

Industrial Property

Monthly Review of the
WORLD INTELLECTUAL PROPERTY
ORGANIZATION (WIPO)

and the United International Bureaux for the
Protection of Intellectual Property (BIRPI)

Published monthly
Annual subscription: Sw.fr. 50.—
Each monthly issue: Sw.fr. 6.—

10th year - No. 10
OCTOBER 1971

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Nice Agreement

Application of the Transitional Provisions (Five-Year Privilege) of the Stockholm Act

AUSTRALIA

The Director General of the World Intellectual Property Organization has notified the Governments of the member countries of the Paris Union of the notification deposited by the Government of Australia in which that Government indicates its desire to avail itself of the provisions of Article 16(2) of the Stockholm Act of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

This notification entered into force on the date of its receipt, that is, on September 21, 1971.

Pursuant to the said Article, Australia, which is a member of the Nice Special Union, may, for five years from April 26, 1970, the date of entry into force of the Convention Establishing the World Intellectual Property Organization (WIPO), exercise the rights provided under Articles 5 to 8 of the Stockholm Act of the said Agreement, as if it were bound by those Articles.

Nice Notification No. 18, of September 22, 1971.

Patent Cooperation Treaty (PCT)

Accession

CENTRAL AFRICAN REPUBLIC

The Director General of the World Intellectual Property Organization has notified the Governments of the member countries of the Paris Union that the Government of the Central African Republic deposited on September 15, 1971, its instrument of accession, dated July 10, 1971, to the Patent Cooperation Treaty (PCT).

A separate notification will be made of the date of the entry into force of the Treaty, when the required number of ratifications or accessions, in accordance with Article 63, is reached.

PCT Notification No. 1, of September 17, 1971.

Strasbourg Agreement

Signatory Countries

The Director General of the World Intellectual Property Organization (WIPO) has notified the Governments of the member countries of the Paris Union that at the expiration of

the required period (that is, on September 30, 1971) the following countries had signed the Strasbourg Agreement Concerning the International Patent Classification:

- Belgium, Denmark, Finland, Germany (Federal Republic), Greece, Holy See, Italy, Liechtenstein, Luxembourg, Norway, Spain, Sweden, Switzerland, United Kingdom, United States of America, Yugoslavia, on March 24, 1971;
- Iran, on June 22, 1971; Brazil, on June 28, 1971; Austria, on September 9, 1971; Japan, on September 13, 1971; France, on September 20, 1971; Netherlands, on September 22, 1971; Monaco, on September 27, 1971.

The Director General of WIPO has drawn attention to the fact that all the signatures were affixed subject to ratification. Furthermore, at the time of signature, the Spanish Government declared that it intended to avail itself of the right provided for under the provisions of Article 4(4) of the Agreement.

Strasbourg Notification No. 1, of October 6, 1971.

Nice Union

Use of the International Classification

We are publishing below a table of countries which use the International Classification of Goods and Services for the Purposes of the Registration of Marks, established by the Nice Agreement of June 15, 1957.

This table is based on the results of an inquiry made by the International Bureau with the Offices of all States.

I. Member Countries of the Nice Union¹

(as on September 1, 1971)

Australia	Liechtenstein
Austria	Monaco
Belgium	Morocco
Czechoslovakia	Netherlands
Denmark	Norway
France ²	Poland
German Democratic Republic ³	Portugal
Germany (Fed. Rep.)	Soviet Union
Hungary	Spain
Ireland	Sweden
Israel	Switzerland
Italy	Tunisia
Lebanon	United Kingdom
	Yugoslavia

¹ The member countries of the Nice Union are obliged to use the International Classification under Article 2 of the Nice Agreement.

² Including the Departments of Guadeloupe, Giana, Martinique and Reunion and all Overseas Territories.

³ The validity of the instruments deposited by the German Democratic Republic is contested by a number of member countries.

**II. Other Countries which Use
the International Classification for Goods and Services
(and date on which use began)**

Algeria	1966
Cuba ⁴	October, 1969
Finland	June 1, 1964
Malawi	1964
Romania	June 29, 1968
Sudan	May 15, 1969
United States of America	March 5, 1968

**III. Other Countries which Use
the International Classification for Goods Only
(and date on which use began)**

Bahrain	1955
Cameroon ⁵	January 1, 1964
Central African Republic ⁵	January 1, 1964
Chad ⁵	January 1, 1964
Colombia	January, 1971
Cyprus	November 1, 1951
Dahomey ⁵	January 1, 1964
Gabon ⁵	January 1, 1964
India	June 1, 1942
Ivory Coast ⁵	January 1, 1964
Libya	end of 1957
Luxembourg	January 1, 1971

⁴ Use as a subsidiary classification. Use as sole classification is planned for the end of 1972.

⁵ Member countries of the African and Malagasy Industrial Property Office.

Madagascar ⁵	January 1, 1964
Mauritania ⁵	January 1, 1964
New Zealand	December 11, 1941
Niger ⁵	January 1, 1964
Pakistan	
People's Rep. of the Congo ⁵	January 1, 1964
Senegal ⁵	January 1, 1964
Singapore	1966
South Africa ⁶	January 1, 1964
Togo ⁵	January 1, 1964
Upper Volta ⁵	January 1, 1964

Note: The Territory of Hong Kong has also been using the International Classification for goods — since January 1, 1955.

**IV. Countries Intending to Use
the International Classification
(and date envisaged)**

Bolivia	1971/1972
Brazil	
China (Republic of)	
Costa Rica	
Egypt	1975
Philippines	
Syria	1973
Thailand	1974
Trinidad and Tobago	1974
Venezuela	

⁶ South Africa intends to use the International Classification for services as from January 1, 1972, when service marks will be recognized by national law.

LEGISLATION

FRANCE—SOVIET UNION

Agreement

**Concerning the Reciprocal Protection and the Exploitation
of Industrial Property Rights
(signed at Moscow on May 19, 1970)**

Article 1

Legalization shall not be required of documents, including powers of attorney, accompanying applications for inventors' certificates or patents for invention, for industrial design certificates or patents, and for trademark registrations filed by French persons or legal entities in the USSR. The same

shall apply in the case of applications for patents or utility certificates and for industrial design and trademark registrations filed in France by Soviet persons or legal entities.

Article 2

The National Institute of Industrial Property in France and the Committee for Inventions and Discoveries attached to the Council of Ministers of the USSR shall take the necessary steps to facilitate the filing and examination of the applications referred to in Article 1 of this Agreement. In particular, in the case of a given application and at the express request of the applicant concerned, the steps shall be taken to extend the time limits given to French and Soviet applicants for replying to examiners' objections.

Article 3

For inventions made jointly by French and Soviet nationals, in the course of scientific, technical and economic cooperation between France and the USSR, the French and Soviet cooperating organs shall jointly decide on the form of protection (inventor's certificate or patent in the USSR, patent or utility certificate in France).

Article 4

Applications for titles of protection relating to joint inventions, industrial designs or trademarks, devised or created by French or Soviet nationals in the course of scientific, technical and economic cooperation between France and the USSR shall be filed with the National Institute for Industrial Property of France and with the Committee for Inventions and Discoveries attached to the Council of Ministers of the USSR by the cooperating organ in the country of the application, which shall have been given the necessary power by the cooperating organ of the other country.

As a general rule, the first application shall be made with the Industrial Property Office of the country on whose territory the invention was devised or the design or trademark created.

Article 5

The cooperating organs of the two countries may exploit the results of work effected under cooperation agreements or contracts concluded between them where inventions, industrial designs or trademarks, know-how, technical documentation or any other information relating to inventions, industrial designs and trademarks are concerned, whether made jointly or separately.

The terms for exploitation of the results of the cooperation shall be set out in the agreements or contracts referred to.

Article 6

The National Institute of Industrial Property of France and the Committee for Inventions and Discoveries attached to the Council of Ministers of the USSR shall communicate to each other any information that they may have concerning infringements of rights in inventions, industrial designs and trademarks which are the subject of licenses under agreements or contracts concluded between the French and Soviet cooperating organs.

Within the limits of their powers and in accordance with their domestic legislation, the Offices referred to shall take the necessary steps to end such infringements and shall keep each other informed of the steps taken.

Article 7

Any dispute relating to inventions, industrial designs and trademarks, arising in the course of the cooperation, shall be settled by negotiation between the cooperating organs of the two countries.

Where no settlement can be reached and unless otherwise stipulated in the agreements or contracts concluded between the French and Soviet cooperating organs, the parties may

resort to the special conciliation procedure provided for in the Provisions relating to the Solution of Questions of Protection and Exploitation of Industrial Property Rights, in connection with the Scientific, Technical and Economic Cooperation between France and the USSR, approved by the Joint Franco-Soviet Commission for Scientific, Technical and Economic Cooperation.

Where the conciliation procedure is not adopted or has not resulted in a settlement, the dispute shall be decided by arbitration in accordance with the European Convention on International Commercial Arbitration, signed at Geneva on April 21, 1961.

Article 8

Each Contracting Party shall notify the other of the fulfillment of the legal procedures required to implement this Agreement. The Agreement shall take effect after thirty days following the date of the later of the two notifications¹.

This Agreement shall have the same duration as the Agreement on Scientific, Technical and Economic Cooperation between the Government of the French Republic and the Government of the Union of Soviet Socialist Republics of June 30, 1966.

Done at Moscow, on May 19, 1970, in two copies, in French and Russian, both texts being equally authentic.

¹ The Agreement entered into force on December 20, 1970 (*Editor's Note*).

FRANCE

Decree

concerning the Committee for the Protection of New Plant Varieties

(No. 71-454 of June 7, 1971)

.....

Chapter I — Tasks

1. — The Committee for the Protection of New Plant Varieties established under Section 4 of the Law mentioned above¹ of June 11, 1970, shall have the following tasks:

to issue new plant variety certificates where the corresponding applications satisfy the requirements of the Law mentioned above and to issue all official documents concerning such applications and certificates;

to ascertain the forfeiture of breeders' rights in the circumstances set out in Section 22 of the Law referred to.

2. — The Committee for the Protection of New Plant Varieties may make proposals to the Minister of Agriculture concerning regulations necessary for the application of the Law mentioned above and may, in general, submit any suggestions to him relating to the implementation of plant variety protection.

¹ Law for the Protection of New Plant Varieties, No. 70-489 of June 11, 1970; see *Industrial Property*, 1971, p. 39.

Chapter II — Organization and Activity

3. — The headquarters of the Committee for the Protection of New Plant Varieties shall be in Paris. On the basis of the requirements of Section 4 of the Law mentioned above of June 11, 1970, the Committee shall have, in addition to the chairman, ten members appointed by order of the Minister of Agriculture. One such member shall first be proposed by the Minister responsible for the Overseas Departments and Territories.

4. — The member of the judiciary, appointed as chairman of the Committee, shall be chosen from the judges of the Paris Court of Appeal or the Paris *Tribunal de grande instance* belonging at least to the first grade of the judiciary.

He shall be appointed by joint order of the Minister of Justice and the Minister of Agriculture.

In addition to his duties as chairman of the Committee's meetings, the tasks of the chairman shall be to supervise the smooth working of the Secretariat General provided for in Section 10 of this Decree and, with the aid of the Secretariat, to undertake the preparation and execution of the Committee's decisions.

5. — The chairman and members of the Committee shall be appointed for four years. Their term of office may be renewed. Half the membership of the Committee shall be renewed every two years. Those members whose term is to expire at the time of the first renewal shall be chosen by lot two months after the Committee has begun to sit. Where, through death or other cause, a member has ceased to exercise his functions, he shall be replaced within a period of two months. The newly appointed member shall stay in office for the remainder of the term of the member he is replacing.

6. — Members of the Committee who are not civil servants shall be subject to the provisions of Decree No. 68-724 of August 7, 1964, governing the reimbursement of travel and living expenses of State agents and other persons who take part in councils, committees, commissions and other bodies assisting the State.

7. — The chairman and members of the Committee shall be under an obligation of secrecy in relation to anything coming to their knowledge in the exercise of their functions. Moreover, a member of the Committee may not take part in the deliberations relating to a plant variety where he is directly interested in the acceptance or refusal of an application for a certificate.

8. — The Committee shall be convened by the chairman whenever necessary. It may only sit if the number of members present is more than half the number of members in office. Where the votes are equal, the Chairman shall have a casting vote.

9. — To assist the preparation and examination of cases before it, the Committee may:

appoint a standing bureau from among its members;
set up specialized expert commissions;
call upon any expert or other person whose advice appears necessary.

10. — The Committee for the Protection of New Plant Varieties shall have a Secretariat General. The Secretary General shall be appointed by order of the Minister of Agriculture on the Committee's proposal and after consultation with the Director General of the National Agronomic Research Institute.

The Secretary General shall be assisted by agents under contract engaged by the Director General of the National Agronomic Research Institute under the same conditions as those governing its own agents. Their remuneration shall be drawn from the special section referred to in Section 11 of the Law mentioned above of June 11, 1970.

The direction of the staff shall be undertaken by the Secretary General, by delegation of power from the Director General of the National Agronomic Research Institute.

In accordance with the Committee's directions, under the authority of the chairman and within the terms of the Law mentioned above of June 11, 1970, and its implementing legislation, the principal tasks of the Secretary General shall be:

to receive, register and examine applications for new plant variety certificates and oppositions to the issue of certificates;

to maintain the various registers relating to the protection of new plant varieties, to record any transactions affecting the property in certificates and to publish the various notices provided for;

to keep in contact with all the competent bodies, in particular — for questions of denomination — with the National Institute for Industrial Property and the bureau of the International Union for the Protection of New Plant Varieties as well as with the experts undertaking the technical examination of plant varieties;

to provide the secretariat for the Committee's meetings;
to draw up new plant variety certificates and to issue all copies of official documents;

to inspect or to arrange for the inspection of the preservation of plant varieties for which certificates have been granted;

to prepare the budget relating to the special section of the budget of the National Agronomic Research Institute referred to in Section 11 of the Law mentioned above of June 11, 1970.

The Secretary General shall draw up the implementing legislation of the Law referred to, which shall be submitted by the Committee to the Minister of Agriculture. He shall prepare and take part in the negotiation of international agreements proposed by the Committee to the Minister of Agriculture and the Minister of Foreign Affairs with a view to facilitating or improving plant variety protection.

11. — The Committee for the Protection of New Plant Varieties and its Secretariat General shall be considered as the special authority in France for the protection of new

plant varieties for the purposes of Article 30(1)(b) of the Convention of Paris for the Protection of New Varieties of Plants of December 2, 1961. In this connection, the Secretariat General of the Committee shall keep in contact with the International Union for the Protection of New Plant Varieties and shall participate in its work.

Chapter III — Financial Provisions

12. — The special section of the budget of the National Agronomic Research Institute, created by Section 11 of the Law mentioned above of June 11, 1970, shall be set up by order of the Governing Body of the Institute after consultation with the Committee for the Protection of New Plant Varieties. The income and expenses of the special section shall be administered by the Secretary General of the Committee for the Protection of New Plant Varieties, through delegation of power from the Director General of the National Agronomic Research Institute, under the same conditions as those applying to the income and expenses of the Institute.

13. — The assets of the special section shall consist principally in all fees relating to plant variety protection that are chargeable under Section 11 of the Law mentioned above of June 11, 1970.

14. — The liabilities of the special section shall consist in:

running and equipment expenses of the Committee and its Secretariat General, including staff salaries and moving expenses;

the costs of the technical examination and of making reference collections where required;

the financial contribution of France to international organizations concerned with plant variety protection;

any other expense resulting from the application of the Law mentioned above of June 11, 1970.

15. — The Minister of State responsible for National Defense, the Minister of State responsible for the Overseas Departments and Territories, the Minister of Justice, the Minister of Foreign Affairs, the Minister of Economy and Finance, the Minister of Industrial and Scientific Development, the Minister of Agriculture, the Minister for Public Health and Social Security, the Secretary of State attached to the Minister of Economy and Finance responsible for the budget and the Secretary of State for Light and Medium Industry and Handicraft shall each be responsible, within his sphere of interest, for the application of this Decree. This Decree shall be published in the *Journal officiel* of the French Republic.

TURKEY

Trademarks Law

(No. 551 of March 3, 1965) *

PART ONE — GENERAL PROVISIONS

I. Trademarks

1. — Any signs placed on goods — or on their packaging when they cannot be placed on the goods themselves — for the purpose of distinguishing goods of any kind manufactured, prepared or produced in industry, handicraft or agriculture, or offered for sale in the course of trade, from other goods and signs, as well as signs suitable for the above purpose, shall be considered as trademarks.

II. Kinds of Trademarks

2. — The following kinds of trademarks may be registered under this Law:

- (a) trademarks used individually and independently by persons or legal entities, as "individual marks";
- (b) the same kind of trademarks used separately by persons or legal entities, not forming a single legal entity, for the same or similar goods under an agreement concluded between them, as "collective marks";
- (c) trademarks used by an organization, with or without a separate enterprise, which has been formed into a legal entity in order to protect the interests of those engaged in the activities set out in Section 1, and to encourage and supervise such activities, as "certification marks."

III. Registration

A. General

3. — In order to enjoy the rights contained in this Law, a trademark must be registered with the Ministry of Industry.

Unregistered trademarks shall, however, be protected in accordance with the general provisions.

The Council of Ministers may make it compulsory for certain goods to be marked with a trademark registered in accordance with this Law.

B. Signs Not Registrable as Trademarks

1. In Respect of Form

4. — The following signs may not be registered as trademarks:

- (a) signs which cannot be placed on labels, lids, containers, covers, cases and packaging generally or directly on goods, by printing or by any form of adhesion or by way of casting, engraving, weaving, painting or otherwise;
- (b) signs containing more than five words, other than trade names;
- (c) signs consisting merely of a particular color, a single letter or a numeral or numerals.

* We are indebted to S. Bolton & Sons, Istanbul, who sent us a translation on which this text is based.

However single letters and numerals and colors may be registered as a trademark if they are given a special shape, or are combined in a shape with any symbol, decoration, lines, pictures, or colors.

2. In Respect of Content

(a) Absolute Prohibition

5. — Signs containing the following features may not be registered as trademarks:

- (a) signs which, by reason of their purpose or manner of utilization, are contrary to the laws and regulations, morals, propriety or public order or which injure national feelings or diminish the value and reputation of works of art or historic monuments owned by the public;
- (b) signs likely to mislead the public, including signs and names incorporating certificates, diplomas, rewards or medals which do not belong to the applicant for registration or which are arranged in such a way as to create the impression that foreign goods were produced or manufactured in Turkey or that Turkish goods were produced or manufactured abroad or signs containing indications of source unrelated to the place of residence, production, manufacture or business of the applicant for registration;
- (c) signs identical to trademarks which have already been registered or are the subject of a pending application in Turkey and which relate to the same goods, and signs similar to such trademarks which are *prima facie* indistinguishable therefrom in shape, pronunciation or meaning.

(b) Prohibition as to Principal Feature

6. — Signs containing the following as their principal features may not be registered as trademarks:

- (a) trademarks consisting exclusively of signs and indications as to the type, species, quality, amount, value and origin of the article on which the trademark is to be placed or the place or time of dispatch and destination;
- (b) signs and names in general trade use or those serving to distinguish persons belonging to a particular profession, art or trade group;
- (c) signs and names which indicate a specific type of product or which have become the generic name of an article.

The principal features of a trademark shall mean those features which serve to distinguish the marks from similar trademarks.

Signs and names specified in paragraphs (a), (b) and (c) above which are combined with the principal features of trademarks and are jointly registered with them shall be regarded as the complementary features of the said marks. After registration, such features may be altered and severed from each other by means of a second registration procedure.

C. Trademark to be Seen as a Whole

7. — In the determination of whether or not any sign is to be registered as a trademark, regard shall be had to the

overall impression of the mark rather than to its individual features.

D. Signs Registrable Subject to Permission

1. Foreign Official Insignia

8. — Armorial bearings, flags and other signs and State emblems belonging to:

- (a) countries which are parties to international conventions, in the field of industrial property, to which Turkey has adhered;
- (b) countries with which Turkey has concluded separate agreements, in the field of industrial property;
- (c) countries which have recognized the principle of reciprocity, in the field of industrial property, in relation to Turkey;
- (d) international and intergovernmental organizations of which countries mentioned in paragraph (a) are members;

as well as related symbols and designations, stamps, seals and official signs and hallmarks indicating control and warranty and imitations of armorial bearings may not be registered as trademarks without the written authorization of the country or organization concerned.

2. National Insignia

9. — Stamps, seals, symbols and signs belonging to the State, local administrative services and other public legal entities, to public economic enterprises, to professional associations of a public nature, to charitable associations, and to political parties and sports clubs, and stamps, seals, symbols and signs which are so similar to the foregoing as to be *prima facie* indistinguishable therefrom, may not be registered without the written authorization of the bodies concerned.

3. Signs Taken from Intellectual or Artistic Works

10. — Signs copied or adapted from intellectual or artistic works may not be registered as trademarks without the written authorization of the persons concerned.

4. Well-Known Trademarks

11. — Foreign or domestic trademarks which are registered in this country and are known throughout the world or throughout the country, or trademarks similar to the foregoing, may be registered for different goods only with the authorization of the owner of the well-known trademark.

Where a trademark is registered, contrary to the first subsection, the owner of the trademark and any person concerned who has sustained loss by reason of such registration may, within five years of the date of registration, institute proceedings for the cancellation of the registration.

There shall be no limitation period for the institution of proceedings where registration was obtained in bad faith.

IV. Persons Entitled to Apply for Registration

A. Individual Marks

12. — The following persons may apply for the registration of individual marks:

- (a) Turkish citizens engaged in industry, handicraft, agriculture or trade in Turkey, and legal entities established under Turkish law or the law of a foreign country and having a branch in Turkey;
- (b) citizens of the countries referred to in Section 8(a), (b) and (c) and legal entities established under the law of the said countries;
- (c) citizens of countries which have not adhered to the conventions referred to in Section 8(a), who are engaged in industry, handicraft, agriculture or commerce in the territory of countries which have adhered to the conventions referred to or legal entities established under the law of such countries.

B. Certification Marks

13. — The registration of certification marks may be applied for by the organizations referred to in Section 2(c).

The registration of certification marks belonging to organizations formed under the law of the countries party to the conventions referred to in Section 8(a) shall be applied for by the said organizations.

Applications for the registration of certification marks belonging to organizations formed under the law of the countries referred to in Section 8(b) and (c) shall be treated in accordance with the relevant agreement or on the basis of reciprocity.

C. Collective Marks

14. — Collective marks shall be registered upon an application filed by one or all of the enterprises and persons party to the relevant agreement and in the joint name of all concerned.

Section 13 shall apply *mutatis mutandis* to applications for the registration of collective marks filed in foreign countries.

V. Effects of Registration

A. Presumption

15. — The person first applying for registration of a trademark shall be presumed the true owner of the trademark.

However, any person may claim, as against the registered owner, to have previously devised and used the same trademark for the same goods and to have made it known on the market and to prove his claim in an action or counterclaim. Such right shall lapse after six months following the date when such person learned of the registration or use of the trademark and, in any event, after three years following the publication of the registration.

B. Period of Protection

16. — The rights in a trademark shall be valid for a period of ten years following the date of registration.

C. Scope of Rights

17. — Registration of a trademark shall entitle the owner to the enjoyment of his trademark, within the period of protection referred to in Section 16, provided that the mark is used for the purpose and in the manner prescribed in Sec-

tion 1 and for the goods listed in the Register. The registered owner shall have the right, *inter alia*, to place the trademark on goods coming within the scope of the registration and on their packaging, to sell or distribute the goods or market them in any other manner, to use the trademark on commercial stationery, in newspapers and in other announcements and advertisements, to assign the mark or to grant licenses.

D. Identical and Uninterrupted Use and Alterations

18. — Trademarks shall be used as registered. However, where no color has been specified in the registration, the mark may be used in any color.

Where a registered owner wishes to alter the mark, he must have the sign re-registered in its altered form.

In the absence of just cause, the use of a trademark may not be interrupted for a continuous period exceeding three years. This provision shall not apply to citizens of the countries party to the conventions referred to in Section 8(a) or to legal entities established under the law of such countries. The Council of Ministers may by decree, on the basis of agreements or reciprocity, exempt citizens of certain countries from the obligation to use the trademark in Turkey.

E. Exception

19. — Registration in Turkey shall not affect goods used or sold, displayed, ordered or advertised on means of transport by land, sea and air temporarily entering Turkish territory.

VI. Priority Rights

A. Registrations under International Conventions

20. — During the six months following the filing of a regular application for registration of a trademark with the competent authorities of any of the countries party to the conventions referred to in Section 8(a), individuals and legal entities that are nationals of one of the said countries, or that are domiciled or have a real and effective commercial establishment therein, shall have a right of priority in which to apply for registration of the trademark concerned.

A right of priority which is not exercised within the six-month period prescribed in the first subsection shall lapse.

Where an application for registration claiming a right of priority has been filed within the period prescribed in the first subsection, all applications filed or registrations effected in respect of the same or a similar trademark on or after the date on which the right of priority arose shall be null and void.

B. Display in Exhibitions

21. — Individuals and legal entities referred to in Section 20, first subsection, which display their goods bearing their trademarks in national and international exhibitions held in Turkey by the Government or with government authorization, or in official or officially recognized exhibitions held in the territories of countries party to the conventions referred to in Section 8(a), shall have a right of priority, during the six months following the date of display at the exhibition, in which to apply for registration of the same trademarks in Turkey.

Where, however, goods bearing the trademarks have been conspicuously placed on the exhibition premises prior to the official opening date, the period shall run from the date on which the goods were so placed.

The provisions of Section 20, second and third subsections, shall apply *mutatis mutandis*.

The management of the exhibitions referred to in the first subsection which are to be held in Turkey shall give a certificate to the persons exhibiting their products indicating the kind of goods on which the trademark displayed has been placed, the date on which the goods were conspicuously put on exhibition and the date of the official opening. A certified copy of the trademark shall be attached to the certificate.

If a right of priority is desired in respect of trademarks relating to goods displayed in foreign countries, a certificate obtained from the competent authority of the country in which the exhibition was held and containing the particulars specified in the preceding subsection must be produced.

It shall be permissible to exhibit under a registered trademark goods which have been displayed at exhibitions held in Turkey and to return such goods to the country of origin after the exhibition.

Where two or more applications for registration are made in relation to the same or similar trademark which has been placed on the same goods displayed at an exhibition, the person who first put such goods on exhibition shall have priority. Where two or more persons have put the goods on exhibition and displayed them at the same time, the person who first applies for registration shall have priority.

C. Manner of Application

22. — Applications for registration claiming a right of priority under Sections 20 and 21 shall be made in the manner prescribed in the Rules.

D. Priority Rights Based on Special Agreements or Reciprocity

23. — Applications for registration based on the rights of priority belonging to individuals and legal entities that are nationals of the countries referred to in Section 8(b) and (c) shall be dealt with in accordance with the provisions of the relevant agreement or the rules of reciprocity.

PART TWO — REGISTRATION

I. Applications

A. Place and Date of Application

24. — Any person wishing to have a trademark registered shall apply to the Ministry of Industry.

The date of application shall be the day, hour and minute indicated on the certificate to be issued to the applicant by the Ministry of Industry.

Where the person concerned applies by post or through the senior civil officer in the locality, the application shall be valid as from the date on which it reaches the Ministry,

in accordance with the rules prescribed in the preceding subsection.

In such cases the certificate indicating the day, hour and minute of arrival shall be sent by post to the applicant.

B. Form of Application

25. — Every application for registration of a trademark shall contain the name and surname of the owner and his agent (if any), the owner's nationality, residence, present business and business address, and the goods for which the trademark is to be used, and shall be accompanied by a certificate indicating the business carried on by the owner of the trademark, a copy of the trademark, and a receipt for the fee payable in respect of the trademark.

In the case of applications based on a trademark registered or displayed in a foreign country, the documents relating to registration or display in a foreign country and the documents obtained from foreign countries in connection with the application together with translations thereof shall be attached to each application.

A separate application must be submitted for the registration of each trademark.

C. The Rules

26. — The pattern and number of copies of the application and the attachments thereto, and such other particulars and documents as are necessary for the application of this Law, shall be prescribed in the Rules.

D. Requirements for the Examination of Applications

27. — An application which is not set out in accordance with the pattern annexed to the Rules, or is not accompanied by the receipt of payment for the trademark fee and a copy of the trademark, shall not be processed.

In the case of applications relating to certification marks and collective marks, the relevant documents shall be returned unexamined, even though the fee has been paid, if — in the case of certification marks — the technical regulations prepared by the organization or — in the case of collective marks — the agreement, are not submitted together with the application for registration.

E. Examination of Applications

28. — The Ministry of Industry shall ascertain, within one month at the latest, whether the application and attachments thereto comply with the provisions of this Law and the Rules.

Where, upon examination, an application is found not to comply with the provisions of Section 4, 5, 6, 8, 9, 10, 11 or 40 of this Law, the application shall be rejected with a statement of the reasons therefor.

Where an application is found not to contain all the necessary documents, the applicant shall be allowed a period of not less than three months in which to produce the outstanding documents. Where the applicant fails without just cause to produce the documents during this period, he shall be allowed a final extension of one month. If he does not do so within that final period, the application shall be rejected.

Any person concerned may appeal to the courts against decisions rejecting an application. A decision in such a case shall be reached within a period of three months.

II. Registration of the Trademark

29. — Where an application is found to comply with this Law and the Rules, or where the outstanding documents are produced, it shall be entered in the Register and a trademark registration certificate shall be issued to the applicant.

A copy of the trademark, its number, the goods on which it is to be applied, the name, surname, nationality and residence of the registered owner and his agent (if any), the owner's business and business address, and the date of application, all amendments relating to the trademark and to the trademark rights, and all other particulars prescribed in the Rules shall be entered in the Register.

III. Trademark Registration Certificates

30. — The trademark registration certificate shall be an official certificate bearing, at its head, the words "Republic of Turkey" and the Crescent and Star, and authenticated by the seal of the Ministry of Industry. The name, surname, nationality and residence of the registered owner, the goods for which the trademark is to be used, and the date of registration of the trademark shall be entered on the certificate and a copy of the trademark shall be affixed thereto.

A copy of the trademark registration certificate shall be issued to the registered owner on his request.

IV. Publication

31. — After registration of the trademark, the particulars entered in the Register and all subsequent amendments shall be published in the Official Industrial Property Gazette issued every two months.

V. Inspection of the Register

32. — The Trademark Register shall be available for inspection by the public. Copies of entries in the Register shall be issued on request.

VI. Renewals

33. — On the expiry of the ten-year period of protection, a trademark may be renewed for successive periods of ten years. The Rules shall specify the nature, number and pattern of the documents and their attachments. Where the application does not contain all the necessary documents, Section 28, third subsection, shall apply.

The owner of the rights in a trademark may apply for renewal within the three years following the expiry of the trademark protection period.

The renewal shall be effective as from the date of expiry of the previous protection period.

When a trademark registered by virtue of a right of priority is renewed, it shall be irrelevant whether the trademark is or is not protected in the country of origin.

VII. Transfer, Licensing and Attachment of Trademarks

A. Individual Trademarks

1. Transfer and Licenses

34. — Individual trademarks may be transferred by succession.

An individual trademark may be transferred or assigned, independently of the enterprise in which it is used, for all or part of the goods for which it has been registered. A licence may be granted for the exercise of the trademark rights.

Transfer and license contracts must be executed before a notary public.

Every license contract shall specify the period for which the trademark is to be used, the manner and terms of use, the royalties payable and the goods for which the mark will be used.

Transfers and licenses shall be binding on third parties as from their entry in the Trademark Register.

2. Attachment

35. — An individual trademark may be the subject of attachment for debt, independently of the enterprise in which it is used, unless the registered owner proves that he has other property to meet the debt.

Prior rights of third parties shall not be prejudiced thereby.

B. Collective Marks and Certification Marks

36. — Collective marks and certification marks may not be transferred, assigned, licensed or attached.

In the absence of a stipulation to the contrary, the right of the contracting parties to use a collective trademark shall pass on succession.

VIII. Protection of Trademarks from becoming Generic Names

37. — The rights conferred on the owners of trademarks registered under this Law shall not lapse in the event of their trademarks' subsequently becoming generic names used by the public. The registered owners of such trademarks may oppose the use of their trademarks by others, in legal proceedings. It shall be no defense in such cases that the trademark has become a generic name.

IX. Cancellation of Registration

A. Grounds for Cancellation

1. Renunciation

38. — Where the registered owner makes a written notification that he has renounced the use of his trademark, it shall be expunged from the Trademark Register and a corresponding announcement shall be made in the Official Industrial Property Gazette.

Where a trademark has been registered for more than one kind of goods, its use may also be renounced for part only of the said goods, in accordance with the foregoing rule.

Where license rights have been recorded in connection with a trademark registration which the owner wishes to

cancel in accordance with the preceding subsections, cancellation shall be effected upon the joint application of the registered owner and the licensee.

2. Cancellation under a Court Order

39. — On communication to the Ministry of Industry of judgments respecting the cancellation of a trademark registration under Section 50, the registration shall be cancelled and a corresponding announcement shall be made in the Official Industrial Property Gazette.

3. Cancellation Ex Officio

40. — A trademark registration which is not the subject of an application for renewal within the three years following expiry of the protection period shall be cancelled and a corresponding announcement shall be made in the Official Industrial Property Gazette.

B. Restriction of Registration and Use of Trademarks

41. — A trademark whose registration has been cancelled shall not be used for the same goods and shall not be registered in another person's name, until the expiry of three years following cancellation.

The preceding subsection shall not apply to trademarks whose registration has lapsed for failure, without just cause, to make proper use thereof during three consecutive years.

X. Miscellaneous Provisions

A. Attorneys

42. — Persons not resident in Turkey shall appoint an attorney resident in Turkey for the purposes of having their trademarks registered and exercising their rights arising from registration.

Subject to the provisions of the Law on Lawyers, every attorney shall be authorized to represent his principal in administrative formalities carried out under the present Law.

Notices served on an attorney by the Administration shall be deemed to be served on the principal.

B. Sundry Expenses

43. — The Rules shall prescribe the price of the Official Industrial Property Gazette, the fee payable for an extract from the Trademark Register, and for a copy of the trademark registration certificate. The provisions of Law No. 2490 concerning the Acceptance of Tenders which relate to bargaining shall apply to acceptance of tenders for the printing of the Official Industrial Property Gazette. In determining the fee payable for an extract from the Trademark Register the scale of charges to be prepared by the Ministry of Industry shall indicate the expenses incurred — transcription, drawing, photocopies, etc.

These expenses and the expenses of publication and other expenses shall be deposited in advance with the Treasury and the receipt obtained shall be submitted to the Ministry of Industry.

Publication fees shall be collected in advance from:

- (a) the applicant, in the case of registration or renewal of registration;
- (b) the assignee or licensee, in the case of assignment or licensing;
- (c) the person renouncing registration, in the case of cancellation on the ground of renunciation;
- (d) the plaintiff, in the case of cancellation under a court order;
- (e) the purchaser, in the case of transfer on attachment proceedings.

C. Provisions on Certification Marks

1. Technical Regulations and Affixing of Certification Marks

44. — The technical regulations relating to certification marks shall prescribe such particulars as the nature and kind of goods guaranteed to the public by the registered owner of the trademark, their quality, the measures for the control of their quality by the organization and the penalties to be imposed on the manufacturers or producers in the event of non-compliance with these provisions.

Any amendments whatsoever to the technical regulations shall be communicated to the registration authority.

The affixing of the mark on the goods shall be carried out by the organization owning the mark after inspection under the technical regulations.

2. Joinder in Actions

45. — Members of the organization concerned may be joined to the organization owning the mark in actions brought by it.

D. Service Marks

46. — The provisions of this Law shall not apply to service marks.

PART THREE — CIVIL AND CRIMINAL PROCEEDINGS

I. Infringements

47. — The following acts shall constitute infringement of the rights in a trademark registered under this Law:

- (a) Use of the same or a similar trademark by persons other than the persons entitled.

Any person using a trademark which is identical in shape or meaning or both, to a trademark registered in the name of another person, or which differs slightly in dimensions or color, or which is prima facie indistinguishable therefrom, shall be deemed to have used the same trademark.

Any person using a trademark which resembles another person's registered trademark to such an extent that it is not prima facie distinguishable therefrom having regard to the overall impression and is thereby likely to give rise to confusion shall be deemed to have used a similar trademark.

- (b) The offering for sale, sale, distribution, importing or exporting of goods bearing trademarks unlawfully used by persons other than the persons entitled.
- (c) Aiding and abetting the acts specified in the preceding subsections.

II. Civil Actions

A. Compensation

48. — Any person who causes loss to the owner of a trademark, intentionally or through negligence, by committing any of the acts specified in Section 47, shall be liable to pay compensation for such loss.

B. Injunctions

49. — Any person whose rights have been infringed in the manner specified in Section 47 may bring an action against the offender for an injunction to restrain the infringement. Any person whose rights are threatened may bring an action to restrain an imminent infringement.

Where an infringement is committed by the manager, representative or employee of an enterprise, in the performance of his duties, an action may be brought against the owner of the enterprise. In actions brought under this Section, it shall not be necessary to prove fault on the part of the persons with respect to whom an injunction is sought, or on the part of the owner of the enterprise.

C. Cancellation of Registration under a Court Order

50. — The Ministry of Industry or any interested person may apply to the courts for cancellation of a trademark registration in the following cases:

- (a) where the registered owner has failed, without just cause, to make proper use of his trademark during three consecutive years, or where the trademark has not been used as registered, or where the owner of a certification mark has not complied with the technical regulations submitted as an annex to the application;
- (b) where a trademark is transferred in a misleading manner.

III. Criminal Actions

A. Penalties Applicable

51. — (a) Any person infringing Section 3, last subsection, and any person maliciously using a trademark in the form other than that in which it has been registered, shall be liable to imprisonment for not less than three months and not more than one year and to a fine of not less than 1,000 and not more than 10,000 Turkish pounds.

(b) Any person who uses a trademark identical or similar to a trademark registered in the name of another person, or who knowingly offers for sale, sells, distributes, imports or exports goods bearing trademarks used unlawfully by a person other than the person entitled, and any person aiding and abetting such acts shall be liable to imprisonment for not less than eight months and not more than two years and to a fine of not less than 5,000 and not more than 50,000 Turkish pounds.

Persons sentenced to the penalties prescribed in (b) shall be ordered by the courts to close their place of business, if any, for a period of one year and shall be prohibited from engaging in their trade or handicraft for the same period.

Where the acts specified in this Section are found to have been committed through negligence, the offender shall be liable only to a fine.

In the event of a subsequent offense the penalties referred to shall be doubled.

B. Aiding and Abetting

52. — Where the offenses listed in Section 51 are committed by employees of an enterprise in the performance of their duties, the owner of the enterprise or the persons actually managing the enterprise, under any name and in any capacity whatsoever, who were aware of the commission of the offense shall be deemed to be abettors.

C. Confiscation

53. — The confiscation shall be ordered of goods, labels, wrappers, covers, commercial stationery and the like bearing a trademark in unlawful use within the meaning of Section 51(b), and of tools and instruments such as seals, stamps and printing blocks, used in making or affixing the said trademarks.

This provision shall also apply in the event of acquittal.

PART FOUR — FINAL PROVISIONS

I. Provisions Repealed

54. — The Trademarks Regulations of May 11, 1888, and its annexes and amendments, are hereby repealed.

II. Transitional Provisions

Transitional Section. — Applications which have already been processed on the date of entry into force of this Law shall be governed by the statutory provisions in force on the date of application.

III. Entry into Force

55. — This Law shall enter into force three months after the date of its publication¹.

IV. Application of this Law

56. — The Council of Ministers shall be responsible for the application of this Law.

¹ The Law came into force on June 12, 1965.

The European Patent in 1971

The First Convention — European System for the Grant of Patents

By J. B. van BENTHEM

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I. Introduction

Two preliminary draft conventions on a European patent were published in 1970.

The first of these (the "First Convention"), which was prepared by an intergovernmental conference consisting of representatives from 17 European countries, is aimed at the establishment of a European system for the grant of patents. It provides for a common granting procedure for all the Contracting States. This procedure, which is regulated by the Convention, will take place before a common Office and will lead to the grant of a European patent having the character of a bundle of the corresponding national patents subject to domestic law.

The other draft (the "Second Convention") was prepared by a group of experts from the Common Market countries. Its object is a Community patent for these countries which will be created out of the bundle of national rights arising from the European patent grant and will be governed by conventional, as opposed to domestic, law.

In the March 1971 issue of this review, an article¹ by Dr. Kurt Haertel on the two preliminary drafts was published. As Dr. Haertel is the chairman of the bodies responsible for drafting both European patent conventions, there could certainly be no one better qualified to publish a study on this subject. I refer to his article for the background to the drafts published and for their aims and basic concepts. Work has continued meanwhile and has recently resulted in the publication of a second, supplemented and adapted version of the preliminary draft of the First Convention.

The preliminary draft published in 1970 was far from complete. It lacked articles on the powers of the Administrative Council of the European Patent Office, transitional and final provisions, financial provisions, general rules of procedure, implementing regulations and rules relating to fees. The publication of that draft gave rise to observations from a number of interested organizations. These observations were studied and the draft was adapted in the light of those that were accepted. Other matters had been left open, such as the question of limiting accessibility to the European patent application and the position of earlier patent applications not yet published. The efforts of six working parties

made it possible to fill in the gaps and reexamine the draft. The outcome of their work was submitted to the Intergovernmental Conference, which met from April 20 to 30, 1971 and was attended by the representatives of 19 European countries including, for the first time, Monaco and Yugoslavia. The work of the Conference resulted in the adoption, with a view to publication, of a second, enlarged and adapted preliminary draft together with draft implementing regulations and draft rules relating to fees.

This second preliminary draft of the Convention was published together with its implementing regulations, rules relating to fees and explanatory reports. Meetings are being planned for early in 1972 at which interests will be consulted on all the details of the new preliminary draft. The draft will then be given a "final polish" with a view to its submission to the Intergovernmental Conference for adoption during the summer of 1972. It will then be ready for a diplomatic conference, which might be held early in 1973.

II. Second Preliminary Draft of the First Convention

The second preliminary draft of a Convention Establishing a European System for the Grant of Patents has ten Parts, which will be described here with special reference to the amendments or innovations made since the publication of the first preliminary draft.

Part I: General Provisions

1. These provisions, in particular Article 2, reflect the underlying principle of the Convention, which is simply to establish an international patent procedure leading, through the single act of an international body (the European Patent Office), to the grant of a European patent having the character of a bundle of national patents governed by the respective domestic law of each of the Contracting States.

The different domestic laws governing the patents granted will therefore in principle remain unaffected. This principle was strictly adhered to in the first preliminary draft, which upheld domestic law not only with regard to the content of the exclusive right conferred by the patent, infringement, compulsory or voluntary licenses and the payment of annual fees, but also with regard to the revocation and duration of the European patent.

There is no doubt that this "minimum approach" would facilitate accession by European States. It would also, however, involve a degree of legal uncertainty for European patentees as to the validity of their patents, which would compromise the safeguards offered by the European procedure. For this reason, the minimum approach has given rise to strong protest in interested circles, and the Intergovernmental Conference has therefore introduced provisions in the draft Convention which regulate the duration and validity of the European patent. This "maximum approach" (though not in fact max-

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¹ *Industrial Property*, 1971, p. 82.

imum since the other aspects of the European patent issued will be governed by domestic law) means that the European patent will have the same period in force in all Contracting States (Art. 20 *a*: twenty years as from the filing date of the application) and its validity will be determined in all Contracting States only under the uniform criteria set out in the Convention (Art. 133: grounds for revocation of the European patent), these criteria being in principle the same as those governing the grant of the European patent. These are of course simply to be the criteria applicable. The jurisdiction of the domestic courts has not been affected and the validity of a European patent — that is a national patent resulting from the European grant — will be decided, on the basis of those criteria, by the national courts.

The so-called maximum approach precludes States from having their own policy both with regard to the term of the European patent and with regard to revocation on grounds not contained in the Convention. Since it would seem difficult for Contracting States to have two categories of national patents with differing rules of validity or duration, depending on whether they were granted at European or national level, it is probable that accession to the European Patent Convention will tend to align domestic law with that of the Convention. A satisfactory result, one might say. However, it might put difficulties in the way of accession by a number of countries, in particular, those which refuse patentability to foodstuffs and pharmaceutical products. In order to offset these difficulties, the Intergovernmental Conference has inserted into the preliminary draft an Article 159, based on a similar article in the Strasbourg Convention of November 27, 1963 on the Unification of Certain Points of Substantive Law on Patents for Invention (not yet in force); this offers Contracting States the possibility of derogating from Articles 20 *a* (patent term) and 133 (grounds for revocation) for a period not exceeding ten years from the entry into force of the Convention. This transitional period is shorter than that envisaged by the Strasbourg Convention as it is to be counted from the entry into force of the Convention and not from its entry into force for the Contracting State concerned.

2. There was another article in the General Provisions to which the attention of the Intergovernmental Conference was directed. This was Article 5, concerning persons entitled to apply for a European patent. From the outset, the Conference rejected the principle that accessibility to the European patent should be limited to nationals of the Contracting States. Apart from the question of compatibility with the national treatment required by Article 2 of the Paris Convention for the Protection of Industrial Property, the Conference was against the idea of refusing the European procedure to nationals of non-Contracting States, who would then continue to use their national procedures, to the detriment of the principle of economy, which is at the base of European cooperation.

Article 5 therefore contained the principle of free accessibility to the European patent, except in the case of nationals of non-Contracting States whose legislation did not afford nationals of Contracting States the same advantages as those

granted to its own nationals — in particular, non-Contracting States whose legislation made the grant of a patent subject to conditions which could be met only on the territory of that State. Since the signature of the Patent Cooperation Treaty (PCT) in Washington on June 19, 1970, this exclusion threatened to deny persons filing international applications under the PCT access to the European patent, even if they were nationals of a country party to the European Patent Convention. Article 45 of the PCT (drafted after detailed discussion, during which Article 5 of the draft European Patent Convention was in the minds of persons well informed) in fact allows an international application under the PCT to be filed as an application for a regional patent (such as the European patents) only where the regional patent treaty gives all persons who are entitled to file international applications under the PCT access to the regional patent. Unwilling to risk any incompatibility with the PCT, the architects of the European patent amended Article 5 of the preliminary draft so as to allow all persons unrestricted access to the European patent. Such exemplary generosity is worthy of mention.

3. The other general provisions have not been amended. The principle that the European grant procedure will supplement but not replace national procedures has thus been retained. Inventors who may request a European patent for one or more Contracting States (Art. 3) will thus have the choice between the two procedures and may even combine them, although that will not automatically afford them combined protection. Under Article 6, the Contracting States may decide whether, and under what conditions, such simultaneous protection is possible.

Part II: Substantive Patent Law

1. This part of the preliminary draft deals first with the rules of patentability of inventions and the rights conferred by the patent and by the application which, under the preliminary draft, is to be published 18 months after its priority date. It also contains rules on the right to the grant of a European patent, the right of the inventor to be mentioned as such, patents of addition and the patent application as an object of property.

2. The rules on patentability are, in principle, taken from the Strasbourg Convention of November 27, 1963, referred to above. The draft therefore requires for patentability: absolute novelty, an inventive step having regard to the state of the art and applicability in industry, including agriculture.

The draft recognizes two classes of exceptions to patentability: absolute prohibitions, set out in Article 10 and corresponding to those in the Strasbourg Convention (inventions contrary to public order or morality and those relating to plant varieties or animal breeds) and prohibitions consisting of everything which, according to Article 9(2), is not considered as an invention within the meaning of the draft (scientific theories, etc.), about which the Strasbourg Convention has no provision. This second category of prohibitions, which provisionally includes computer programs, is as yet only in outline. The Conference decided to consider this

matter further and interested circles concerned will have their say too.

3. For patent applications with similar subject matter filed earlier but published later than the application under examination and therefore not strictly within the state of the art, the Strasbourg Convention offers two alternatives. The Intergovernmental Conference chose that which considers the content of such applications as part of the state of the art and consequently an obstacle to the novelty of the later application (Art. 11). The severity of this solution, known as the "whole contents approach," has been tempered by three special provisions. First, Article 11(4) provides that the rule is to be applied only where a Contracting State designated in the later application was also designated in respect of the earlier application. As the applicant does not have to apply for a European application for all Contracting States but may designate one or more such States, it may happen that completely different sets of States have been designated in the two conflicting applications and the earlier will thus not be a bar to the grant of a patent for the later. Second, and in the same connection, Article 138 enables a later applicant who finds that some of his designated States have also been designated in an earlier application to divide his own application so as to submit different claims for different States. Third, Article 13 takes over a provision from the Strasbourg Convention by providing that the earlier application will not be relevant when the question of inventive step in the later application is considered. It will only be relevant to the question of novelty. It seems difficult to find a more satisfactory and better balanced, and at the same time practicable, solution to this controversial problem of conflicting applications.

4. According to the spirit of the principles contained in Part I of the preliminary draft, the rights conferred by the European patent will be the same as those conferred by ordinary national patents in the State in question (Art. 18). The publication of the European application, which is to take place 18 months after its priority date, will provisionally create the same rights, unless the national legislation curtails those rights. No such curtailment may go beyond a minimum laid down in the Convention. This minimum consists of the right of the applicant to claim reasonable compensation from any person using the subject matter of the application in circumstances that would make him liable if it was a national patent that was being infringed (Art. 19). The scope of protection conferred by a published application will be determined retroactively by the patent grant (Art. 20(2)).

5. The preliminary draft provides (Art. 15) that the right to a European patent belongs to the inventor or his successor in title; there are, however, two exceptions to this rule. The first concerns employees' inventions: if the national law governing the relations between employee and employer confer the right to the patent on the latter, the preliminary draft does not derogate from such a rule of social law and gives the employer the right to obtain a European patent. Then, if several persons make an invention independently of each other, the right to the patent will belong to the first applicant.

The preliminary draft has thus fortunately chosen the "first-to-file" system. It will be for the competent domestic court to decide questions relating to whether the applicant is in fact the inventor or his successor in title or whether his knowledge has been illicitly obtained from the person entitled. The Office will not consider this question of civil law, but will always presume that the applicant is the person entitled. If the inventor is not the applicant, he will nevertheless have the right to be mentioned as such before the Office (Art. 17). Such mention will be at the inventor's discretion and may be made by the applicant for the patent at any time during the procedure before the Office (Implementing Regulations Re. Art. 17) except where the law of at least one designated State requires the inventor to be named; in such a case, the application must include the inventor's name at the time of filing (Art. 69 *a*, modeled on the PCT provision).

6. Under Article 22, although the European application will retain its unitary character in the European grant procedure, as an object of property (capable of assignment or subject to rights) it will be a distinct object in each designated State. The application may thus be assigned to different persons in different States, but for the purpose of the grant procedure these assignees will be regarded as joint applicants (Art. 22). The Intergovernmental Conference drew the logical conclusion that the European application as an object of property in each designated State will be governed by domestic law (Art. 22 *a*). It is only in relation to the formal requirements for assignments that the draft contains an international rule: the assignment must be in writing and bear the signature of the contracting parties (Art. 23).

7. The preliminary draft allows the acquisition of patents of addition for any improvement, development or supplementing of an invention protected by a European patent, but the application for the patent of addition must be filed before the publication date of the parent patent (i. e. 18 months after the filing date or, where applicable, the priority date of the application) (Art. 21). In national law, the existence of patents of addition is useful for two reasons — one relating to substantive law and the other to financial considerations: the applicant for a patent of addition does not have to prove an inventive step in relation to the subject matter of the parent application and the patent of addition is exempt from annual fees. Since the draft has adopted the general rule under which the contents of earlier applications, published after the filing date of the European application, are irrelevant to the question of inventive step (see above), this leaves only one justification for having a system of European patents of addition — the exemption from annual fees. The Intergovernmental Conference decided to reconsider whether this financial element alone was a sufficient justification. In any case, this financial element did not strike it as justifying an extension of the time limit for the filing of applications for patents of addition, as desired by some of the interested circles.

Part III: The European Patent Office

1. This part of the preliminary draft covers the legal status and organization of the common Office of the Contracting States responsible for the grant of European patents, the

European Patent Office. It also deals with the powers and functions of its Administrative Council, the Register of European Patents and the financial provisions.

2. As to the status of the European Patent Office, Article 30 provides that it is administratively and financially autonomous and Articles 32 and 35 endow it with legal personality and with privileges and immunities which are to be defined in a protocol. The Office will be administered by a President, who will be responsible to an Administrative Council consisting of Representatives of the Contracting States (Arts. 36 and 35 *d*). In carrying out the procedures concerning the European patent, the Office will have (Arts. 53 to 58) three administrative departments, two of which (the Examining Sections and the Examining Divisions) will be responsible for examining applications for European patents, and the other (the Opposition Divisions) will hear opposition cases. The Office will also have two judicial organs: the Boards of Appeal, for appeals against the decisions of the Examining Sections or Divisions or of the Opposition Divisions, and an Enlarged Board of Appeal to decide points of law referred to it by the Boards of Appeal. The Enlarged Board of Appeal has been placed over the Boards of Appeal in order to ensure uniform decisions, as it has seemed impossible to provide for appeal either to the EEC Court of Justice (not all the potential States party to the First Convention are entitled to be a party before the Court) or to a special court (whose status would need to be defined by a special convention). It should be noted that Article 58 provides for the independence of the members of the judicial organs of the Office, who will be appointed by the Administrative Council for a term of five years, during which they may not be removed from office; they will not be bound by any instructions as to their decisions.

3. In order to ensure the rational operation of the European Patent Office, there will only be three working languages — English, French and German. Applications and the printed specifications need only be published in one of these languages (that of the application); the claims must be translated into the two other working languages (Art. 34). The interests of member countries are nevertheless safeguarded as far as possible by certain special provisions. First, persons resident in countries not using one of these languages may file their European application in their own language, but must produce a translation into one of the working languages within three months of the filing date (Art. 34; Implementing Regulations *Re. Art. 34*). These same countries may moreover make the commencement of provisional protection, afforded by the publication of a European application, conditional upon the publication of a translation of the claims in the application into their own language (the claims being published by the Office in the working languages only) (Art. 19). Furthermore any Contracting State may, where the specification of a European patent issued with respect to its territory has not been published in its language, require the applicant to furnish a complete translation together with the cost of publishing it, on pain of nullity of the patent for its territory (Arts. 97 *a* and 100). The language of the application (if it is one of the three working languages; otherwise, the language

of translation) will be the language of the proceedings, used in notifications and decisions issued by the Office and in documents produced by the applicants during the proceedings. However, the draft Implementing Regulations (*Re. Art. 34*) provides for a number of derogations from this principle, especially in favor of third parties opposing a European patent.

4. Articles 59 to 63 deal with the Register and the publications of the European Patent Office and its relations with national authorities. The "Register of European Patents" will contain all particulars which must be registered under the Convention or its Implementing Regulations or the instructions of the President of the Office. It will be open to public inspection, no entry being made in the Register prior to the date of publication (Art. 59). That does not mean that everything concerning an as yet unpublished application will be kept secret. In addition to inspection of the Register, Article 149 provides for inspection of documents in the application files. In principle, unless the applicant consents or makes a claim against a third party, the files may not be inspected prior to publication of the application. However, Article 149 permits the publication of the filing number and date, the name of the applicant, the title of the invention and the Contracting States designated, as soon as the application has been filed. Such publication will also appear in the European Patent Bulletin, which will contain all the entries in the Register and any other particulars prescribed. Together with the Bulletin, the Office will publish an Official Journal containing notices and information of a general character (Art. 60).

5. Under the Financial Provisions, the expenses of the European Patent Office will, in principle, be covered partly by the resources of the Office itself (the fees provided for in the Convention and Implementing Regulations, such as the filing fee in Article 66 and the annual renewal fees for European patent applications in Article 129) and partly by payments made by the Contracting States by way of renewal fees levied on European patents in those States. At national level, patent grant proceedings will be financed by a combination of the procedural fees and annual patent fees.

As has been seen, the First Convention only concerns the grant procedure; the European patent granted is simply a bundle of national patents which are in principle subject to domestic law, especially with regard to their maintenance in force by means of fees. The European Office can thus not charge fees on a European patent that it has granted. As a result, the Intergovernmental Conference was faced by a choice of two systems for financing the activities of the Office: they could be financed either wholly by the procedural fees charged or partly by contributions from Contracting States levying annual fees. The former system would certainly have led to a prohibitive scale of fees. For this reason, the second system was chosen. To bring the situation into line with that existing at national level, it was decided that a compulsory payment would be made, being a percentage of the fees charged for the maintenance in force of each European patent in each State, such percentage being fixed by the

Administrative Council. This system seemed logical and fair as the Contracting States would only be paying for the European patents in force on their territory — due to the activity of the European Patent Office.

6. Article 44 contains the important principle that the amount of fees and payments made by way of annual fees must ensure that the budget of the European Patent Office balances. However, this balance may not be struck in the early days of the Office. Indeed, until a sufficient number of European patents have been granted, there is bound to be a deficit. Article 44 therefore provides for special contributions to be made by the Contracting States. However, such special contributions will only be by way of an advance: there is provision for their reimbursement with interest, under a specific item in the budget, as soon as the Office is able to balance its budget.

7. The Administrative Council, consisting of Representatives of the Contracting States and their alternates, will be the supreme body under the Convention: it will supervise the activities of the Office, adopt its budget and have power, inter alia, to amend the Implementing Regulations (which will form an integral part of the Convention) and to adopt or amend other regulations and the Service Regulations for officials (Arts. 35 *a* and 35 *b*). Within the Council, the interest of Contracting States in the European patent system varies from one country to another, depending in particular on the number of European patents applied for and granted for any given country. This variation is expressed by a difference in the contributions to be paid, be they payments in respect of annual renewal fees or special contributions. The Intergovernmental Conference debated whether such a variation in interest should be reflected by a certain weighting of votes for decisions of the Administrative Council, as is the case with the Council of Ministers of the European Economic Community (Treaty of Rome, March 25, 1957) and the Administrative Council of the International Patent Institute (Hague Agreement as revised, February 16, 1961). In Article 35 *o*, such weighting was accepted but was limited to certain principal decisions which could affect the contributions of Contracting States. The actual apportionment of votes is to be examined in greater detail.

8. Article 35 *n* deals with the voting rules of the Administrative Council. As in the case of revisions of the Convention itself which, under Article 162 may be adopted by a majority of three-quarters of the Contracting States represented at a diplomatic conference, the Intergovernmental Conference did not wish to give each Contracting State a right of veto and therefore rejected any idea of a unanimity rule for the Administrative Council. Some very important decisions, particularly the amendment of the Implementing Regulations, the adoption or amendment of the Rules relating to Fees and the adoption of the Office's budgets, will require a three-quarters majority of the Contracting States. All other decisions will be taken by a simple majority. The majority requirement refers only to Contracting States represented and voting. The ability of the Administrative Council to take decisions will thus be guaranteed.

Part IV: The European Patent Application

1. This Part deals with the filing and requirements of the European application and with the priority right.

2. A European patent application must be filed either directly at the European Patent Office or, if the law of a Contracting State so provides, with the competent national authority or authorities of that State. A Contracting State may require applications to be filed with its national authorities provided that this is necessary under, in particular, national security legislation (Art. 64). Filing applications at national Patent Offices will have the same effect as filing at the European Office, but the national authorities will simply function as postmen; they will have no say as to admissibility, but will merely forward European patent applications to the European Patent Office within six weeks of filing or, if the applications have to be examined to see whether they are of a secret nature, within four months of filing or, when priority has been claimed, within fourteen months of the priority date (Art. 65). The role of the national Patent Offices of the Contracting States receiving European patent applications will thus not be the same as their role when receiving international applications under the PCT, which — before being transmitted — are examined for inadmissibility and even formal defects (Arts. 11 and 14 of the PCT). This difference can be explained, not only by the principle of centralization in all proceedings relating to European applications, but also by the fact that the European application, before being forwarded to the International Patent Institute, which will carry out the search into the state of the art, must pass through the European Patent Office to be examined for formal and obvious substantive defects (Art. 77 and see explanations below).

3. Part IV of the preliminary draft contains some provisions on principles relating to the formal requirements of a European patent application (Arts. 66 to 72) and refers to the Implementing Regulations for detailed rules (Art. 72). The provisions in question, both in the Convention and in its Implementing Regulations, are largely based on the provisions of the PCT. This proves that although the PCT does not go so far as to impose harmonization of the law relating to the requirements of a patent application, it does tend towards such harmonization. The principal conditions are set forth in Articles 66 and 67. In addition to the payment of the filing fee within a month of the filing date, they include the request for the grant of a European patent, the description of the invention, the claims, any drawings, and an abstract in one of the languages prescribed in the Convention, together with the designation of the Contracting State or States for which a European patent is sought. Only one State need be designated. Further designations after filing will no longer be possible but any designation may be withdrawn until the grant of the European patent. Articles 68 and 69 state the minimum requirements that must be satisfied if the application is to be given a filing date (admissibility requirements). Articles 70 to 71 *a* and the Implementing Regulations cover the other application requirements.

4. A European patent application will enjoy a right of priority based on a first national application regularly made in any country party to the Paris Convention. The first application may be made in one of the States party to the European Patent Convention itself, provided that such country is a member of the Paris Union. An inventor can therefore precede his application for a European patent by an application for a national patent, even in one of the Contracting States, and such prior application will give him a priority right at European level.

In the first preliminary draft, the recognition of a priority right based on a prior national filing in any State other than a party to the First Convention was made subject to reciprocity, irrespective of whether the State in question was a member of the Paris Union. But such a general requirement for reciprocity may well be contrary to the Paris Convention, even where an international patent grant system is concerned, in so far as member countries of the Paris Union are parties. The Intergovernmental Conference came to the conclusion that, under Article 4A(2) of the Paris Convention, it could not deprive a European application of a priority right based on an application in any member country of the Paris Union. For this reason the reciprocity requirement was withdrawn except for countries not members of the Paris Union. The Conference did not wish to rule out the recognition of priority rights for applications filed in those countries, but agreements would have to guarantee reciprocal rights. In this respect therefore the recognition of priority rights in the preliminary draft goes beyond the Paris Convention; this is one of the reasons why the draft does not simply refer to the priority right requirements in the Paris Convention, but reproduces the rules in that Convention (Stockholm Act) (see Art. 73 on the content of the priority right, Art. 74 on its legal effects and Art. 75 on the formal requirements). Such repetition ensures that in those cases where the Paris Convention is not applicable, identical rules will be used. There is another reason, too. Mere reference to the provisions of the Paris Convention would raise the problem of the different Acts of that Convention to which different Contracting States are party. The reproduction of these provisions in the European Convention will enable uniformity in the priority right requirements. Of course, one consequence of this is that any revision of the Paris Convention in this respect will entail a corresponding revision of the European Convention.

5. Although a European application claiming priority based on a national application in one of the Contracting States will be possible, no provision has been made for a national application in one of the Contracting States claiming priority based on a European filing. The path from the European patent application to national patent applications in the Contracting States is otherwise paved while, at the same time, being partially blocked by Article 76. This Article provides that an application for a European patent will, in the designated Contracting States, have the value of a regular national filing but that the grant procedure for a national patent will be initiated by such a filing only in the limited circumstances set forth in Articles 124 to 126, which deal with

the conversion of a European patent application into a national application. What are the reasons for these restrictions?

The possibility to file a national application in a Contracting State giving rise to a right of priority prior to filing a European application might be useful to any inventor who continues, even with regard to a European application, the present practice of filing an application in his own country first, which gives him a year (the priority period) to judge whether it is worth filing applications elsewhere — including the filing of a European application for other European countries.

The only instance where it might be useful to move in the opposite direction — from a European to a national application — is where the European procedure will not lead to a patent. Since the European Convention is not to replace but to supplement national patent law, it is obviously not its aim to provide an opportunity of combining a European patent with a national patent. Moreover, there seems to be no doubt that by virtue of Article 6 of the preliminary draft, the Contracting States will take the measures necessary to prevent, or at least limit, such simultaneous protection. For these reasons the Intergovernmental Conference chose not to give a national application filed in a Contracting State an unlimited right of priority on the basis of a European filing, but adopted a restrictive system under which a national grant procedure may be initiated by a European application on the basis of Article 76 (the system of “conversion into a national application”). If this system had been restricted in principle to cases where a European patent will not be granted, it would have been possible to allow conversion in all cases where the grant procedure will not lead to a European patent, owing to withdrawal or rejection of the application or (in the case of opposition) revocation of the patent. However, even such a limited power of conversion has come under much opposition due to two major disadvantages. First, it is detrimental to legal certainty. It would give an applicant who had unsuccessfully gone through what may be a long European grant procedure the opportunity to reopen the procedure at national level and thus postpone the decision relating to grant. Second, such a system might overload the national Administrations, which would run counter to the idea underlying the creation of the European system. For these reasons, the Intergovernmental Conference reduced the possibilities under the Convention for switching from European to national level to the strict minimum, that is to the two cases where the European application is deemed to have been withdrawn before the European grant procedure was initiated: for applications made secret in the interests of national security (Art. 65(5)) and for applications whose subject matter falls beyond areas of technology to be considered by the European Office during its early stages of operation (Art. 157(3)). However, notwithstanding the criticism made, the Intergovernmental Conference did not want to prevent Contracting States from allowing conversion, in respect of their territory, in any other case of rejection or withdrawal of an application or revocation of the European patent (Art. 124).

6. It has already been stressed that the European patent system will not replace the national systems but supplement them, leaving a choice of systems for the protection of inventions. Consequently, it may happen that there are both European applications and national applications having the same subject matter. This does not raise any problem provided that the earlier of the two applications was published before the priority date of the later, thereby becoming part of the state of the art for the later application. There is a problem if one of those applications was not published before the priority date of the other.

It will be recalled in this connection that Article 11 of the preliminary draft deals with the question of a number of conflicting European applications. This is solely a matter of the law in the Convention (see above). However, conflicts between a European application and a national application will not be governed solely by the law in the Convention. This can be illustrated by distinguishing between three possible cases: where the European application precedes the national application, where the national application precedes the European application, or where both applications have the same priority date (e. g. in the case of a European application claiming priority based on a national application).

The first case is governed by Article 74 of the preliminary draft, which provides that a European application, published on or after the priority date of a national application, which benefits from an earlier priority date will be considered in each of the Contracting States designated as a national application based on an earlier filing. By means of this presumption, the problem will be solved by national law, which will normally refuse the national application or declare the patent granted on the basis of that application null and void.

Another article of the preliminary draft, Article 134, deals with the second case: if a national patent or patent application, published on or after the priority date of a European patent, has an earlier priority date than the European patent, the European patent will, in the Contracting State concerned, be treated as a national patent as far as the prior national rights are concerned. This again means a *renvoi* to national law which, in such a case, would undoubtedly declare the European patent null and void for its territory.

For the third case — where the applications have the same priority — reference must be made to Article 6 of the preliminary draft, which leaves to Contracting States the question of simultaneous protection.

Part V: Examination and Grant of the European Patent; Opposition

1. Three successive phases can be distinguished in the procedure proposed for the grant of a patent.

The first phase (Arts. 77 to 87) will be compulsory: it will consist of an examination of the European patent application for formal and obvious defects by an Examining Section and then, unless the application is refused by that Section, a search will be made into the state of the art by the International Patent Institute, and finally the application will be published 18 months after its priority date; the report on the

state of the art will be published as an annex to it or, if it is not yet available, as soon as possible thereafter.

The second phase (Arts. 88 to 100) will comprise the complete examination of the European patent application by an Examining Division for fulfilment of all the substantive and formal requirements set out in the Convention. This examination, leading either to the grant of a patent (where required, after the application has been amended) or to the application's rejection, will be optional. It will be carried out only at the request either of the applicant or of a third person which must be made within six months of publication of the report on the state of the art. The grant of the European patent will then be published together with a printed specification. Within nine months of that publication, any person may enter opposition to the European patent that has been granted.

Opposition will open the third phase of the procedure (Arts. 101 to 107). This too will be optional and consist of the examination by an Opposition Division of the oppositions lodged, leading either to the total or partial revocation of the European patent, or to the rejection of the opposition.

At all three phases of the procedure the decisions of the competent bodies of the European Patent Office will be subject to appeal to the Boards of Appeal and will go, in some cases, before the Enlarged Board of Appeal (Arts. 108 to 116).

2. I shall now make a few comments on the various phases of the procedure.

The first phase. Here, since the actual examination of the European application will only be made during the second phase, the first will merely serve in principle for the publication of the application together with the report on the state of the art. Nevertheless, at the time of filing the European application, the draft provides for an examination not only for inadmissibility of the application and formal defects which might lead to an incorrect publication, but also for obvious defects of substantive law (Arts. 77 and 78). It was intended in this way to immediately discard applications which obviously did not relate to an invention within the meaning of Article 9 or were obviously not patentable under Article 10. Interested circles criticized such an examination within the context of this first phase of the procedure and contested its usefulness. It does in fact appear difficult to decide what constitutes an obvious defect. Moreover, Examining Sections consisting of technical examiners will have to study all applications filed in order to eliminate a few applications, whose publication would not in any case do harm. The interested circles asked for the withdrawal of that complication from the filing stage and suggested the system under the PCT, which limits the examination procedure during that phase to admissibility and formal regularity.

3. For obvious reasons the preliminary draft entrusts the search into the state of the art with regard to European patent applications, not to the European Patent Office, but to the International Patent Institute, which was created to centralize searches at the international level. The Institute will undertake both the main search in the examination of a European application and any additional search which may prove necessary during the proceedings (Art. 137). The main

search will be carried out during the first phase of the procedure after the Examination Section has found that the application meets the requirements to be considered during that phase. The applicant must however have first paid the special search fee within one month of being asked to do so by the Examination Section. Interested circles were also pressing for a further simplification of this first phase of the European procedure by eliminating the special fee and including it with the application fee, as a search into the state of the art will be compulsory for all European patent applications (unless they are immediately rejected, in exceptional cases). By combining this with the proposal to limit examination at the time of filing to formal defects, it would be possible to obtain a more rational and rapid procedure, and European patent applications could be submitted for the search into the state of the art immediately following a simple administrative examination. Such a procedure would even make it possible for the formal examination to be carried out either by a national Office, when a European application is filed there, or even by the International Patent Institute in conjunction with its search into the state of the art.

4. There is no doubt that the case for a simplification of the procedure, inspired furthermore by the PCT, is strengthened by Article 123 of the preliminary draft, which provides that the publication of an international application by the International Bureau under the PCT will, subject to the provision concerning translations in Article 123, replace the publication of the European patent application under Article 85 and give rise to the provisional protection provided for in Article 19. Since the simplified PCT procedure would therefore be able to replace the whole of the first phase of the European procedure for international applications for which the European Patent Office is the receiving or designated Office, it seems unreasonable to make this phase more complicated for applicants who apply directly to the European Patent Office. The Intergovernmental Conference has not yet had the time to take a decision on these proposals of interested circles and has postponed them for subsequent study.

5. Article 123, referred to, forms part of a chapter in the preliminary draft (Arts. 117 to 123) which adapts the draft to the PCT. In other words, from the entry into force of the PCT — even for a single Contracting State of the European Convention, the European Office will be able to act as a receiving, designated or elected Office or as an International Preliminary Examining Authority. However, although Article 123 provides that the publication of the European application under Article 85 will be replaced by the publication of the international application under the PCT (subject to the translation requirement), Article 123 must be read together with Article 122. This provides that the international search report in Article 18 of the PCT will replace the report on the state of the art prepared by the International Patent Institute during the first phase of the European procedure — but subject to Article 137. Under this Article, the European Office may, if it sees fit, require a supplementary report on the state of the art, at the expense of the applicant and at

any time — including therefore at the time of submission of an international application. How far this provision is applied in practice will certainly depend on the degree to which the International Searching Authorities under the PCT succeed in attaining a uniform level in the quality of searches.

6. The opportunity for amending an application depends on the particular phase of the European procedure. Before the report on the state of the art has been received no amendment will be allowed in principle, except for corrections of linguistic errors, clerical errors or obvious mistakes (Art. 82). After receipt of the report but before the request for examination, the applicant may amend only the claims. If possible, the amended claims must appear in the publication of the application 18 months after the priority date (Arts. 83 and 85). After the request for examination, which will open the complete examination of the application, the applicant will be free to amend the description, claims and drawings of his application, such amendments being submitted to the Examining Division concerned (Art. 95 a). This point now brings us to the second phase of the European grant procedure.

7. At its preceding meeting, the Intergovernmental Conference had decided to reconsider the question of the time limit for presenting the request for examination under Article 88, in the light of the financial estimates submitted by a working party. These estimates showed that, on the basis of estimated figures taken from systems practising deferred examination, a short-term system such as six months (which is tantamount to immediate examination) involved much higher expenses than a long-term system such as seven years (known as a deferred examination system). This is due to the differing number of patent applications which, in one system or the other, reach the examination stage and thereby determine the number of examiners necessary.

Nevertheless, in accordance with the opinion of the interested circles, the Conference decided in favor of setting as short a period as possible for lodging the request for examination. It did so for reasons of legal certainty especially with a view to the applicant's competitors. It was decided to set a six-month period counted from the notification in the European Patent Bulletin of the publication of the report on the state of the art (Art. 88). However, the possibility of extending this period to twelve months will be examined. In fact, in some cases, the period will be extended in any event, under the PCT, in favor of persons filing an international application (Art. 117 of the preliminary draft). It is moreover questionable whether six months is generally sufficient time for the applicant to assess his position on the basis of the report on the state of the art.

However, be the period six months or twelve, the Conference has decided against the deferred examination system, that is the possibility for an applicant to postpone the grant procedure for long enough to reconsider his economic interest in having a patent granted. At the present time, the preliminary draft has only an immediate examination system, both for the search into the state of the art and for the subsequent examination, the only special feature being that examination

will not be automatic but will have to be requested by the applicant. There are those who consider that the obligation to make such a request together with the payment of a special fee, as a condition for the complete examination of a European patent application, will eliminate a large percentage of applications from the outset, especially those which do not deserve to be prosecuted. There are others who fear that the mere obligation to make a special request for the examination will mean, in the case of many applications, that immediate examination will occur at a moment when the applicant is not able to judge the economic value of his invention (as has been proved by practice in countries which have introduced deferred examination). This will lead to the useless prosecution of the procedure for many applications. Be that as it may, by deciding against the deferred examination system, the Intergovernmental Conference attached importance above all to the disadvantage of any uncertainty for competitors which would occur under such a system.

8. The preliminary draft has not however lost every trace of the deferred examination system. By extending in principle the period within which a request for examination may be made, Article 160 provides for deferred examination during a transitional period after the entry into force of the Convention. This is in order to help the European Patent Office to get off the ground. The Conference was not however very much in favor of such a solution, which might be drawn out beyond what might be called a transitional period. It gave certain preference to the alternative solution offered by Article 157 to overcome the early difficulties, that is the progressive extension of the activities of the European Patent Office to different areas of technology. But then there were hesitations about this solution too, because it could create other problems, especially that of choosing between the areas of technology. The question was raised as to whether it might not be possible to do without any transitional measures during the early days of the European Patent Office but simply to rely on the circumspection with which the applicants would begin to make use of the European procedure, which will contain many elements of uncertainty until a certain body of law has been built up. But it was also pointed out that the attitude of applicants was too precarious an element to take as a basis for getting the Office off the ground. The Intergovernmental Conference provisionally retained Articles 157 and 160 for further examination.

9. The examination procedure during this second phase of the European patent grant procedure is, in principle, carried out in the same way as existing national preliminary examination procedures, the only difference being that instead of a single examiner the Examining Division concerned will have three technically qualified examiners (and also, in some cases, a legally qualified examiner) (Art. 55). While admitting that the procedure might be complicated by such a solution, the Intergovernmental Conference felt that the importance of European patent applications merited its adoption. Furthermore, especially during the early days of the operation of the European Patent Office, it could ensure that the Convention was being correctly and uniformly applied. It did however

attenuate this solution by providing that, as a general rule, the investigation made before the decision would be entrusted to one of the examiners in the Examining Division. The examination will lead either to the rejection of the application or to the grant of a European patent for the application, in the text approved by the Examining Division. If the patent is granted, a specification containing the description, the claims and the drawings, if any, will be published. It can thus be seen that no opposition is possible prior to the grant of the patent; the Intergovernmental Conference did not wish to open the door to opposition until after the European patent had been granted. This brings us to the third phase of the European grant procedure.

10. It was generally agreed that the grant of European patents would not be acceptable if the procedure was not accompanied by provision for opposition by any interested person. The only question was whether opposition should be available before or immediately after the grant of the European patent. Following discussions with the interested circles, the second alternative — post-grant opposition — was adopted for a number of reasons: first, it avoids a second publication of the application before the grant with a view to opposition. Second, without prejudicing the interests of patentees it enables a fairly long opposition period to be fixed, during which Contracting States will be able to demand and publish the translation of a contested patent well before the end of the period, to the advantage of their nationals who intend to enter opposition. Finally, the Conference wished to prevent opposition from being used as a means of delaying the final grant of the patent after the examination by the Office. Article 101 of the preliminary draft therefore states that any person may, within nine months from the publication of the grant of a European patent, enter opposition to the granted patent before the European Office.

Opposition will reopen examination of the application with the participation in the proceedings of the opponents. The proceedings will take place before an Opposition Division consisting of three technically qualified examiners (two of whom must not have taken part in the earlier proceedings) together with a legally qualified examiner when required (Art. 55 *a*). The opposition procedure may lead either to the rejection of the opposition or to the total or partial revocation of the European patent. The revocation of a patent will be retroactive (Art. 105 *a*). If a patent is partially revoked, a new specification of the amended patent will be published (Art. 107). The Intergovernmental Conference adopted Article 101 *a* setting out the grounds for opposition, which are the same as those applicable to the annulment of a European patent at national level (Art. 133, see above). The number of grounds for opposition is to a certain extent limited; formal defects and lack of unity of invention are not grounds for opposition since they will already have been thoroughly examined before grant, which should suffice. The other grounds for opposition however cover all the rules of substantive law relating to the grant of the European patent.

11. The adoption of post-grant opposition raises a problem when opposition proceedings to a European patent in respect

of all the designated States is being carried on at the same time as revocation actions against the same patent in one or more of those States, such actions being governed by the domestic law relating to national patents based on a European grant (except in so far as the grounds for revocation are concerned (Art. 133)). The Intergovernmental Conference refrained from interfering with national law by limiting the possibility of instituting or pursuing revocation proceedings against a European patent during the opposition period or procedure. It felt that the question of conflicting proceedings could be left to the national courts which would, in a given case, adjourn the national proceedings until the international decision was rendered.

12. To conclude this commentary on Part V of the preliminary draft, it remains only to comment briefly on the appeal procedure. All the decisions of the Examining Sections (the first phase of the procedure, preceding the publication of a European patent application), of the Examining Divisions (second phase of the procedure, preceding the grant of a European patent) and of the Opposition Divisions (third phase of the procedure, following the grant of a European patent) will be subject to appeal to the judicial organs of the European Patent Office (Art. 108). The first such organ consists of the Boards of Appeal which (except in the cases listed in Article 56) will comprise two technically qualified members and one legally qualified member assisted by a technically qualified member as rapporteur. In order to ensure that the law is uniformly applied, or to take final decisions on a fundamental point of law, an Enlarged Board of Appeal has been set above the Boards of Appeal, which will have seven members, five being legally qualified and two technically qualified. In order that the appeal proceedings should not become unnecessarily long, the Intergovernmental Conference decided that cases could not be brought to the Enlarged Board of Appeal by the parties to the procedure (the applicant or opponent). Matters may only be referred to the Enlarged Board by a Board of Appeal which feels that a point should be decided by it or by the President of the Office when two Boards of Appeal have reached conflicting decisions. The Conference discussed whether it should go further and give the President power to seek an Opinion from the Enlarged Board of Appeal, which might be particularly useful during the early days of the European Office. This suggestion has, for the time being, come up against the argument that the task of rendering Opinions to the President was not in keeping with the position of the Enlarged Board of Appeal as the supreme judicial organ in the matter of the grant of European patents. The question is to be reexamined.

Part VI: Renewal of European Patent Applications

This Part provides for the payment of annual renewal fees in respect of European patent applications. These fees will be payable in advance and become due from the third year counted from the filing date of the application (Art. 129). Article 132 ensures that the competent authorities of Contracting States may impose renewal fees in respect of a European patent only for the years which follow the year of the patent

grant, which will be the year in which the last fee in respect of the application is due. The second preliminary draft is published together with a first preliminary draft of the Rules relating to Fees which give, by way of indication, an idea of the amount of annual fees payable on a European patent application and of all the other fees payable with respect to such an application (filing fee, examination fee, etc.; see Art. 2 of the Rules relating to Fees).

Part VII: Revocation of the European Patent

This Part does not call for any further comments after all that has already been said with regard to the grounds for revocation (Art. 133) and to prior national rights (Art. 134).

Part VIII: Common Procedural Provisions of the European Office

1. This Part of the preliminary draft, which did not appear in the first preliminary draft, includes those provisions which do not relate solely to the proceedings of any one organ of the European Patent Office but which are applicable throughout the procedure before the Office. It contains rules which are of a Patent Office nature (supplementary report on the state of the art, different claims for different designated States, agreement between the Office and the applicant on the form of the application, time limits, inspection of files and representation). It also contains rules borrowed from civil procedure (disqualification or withdrawal from participation in a Board of Appeal, evidence, hearings, public notice, admission of public, notification of a decision, costs in proceedings and enforcement). Where there is no relevant procedural provision in the Convention, the European Office must take into account the principles of procedural law commonly recognized in the Contracting States (Art. 145), whether they are general principles applied in national patent grant procedures or general principles applied in civil proceedings.

2. It is worth noting that in any proceedings in an Examining Division, an Opposition Division or a Board of Appeal, any party may request a hearing by the Division or Board in question (oral proceedings). The only exception is made for proceedings in an Examining Section (first phase of the European procedure); because of the nature of the proceedings and their limited duration it is reasonable that the question of a hearing should be left to the discretion of that Section (Art. 140). Oral proceedings before the Boards of Appeal, including the Enlarged Board of Appeal, and the Opposition Divisions will in principle be open to the public (Art. 147).

3. The preliminary draft includes a solution to the problem of loss of rights by an applicant who is prevented from observing a time limit due to force majeure. Under Article 142, he may apply for restoration of rights. Naturally this relates only to the time limits imposed in respect of the European Patent Office. Restoration will not therefore be granted in the case of other time limits, such as the one relating to priority. Those reasons which have led to the acceptance of such a right for applicants (unjustified loss of rights) should perhaps also lead to the acceptance of a similar right for patentees and opponents. This matter has yet to be examined.

4. For the question of professional representation before the European Patent Office (of who may act as a patent agent before the Office), there was basically a choice between two systems: the creation of a European professional qualification (accompanied of course by transitional measures) and the simple transfer to the European level of any entitlement to represent before the national Patent Offices of the Contracting States.

The first alternative would have had the undoubted advantage of guaranteeing the sufficient and uniform quality of representatives before the European Patent Office, but it seemed too early and for the moment too complicated to introduce. Consequently, Article 153 of the preliminary draft reflects the second alternative but also provides that, where in a Contracting State no special professional qualifications are laid down, only patent agents before the national Office who have been in regular practice for at least five years will be eligible to practise before the European Office. This is a simple system which safeguards the rights of existing representatives in the Contracting States, but it does have the disadvantage that professional qualifications will vary widely and it will therefore to some extent be unfair on Contracting States which require a strict professional qualification. Under Article 154, representation before the European Patent Office will be compulsory only for "foreigners," in other words, persons or legal entities who have neither residence nor registered place of business on the territory of one of the Contracting States. The Intergovernmental Conference was aware that the Articles on professional representation, in particular, would have to be reexamined after consultation with the interested circles.

Part IX: Transitional Provisions

This Part calls for no further comments after what has already been said concerning Articles 157, 159 and 160.

Part X: Final Provisions

1. Articles 163 and 164 show that the European Patent Convention will be open for signature and accession only to European States. The reason for this restriction and the reason for not giving the Convention a more universal scope were questioned. The answer was based mainly on considerations of a political nature. The jump from the grant of a national patent to the granting of a patent with world coverage seems for the moment to be too ambitious. Progress must be made in stages and an effort must first be made to create regional patent systems which stand a real chance of moving away from the drawing-board. The political atmosphere of increasing *rapprochement* in Europe would seem to favor the setting up of a joint grant procedure with a transfer of sovereignty.

2. As already mentioned, the Intergovernmental Conference has approved the important principle that the revision of the Convention will not require the unanimity of the Contracting States; it may be adopted by a three-quarters majority of the Contracting States represented and voting in a diplomatic

conference at which at least three-quarters of the States Party to the Convention are represented (Art. 162).

The consequence of a revision, especially under such circumstances, could be that the revised text would come into force for only some of the Contracting States, the others remaining bound by the former text, so that there would be coexistence of two texts. Such a consequence, which might be acceptable for other conventions such as the Paris Convention, would not be acceptable for the European Convention, which entrusts the granting of patents to a central Office in accordance with common rules for common patents. This Office will not be able to apply two sets of rules to patent applications that designate both States party to the revised text and States party to the former text.

For this reason the Intergovernmental Conference approved two rules, one of which is hard but inevitable: States which have not ratified or acceded to the revised text at the time of its entry into force will cease to be parties to the Convention (Art. 162(4)). The revision conferences will have to bear the consequences of this rule in mind when deciding on the date of entry into force of the revised text.

The second rule, which is contained in Article 171, states that where Article 162(4) is applied, and in the case of denunciation of the Convention, the rights already acquired will remain unimpaired. It then goes on to provide that patent applications or oppositions pending on the date that such cases occur will be processed in accordance with the revised text of the Convention.

III. Special Agreements between States Party to the First Convention

1. It has already been mentioned that the First Convention is confined to establishing an international procedure for the grant of a European patent having the character of a bundle of national patents governed, except in so far as concerns their duration and grounds for revocation, by domestic law. However, Article 8 of the preliminary draft enables any group of Contracting States to go a step further and to conclude special agreements to the effect that, for their territories, the European patent will not be simply a bundle of national patents but a unitary patent for the whole of their territories subject to the special provisions of their agreement. The Second Convention, to be concluded between the States of the European Economic Community, is based on this provision of Article 8. The preliminary draft of the Second Convention not only gives the European patent a unitary character as far as their territories are concerned, but also provides for a body of conventional law governing the unitary patent with regard, in particular, to the content of the exclusive right, infringement and the payment of renewal fees.

2. It would be reasonable to expect Contracting States which conclude a special agreement under Article 8 to wish to have common organs other than those created by the First Convention. For instance, it would seem logical in the case of a unitary patent to give jurisdiction in revocation cases to a common court rather than to a national court. Article 31

enables such organs to be set up in the European Patent Office to carry out tasks over and above those set out in the First Convention. The facilities of the European Office will thus be available to them and they will be able to participate in an already existing situation, which could facilitate their task. Obviously the expense of these organs will be met solely by the States party to the special agreement, and their activities will be supervised by a special Administrative Council of those States. In order to coordinate the administration of the organs under the First Convention and those under the special agreement, which are set up within the European Patent Office, Article 35 *m* provides for the supervision of those organs by Select Committees of the Administrative Council of the European Patent Office.

Comments on the Uniform Benelux Trademark Law

By L. J. M. van BAUWEL

CORRIGENDUM

A correction should be made to this Study, published in the May 1971 issue of this review. In the second column of page 130, a list of three categories of international registrations which do not benefit from ex-officio re-registration is given. The text of the second category should be changed to read as follows:

- (b) international registrations which do not have effect in any of the Benelux countries, as a result of cancellation, renunciation or refusal of protection;

LETTERS FROM CORRESPONDENTS

Letter from France

By Paul MATHÉLY, Attorney-at-Law, Paris Court of Appeal

PATENTS

During the last two years the courts have rendered their first decisions under the new Patent Law, which entered into force on January 1, 1969¹.

These decisions do not deal with the rules for patentability: it is too early for cases relating to new patents to come up and the old patents are still governed by the former Law in so far as their validity and scope are concerned.

But a number of points have been decided and are of interest here.

I.

Under the new Law, the Administration has power to reject a patent application on a number of grounds (Section 16). The applicant has a right of appeal to the Paris Court of Appeal against this administrative decision (Section 68).

The first decision of the Paris Court relating to this new power was rendered on May 6, 1969² and made the two following points:

(a) Under the new Law, a patent must now contain claims defining the scope of protection sought. This requirement is one of the essential features of the change in French patent law.

The Court defined what is meant by the word "claim": it upheld an administrative decision rejecting an application

which contained a mere "summary." The Court held that this summary did not constitute a claim, on the grounds that, "far from demarcating precisely the invention's applicability, it lent itself to divergent interpretations of the exact scope of the patent and thus did not put third parties in a position to ascertain the limits of the exclusive right which the patentee might claim."

On this basis (and in accordance with Section 8 of the implementing Decree of December 5, 1968³), a claim must in principle contain the following:

- (i) a preamble describing the article to which the invention relates and, where applicable, its known properties;
- (ii) the technical characteristics (including its peculiar and novel features) which, read together with the preamble, determine the limits of the protection claimed.

(b) The decision also establishes the distinction which must be made between:

- (i) defects in an application which cannot be rectified and which necessarily result in inadmissibility of the application, and
- (ii) defects which *can* be rectified and will render the application inadmissible only if they are not rectified within a certain period following notification by the Administration.

Under Section 4 of the implementing Decree, an application may not be rejected out of hand when it contains at least one copy of the petition, the description, the claims and the application fee. The absence of any of these elements is the only defect which may not be rectified.

¹ Law of January 2, 1968, published in *Industrial Property*, 1968, p. 67.

² *Ann. prop. ind.*, 1969, p. 1.

³ *Industrial Property*, 1969, p. 115.

II.

The 1968 Law introduces a remedy which is new to French law: the restoration of patents forfeited on account of failure to pay an annual fee, where the patentee shows just cause for such failure.

1. The new system is as follows:

The patent is subject to payment of an annual fee, which falls due on the last day of the anniversary month of the filing of the application. This fee must be paid either on its normal due date or within the six-month period of grace provided for in the Paris Convention.

If the fee is not paid on its due date or within the period of grace, the Administration takes a decision declaring the patent forfeited. If this decision is irregular, an ordinary action may be brought for its annulment. If it is regular — in other words, if the fee had in fact not been paid — the patentee may still bring a special action before the Paris Court for restoration of rights.

2. In the first half of 1970, the Paris Court of Appeal rendered its first decisions on actions for restoration brought before it⁴.

The Court rendered some forty decisions which were remarkably liberal: restoration was granted in about sixty percent of the cases.

3. Restoration may be granted not only for new patents but also for old patents. The only proviso is that the unpaid fee which caused forfeiture became due after January 1, 1969.

The action must be brought within six months, not from the date of the decision declaring forfeiture, but from the expiry date of the period of grace. The periods are calculated in full days, and are prolonged to the following working day if they expire on a Saturday, Sunday or holiday.

The action for restoration must be brought in the form of a petition to the Paris Court. Any other action, for instance, an appeal to the Administration, is irregular and therefore invalid.

4. Restoration is granted when there is just cause for the failure to pay the fee. The courts have held just cause to exist when the failure to pay was due to an impediment, to an accident or, more frequently, to circumstances beyond the patentee's control, which were not attributable either to his intention or to any fault on his part.

Just cause has thus been accepted when failure to pay was attributable to a mistake of fact or to the patentee's inability to pay, due to illness, for instance. It has also been decided that a mistake on the part of an agent could constitute just cause. There must however have been no negligence on the part of the patentee: he may not simply hand over the protection of his interests to any agent; but when he has chosen a qualified agent, he is entitled to put his confidence in him and any human error on the agent's part will give the principal the benefit of just cause. Restoration will however be refused when failure to pay is attributable to a wrongful act or negligence on the patentee's part.

⁴ *Ann. prop. ind.*, 1970, fasc. 1.

A nice question which has been raised is whether a mistake as to the amount of the fee, and the consequent underpayment, amounts to just cause. The prevailing tendency has been to treat such a mistake, especially if it is due to certain special circumstances, as constituting just cause.

III.

1. The new Law applies to acts of infringement committed after its entry into force on January 1, 1969, even if old patents are involved⁵.

2. Article 71 of the new Law provides that, in a case involving infringement of an old patent, the plaintiff must produce a novelty report relating to the parts of the patent which he considers infringed.

The reasons for this rule are obvious. Unlike new patents, old patents do not embody claims and are not accompanied by a documentary report. The intention of the legislature was to introduce a system for the long transitional period during which old patents would remain in force whereby those patents would be treated in the same way as new patents when they were invoked in infringement proceedings: hence the requirement on the plaintiff to submit the parts of the patent which he intends to invoke against the defendant to a novelty search.

This provision has been the subject of two decisions of the Paris Court of Appeal:

(a) In the first case, of March 4, 1969⁶, the Court held first that production of the novelty report was a procedural requirement and not a question of substantive law; this meant that its production was required in cases pending at the time of entry into force of the new Law and even in appeals.

The decision went on to interpret the provision in Section 71 requiring the production of a novelty report "in regard to those parts of the patent in respect of which infringement is alleged." The Court considered that the text should be interpreted literally, and that the "parts of the patent" should be understood as the actual passages in the description. The patentee may therefore submit to a novelty search any claims which he drafts on the basis of the patent description — although he is not obliged to do so. In any event he must specify, in his request for a novelty report, the passages of the description in respect of which he alleges infringement and which he intends to invoke in the proceedings.

(b) A second decision of the Paris Court of Appeal, of March 9, 1970⁷, determined the time at which the novelty report must be produced.

Production of the report is of course not a precondition to admissibility of the action: infringement proceedings may be instituted before the novelty report has been obtained or even applied for.

The Court held that the novelty report should be produced at the beginning of the procedure, as soon as the defendant

⁵ Paris Court of Appeal, November 26, 1969; *Ann. prop. ind.*, 1969, p. 96.

⁶ *Ann. prop. ind.*, 1969, p. 7.

⁷ *Ann. prop. ind.*, 1971, fasc. 2.

requested it. In the case in point the plaintiff had asked the judge in charge of the preliminary proceedings to order an inspection, in order that the seizure for infringement might be supplemented by an analysis of the articles involved. The request for inspection was held inadmissible due to the plaintiff's failure at that time to produce a novelty report.

This decision would seem open to criticism, as it appears to have misunderstood the meaning and scope of Section 71. By reason of its nature and purpose, the novelty report must be produced in the main proceedings, when the validity of the patent is at issue; it should not have to be produced when a simple preliminary measure is requested.

3. In this connection it is worth noting that the patentee for whom seizure has been ordered has the right, during the main proceedings, to request the appointment of an expert to analyze the article seized when its composition or structure cannot be discerned simply by the visual examination at the time of seizure. Moreover, in cases of urgency, for instance, when the article concerned is unstable and liable to change, such an inspection may be ordered by the *juge des référés*.

This was established by a decision of the Paris Court of Appeal on February 7, 1969⁸.

4. It is also interesting to note the amendment of the seizure procedure with regard to the obligation to deposit security.

Under the old system, in the case of seizure of goods, deposit of security was compulsory when the party requesting the measure was a foreigner. Now, under a decree of February 15, 1969, the requirement of security is discretionary, even when the plaintiff is not a French national.

The purpose of security is to protect the defendant against any damage which might result from seizure.

The amount of security ordered by the courts has tended to be fairly low. In this connection, an interesting decision of the Paris Tribunal should be mentioned⁹. The judge of Le Havre had ordered an American plaintiff requesting seizure to furnish security of 500,000 francs. When proceedings were instituted, the Tribunal reduced the security to 100,000 francs, considering that this was enough to protect the defendant against any damage resulting from seizure.

IV.

On December 18, 1968, and November 26, 1969, the Paris Court of Appeal rendered two decisions of great legal importance¹⁰.

These decisions concerned two patents: one belonging to the German scientist Ziegler, Nobel prizewinner for chemistry, which protected a catalytic substance for ethylene polymerization; the other belonged to the United States Goodrich Gulf Company and improved on the first patent by using Ziegler's catalyst for the polymerization of butadiene in order

to obtain a rubbery polymer with a similar structure and having properties at least equal to those of natural rubber.

1. The Court first applied the doctrine of a "new industrial product."

It held that Ziegler's catalyst taken by itself was, by reason of its composition, in law an industrial product: it was a definite body with individuality, derived from the combination and the reaction of its components, and it had a function.

The Court further held that a product might be determined by its molecular structure. Polybutadiene was already known, and the structure of the polybutadiene polymer could take a number of forms. A type of polybutadiene having a molecular structure which had not yet been synthesized, namely a structure in 1.4 butadiene units predominantly in the *cis* configuration, was a new industrial product provided that the structure gave the polybutadiene a nature and properties peculiar to it.

Finally, the decisions made a very clear distinction between difference in degree, which was not patentable, and difference in constitution, which was: two products were not distinct when the only difference between them was not one of constitution affecting their properties, but only a difference of degree in their constituent elements not affecting the nature or properties of the product but simply enhancing its intrinsic qualities.

2. The Court then applied the doctrine relating to the patentable means.

It recalled that it was sufficient to describe the form of the means and how it was to be implemented, since the function and the resultant advantages necessarily came into being when the means as described was applied. Consequently, an invention was not constituted by merely observing the direct result of the use of a means and by selecting the best of a number of means already described, because their result necessarily formed part of the means as implemented.

The decisions then expounded with exceptional preciseness the doctrine relating to the protection of the general means. Normally a means was protected in respect of its form and its function, but only for the application attributed to it; however, if the function was new, it might be protected in its own right, even if the means took different forms, and even if the means might be applied in different ways. The Court applied these principles to the Ziegler catalyst. Ziegler had invented a new catalyst and had applied it to the polymerization of ethylene. But the function of the catalyst was new: by reason of its nature, it produced a certain effect on the monomer, described as a coordinating effect. Since coordination was a new function, it had to be protected in its own right, even if the catalyst was produced in a different form and even if it was applied to the polymerization of other monomers, so long as the function continued to be exerted. Consequently, the Court found that the use of a catalyst derived from the Ziegler catalyst and applied to the polymerization of butadiene constituted infringement when, for both butadiene and ethylene, the catalyst carried out the same function using the same set of forces.

⁸ *Ann. prop. ind.*, 1969, p. 131.

⁹ *Ann. prop. ind.*, 1970, p. 203.

¹⁰ *Ann. prop. ind.*, 1969, p. 93, and note by Professor J. J. Burst.

TRADEMARKS

I.

Under the new trademark system introduced by the Law of December 31, 1964, and the Amendment of June 23, 1965¹¹, the Administration is empowered to reject an application when the mark to which it relates is precluded by Article 6^{ter} of the Paris Convention, is contrary to public order or morality, or is essential, generic or purely descriptive of the goods or services designated.

Under the ordinary law, the ministerial decision rejecting an application may be declared ultra vires in an action before the administrative courts. In this context, the *Conseil d'Etat* has rendered its first decision¹².

The facts of the case were as follows: a private bank had filed, as a service mark, the designation "*Société lyonnaise de dépôts et de crédit industriel*," which was at the same time its trade name. The Administration had rejected the application on the grounds that the mark was composed solely of terms indicating the essential nature of the services provided. In an action before the Administrative Tribunal of Lyon, the decision rejecting the application was upheld.

On appeal to the *Conseil d'Etat*, in the case cited above, the decision rejecting the application was quashed.

The *Conseil d'Etat* held that "*Société lyonnaise de dépôts et de crédit industriel*" was not solely a generic and essential designation of the services provided by a bank: each of the terms in the name, taken separately, might indeed constitute the generic and essential designation of some of the services provided by a bank, but the combination had sufficient originality in the case in point, considering in particular the field of activity concerned, to enjoy protection under trademark law.

The *Conseil d'Etat* clearly did not wish to depart from the classic decisions of the civil courts. It is established law that in questions of trademark validity, the mark must be considered as a whole, and combinations of elements may be eligible for protection even where the elements themselves cannot be protected individually.

There is only one comment which should be made — concerning terminology used in the decision. The *Conseil d'Etat* recognized the validity of the mark on the grounds that, as a combination, it had sufficient originality. Clearly it used the word "originality" as a synonym for "distinctive character." To be valid, a mark must be distinctive: it is not required to be original; originality and distinctiveness should not be confused.

II.

Two decisions concerning the validity of a mark deserve mention:

1. The first related to the protection of words in a foreign language¹³. The Court held that foreign words having a generic or usual character in the original language would not be denied protection as a trademark in France if only a

¹¹ *Industrial Property*, 1965, pp. 83 and 172.

¹² Judgment of October 30, 1970 and note by P. Mathély — *Ann. prop. ind.*, 1970, p. 81.

¹³ Paris Court of Appeal, November 9, 1968; *Ann. prop. ind.*, 1969, p. 60.

fraction of the public were familiar with their meaning in that language. More than this was required. To be denied protection, the words must have come into necessary or common use in France as a designation or description of the object concerned.

On this basis, the Court declared a mark consisting of the words "Who's Who" to be valid, on the ground that they were not, at the time of filing, commonly used in France to designate a dictionary of famous persons, even though it might be accepted that a portion of the public, having at least some knowledge of English, were at the time aware of their meaning.

2. Under the old Law of 1857, surnames as such could not constitute trademarks; they could be protected only in the distinctive form given them. Under the new Law of December 31, 1964, the position has changed and surnames may now be used as trademarks.

The new provision has been applied by the Paris Court of Appeal in a decision of December 24, 1969¹⁴, which recognized the validity as a trademark of the surname Lanson filed, under the new Law, for Champagne wines.

III.

It has always been law that the filing of a composite mark protects not only the mark as a whole but also its individual elements, provided that they are eligible for protection on their own.

It is also necessary, however, that each individual element have an essential character enabling it to serve alone as a distinguishing feature of the mark. This was held by the *Cour de cassation* in a decision of March 15, 1968¹⁵.

IV.

On April 17, 1969, the *Cour de cassation* rendered a decision¹⁶ on what is now the much-debated question as to whether the owner of a mark in a given country has the right to prohibit the introduction into that country of goods on which the same mark has been lawfully placed abroad.

The facts were the following: a German firm owned an international registration in respect of the trademark *Korting*, applied to radio sets; the firm's agent in France also owned the *Korting* trademark.

Another French firm began marketing radio sets under the name *Korting*, which it claimed to have imported from Germany, and the basic frame was indeed that of the German "Korting" radio. Invoking his rights under the mark of which he was the owner in France, the agent of the German firm sued his competitor.

The *Cour de cassation* set aside a decision in favor of the plaintiff, on the sole ground that the sale in France of appliances marked *Korting* could not constitute infringement.

The brevity of the decision makes it difficult to say with certainty what principle the Court was following. But, in the case concerned, it held that there was no infringement in selling appliances in France which had been lawfully marked in Germany.

¹⁴ *Ann. prop. ind.*, 1970, p. 105.

¹⁵ *Ann. prop. ind.*, 1969, p. 40.

¹⁶ *Ann. prop. ind.*, 1970, p. 94.

III. It is recommended that the Executive Committee of ASIPI, in the light of the report of the Organization of American States, should express the desire to collaborate with that Organization in the revision of the international agreements relating to industrial property.

IV. Considering that patents are an important factor in ensuring access to technology and furthering the industrial development of a country or area, as has been recognized by the countries, areas, and regional or subregional organizations of the hemisphere, it is recommended that a sound and efficient patent system should be brought into existence and put into practice. Furthermore, noting that the controversies regarding the eventual value of a patent system are due to the fact that in many areas the patent systems have not kept in touch with the needs which have arisen from the economic and industrial development of countries or regions, it is recommended that emphasis be placed on prompt publication and accessibility for interested circles, and the adoption of a good classification system allowing efficient searches for desired subject matters, as well as means to permit the working of a patented invention in a country or region either by the patentees or through licensees.

V. On the subject of royalties, the following recommendations were made:

1. Royalties should be regarded as legitimate payment to purveyors of technology in consideration of their rights and in compensation for their work and investment in the creation of the technology and for their assistance to users and to society in general.
2. Royalties must be adequate to compensate the purveyor of the technology and at the same time equitable enough to avoid undue hardship for the user or the owner.

3. The principle of free negotiation between the parties to agreements relating to the transfer of technology should be retained.

4. The recognition of the right of the suppliers of technology to receive compensation and the declaration in favor of the principle of free negotiation do not imply ignoring the right — which is also an obligation — of the State to take the necessary measures to prevent any abuse by one party against the other or by any of the parties to the detriment of the public.

VI. On the subject of trademarks, the following recommendations were made:

1. All American countries whose legislations on trademarks do not make special provision therefor should adopt or amend their legislations to include the registration of trademarks, comprising product marks, service marks and collective marks.
2. The concepts and requisites for the registration of product marks and service marks should be the same, whereas collective marks require different and additional concepts.
3. The American countries which have not yet done so should adopt the International Classification of Goods and Services for the Purposes of the Registration of Marks, established by the Nice Agreement of June 15, 1957.

The Congress was honored by the presence, at its opening and closing sessions, of the Minister of Development of Venezuela, Dra. Haydée Castillo de López, and the Director of the Venezuelan Industrial Property Office, Dra. Zenda Torrealba. Notwithstanding its full program of work it also found time for the participants to relax at several delightful receptions and other social events, including a display of Venezuelan dances and a banquet offered by the Minister of Development of Venezuela.

CALENDAR

WIPO Meetings

November 1 and 2, 1971 (Geneva) — Intergovernmental Committee Established by the Rome Convention (Neighboring Rights) (3rd Session)

Object: Consideration of various questions concerning neighboring rights — *Invitations:* Brazil, Denmark, Germany (Fed. Rep.), Mexico, Niger, United Kingdom — *Observers:* Costa Rica, Czechoslovakia, Ecuador, Paraguay, People's Republic of the Congo, Sweden; intergovernmental and international non-governmental organizations concerned — *Note:* Meeting convened jointly with the International Labour Office and Unesco

November 3 to 6, 1971 (Geneva) — Executive Committee of the Berne Union — Extraordinary Session

Object: Consideration of various questions concerning copyright — *Invitations:* Canada, Congo, France, Germany (Fed. Rep.), India, Italy, Mexico, Pakistan, Philippines, Poland, Romania, Spain, Switzerland, Tunisia, United Kingdom — *Observers:* All other member countries of the Berne Union; intergovernmental and international non-governmental organizations concerned

November 9 to 12, 1971 (Geneva) — International Patent Classification (IPC) — Bureau of the Joint ad hoc Committee

November 15 to 18, 1971 (Geneva) — International Patent Classification (IPC) — Joint ad hoc Committee

November 22 to 26, 1971 (Geneva) — Committee of Experts for the International Classification of the Figurative Elements of Marks

Invitations: Member countries of the Nice Union — *Observers:* Member countries of the Paris Union and international organizations concerned

November 24 to 27, 1971 (Bogotá) — Bogotá Symposium on Patents, Trademarks and Copyright

Object: Discussion of questions of special interest to the countries invited — *Invitations:* Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela — *Observers:* Intergovernmental and international non-governmental organizations concerned

- December 6 to 8, 1971 (Geneva) — Patent Cooperation Treaty (PCT) — Interim Advisory Committee for Administrative Questions
Members: Signatory States of the PCT — *Observers:* Intergovernmental and international non-governmental organizations concerned
- December 8 to 11, 1971 (Geneva) — Patent Cooperation Treaty (PCT) — Standing Subcommittee of the Interim Committee for Technical Cooperation
Members: Austria, Germany (Fed. Rep.), Japan, Soviet Union, Sweden, United Kingdom, United States of America, International Patent Institute — *Observer:* Brazil
- January 11 to 13, 1972 (Geneva) — ICIREPAT — Technical Coordination Committee
- January 17 to 28, 1972 (Munich) — International Patent Classification (IPC) — Working Group I of the Joint ad hoc Committee
- January 31 to February 4, 1972 (Munich) — International Patent Classification (IPC) — Working Group III of the Joint ad hoc Committee
- February 5 to 10, 1972 (Cairo) — Arab Seminar on Treaties Concerning Industrial Property
Object: Discussion on the principal multilateral treaties on industrial property and the WIPO Convention — *Invitations:* States members of the Arab League — *Observers:* Intergovernmental and international non-governmental organizations concerned
- February 21 to 25, 1972 (The Hague) — International Patent Classification (IPC) — Working Group II of the Joint ad hoc Committee
- March 6 to 10, 1972 (Washington) — International Patent Classification (IPC) — Working Group IV of the Joint ad hoc Committee
- March 13 to 17, 1972 (Geneva) — Committee of Experts on the Protection of Type Faces
Object: Discussion of a draft Agreement and draft Regulations — *Invitations:* Member countries of the Paris Union — *Observers:* Intergovernmental and international non governmental organizations concerned
- March 20 to 24, 1972 (The Hague) — International Patent Classification (IPC) — Working Group V of the Joint ad hoc Committee
- April 10 to 14, 1972 (Geneva) — ICIREPAT — Technical Committee for Standardization
- April 17 to 21, 1972 (Geneva) — ICIREPAT — Technical Committee for Shared Systems
- May 2 to 8, 1972 (Geneva) — Committee of Experts on the International Registration of Marks
Object: Preparation of draft texts for the Vienna Diplomatic Conference in 1973 (see below) — *Invitations:* Member countries of the Paris Union; organizations concerned
- May 29 to June 2, 1972 (*) — International Patent Classification (IPC) — Bureau of the Joint ad hoc Committee
- June 5 to 9, 1972 (*) — International Patent Classification (IPC) — Joint ad hoc Committee
- June 26 to July 7, 1972 (The Hague) — International Patent Classification (IPC) — Working Group I of the Joint ad hoc Committee
- July 5 to 7, 1972 (Geneva) — ICIREPAT — Technical Coordination Committee
- July 10 to 14, 1972 (The Hague) — International Patent Classification (IPC) — Working Group III of the Joint ad hoc Committee
- September 4 to 8, 1972 (*) — International Patent Classification (IPC) — Working Group II of the Joint ad hoc Committee
- September 11 to 15, 1972 (London) — International Patent Classification (IPC) — Working Group V of the Joint ad hoc Committee
- September 20 to 22, 1972 (Geneva) — ICIREPAT — Plenary Committee
- September 25 to 29, 1972 (The Hague) — International Patent Classification (IPC) — Working Group IV of the Joint ad hoc Committee
- September 25 to 30, 1972 (Geneva) — Coordination Committee of WIPO, Executive Committees of the Paris and Berne Unions, Assemblies of the Madrid and Locarno Unions
- October 2 to 6, 1972 (Geneva) — Patent Cooperation Treaty (PCT) — Interim Committees and Standing Subcommittee of the Interim Committee for Technical Cooperation
Members of the Interim Committees: Signatory States of the PCT — *Observers:* Intergovernmental organizations and international non-governmental organizations concerned; *Members of the Standing Subcommittee:* Austria, Germany (Fed. Rep.), Japan, Soviet Union, Sweden, United Kingdom, United States of America, International Patent Institute — *Observer:* Brazil
- May 7 to June 2, 1973 (Vienna) — Diplomatic Conference on (a) the International Registration of Marks, (b) the International Classification of the Figurative Elements of Marks, (c) the Protection of Type Faces

Meetings of Other International Organizations concerned with Intellectual Property

- November 3 to 6, 1971 (Geneva) — Unesco — Intergovernmental Copyright Committee
- December 13 to 16, 1971 (Brussels) — International Association for the Protection of Industrial Property — Council of Presidents
- April 24 to 28, 1972 (Dubrovnik) — International Association for the Protection of Industrial Property — Council of Presidents
- May 21 to 25, 1972 (Geneva) — International League Against Unfair Competition — Congress
- November 12 to 18, 1972 (Mexico) — International Association for the Protection of Industrial Property — Congress

Intergovernmental Conference for the Setting Up of a European System for the Grant of Patents (Luxembourg):

- November 22 to 26, 1971 — Working Party I
- November 29 to December 3, 1971 — Working Party II
- January 24 to February 4, 1972 — Intergovernmental Conference
- February 22 to 25, 1972 — Working Party IV
- June 19 to 30, 1972 — Intergovernmental Conference

* Place to be notified later.