council shall make rules for:

1. constituting the Appeal Commission and determining its compensation and the manner of selecting and remunerating its members;

2. determine the procedure for litigation before the Patent Office and the Appeal Commission.

Article 123

(1) The value of the property accruing to the national economy as a result of utilization of the inventive proposal and the remuneration due shall, if in dispute, be decided by the Referee Committee of the Patent Office. The Referee Committee shall reach its decision as a Tribunal in which the representatives of the professional bodies and technical associations participate.

(2) The Ministerial Council shall make rules for constituting the Referee Committee and determining the composition and the manner of selecting and remunerating its members, as well as the manner in which it is to function.

(3) The decisions of the Referee Committee shall be final and not subject to further appeal. These decisions shall be carried into effect by judicial execution.

Article 124

(1) The Tribunals of the Patent Office hearing the matters in accordance with Article 120, and of the Referee Committee (Article 123) shall be presided over by judges selected by the Minister of Justice from the Judges of the Courts of the *Wojewodschafts*, resident in the territory of the capital, Warsaw.

(2) The Tribunals of the Appeal Commission of the Patent Office hearing the matters (Article 121) shall be presided over by Judges selected by the First President of the Supreme Court from the Judges of that Court.

Article 125

Matters which do not fall within Articles 119-124 and which relate to civil claims concerning inventions, shall be decided by arbitration.

Article 126

(1) The Patent Office shall keep a register of patents and utility models intended for entries provided for by this Act and by regulations made in accordance therewith.

(2) Ignorance of entries in the register shall not be a defence.

(3) The President of the Patent Office shall determine the manner in which the registers shall be kept, the conditions and the manner of making entries therein, inspection of the registers and the supply of extracts therefrom.

Article 127

(1) In connection with the protection of inventions and utility models, registration fees and periodic fees shall be payable, which shall be due at prescribed intervals throughout the term of protection.

(2) The Ministerial Council shall make rules for determining the matters in respect of which fees shall be payable and the amounts thereof, the intervals at which they are due and also the circumstances in which these fees may be entirely or partially remitted. These rules shall also specify the circumstances in which the terms for the payment of fees shall be

extended, and the circumstances in which patents shall be restored.

PART VIII

Penal Provisions

Article 128

(1) Anyone infringing the exclusive right arising from a patent for an invention or the registration of a utility model shall be liable to detention for a term not exceeding six months or a fine or both.

(2) Anyone using a third party's invention or utility model, knowing that the invention or utility model has been notified to the Patent Office, is liable to the same penalty. A prosecution may not be brought until after the grant of the patent for the invention or the registration of the utility model. The period for statute bar shall not start until then.

(3) Where the public interest has not been damaged, prosecution shall take place at the instance of the person aggrieved.

Article 129

(1) Anyone marking articles which do not enjoy the protection arising from a patented invention or the registration of a utility model, with designations or symbols calculated falsely to give the impression that these articles do enjoy such protection shall be liable to detention for a term not exceeding six months or a fine or both.

(2) Anyone trading in or preparing or storing for trade articles mentioned in paragraph (1), knowing them to be deceptively marked, or distributing information calculated to give the impression that these articles do enjoy protection, by publications, communications or other means, shall also be liable to the same penalty.

Article 130

(1) Anyone who appropriates the right to apply for a patent for an invention or to registration of a utility model belonging to a third party, and who files an application for a patent for an invention or a utility model belonging to a third party shall be liable to detention for a term not exceeding two years or a fine or both.

(2) Anyone infringing the rights in an invention, a utility model or rationalization proposal belonging to a third party, for the purpose of achieving for himself or others material or personal advantages shall be liable to detention for a term not exceeding one year or a fine or both.

Article 131

In matters relating to the offences mentioned in Articles 128-130, the Court may, at the instance of the person aggrieved, order publication of the decision in periodicals at the expense of the person convicted.

Article 132

Anyone who, despite the obligation imposed on him to desist from using and selling illegally manufactured articles and means solely adapted for the manufacture of these articles (Article 56), uses or sells these articles, shall be liable to a

fine. Prosecution shall take place at the instance of the person aggrieved.

Article 133

Anyone contravening the provisions of this Act relating to secret inventive proposals or to keeping inventive proposals secret, shall be subject to the penal liabilities provided in the enactments relating to the protection of state and official secrets.

Article 134

Anyone causing damage to the national economy by exceeding his entitlements or through failure to fulfil his official duties in the execution of the obligations relating to the national economy specified in this Act, and in the regulations based thereon, shall be subject to the penal liabilities provided for offences by employees.

Article 135

A Polish citizen contravening the provisions of this Act relating to relations with foreign countries in the matter of inventions, shall be liable to imprisonment or detention for a term not exceeding two years or a fine or both.

PART IX

Transitional and Final Provisions

Article 136

(1) The provisions of this Act relating to units of the national economy shall apply to professional organizations, trade union organizations, associations and other social organizations in relation to their economic and scientific activities.

(2) The competent head offices of the organizations mentioned in paragraph (1) shall, by agreement with the President of the Committee for technical matters, issue regulations relating to their own activities, which apply the executive provisions issued on the basis of this Act to the structure of their subordinate and associate organs and units.

Article 137

The Minister of Defence and the Minister of the Interior shall issue regulations relating to their own activities which apply the executive provisions issued on the basis of this Act to the structure of their subordinate units.

Article 138

In the field governed by this Act the provisions relating to the supply of goods and the performance of work and duties for the benefit of units of the national economy shall not apply to duties and work performed for the benefit of such units.

Article 139

(1) Any rights relating to inventions, utility models and technical developments and improvements acquired before the coming into force of this Act, shall remain in force. The provisions hitherto applicable shall apply to these rights.

(2) Any proceedings in matters relating to inventive proposals which had not been concluded at the date of the coming

into force of this Act, shall be governed by the provisions of this Act.

Article 140

(1) All remuneration for inventive proposals made by employees as well as for technical assistance by collaborators, shall be free from all taxes and official fees. This provision shall also relate to remuneration for inventive proposals not made by employees, which have been dedicated to the State in accordance with the principles governing inventive proposals made by employees.

(2) Payments, licence fees and other fees for an assignment of proprietary rights or a licence to use an invention or a utility model not made by an employee, executed in favour of a unit of the national economy, shall be liable to tax in accordance with the provisions relating to taxation of remuneration in the same way as remuneration for creative work.

Article 141

Wherever Ministers are referred to in this Act, this expression shall also include the Presidents of Commissions and Committees who exercise the functions of the supreme organs of national administration, as well as heads of central offices.

Article 142

(1) The Ministerial Council shall make rules for determining which proposals for new shapes of plastic products of industry or trade shall be regarded as design models.

(2) The Ministerial Council shall make rules promulgated by agreement with the Central Council of the professional bodies and specifying precisely the regulations relating to the protection of design models; the extent to which the provisions of this Act relating to utility models shall apply in relation to design models shall also be determined.

Article 143

(1) The following shall be repealed:

1. the provisions of the rules dated 22nd March, 1928, relating to the protection of inventions, models and trade marks (Law Folio No. 39, Position 384 with subsequent amendments), in matters relating to inventions, utility models and design models;
2. the Act dated 20th December, 1949, relating to inventions and utility models concerning defence (Law Folio No. 63, Position 496);
3. the Act dated 18th July, 1950, relating to licences for the use of inventions and utility models (Law Folio No. 36, Position 331);
4. the decree of the 12th October, 1950, relating to inventions made by employees (Law Folio for the year 1956, No. 3, Position 21 with subsequent amendments).

(2) The following shall also be repealed:

1. Article 194, paragraph (1), point 9 of the Code relating to administrative proceedings;
2. Article 8, paragraph (2) (*e*): the last sentence of the decree of the 26th October, 1950, relating to income tax (Law Folio for the year 1957, No. 7, Position 26 with subsequent amendments).

(3) Up to the date of issue of rules of procedure provided for in this Act, the present rules of procedure which were issued by virtue of the statutes mentioned in paragraph (1) shall remain in force.

Article 144

This Act shall come into force on the 1st October, 1962.

GENERAL STUDIES

Report of the British Departmental Committee on Industrial Designs

Report of the Departmental Committee on Industrial Designs.

Presented to Parliament by the President of the Board of Trade, by Command of Her Majesty, August, 1962.

Published by Her Majesty's Stationery Office, London, 1962

I *(Translation)*

On the 11th May, 1959, a Committee was appointed by the President of the Board of Trade, instructed to study and report as to the amendments desirable in British legislation for the protection of industrial designs.

This Committee, after three years of study under the Chairmanship of Mr. Kenneth Johnston, submitted its Report to the President of the Board of Trade on the 14th May, 1962. This document is divided into six chapters.

The first chapter deals with the present protection of designs, analysing the advantages and disadvantages of the systems currently in force — the law governing designs and the law relating to copyright.

The remaining chapters deal with the definition of designs, enumerating in detail the recommendations of the Committee, defining the relationship to be established between the law of copyright and that of designs, and dealing with certain points of detail, for example, the fees payable.

Finally, this Report contains a very clear summary of the recommendations of the Committee, and concludes with several annexes (lists of bodies consulted, statistics, etc.).

II

Existing situation

In its Report, the Committee has dealt with the differences which exist between the two legislative systems which currently afford protection to designs in the United Kingdom, namely, the Registered Designs Act, 1949, and the Copyright Act, 1956.

1. — Without going into details, and following the pattern of the Committee, we would observe that the Registered Designs Act, 1949, seeks to assure protection of designs or, more exactly, of the shape, configuration, pattern or orna-

ment applied to an article by any industrial process, provided the features concerned appeal to and are judged by the eye, but excluding methods or principles of construction, or features of shape or configuration, which are dictated solely by the function of the article in question; that protection is derived from registration and not from creation; and that, in order to enjoy protection, the design must be "new or original".

This system has advantages and drawbacks.

As regards the advantages, there is the security of the right in favour of the proprietor of the registered design. On the one hand, the right which is granted is, in effect, a monopoly; it is thus unnecessary for the proprietor of a registered design to prove an infringement. On the other hand, registration is generally respected: the validity of registration can be attacked, but experience shows that a registration is rarely annulled. Further, the fact that registration is effected after examination for novelty serves to prevent actions lacking serious foundation. Finally, experience shows that the Courts effectively protect registered designs.

Effective protection of the economic interests of the proprietor of the registered design are thus assured, since he can take account of the registration, and of the guarantee which it represents, to decide whether or not to embark upon commercial production of the design.

On the other hand, the system has certain drawbacks. By way of example, the notion of "novelty" makes it difficult to secure the protection of living beings or existing objects; the Patent Office takes the view that it would, for example, be difficult to regard representations of the human body as "novel", unless very specially characterised. Similarly, the stability of the right and the protection of the economic interests are subject to the formalities necessary to secure registration; in effect, delays occasioned by the examination for novelty are very lengthy, since they may take six months or more; and the same applies as regards the time consumed by legal proceedings. In the result, manufacturers are often prevented from proceeding to the commercial production of their designs during any period of uncertainty as to the validity of their protection.

2. — For its part, the Copyright Act, 1956, in so far as concerns the matters considered by the Committee, seeks to assure the protection of paintings, sculptures, drawings, engravings and photographs "irrespective of artistic quality", as well as architectural works, or works (other than the foregoing) which are the product of artistic craftsmanship.

The protection assured by this means is based, not upon novelty, but upon "originality", the work requiring to be the product of the personal effort of the author, and not a mere copy. It applies to the work itself, and not to the ideas or conception which it illustrates or incorporates. Further, it may be observed that the protection is convenient in character, since it is actual copying and not adaptation which is prohibited — hence the simplicity and stability of the right; that the term of protection is longer than in the case of the Registered Designs Act; and finally that, in the absence of any formalities, the protection is easier to acquire.

3. — To sum up, the main differences between the system of copyright and the system which serves as the basis of the law relating to designs are as follows:

- (a) the basis of protection, in the system relating to copyright, is originality and not novelty;
- (b) copying is punishable, not adaptation; thus there is no monopoly, as in the case of the system underlying the law relating to designs;
- (c) the term of protection is longer;
- (d) protection, within the framework of the law relating to copyright, requires no formalities.

III

Proposals of the Committee

As may be seen, two legislative systems can protect designs, each system having its advantages and its drawbacks.

Further, the different industries concerned have interests and needs which are not inevitably the same; accordingly, the existing duality of the two juridical systems in this matter is not to be condemned.

Also, far from destroying this duality, the Committee propose to maintain the two existing systems, and to amplify both in order to cater for all needs for protection.

1. — As regards *legislation in respect of designs*, the Committee propose a slight modification of the existing system (which might be called "design monopoly"), and its completion by a new system, based upon copyright, called "design copyright".

2. — Within the spirit of the Committee's proposals, "design copyright" would have as its objective the avoidance of the drawbacks of the existing legislation relating to designs — it would, in particular, permit the protection of living forms and existing objects, and grant a quicker, simpler and cheaper protection.

This system would have the following structure:

- (a) the criterion of protection would be originality and not novelty;
- (b) protection, for a maximum period of fifteen years, would be obtained by the deposit of a clearly-recognisable representation of the design, together with a declaration as to originality, indicating the features in respect of which "copyright" is claimed;
- (c) deposit would take place before the design was made public, and protection would have effect as from the date of deposit;
- (d) there would be no examination for novelty, and the Patent Office could not reject any deposit for any reason other than non-fulfilment of the requisite formalities;
- (e) there would only be infringement of protection in the case of direct or indirect copying; it would devolve upon the proprietor of the design to prove infringement of his right and the originality of his design (subject to a presumption of originality);
- (f) all industrial products could benefit from "copyright", apart from certain classes of articles that the Board of Trade might exclude;

- (g) deposits would not be kept secret, except in the case of designs having a bearing upon national defence; designs deposited would thus be open to public inspection;
- (h) it would not be permissible to deposit one design for an entire set of articles;
- (i) finally, there would not be protection for "associated" designs, nor would it be possible to extend the "copyright" in a design by depositing it with variations or modifications which did not affect its identity.

3. — On the other hand, the "design monopoly" would be a continuation of the existing system. Without going into details of an existing system which is known to our readers, and restricting ourselves to modifications envisaged by the Committee, the "design monopoly" would have the following structure:

- (a) the criterion of protection would be novelty;
- (b) novelty would not exist if the design submitted was the same as an earlier design, or if it was an obvious adaptation of an earlier design for different articles;
- (c) there would, of course, be preliminary examination for novelty; for this examination, all designs previously deposited or registered (even if fallen into the public domain) would have to be taken into account;
- (d) protection, for a maximum term of fifteen years, would commence from the date of registration;
- (e) it should be possible to submit an application for re-registration with a view to obtaining "design monopoly" on the basis of the deposit previously effected in respect of "design copyright", the term of protection then commencing from the date of the first deposit;
- (f) the period of secrecy, at the request of the proprietor, could not exceed twelve months;
- (g) it is to be understood that one and the same design could be admitted to the benefits of both systems of protection, cumulatively.

4. — In practice, the system envisaged by the Committee would be as follows:

The proprietor of a design could deposit it shortly before commencing commercial manufacture and with a view to protection by means of "design copyright"; copyright would be obtained quickly, since there would be no examination for novelty, and commercial production could begin immediately. After the lapse of a certain period, say six months, the proprietor could apply for registration of his design with a view to securing the benefit of "design monopoly". It is only then that the Patent Office would proceed to the usual examination. The monopoly accorded would have retroactive effect to the date of the first deposit.

5. — As can be understood by reading the foregoing proposals, the Committee has sought to give satisfaction to the different industries concerned, whose interests and needs are not necessarily the same.

If these proposals are to secure the agreement of the majority of the parties concerned, the fact nevertheless remains that they cannot solve all the special problems of all industries. In this connection, the Committee felt compelled

to place on record the special character of the requirements of the manufacturers of *typographical characters*.

We have already seen that the Committee considered that it should not be permissible to deposit one design in respect of a set of articles, nor to extend the "design copyright" of one design by depositing it with variations or modifications which did not affect its identity.

Now, the problem of special protection of typographical characters arises from the fact that, if the eye confirms a certain resemblance between all the letters of a given alphabet, it becomes no less difficult to consider them as a single "set" by reason of the essential differences existing between them. On the other hand, the design of an alphabet can hardly be considered as "new" or "original" by a layman. Moreover, it is often difficult to identify an alphabet with precision, and registration is not possible if identification is difficult. Finally, the typographical industry requires protection of long duration, particularly on account of the slow rate of exploitation of an alphabet.

6. — For these reasons, the Committee considered that the protection necessary for typographical characters should be assured by the law relating to copyright, duly amended for this purpose.

It accordingly proposes to amplify the Copyright Act, 1956, in order to create, within its framework, a special protection for typographical characters, which would have the following structure:

- (a) every set of lettering would benefit expressly from copyright;
- (b) the term "lettering" would cover letters, shapes, punctuation marks; and printing, mathematical and scientific symbols;
- (c) infringement of copyright would arise from the simple act of reproduction of a set of lettering, or a substantial part of any such set, by any process whatever;
- (d) finally, this special protection would not serve to prevent each original character from benefiting, as an artistic work, from the general protection of the law of copyright.

7. — The Committee applied itself to all the practical problems arising from adaptation of the relevant laws to the needs of the industries concerned, as well as all consequences of the reforms which it recommends. By way of example, we cite the problem of the amount of the various fees, the judicial competence of the Patent Office, the question of a journal of designs deposited, registered, etc.

Owing to lack of space, we can only mention here the problem of the possible protection of *functional designs*, that is to say, of shapes dictated by the purpose of the article.

On this subject, the Committee has inclined in favour of the German system of "utility models" (*Gebrauchsmuster*), which permits the protection of the functional characteristics rather than the visual features of the design.

Unfortunately, the Committee was forced to admit that this problem was not included in its terms of reference, and it could only recommend that it should be studied by any

Committee that might subsequently be appointed to consider the legislation governing patents. In effect, the Committee was of the opinion that the possible introduction into British legislation of protection for utility models should not be rejected without serious examination, in view of the theoretical and practical advantages of the German system.

IV

Co-existence of legislation relating to designs and legislation relating to copyright

As has been seen, the Committee proposes to amplify the legislation relating to designs by solutions derived from the law of copyright; further, it proposes to amplify the law of copyright in order to facilitate the protection of certain designs; finally, it considers that one and the same design should be able to benefit from all protection offered by one or other of the two legislative systems (aggregation of the protection within the framework of each legislative system).

The corollary of these propositions is that one and the same design should not be able to benefit at the same time from the possibilities of protection offered by the law relating to designs and from the advantages of the law relating to copyright (no aggregation of the two legislative systems).

Consequently, in the case of registration or industrial application of a design deriving protection from the law relating to designs, such design should cease to benefit from the ultimate protection of the law of copyright.

As further seen, the Committee draws two distinct pictures — the protection of designs and the protection of copyright — which should not be confused; in its opinion, cumulative protection should not exist, except within each framework.

V

International protection

1. — The Committee has no special proposals to make on the subject of the Paris or Berne Conventions which, in its opinion, will not be affected by the changes which it proposes to make in British legislation. Where "design copyright" is concerned, for example, unionist priority could continue to operate without change, deposit in the United Kingdom taking effect as from the first application to register the design in the Unionist country of origin.

2. — On the other hand, the Committee inclines in favour of the possible adhesion of the United Kingdom to the Arrangement of The Hague for the International Registration of Designs.

As regards the system of "design monopoly", the Committee considers that the adhesion of the United Kingdom to the Arrangement would be undesirable, mainly because representations of designs deposited with the International Bureau, and appearing in the international bulletin, are not suitable to enable searches for novelty to be made, nor do they define a design with sufficient precision to constitute the basis of a monopoly. In the opinion of the Committee, adhesion would ultimately result in a diminution in the level of the protection envisaged.

On the other hand, as regards the system of "design copyright", the Committee considers that the United Kingdom might regard its adherence to the Arrangement as desirable, in view of the minor nature of the requirements of deposit under this system; further, and always according to the Committee, the advantage of protection abroad at reduced cost should, in itself, be sufficient to ensure sympathetic consideration for the possible adherence of the United Kingdom.

VI

In conclusion, we can only emphasise the originality of the proposals of the Departmental Committee on Industrial Designs, the practical spirit in which these proposals have been formulated, and the importance which all persons concerned with the problem of the protection of industrial designs and works of applied art should attach to them.

The importance and the originality of these proposals, as well as the obvious care exercised by the Committee in finding a practical solution to all the problems of interested parties, justify their very attentive study on an international basis, both within the framework of the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works.

G. R. W.

Industrial Design Legislation

By Roy V. JACKSON, New York

There is increasing interest in reforms in existing laws relating to industrial designs and models and in new conventions and legislation on both national and supra-national levels. But no real progress will be possible without a fundamental analysis and understanding of the inherent nature of the entities that are to be protected, the social objectives of such protection, and the legal theory and structure that is best adapted to provide it. For effective design protection a harmonious and logically consistent relationship between these factors is vital, and the absence of such a relationship in existing national laws explains much of the widespread dissatisfaction with them.

Our concern is with those industrial entities (which I will call simply "industrial designs") that for various reasons require a form of legal protection other than that already provided under patent and copyright law. They can be described as three dimensional articles (including textiles) that have an inherent utilitarian purpose, and that are consciously designed to be produced by an industrial process as units in a series of identical articles or as sections of a continuous web.

In so far as an industrial design is a form of artistic creation that has a utilitarian function, it is entirely analogous to a work of architecture: like a work of architecture it is a personal, unique expression of both aesthetic and functional ideas in a specific, concrete and useful form. Industrial designs share, with architecture and such copyrightable forms of art as painting, sculpture and literature the characteristic of existing not as mere ideas but only as actual objects that express

ideas through form, color, texture, symbols and words. (It is well known that the ideas so expressed are not protectable by copyright, although functional ideas expressed in literature, drawings, models and industrial designs may be protectable under the patent law under certain conditions.) But unlike architecture and forms of art that are normally protectable by copyright, industrial designs have an unique and special commercial value that depends on their reproducibility by industrial processes; thus an industrial design exists only through the prior operation of such a process.

An original two dimensional picture from which an industrial design might be made should not be set apart from other two dimensional pictures by being called an industrial design, for it is already a work of art fully equivalent to a drawing or a painting, which should be protected automatically under whatever form of copyright exists on other works of art. Further, the normal copyright protection should (and in many countries does) prevent unauthorized copying in either two or three dimensional form by any means.

Similarly, the original design features of a model from which a design might be made are analogous to the original features of a piece of sculpture, and should be protected by copyright in the same way. A model is not an "industrial design" in the sense being discussed because it has not been (and may never be) produced by an industrial operation as part of a series of identical objects. No additional or alternative form of protection for it is necessary or socially desirable.

In general, therefore, the necessary preliminary suggestions or ideas for an industrial design, whether expressed orally, in writing, through a drawing or picture, or by a model, are not to be regarded as industrial designs. In none of these has the abstraction become wholly concrete, because it has not yet received the final stamp of the machine or its industrial equivalent. If in fact the applicable copyright laws provide long-term protection, without requiring registration or other formality, to prevent unauthorized copying in two or three dimensions of original elements in any existing description, drawing or model (without requiring compliance with necessarily subjective aesthetic standards), and if the patent laws provide suitable protection for novel and inventive technological ideas expressed in such preliminary work, no special protection is required to achieve the relevant objectives of society with respect to such suggestions or ideas.

As soon as the description, picture or model is used to reproduce hundreds of identical useful objects for commercial sale, new considerations are introduced. The "concreteness" of the object in all its perceivable details is not protectable by the patent law (even if patent protection happens to be obtainable on any novel ideas expressed, first in writing, drawing or model, and now expressed in the industrial design itself). At the same time, the long-term copyright protection that already exists with respect to preliminary drawings or models (and that might otherwise be continued to apply to prevent copying of the finished industrial design) is no longer desirable. In a highly competitive and active field in which the number of different articles that may be protected by copyright is enormous, it is too difficult to determine what may freely be copied and what may not when there are no

marking and registration requirements to identify the articles that are validly protected at a given time. Furthermore, the average commercial life of an article of commerce is relatively short in comparison with the usual duration of copyright. It is therefore with good reason that in most countries full copyright protection is denied these entities that I have called "industrial designs".

On the other hand, the original features of the industrial design produced industrially are by definition of the same kind as the corresponding original features of an accurate preliminary model that would itself be copyrightable. From this it is apparent that the inherent nature of the problem of protecting industrial designs is such that the immediate objective should *not* be to provide a new *kind* of protection that was formerly lacking, but rather logically to extend copyright protection to industrial designs while at the same time preventing undesirable social consequences from arising out of the automatic nature of most copyright laws and their long terms of protection. This line of reasoning may help to demonstrate why copyright provides the only sound theoretical basis for the protection of industrial designs, and to explain the basic weaknesses in the other kinds of design laws to be found in most developed countries of the world.

Almost without exception, existing design laws protect only designs that are new or novel, they attempt to exclude protection for what may be called "functional features" of the design, or they grant to the "proprietor of the design" a monopoly (in that not merely copying of the design but also a similar independent design may infringe the owner's rights). Most of them combine more than one of these features. The German design statute, while essentially a logical modification of copyright law, apparently departs from logic in requiring novelty; the French statute gives an exclusive monopoly based on novelty that apparently may be infringed by independent original work; and the British law not only requires novelty and attempts to exclude functional features, but also gives monopoly rights. The Japanese and U. S. statutes go even beyond the novelty requirement in requiring a standard of skill or invention on the part of the designer that seems inherently incapable of clear definition or consistent evaluation.

In connection with such requirements, it should be necessary only to mention the impossibility of setting up reliable criteria of novelty in the design field, the absence of a logical distinction between functional and non-functional design features, and the practical difficulties in proving visual similarity and dissimilarity between prior art designs, a registered design based on novelty, and an allegedly infringing article. Effective legislation cannot be built on a base of fallacious or meaningless concepts.

The effectiveness of a particular industrial design law can be measured by these criteria:

1. The protection must be obtainable quickly and cheaply.
2. Neither registration nor infringement must depend on the well-known limitations and vagaries of human judgement when applied to a visual comparison of design features; thus valid registration must be obtainable without any requirement for novelty, the scope of protection must depend on the

degree of originality only, and infringement must depend on reasonable proof of the overt act of copying (aided by presumptions based on copyright principles) rather than on highly subjective attempts to assess visual similarity.

3. The design law must not interfere with the operations of a manufacturer who deliberately avoids copying of existing designs; such a manufacturer should not be hampered by fear of infringement nor subjected to the expense of making a search before he starts an original design project; this rules out the establishment of monopolies in protected designs.

4. On the other hand, a manufacturer who desires to produce copies of existing designs must be free to copy in good faith any commercial article that is not marked in such a way as to identify the protection existing on it, and must be able to determine easily and cheaply the present validity of any protection indicated by marking on an article of commerce; this requires an effective system of both recording and marking as a prerequisite for remedial enforcement of protection.

It has been objected that failure to define a protectable industrial design in such a way that functional features are explicitly excluded from protection would mean that the design law would undesirably interfere with the operation of the laws pertaining to the inventions. This objection is embodied in many forms in existing statutory provisions: for instance, the Canadian design statute refers to protectable designs as being "applied" to the "ornamenting" of an article, the United Kingdom Act protects only "features which . . . appeal to and are judged solely by the eye" and excludes "features . . . which are dictated solely by function", the Swiss Act refers only to the "external shape", possibly combined with color, which serves as a model in the industrial manufacture of an industrial design, the protection of the Japanese Act is limited to the shape, ornamentation and colors of an article, and the Danish Act protects only the "exterior" ornamentation or form of industrial products. The same distinction is implied by the text of the Regulations for the Implementation of the Arrangement of The Hague, in referring to the "kind of products" to which designs are to be "applied".

Such explicit attempts to distinguish functional features from one-functional features are actually meaningless because they are based on a profound distortion of the relationship between the form and function of any article. The true distinction between function and form is entirely included in the distinction between ideas and the means of expression of such ideas. The purpose of a design law, being the same as the purpose of copyright, is solely to prevent copying of means of expression, and only when such means of expression are original. The copyright law has for many years demonstrated the ability of the courts to distinguish abstractions of all kinds from their concrete expression, and to distinguish original means of expression from those that are the natural consequences of the ideas themselves. Thus a design law based entirely on copyright principles need not attempt to set out the distinction between form and function in explicit terms; it is inherently unable to interfere with the use by others of the ideas expressed in a protected design or the features of form that cannot be called "original" because they are na-

tural and sometimes obvious consequences of such ideas. It is possible that to aid in the interpretation of such a law, a concept of "fundamental form" might be developed which would encompass all features of shape, configuration, texture, color and arrangement that follow naturally from the ideas expressed, and do not have to be created by the original acts of the designer. The fundamental form of any given article, however, must be determined by reference; to many abstract concepts involved in that particular article, including its function, its commercial purpose and the process by which it was made. An explicit statement in abstract terms that would apply generally to other articles is unnecessary because the idea of fundamental form is inherent in the established principles of copyright, as for instance in its recognition of inevitable similarities in the independent expression of a given idea by different authors using the same language.

It is interesting to note that the presently pending American legislation in this field (Senate Bill S. 1884, 87th Congress, 1st Session), which is generally a logical development of copyright principles, nevertheless conflicts with these copyright principles in regard to the definition of a protectable design: Section 1 (b) (1) defines a design as "those original elements of a useful article that are intended to give the article an ornamental appearance": and Section 2 (a) (5) excludes designs that are "dictated solely by the function or purposes of the articles embodying the design". These provisions, if retained in the final form of the legislation, are likely to lead to arbitrary and mutually inconsistent decisions based on factual circumstances instead of on a single guiding principle.

The pending U. S. legislation may also be an example of design legislation that covers too much territory. Whereas it should apply only as an extension of copyright to finished articles that have already been produced as units in a series of identical industrial articles, it seems to cover any protectable design as soon as any single article "embodying the design" is anywhere publicly exhibited, distributed, or offered for sale. As already indicated, an article that has not yet been produced by an industrial process in quantity, that is, a model or prototype for a possible industrial design, is a work of art in its own right, and should be protected by the full application of the copyright law until the industrial versions of the article have been produced. In statutory terms, the distinction could be expressed as being between a copyrightable "design" — meaning any article having an inherent useful function and including a drawing, model or prototype for a design — and a "finished industrial article" to which the copyright would no longer apply, and which the design legislation would protect — meaning a "design" that has been produced in quantity by a machine or an industrial process. The termination of copyright protection for the former could be expressed by a provision such as:

"It shall not be deemed to be an infringement of copyright in a design for any person to produce or reproduce the design or any material part thereof as a finished industrial article, if such person proves that the design has previously been produced or reproduced as a finished industrial article, by, or with the consent or acquiescence of, the owner of the copyright in the design."

None of the many theoretical objections to a design law based strictly on copyright principles that have been raised by its opponents seem on careful examination to have validity (but some of them do demonstrate the need already mentioned for proper marking of protected articles that corresponds to the official records on file). For instance, it has been objected that the granting of registration without requiring novelty means that protection would be obtained for too many designs that were trivial, lacking in novelty or invalid for lack of originality, and that this would interfere with business. This objection can be answered by pointing to the fact that no matter how many individual records of protected designs exist, no one who wishes to produce an original design or to copy an unmarked article needs to make a search to avoid infringement, while anyone who wishes to investigate the record pertaining to a particular *marked* commercial article can easily locate the proper record through the marking. It has been said that a copyright system would only prevent slavish copying, and thus would fail to give sufficient scope of protection. In actual fact, the copyright system has shown its ability to assess the original features of a copyrighted work, and to prevent the unauthorized appropriation of even a relatively small proportion of the total originality. A further objection is that proof of actual copying may be difficult and costly to obtain. This has not been found to be true with respect to the usual kinds of copyright, because the presumption of copying raised by unusual similarity is sufficient proof in the absence of rebuttal. In the case of industrial products on which a substantial designing effort has been expended a year or more of creative work and a corresponding amount of documentation is frequently required, and failure to rebut the presumption would be even more conclusive, while on the other hand if there was in fact no copying, clear proof of this would be equally available. At worst, the degree of originality of the protected design (and thus with the extent of the manufacturers investment in designing) which is actually a desirable result.

Those who advocate a dual system of design protection, with a statute requiring an examination for novelty and granting monopoly rights, and another statute requiring deposit only and based on copyright principles, are not realistic, for it is a fact that a monopoly type of system is inherently poorly adapted to protect designs except at a disproportionate cost of litigation and administration, and can provide no better protection than a copyright type of system that is deliberately and carefully drawn to avoid conflict with copyright principles.

However, those who feel that some indication of novelty and validity should accompany design protection might well consider a copyright system in which formal protection would be granted as a result of every deposit made in proper form, but in which an official search in classified records of previously protected designs would be made on each application, so that the file of the deposit would contain a list of pertinent prior designs. Thus anyone locating the file could assess the likely degree of originality of the design in the light of other recorded designs, and where novelty was lacking could frequently copy one of the earlier recorded designs and thus

take advantage of the copyright doctrine of "common source" to avoid any question of infringement.

No form of legislation can be perfect and reality is always likely to be farther from perfection than usual in a field as difficult as that of industrial design protection. But whatever disadvantages may be inherent in the copyright approach to such legislation, the corresponding advantages far outweigh them. The theoretical advantages have already been described, but this type of legislation would also have significant practical advantages. It avoids the need for examination proceedings as a basis for protection. Marking as a condition of recognition of the right of protection is entirely unnecessary. On the other hand, marking as a condition for the availability of a remedy could readily conform to the requirements for international marking already set out in the revised text of The Hague Arrangement. The problem of relating protection to a given class of articles is avoided and copying of a separable part of an article for use on another class of object would automatically be prevented. Finally, it is of great practical importance that such legislation would have the benefit of the established body of copyright jurisprudence for its interpretation and enforcement.

CORRESPONDENCE

Letter from Italy

By Mario G. E. LUZZATI, Milan

(Translation)

I. Constitutionality of Industrial Property Law

1. — A new organ, the Constitutional Court, has been functioning in Italy since 1955. Under Article 134 of the Constitution of the Republic it has jurisdiction over the issues relating to the conformity to the Constitution of the laws and of the acts having the force of a law.

The Constitutional Court does not enjoy a power of initiative of its own. The decision can be referred to it only by an ordinary Court which in the course of given proceedings before it either raises *ex officio* the issue of constitutionality or deems the same, if raised by the parties, not to be manifestly unfounded.

No appeal lies against the decisions of the Court; their weight, however, varies according to the contents. The decisions holding that a law is invalid under the Constitution have a binding effect *erga omnes*, as Article 136 of the Constitution rules that a provision found to be contrary to the Constitution ceases from having force the day after the publication of the judgment; on the other hand, the decisions declaring that the issue of constitutionality is not founded do not constitute an absolute and final ascertainment of the validity of the given provision; they only affect the appraisal

of the question¹⁾, inasmuch as, if the issue is raised once again, the Court is bound to decide it in the same way, unless there are any reasons for holding otherwise. As a result a Court may refer to the Constitutional Court an issue which the latter already declared to be unfounded, if new arguments are put forward.

2. — The last "Letter from Italy"²⁾ was wholly dedicated to the controversial problem of the patentability of medicines and processes for their production with special regard to judgment No. 37, of 26th January, 1957, of the Constitutional Court, which recognised the constitutional validity of Article 14, 1°, of the Patent Act (R. D. 29th June, 1939, No. 1127) forbidding the grant of patents for medicines and processes for their production, thus putting an end to a debate which had lasted over fifteen years.

The Court of Cassation, which upheld the opposite view in the past, has since complied with the principle laid down by the Constitutional Court³⁾ and the United Divisions confirmed it lately in judgment No. 2073, of 22nd July, 1960, which acknowledged the full validity, efficacy and enforceability of the prohibition⁴⁾. There is, however, reason to believe that a bill envisaging the patentability of medicines and processes for their production, subject to a grant in given circumstances of compulsory licences to third parties, will be shortly laid before the Council of Ministers.

3. — Since 1957 the Constitutional Court was called on two other occasions to decide issues involving the laws on industrial property.

Judgment No. 42, of 27th June, 1958⁵⁾, recognised the constitutional validity of Article 4, 3°, of the Trade Marks Act providing that the duration of a patent for a trade mark will be for twenty years. As in the case of Article 14, 1°, of the Patent Act (non-patentability of medicines) the issue of constitutionality was raised maintaining that the Government had acted *ultra vires* in the exercise of the powers delegated to it by R. D. L. 24th February, 1939, No. 317, which had entrusted it with the task of giving effect to the Act of 13th September, 1934 (which had never entered into force), by collecting in separate texts the provisions on inventions, models and trade marks, and at the same time had ordered the postponement of the putting into effect of the more innovatory provisions of the Act of 1934, including that laying down that the duration of the registration of a trade mark should be for ten years.

The old Act No. 4577, of 30th August, 1868, did not contain any rule on the point and ignored the renewal of registration of trade marks. In the absence of any provision, the Courts

¹⁾ Cassation, United Divisions, No. 1522, of 20th January, 1959, *Acis v. Geigy*, *Massimario del Foro Italiano*, 1959, p. 284; No. 1702, of 6th June, 1959, *Acis v. Merck*, *ibid.*, 1959, p. 323.

²⁾ See *La Propriété industrielle*, 1958, p. 75.

³⁾ Cassation, United Divisions, No. 1292, of 18th April, 1958, *Acis v. Merck*, *Massimario del Foro Italiano*, 1958, p. 264; No. 1522, of 20th January, 1959, *Acis v. Geigy*, *ibid.*, 1959, p. 284; No. 1702, of 6th June, 1959, *Acis v. Merck*, *Monitore dei Tribunali*, 1959, p. 463.

⁴⁾ Cassation, United Divisions, No. 2073, of 22nd July, 1960, *Ministero Sanità v. Hoffmann-La Roche*, *Massimario del Foro Italiano*, 1960, p. 454.

⁵⁾ Constitutional Court, No. 42, of 27th June, 1958, *Manifatture Falco*, *Rassegna della proprietà industriale, letteraria e artistica* (cit. *Rassegna*), 1958, I, p. 140.

had held that the duration of the protection of a regularly registered trade mark was unlimited, provided it continued to be used. In such a situation it had been contended that, as the delegating law had ordered the adjournment of the application of the principle of the duration for ten years, the Government should have refrained from governing the point, thus leaving unchanged the rule of indefinite duration, or should have embodied the same into a special article. The Government had fixed instead a different term of duration (twenty years instead of ten), which it had not been authorized to do, particularly as the delegating law had ordered it to carry into effect, though at subsequent stages, also the postponed provisions.

The Constitutional Court, however, held that the Government was necessarily obliged to deal with the duration of a patent for a trade mark, as the point had to be regulated in a complete text on trade marks.

The postponement of the carrying into effect of the principle of duration for ten years did not prevent the Government from fixing a different and longer term corresponding moreover to that provided by many foreign laws as well as by Article 6 of the Madrid Arrangement on the international registration of trade marks.

4. — The same principles underlie judgment No. 71, of 16th December, 1960⁶⁾, which upheld the constitutional validity of Article 83 of the Patent Act.

Article 83 provides that, in the course of proceedings for infringement of a patent, the Court may order, at the request of the interested party, by a provisional judgment and until the final judgment becomes *res judicata*, that the production and use of the object of the patent be restrained.

A provision of the kind was unknown both to the old Act on patents of 1859 and to that of 1934, which envisaged only the remedies of description and sequestration of the objects produced in violation of a patent. The Government, it was contended, had stepped beyond the powers conferred upon it, by introducing into the legal system a rule which the Act of 1939, which the Executive was called upon to carry into effect, did not foresee. Such arguments had been accepted by the Court of Milan⁷⁾, which had held that the delegating Act of 1939 did not attribute to the Government the power of introducing any new provisions. The contention, however, was rejected by the Constitutional Court on the strength of an extremely wide interpretation of the powers granted to the Government by the delegating Act. According to the Court such powers included that of completing and bringing up-to-date, by means of new provisions, the text of 1934.

5. — The solution adopted by the Constitutional Court in judgments Nos. 42 and 71 has been criticised by text-book writers and lawyers. The trend followed by the Constitutional Court in the interpretation of the delegating Act, appears, however, well settled by now and even the Court of Cassation⁸⁾ has not been slow in complying with it.

Therefore it would seem that it will be difficult successfully to raise in future the issue of the invalidity under the Constitution of the existing rules governing industrial property law as having been enacted *ultra vires* by the Government, seeing that, as mentioned above, it is only through the ordinary Courts that an issue can eventually reach the Constitutional Court.

II. Patents for Industrial Invention

1. Novelty, originality and patentability in two recent judgments of the Court of Cassation

Two recent decisions of the Cassation caused deep concern to a large section of people who deal with industrial property and particularly among foreign inventors.

Such judgments are based on an interpretation of Articles 15 and 16 of the Patent Act, which appears to stand in contrast with some fundamental principles of industrial property law, including that of the territorial efficacy of patents, and with the aims of the mechanism of priority. Article 15 lays down that the invention is not new if it has been disclosed, in Italy or abroad, in such a way that it can be used.

It is the principle which legal literature calls "absolute" novelty to signify that in Italian law, contrary to what is the case with many foreign legislations, any disclosure, having taken place in Italy or even merely abroad, in recent times or long ago, whether made by the inventor himself or by third parties, destroys novelty.

Article 16 lays down in its turn that inventions, though not disclosed, cannot be patented if they have been the subject of a valid grant based on an application of earlier priority date.

It had been always thought so far that Article 15 governed novelty and Article 16 the possible conflict between several applications filed in Italy, which it solved in favour of the first one in order of time.

The Cassation in judgment No. 881, of 20th April, 1961⁹⁾, held that Article 16 must have a different purport. The provision would govern the conflict, not between several applications filed in Italy, but between several inventors by giving precedence to the first to file the application in any country of the world. Article 16 would not distinguish between Italian and foreign applications and therefore would apply to them all. A secret foreign application would not imply disclosure and would not deprive the invention of novelty, but would take away from it originality, which the law requires as an autonomous requirement of patentability. This, according to the Supreme Court, would occur when the filing should be made by someone who is not the foreign inventor and the Italian applicant should not be in a position to validly claim the priority date of the foreign filing. The situation would be, in such a case, that envisaged by Article 16, which provides that the conflict between two inventors must be solved in favour of the first one to file, who is thus considered as the true inventor.

⁶⁾ Constitutional Court, No. 71, of 16th December, 1960, Sgaramella v. Zazzetta, *Rassegna*, 1958, I, p. 140.

⁷⁾ Court of Milan, 25th September, 1959, Sgaramella v. Zazzetta, *Foro Italiano*, 1960, I, p. 352.

⁸⁾ See note ⁹⁾.

⁹⁾ Cassation, Section I, No. 881, of 20th April, 1961, Zwicky v. Grassetto, *Rassegna*, 1961, p. 125.

The grant of an Italian or foreign patent would prevent the patentability of the same invention. An exception to the rule would lie in the case of the inventor enjoying the citizenship of one of the States of the Union, as such inventor is allowed to claim and obtain an Italian patent for an invention patented or in the course of being patented in a foreign country, provided he validly exercises the right of priority.

The rule would be completed by the principle of the retroactive effect of a patent from the date of filing and therefore a prior foreign filing would prevent the valid grant of an Italian patent, even if the foreign patent should be granted later than the Italian one. It had been argued that Article 16, if interpreted in this way, would be unconstitutional, having regard to the fact that the corresponding Article 18 of the Act of 1934 (which Art. 16 is meant to carry into effect) expressly referred to a "national patent", which showed that it aimed at merely regulating the conflict between several applications filed in Italy. The Cassation rejected the argument; it held, in accordance with the decisions of the Constitutional Court, that the powers of delegated legislation conferred upon the Government in 1939 were not confined to the mere putting into effect of the text of 1934, but included also the authority to modify the same in its substance and to abolish given provisions if they should be found inconsistent with the development of the national and international legal systems.

That first decision was followed a few months later by another¹⁰), which merely referred to the earlier one and reproduced its grounds.

It would be, however, a mistake to think that such a trend can be regarded as settled by now. In the second judgment the Supreme Court expressly pointed out (which is most unusual in the practice of the Cassation) that it did not think it had "just now" to reach a different solution; as a consequence it seems as if the Cassation wished to leave the door open for future reflection.

The two judgments would seem to be inspired by a doctrine which was outlined for the first time in this review¹¹), but which provoked also sharp criticism¹²).

The line of thought followed by the Cassation caused adverse comments on the part of legal writers and also the laying before Parliament of a private member's bill No. 1756, which aims at restoring the old text of Article 18 of the Act of 1934. Such a bill proposes to limit the applicability of Article 16 only to the applications filed in Italy; this would avoid the danger now facing the inventors, namely that of having their Italian patent held invalid merely because of a secret foreign filing having the same content. One would therefore revert to an interpretation merely in keeping with the principle of the territorial effect of patents and the purposes of the system of priority, which, as it is well known, has nothing to do with "originality" of the invention. Italian law would once again be on the same level as the foreign laws on the subject.

At present the situation remains unsettled. It is to be hoped that the issue may before long come again for review before the Supreme Court.

One ought to make it quite clear that the principle is applicable only if the Italian applicant is not the owner of the earlier foreign filing.

The reasoning does not hold good any more if the earlier foreign applicant and the Italian one are the same person, or if the Italian applicant can validly claim that he is an assignee of the owner of the foreign filing under an instrument having a date certain which is prior to the expiry of the year of priority.

2. Inventiveness

As everybody knows, Italian law does not provide for a prior examination for novelty. Such an examination is made only when a controversy arises before the ordinary Courts and extends to originality and inventiveness, which the law does not specifically mention. Italian case-law tends to be particularly strict in this respect and such a tendency is not free from dangers, as it is extremely difficult to reconstruct *ex post facto* the state of common general knowledge in the art existing immediately before the filing of the patent, which relates sometimes to several years back. There is always the danger that one may be induced *ex post* to consider as obvious and evident an idea which was far from being such at the time of filing and which no technician in the art had ever thought of.

A decision of 1958¹³) of the Court of Appeal of Turin is typical of such a way of thinking; the Court held that an idea was not original because it could not trace in it the presence of "something startling", and added that such a characteristic could be found only in a method, process or new machine which an average technician would not have been able to foresee.

The Cassation¹⁴), however, quashed the decision and made it quite clear that the originality necessary to support a patent does not mean that the object of the patent must have something surprising in it; it is sufficient if it was not attainable by the average technician in the discharge of his everyday work and entails some progress and an improvement, though only of modest value, of the prior art, even if, considered *ex post facto* it may seem easy and commonplace.

Such a decision is in line with another of the Supreme Court laying down that originality or creativeness does not necessarily consist in an impossibility of achievement on the part of an average technician, even though such a test may be used by the Court in its appraisal¹⁵).

3. Invention of process. Protection of the product and the burden of proof

The protection against importations from abroad of a patent claiming a process was the object of some important decisions. The matter is governed by Article 2 of the Patent

¹⁰) Cassation, Section I, No. 2124, of 13th October, 1961, Gruber v. Sapam & Romac, *Rassegna*, July-December 1961, p. 134.

¹¹) Rotondi, *La Propriété industrielle*, 1957, p. 54.

¹²) Winter, *La Propriété industrielle*, 1957, p. 219.

¹³) Court of Appeal of Turin, 20th November, 1958, Marioni v. Ditta Sicapt, *Rivista di diritto industriale*, 1959, II, p. 88.

¹⁴) Cassation, No. 3195, of 7th December, 1960, Marioni v. Ditta Sicapt, *Rivista della proprietà intellettuale e industriale*, 1960, p. 303.

¹⁵) Cassation, No. 3443, of 24th October, 1958, Soc. Victoria Arduino v. Soc. Faema, *Foro Italiano*, 1958, I, p. 1799.

Act, the interpretation of which caused serious perplexity both on account of the obscurity of the text and because the point is also dealt with by Article 2586 of the Civil Code, which was promulgated at a later date and has contents which are partly different.

Article 2 provides that if the method or process aims at the manufacture of a new industrial product, the patent extends also to the product, if patentable, and so far the two Articles coincide; Article 2 then goes to say that any other identical product must be presumed to have been achieved by the method or process being the object of the patent, until evidence of the contrary is given, and this rule has not been reproduced in Article 2586 of the Civil Code.

The problem was examined for the first time by the Cassation in a decision of 1959¹⁶⁾. The Supreme Court held that the rule which grants the patentee the exclusive right of working the invention and profiting by it within the territory of the State is applicable both to the patent having as an object a product as well as to that claiming a process.

Such an exclusive right includes that of restraining the sale of the product manufactured in violation of the patent, whether its production takes place within the national territory, or the product imported from abroad is placed on sale in Italy. The Cassation stated that the extent of protection varies according as to whether the patented process does not lead to any product, or to a new and patentable product, or lastly to a product being neither new nor patentable. In the first case the protection afforded by the patent is confined to the process only. If, on the other hand, the process yields a new industrial product, the patent extends also to the latter, if patentable. The protection is full, in the sense that both the production in Italy of the product as well as its importation from abroad are forbidden, even if the process employed is different from the patented one. Lastly, if the product is known or new but not patentable (medicine) the burden of proof is shifted. Those who manufacture, trade in or import into Italy an identical product must prove that it was achieved by methods or processes different from those forming the object of the Italian patent. In the absence of such evidence, the product is presumed to have been obtained with those very same methods and processes and the prohibition of manufacture and sale within the territory of the Italian State remains valid.

The principle laid down by the Supreme Court has been followed also by inferior Courts¹⁷⁾.

III. Trade Marks

1. Service marks

Italy by Law No. 1178 of 24th December, 1959, ratified and carried into effect the "Arrangement of Nice concerning the International Classification of Goods and Services to which Trade Marks apply", of 15th June, 1957, and took at the same time steps to bring its domestic law into harmony with it. The Law ratifying it ordered that the provisions of the Trade

Marks Act be extended also to service marks and eight new classes relating to services be added to the classification of goods. Service marks, which so far were unknown to our legal system, have thus become part of it. The Courts have not been called upon until now to decide any issues concerning service marks.

The Court of Appeal of Milan (in a judgment pronounced before the "Arrangement of Nice" came into force) held¹⁸⁾ that the title of an advertising competition could not be validly protected with a patent for a trade mark, as both the original text of the Trade Marks Act as well as the classification envisaged merely goods and products and therefore material things.

2. Shape marks

The patentability of shape marks was acknowledged on several occasions by the lower Courts, with special regard to the small bottle of the "S. Pellegrino" orange juice¹⁹⁾. The patentability of such marks is dependent upon the existence of given requirements. The shape must be distinctive and must not be necessarily connected to the purpose which the article is intended to satisfy. As far as I am aware, the question has not been examined up to now by the Supreme Court. The Court of Appeal of Milan²⁰⁾ upheld a patent for a trade mark consisting of the configuration of the bottle of the "Strega" liqueur, which, in the Court's opinion, had uncommon aesthetical and morphological features.

3. Geographical marks

The principle according to which a geographical name can be protected as a trade mark if it is used as a fancy name and not as an indication of the origin of the goods was acknowledged by the Cassation with regard to the words "Columbia" for gramophone records²¹⁾ and "Capri" for cloth²²⁾.

The Court held that Article 20 of the Trade Marks Act, which entitled the Patent Office to refuse the grant of a patent for trade marks consisting of geographical names, when such a grant may be liable to create unjustified privileges, applies only to marks relating to products originating from places indicated by such names.

In a previous decision of 1953 the Court held that a geographical name could be adopted as a fancy name only if it had no reference, even if only a generic one, to the category and kind of the goods. Acting on such a principle the Court held that the name "Haiti" could not be protected as a trade mark for a blend of coffee, as it is customary to indicate such goods (coffee) by the name of the place of origin.

4. Use of another's name as a trade mark

The Cassation pointed out in two recent decisions the limits within which another's name may be used as a trade

¹⁸⁾ Cour of Appeal of Milan, 16th February, 1960, Luceri v. Atlantic Electric, *Diritto d'Autore*, 1960, p. 241.

¹⁹⁾ *Rivista di diritto industriale*, 1960, II, p. 348-380.

²⁰⁾ Court of Appeal of Milano, 29th January, 1960, S. p. A. Strega Alberti v. Distillerie Morini, *Rivista di diritto industriale*, 1960, II, p. 348.

²¹⁾ Cassation, No. 907, of 18th March, 1958, Istituto Ottico Viganò v. The Columbia Gramophone Company Ltd., etc., *Foro Italiano*, 1959, I, p. 1356.

²²⁾ Cassation, No. 267, of 8th February, 1961, Ferrario v. Soc. Cotonificio Valle Susa, *Monitore dei Tribunali*, 1962, p. 5.

¹⁶⁾ Cassation, No. 2632, of 27th May, 1959, Soc. Inventa, Soc. Fibron and Soc. Grilon v. S. p. A. Rhodiatoce, *Foro Padano*, 1960, I, p. 974.

¹⁷⁾ Court of Milan, 19th May, 1960, S. p. A. Rhodiatoce v. I. R. I., *Rivista della proprietà intellettuale e industriale*, 1960, p. 349.

mark. The Court confirmed that another's name can be freely patented as a trade mark, except for the limitations deriving from another's right to the use of that name as a business name and from the prejudice which may be suffered by those who are entitled to it as a person's name²³). According to such principles, the Court, confirming a judgment of the Court of Appeal of Milan, held that the use of the name "Farouk" as a trade mark for a bar of chocolate was unlawful in so far as it offended the decorum of the former King of Egypt²⁴).

5. Combination marks. Inadmissibility of a partial nullity

In a recent decision²⁵) the Cassation held that a trade mark must always be considered as a single unit, even if it consists of different elements (combination or complex marks). As a consequence it is not possible to envisage a partial nullity of the trade mark, as the ascertainment of the validity of some of the elements of which it consists excludes the nullity of the device taken as a whole. The valuation of the distinctiveness of a combination mark must be made synthetically and not analytically, and therefore an element which considered by itself, would not be distinctive, may be such if it is regarded together with the rest. The principle was applied by the Court to a mark for a pharmaceutical speciality against malaria, which included among other things the representation of a mosquito anopheles, which, it was held, was not entitled to protection by itself as lacking in distinctiveness in connection with an antimalarial product.

6. Common use of a trade mark and loss of distinctiveness

The effects of the widespread use on the part of the public of the name of a product protected as a trade mark to indicate goods having a similar composition were examined by the Cassation on several occasions. The Supreme Court repeatedly ruled²⁶) that the rights accruing from a patent for a trade mark are not lost by reason of the same having become the common name of the product unless it can be shown that the proprietor failed to oppose infringers. Such principle was applied by the Court of Appeal of Milan in a judgment of 1956²⁷) in which it held that the trade mark "Aspirina" was entitled to protection.

The United Criminal Divisions of the Supreme Court, after some wavering, followed this ruling in a case concerning the use of the name "Hag" as a trade mark for decaffeinated coffee²⁸).

A recent decision of the Praetor of Rome²⁹) recognised, in accordance with the precedents laid down by the Supreme

Court, that the trade mark "Nailon" was fully valid as a subject of trade mark rights.

The complete irrelevancy, from the point of view of loss of distinctiveness, of the fact that the name constituting the trade mark may appear in dictionaries and encyclopaedias was confirmed also in recent times by the Courts of Appeal of Milan³⁰) and Genova³¹).

7. Loss through non-use

Article 42 of the Trade Marks Act lays down that a patent for a trade mark is liable to revocation if the trade mark is not used within three years from the grant, or if, after such a three years' period, the use is discontinued for three years. The Court of Cassation³²) recently made it quite clear that the loss of the patent does not occur if the trade mark was employed so much as is sufficient to exclude its identification of a product; there is no need that its use should have attained a special notoriety, continuity and generality. Even before then the Court of Appeal of Milan had held³³) that the inclusion of a trade mark for a medicine in the advertising pages of specialized reviews, the importation of a given quantity of the product and the registration of the medicament by the Ministry of Health were sufficient to prevent the revocation of the relevant patent.

It is a moot point whether the use of the trade mark in advertising is sufficient by itself to avoid the revocation. The Supreme Court never expressly decided the point. The Court of Appeal of Bologna decided it positively some years ago³⁴).

8. Foreign confiscations and nationalizations

Italian case-law denies any power in the territory of the Italian Republic to nationalizations and confiscations carried out by foreign governments without an indemnity being paid. Such measures are considered to be contrary to internal public policy and to the Constitution of the Republic. Such a principle was applied to trade marks to settle the conflicts of title arising between the nationalized concerns of the countries under communist rule and the former owners who had sought refuge in the West of Europe. The Courts held in the Zeiss³⁵) and Hardtmuth³⁶) cases that, as far as our legal system was concerned, the legal situation previously existing as regards the title to and the legal protection of the business name and of the trade marks had to be reconsidered as still in being, as if no change had ever taken place, and that such assets belonged in the Zeiss case to the company which had

²³) Cassation, No. 2436, of 27th October, 1961, Soc. it. Incandescenza e gas v. Vatta, *Massimario del Foro Italiano*, 1961, p. 644; No. 201, of 1st February, 1962, Sidam v. Farouk Fuad, *ibid.*, 1962, p. 57.

²⁴) Court of Appeal of Milano, 22nd January, 1960, Farouk Fuad v. Sidam, *Rivista di diritto industriale*, 1960, II, p. 106.

²⁵) Cassation, No. 414, of 23rd February, 1961, Soc. Bisleri v. Soc. Carlo Erba, *Foro Padano*, 1961, I, p. 258.

²⁶) Cassation, No. 3018, of 23rd April, 1956, Verga v. Codazzi, *Foro Italiano*, 1957, I, p. 2030; No. 28, of 19th January, 1960, Verga v. Codazzi, *Rivista della proprietà intellettuale e industriale*, 1960, p. 205.

²⁷) Court of Appeal of Milan, 26th June, 1956, Farbenfabriken Bayer AG. v. Istituto Farmacoterapico Italiano, *Rassegna*, 1956, p. 170.

²⁸) Cassation, 3rd Criminal Division, No. 1299, of 19th April, 1961, Gandini, *Giustizia Penale*, 1961, II, p. 833.

²⁹) Pretura Rome, 26th April, 1961, Notarianni accused, *Monitore dei Tribunali*, 1962, p. 182.

³⁰) Court of Appeal of Milan, 29th November, 1960, S. p. A. Fenwick v. Graue GmbH., *Rassegna*, 1961, p. 46.

³¹) Court of Appeal of Genova, 9th May, 1961, Prevet & Cie v. Fisam-Fedac, *Rassegna*, 1961, p. 137.

³²) Cassation, No. 2422, of 26th October, 1961, International Verbandstoff Fabrik Schaffhausen v. Laguzzi & Montebelli, *Monitore dei Tribunali*, 1962, p. 868.

³³) Court of Appeal of Milan, 28th February, 1958, Soc. Zambelletti v. Asta Werke AG., *Foro Padano*, 1958, I, p. 324.

³⁴) Court of Appeal of Bologna, 20th December, 1956, S. p. A. Zuegg v. S. p. A. Althea, *Rivista di diritto industriale*, 1958, II, p. 168.

³⁵) Court of Appeal of Milan, 27th March, 1956, Volkseigener Betrieb Zeiss-Ikon, *Rassegna*, 1956, p. 180.

³⁶) Court of Appeal of Turin, 17th June, 1958, Koh-I-Noor Tuskarna Hardtmuth Narodni Podnik v. Fabrique de crayons Hardtmuth, *Rassegna*, 1958, p. 401, confirmed by the Cassation, No. 286, of 19th February, 1960, *Foro Italiano*, 1960, I, p. 985.

moved to Stuttgart and in the Hardtmuth case to the new company formed in France by the successors of the founder of the firm of Praguc.

9. Infringement of trade marks

The Cassation, in a judgment of 1957, which represented the conclusion of a vicissitude settled in various ways by the lower Courts, ruled that the trader who replaces the original steel case of a watch of a valuable brand (Omega) by a common gold one, with the purpose of placing it on the market as original gold, thus extending the protection of the trade mark to a part (case) not originating from the producer and proprietor of the same, is liable for usurpation of the trade mark.

The Cassation confirmed on several occasions³⁷⁾ the principle according to which the protection of a trade mark, whether patented or used *de facto*, covers the goods which are akin because of their intrinsic nature or destination to the same customers or to the satisfaction of the same needs.

The Supreme Court, however³⁸⁾, specified that such a principle is not applicable to the denominations of origin of wines. The autonomous protection of the same is confined to the wines typical of the given region and does not stretch as far as the kindred products. The use of the denominations of origin of wines (cognac and champagne) to indicate categories of similar goods with different features (flavours, colours and essences for the preparation of liqueurs) is perfectly lawful.

10. Famous marks

Case-law on the matter is extremely scarce. Such few decisions as can be traced are inspired by the principle that the protection of a trade mark cannot be extended as far as to prohibit its use on the part of another in respect of products of a wholly different kind. It was recognised, however, that the use of a well-known trade mark for goods which cannot be confused with those for which it was registered may, in given circumstances, be restrained under the rules forbidding the so-called "parasitical" competition. On such principles the Court of Turin³⁹⁾ held that the use for a perfume of the famous "Lucky Strike" trade mark amounted to an act of unfair competition. More recently the Court of Lucca⁴⁰⁾ reached a similar decision with regard to the use for cloth of the well-known trade mark for tobacco consisting in the representation of the head and bust of a British sailor. The Court of Milano⁴¹⁾ held, instead, that the use for different products of an identical trade mark did not amount to an act of unfair competition. The case was concerned with the use for soap of the trade mark "Sabrina" registered for cloth.

³⁷⁾ Cassation, No. 875, of 14th March, 1957, Cianci v. De Marchi, *Foro Italiano*, 1957, I, p. 356.

³⁸⁾ Cassation, No. 1871, of 11th July, 1960, Institut national des appellations d'origine des vins v. Soc. Meritalia, *Massimario del Foro Italiano*, 1960, p. 409.

³⁹⁾ Court of Torino, 16th March, 1949, British Tobacco Co. Ltd. v. David De Mas Bernal, *Rassegna*, 1949, p. 132.

⁴⁰⁾ Court of Lucca, 27th January, 1959, British American Tobacco Company v. Ditta Cucifil, *Rassegna*, 1960, p. 76.

⁴¹⁾ Court of Milan, 21st April, 1958, Cotonificio Legler v. S. p. A. Industrie Riunite Chiozza e Turchi, Achille Baufi, *Tcmi*, 1959, p. 60.

IV. Unfair Competition

1. — Among the most significant decisions of the Cassation in this matter it is worth while to remember No. 752 of 17th April, 1962⁴²⁾. The Court held "contrary to professional correctness the conduct of the entrepreneur who in a systematic and continuous manner imitates all or nearly all that is made by the competitor, and adopts, more or less immediately, any initiative of the same, even though such conduct may not create a confusion of activities and products".

The judgment implies the recognition, on the part of the Supreme Court, of the so-called "parasitical" competition mentioned before.

The principle had been previously discussed in legal literature and had also been applied on some occasions by the lower Courts, but had never been considered by the Cassation.

In the particular case it had been argued by one of the parties that there did not exist in the Italian legal system a rule forbidding, apart from the specific protection afforded by patents and distinctive signs, the taking advantage of the results of another's efforts. To oppose a product to a product, an initiative to an initiative, taking care that everybody should be aware of the different origin of both, would merely amount to exercise of the right of competition, a right which the law does not only acknowledge, but protects against the attempts to impose the monopoly of one or more concerns (Art. 2618 Civil Code).

The Court of Cassation held instead that the "parasitical" competition is unlawful according to Article 2598, No. 3, of the Civil Code, which, along the lines of Article 10^{bis} of the Union Convention, forbids acts contrary to the principles of professional correctness and liable to injure another's business.

The concept of correctness adopted by Italian case-law does not coincide with the usages accepted by traders, but refers to an ethical principle universally followed by the category of entrepreneurs so as to become a custom, and therefore it is possible that given acts, though in accordance with the law, may nevertheless be considered dishonest and improper, as being marked by deception or cunning.

Now, the commercial entrepreneur, who systematically and continuously sails in the wake of a competitor, takes advantage of the researches, the costs of preparation and penetration of another, and avoids the risk of failure by utilizing the tested achievements. Such conduct constitutes an offensive exploitation of another's initiative and organization, which is contrary to professional correctness; indeed honest practice requires that, in the competition for the conquest of markets, one should avail oneself of one's own means of financing and research. Such conduct, moreover, is likely to injure another's concern, on account of the lower costs borne by the imitator, which allow him to practice, for the same goods, lower prices and to attract to his firm business and customers who otherwise would have been the share of the imitated entrepreneur. The reference to the principle of the freedom of competition is not in point, as the prohibition of "parasitical" competition does not create a monopoly of

⁴²⁾ Cassation, No. 752, of 17th April, 1962, Soc. Alemagna Panettoni v. Motta, *Foro Italiano*, 1962, I, p. 918.

given ideas, given results or given initiatives not protected by themselves by the law, but merely allows the prevention of the continuous and steadfast imitation of the initiatives of a given competitor and as a result the exploitation to one's advantages of the ideas and of the organization of another.

2. — Two judgments of the Cassation⁴³⁾ concern the possibility of having resort to the action of unfair competition for slavish imitation after the cessation for some reason or other (nullity, revocation, expiry) of the protection afforded by a patent for invention or utility or ornamental model.

More particularly, it was held, in the case of products previously protected by a patent for an ornamental model, it is unlawful to slavishly and servilely imitate the model as a whole (after the cessation of the protection of the patent), in such a way as to create confusion between the copy and the original product, provided it could be possible to differentiate between the two without altering the aesthetics and prejudicing the ornamental value of the model.

The matter had been the object of much discussion in legal literature, with special reference to ornamental models. Indeed, it had been argued that a patent for an ornamental model aims at protecting the firm and its aesthetic aspect and that therefore it would not be possible for the public at large to make use of it, after the expiry of the patent, without reproducing those very features of form which had been the object of the patent; it had been contended that it would be contradictory to attribute to the public a right of reproducing the configuration and the ornamental aspect of the product, after it should have become *publici juris*, and deny at the same time the exercise of such a right by compelling it to a formal differentiation which would affect the aesthetic of the product, thus cancelling the power of benefiting by the ornamental contents of the patent.

The Cassation rejected such a loose argument and traced a distinction between the case in which a formal differentiation of the products is not possible without affecting their features and aesthetic worth from those in which, though it would be possible to make additions or modifications to the model, without altering in a notable manner its aesthetic and prejudicing its ornamental value, one does all the same choose to slavishly and servilely imitate them without there being

any need to do so, thus provoking a likely confusion between the products.

Only in these last instances it was held that the conduct was contrary to the principles of professional correctness and the slavish imitation was unlawful.

V. Restrictive Practices and Monopolies

The Italian legal system does not envisage at present any rules concerning restrictive practices and monopolies.

The Minister for Industry and Commerce, Colombo, laid before Parliament, as far back as 1960, a bill for the protection of the freedom of competition (Project No. 2076, the so-called "Colombo Project"), which with an advisory opinion of the National Council of Economy and Labour and a Report of the Minister, is now before a special parliamentary committee, together with five other similar private members' bills.

The Government's bill is inspired by the rules of Article 85 *et seq.* of the Treaty of the European Common Market.

Article 1 gives a very wide definition of unlawful agreements. It includes not only contracts and agreements proper, but also all agreed practices, regardless of their legal form, which are liable to prevent, distort or at any rate limit competition on the internal market.

Article 2 forbids the abuse of a dominant position. No exception is foreseen for any type of agreements, contrary to No. 3 of Article 85 of the Treaty of the European Common Market; this has not failed to cause widespread perplexities.

Article 3 excludes from the application of the law patent assignments or patent licences to the exception of contracts for an exclusive reciprocal licence or containing additional clauses being by themselves in restraint of trade.

Article 4 makes it compulsory to notify the agreements falling within the province of the law. Failure to do so is a criminal offence. It is not possible to foresee what will be the final text of the future Italian Act. It is just possible that the impending end of the present legislature may sweep away many of the projects now before the parliamentary committee.

There is also reason to believe that the development of the interpretation of the parallel rules of the Treaty of the European Common Market will play a decisive influence on the drafting of the texts of the law, this on account of the obvious need for harmonization. This is a matter of the utmost interest, which, as I said before, is only at its initial stages in the Italian legal system, which until a short while ago did not contemplate it.

⁴³⁾ Cassation, No. 443, of 8th March, 1960, *Cergiol Stagneria Imbonati v. S. r. l. Metaltex*, and No. 1384, of 27th May, 1960, *Soc. Officine di Seveso v. Soc. Fonderie di Saronno*, *Rivista della proprietà intellettuale e industriale*, 1960, pp. 276 and 291.

BOOK REVIEW

La protection des droits des obtenteurs sur les nouvelles espèces ou variétés de plantes et la Convention de Paris du 2 décembre 1961 pour la protection des obtentions végétales [The protection of rights of plant breeders for new species of plants and the Convention of Paris of 2nd December, 1962, for the Protection of New Varieties of Plants], by *B. Laclavière*. Reprinted from the "Bulletin technique d'information des Ingénieurs des Services agricoles", No. 168, April, 1962, Paris.

M. B. Laclavière, Civil Administrator to the Ministry of Agriculture (INRA), was one of the originators of the idea of the protection of the rights of plant breeders on the international level. For this reason, his study is of particular interest.

In a few chapters, the author summarizes the essence of the subject. He gives an historical account of how the problem presented itself to the selectors and plant breeders since the beginning of the XXth Century. Apart from a Law dated 14th November, 1883, published in the official bulletin of laws and public administrative rulings of the Pontifical States, and which was probably never applied, no provisions then existed. The first claims of plant breeders were submitted in 1904 during the Congress of the "Société pomologique de France" (French Pomological Society). Proposals for draft laws aimed at establishing agricultural patents were presented in France but without success.

In 1936, an association was set up called the International Association of Professional Selectors (ASSINSEL). In 1956, during the ASSINSEL Congress, towards the end of its session, a "vœu" was drafted asking for the convening of an International Conference and requesting that France should be entrusted with its organisation.

The International Conference of Paris for the Protection of plant varieties was scheduled to take place from 7th to 11th May, 1957. Following this first meeting, of a technical nature, a Committee of Experts prepared a draft Convention. The work of the first meeting was resumed from 21st November to 2nd December, 1961. At this Diplomatic Conference, the final text of the Convention was drawn up and signed on 2nd December by five countries: Germany (Federal Republic), Belgium, France, Italy and the Netherlands¹⁾.

¹⁾ Since the publication of this study, the Convention has been signed by three more countries: Denmark, United Kingdom of Great Britain and Northern Ireland and Switzerland.

M. Laclavière analyses the Convention under the following headings: (1) the reasons for its existence; (2) its field of application; (3) definition of the rights of plant breeders; (4) protection of the name; (5) conditions under which protection is granted; (6) the term of protection; (7) system of protection; (8) establishment of an International Union.

The headquarters of this Union will be in Geneva with the aim of ensuring cooperation between the new organisation and the Unions of the United International Bureaux for the Protection of Industrial, Literary and Artistic Property.

The conclusion of the author is, rightly, optimistic. It is now a matter for the legislators to establish, in their respective countries, legislation providing for the protection of plant breeders.

The last page includes a list of the main publications, in French, relating to the protection of new plant varieties.

M. Laclavière's study will be of interest to both technicians and lawyers. I. S.

NEWS ITEMS

GERMANY (Federal Republic)

Appointment of President of the Patent Office of the Federal Republic of Germany

We are informed that Dr. Kurt Haertel, of the Ministry of Justice of the Federal Republic of Germany, has been appointed, as from 1st May, 1963, President of the Patent Office in Munich. He succeeds the late Dr. Herbert Kühnemann, who died suddenly on 12th December, 1962¹⁾.

We take this opportunity of extending our best wishes to Dr. Haertel on his new appointment.

¹⁾ See *Industrial Property*, 1962, p. 297.

