

# Industrial Property

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ORGANIZATION (WIPO)

and the United International Bureaux for the  
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# ADMINISTRATIVE BODIES

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## World Intellectual Property Organization

### Coordination Committee

#### Third Ordinary Session

(Geneva, September 25 to 30, 1972)

#### Note\*

Twenty-four of the twenty-seven States members of the Coordination Committee were represented: *Ordinary members*: Argentina, Australia, Brazil, Cameroon, Canada, France, Germany (Federal Republic), Hungary, Italy, Japan, Kenya, Romania, Senegal, Soviet Union, Spain, Sweden, Switzerland, Tunisia, United Kingdom, United States of America (20); *Associate members*: Mexico, Philippines, Poland, Sri Lanka (Ceylon) (4). Pakistan, an ordinary member, and India and Zaire, associate members, were not represented.

The other States and the organizations mentioned in the list of participants (see below) were represented in an observer capacity.

**Report on Past Activities.** The Coordination Committee considered the report by the Director General on the activities of the International Bureau since September 1971 and noted it with approval. During the course of this consideration, particular satisfaction was expressed with the work accomplished in the field of technical assistance to developing countries. A number of delegations expressed the continued readiness of their national industrial property Offices to receive trainees from developing countries. The Delegation of Brazil expressed its special appreciation of the cooperation Brazil had received from the Patent Office of Germany (Fed. Rep.) and from the International Bureau in the planning of the modernization of the Brazilian patent system.

**Finances in the Year 1971.** The Coordination Committee noted with approval the accounts of the International Bureau and the report of the auditors on those accounts as well as other information concerning finances for 1971.

**Program and Budget for 1973.** The Coordination Committee established the program and budget of the Conference for the year 1973. This includes the expenses for the second ordinary session of the WIPO Conference, an information campaign, study courses, trainees and experts for developing countries, model laws for developing countries, a regional seminar for developing countries in Asia, studies and meetings on patent licensing and other measures designed to facilitate or regulate the transfer of patented and non-patented technology to developing countries and on the application of computer technology for development.

\* This Note has been prepared by the International Bureau on the basis of the documents of the session.

**Changes in Contribution Classes.** The Coordination Committee approved a solution by which under certain conditions a country availing itself of the five-year privilege provided for in the Stockholm Acts of the Paris and Berne Conventions may choose a new contribution class or make a subsequent change in its class, such choice or such change of class remaining in force until the end of 1975.

**Ratifications and Accessions.** The Coordination Committee noted with approval the report by the Director General summarizing the state of ratifications and accessions concerning the treaties revised or adopted at or after the Stockholm Conference of 1967 and administered by WIPO. The Coordination Committee also approved measures designed to draw the attention of States to the interest in envisaging, for those which have not already done so, their acceptance of these treaties in the near future and calling for reports by the Director General on the state of ratifications and accessions concerning the WIPO Convention and treaties administered by WIPO.

**New Headquarters Building.** The Coordination Committee noted with approval the report by the Director General on the progress made since September 1971 with respect to the plans for the construction of the new headquarters building. It approved a proposal that the WIPO Headquarters Building Subcommittee be given the task of authorizing, if it finds the revised estimates of the cost of construction justified, the start of the actual work of construction scheduled for the end of the winter of 1972/1973.

**Staff Matters.** The Coordination Committee noted the information on the composition of the International Bureau and the progress made by the Director General in improving the geographical distribution of the staff. Furthermore, the Coordination Committee approved certain personnel measures proposed by the Director General and adopted a number of amendments to the Staff Regulations.

**Working Agreement with IDCAS.** The Coordination Committee approved the terms of a working agreement to be concluded by the Director General with a view to establishing working relations and cooperation with the Industrial Development Centre for Arab States.

**Relations between WIPO and the United Nations.** The Coordination Committee examined a report by the Director General on the progress of his work under the WIPO General Assembly and Conference resolution concerning the means of securing the most appropriate cooperation and coordination between WIPO and the United Nations, including the possibility and desirability of entering into an agreement under Articles 57 and 63 of the Charter of the United Nations. The Committee adopted a resolution on the subject of a relationship agreement with the United Nations under these

Articles. In the resolution, the Committee considers that such a relationship agreement appears desirable and requests the Director General, with a view to exploring the possibilities of entering into such an agreement, to bring the resolution to the attention of the United Nations. The resolution also makes provision for future action by the Coordination Committee and the General Assembly of WIPO.

## Paris Union

### Executive Committee

#### Eighth Ordinary Session

(Geneva, September 25 to 30, 1972)

#### Note\*

The 16 States members of the Executive Committee were represented: *Ordinary members*: Argentina, Australia, Brazil, Cameroon, France, Germany (Federal Republic), Hungary, Japan, Kenya, Senegal, Soviet Union, Sweden, Switzerland, United Kingdom, United States of America (15); *Associate member*: Sri Lanka (Ceylon) (1).

The other States and the Organizations mentioned in the list of participants (see below) were represented in an observer capacity.

**Patent Cooperation Treaty (PCT).** The Executive Committee approved the PCT program and budget for the year 1973. The program includes surveys, studies and proposals by the International Bureau on matters concerning the PCT: minimum documentation (both patent literature and non-patent literature), abstracting, translating and documentation services (retrieval by subject matter, classification and "families") and searching techniques; adaptation of national laws to the PCT; administrative procedures under the PCT; advice on legislative and administrative measures for developing countries and assistance in establishing and developing patent documentation centers (national or regional). This work is to be carried out through the three PCT Interim Committees — for Technical Cooperation, for Administrative Questions and for Technical Assistance — and the Standing Subcommittee of the PCT Committee for Technical Cooperation. In this connection, the invitation of the Delegation of Japan that these four committees meet in Japan for a period of one week late in 1973 or early in 1974 was accepted.

The Executive Committee adopted a resolution concerning the amounts of special cash contributions for the year 1973 to cover the expenses of the International Bureau connected with its activities in the field of the PCT and noted the pledges or statements made by delegations.

**ICIREPAT.** With respect to the Paris Union Committee for International Cooperation in Information Retrieval among Patent Offices (ICIREPAT), the Executive Committee established the program for the year 1973.

\* This Note has been prepared by the International Bureau on the basis of the documents of the session.

The Executive Committee adopted a system for the allocation of special contributions among the participating countries of ICIREPAT based on the number of applications for patents and inventors' certificates filed in a given year and the number of such applications granted in that year<sup>1</sup>. The Executive Committee also adopted a resolution concerning the amounts of special cash contributions of participating countries of ICIREPAT for the year 1973 and noted the pledges or statements made by delegations.

**International Patent Classification (IPC).** The Executive Committee approved the IPC program and budget for the year 1973. This program concerns the continuation of the work on the improvement of the IPC, including the preparation and adoption of amendments to the IPC and ensuring the uniform application of the IPC. The work is to be carried out by an Interim Committee, a Bureau, and six working groups. The Executive Committee also approved a proposal that a special working group be convened by the Director General to advise the International Bureau on a study of the question of international cooperation in the field of reclassification of search files according to the IPC, with a view to proposing possible solutions.

The Executive Committee adopted a system for the allocation of special contributions among the countries participating in the work on the IPC similar to that adopted for ICIREPAT. The Executive Committee also adopted a resolution concerning the amounts of special cash contributions for the year 1973 to cover the International Bureau's expenses connected with the IPC.

**New Treaty on the Protection of Appellations of Origin or Revision of the Lisbon Agreement.** The Executive Committee took note of the results of a survey among countries of the Paris Union on the question of a possible revision of the Lisbon Agreement. The Executive Committee adopted a suggestion that the International Bureau study, with the aid of a working group, the question of revising existing agreements or of drafting a new treaty and that, if appropriate, proposals be then submitted to a committee of experts to which all member countries of the Paris Union would be invited.

**Scientific Discoveries.** The Executive Committee decided that the study of the possibilities of the international recognition or recording of the authorship of scientific discoveries should be continued and that a working group should be convened consisting of countries interested in the subject.

**Question of the Deposit of Microorganisms.** The Executive Committee considered the proposal of the United Kingdom concerning the requirements for deposit of microorganisms for the purpose of patent applications. The Executive Committee decided that the International Bureau should study the questions raised by this proposal and prepare a report on them. A survey of the systems existing on the national level would be a part of such a study, which would be submitted to a working group to be convened in 1974.

<sup>1</sup> *Industrial Property*, 1972, p. 223.

**The International Patent Documentation Center (INPADOC).** The Executive Committee noted the report by the Director General concerning the creation of INPADOC in Vienna by the Government of Austria under an agreement between that Government and WIPO.

**The Patent System and the Environment.** The Director General was authorized to cooperate with the United Nations Environment Secretariat in a study of the measures that could be envisaged in the patent system to enhance its usefulness in the protection of the environment.

**1973 Vienna Diplomatic Conference.** The Executive Committee decided that the Vienna Diplomatic Conference — which will be convened for the adoption of the proposed Trademark Registration Treaty (TRT), the proposed Agreement on the Protection of Type Faces, and the proposed Agreement or Protocol on the International Classification of the Figurative Elements of Marks — should take place from May 17 to June 12, 1973. The Diplomatic Conference will meet in the *Hofburg* in Vienna under the auspices of the Government of Austria.

**Program and Budget for the Year 1973.** In addition to the special program and budget activities relating to the PCT, ICIREPAT and IPC as well as the other projects previously described, the Committee approved the program and budget of the Paris Union for the year 1973.

## Madrid Union

### Assembly and Committee of Directors of the National Industrial Property Offices

Extraordinary Sessions

(Geneva, September 25 to 30, 1972)

#### Note \*

The following 15 States members of the Assembly were represented: Algeria, Belgium, Czechoslovakia, France, Germany (Federal Republic), Hungary, Italy, Liechtenstein, Luxembourg, Netherlands, Portugal, Romania, Spain, Switzerland, Yugoslavia. Monaco and Morocco were not represented.

Three of the five members of the Committee of Directors were represented: Austria, Egypt, Tunisia. The Republic of Viet-Nam and San Marino were not represented.

The discussions of the Assembly and the Committee of Directors took place jointly.

**Reserve Fund.** The Assembly and the Committee of Directors decided that the ceiling of the reserve fund should be variable, equivalent to the total amount of expenditure provided for in the Madrid Union budget for the current year.

\* This Note has been prepared by the International Bureau on the basis of the documents of the session.

**Fees and Other Charges.** The Assembly and the Committee of Directors adopted a new scale of fees (basic, complementary, and supplementary fees, other charges) effective January 1, 1973<sup>1</sup>.

**Program and Budget for the Year 1973.** The Assembly approved the program and budget for 1973. This includes the continuation of the preparatory work on the conclusion of the proposed Trademark Registration Treaty, the continuation of studies on the mechanization of trademark searches, and the continuation of the work of the committee of experts related thereto.

<sup>1</sup> See page 303 below.

## Locarno Union

### Assembly

#### Extraordinary Session

(Geneva, September 25 to 30, 1972)

#### Note \*

The following seven States members of the Assembly were represented: Czechoslovakia, Denmark, Finland, Norway, Sweden, Switzerland, United States of America. Ireland was not represented.

**Official Texts.** The Assembly designated German, Portuguese and Spanish as languages in which, pursuant to Article 1 (7) of the Locarno Agreement Establishing an International Classification for Industrial Designs, official texts of that Classification were to be established.

**Program and Budget for the Year 1973.** The Assembly approved the program and budget for 1973.

\* This Note has been prepared by the International Bureau on the basis of the documents of the session.

## List of Participants

in the Meetings of WIPO and of the Paris, Madrid and  
Locarno Unions \*

### I. States Members of One or Several Bodies Convened

Algeria: S. Bonzidi; G. Sellali (Mrs.); A. Boussaid. Argentina: R. A. Ramayón; E. A. Pareja. Australia: K. B. Petersson. Austria: T. Lorenz. Belgium: A. Schurmans; R. Philippart de Foy. Brazil: T. Thedim Lobo; S. P. Rouanet; F. Miragaia Perri. Cameroon: J. Ekedji Samnik. Canada: F. W. Simons; J. Corheil. Czechoslovakia: V. Vaniš; J. Prošek; A. Ringl; J. Springer; J. Stahl. Denmark: E. Tuxen. Egypt: M. M. Saad; S. A. Ahou-Ali. Finland: E. Tuuli; R. Meinander. France: J. Fernand-Laurent; A. J. Kerever; F. Savignon; R. M. N. Labry; J. Buffin; E. de Dampierre (Mrs.); P. Guérin. Germany (Federal Republic): A. Krieger; O. von Stempel;

\* A list containing the titles and functions of the participants may be obtained from the International Bureau upon request.

H. Mast; G. Rheker (Mrs.); R. Singer; W. Boecker. Hungary: E. Tasnádi; J. Bobrovsky. Italy: P. Archi; G. Ranzi; G. Trotta; V. Oliva; C. Ferroluzzi; V. De Sanctis; M. Vitali (Mrs.); G. Lajolo. Japan: K. Otani; T. Koyama. Kenya: D. J. Coward. Liechtenstein: A. de Gerliczy-Burian. Luxembourg: J.-P. Hoffmann. Mexico: G. E. Larrea Richerand; J. Sandoval Ulloa; V. C. Garcia Moreno; J. Fraymann Castro. Netherlands: W. M. J. C. Pbaif; E. van Weel. Norway: L. Nordstrand; R. W. Knudsen; S. H. Røer. Philippines: C. V. Espejo; D. Domingo (Miss). Poland: J. Szomański; B. Janicki; M. Paszkowski. Portugal: J. L. Esteves da Fonseca; J. Van-Zeller Garin; F. Lopes Vieira; M. T. Ascensão (Mrs.); J. Oliveira Ascensão; L. M. Cesar Nunes de Almeida. Romania: L. Marinete; M. Costin. Senegal: N. N'Diaye; J. P. Crespín. Soviet Union: E. Artemiev; V. Kalinin; V. N. Evgeniev. Spain: A. Fernandez-Mazambroz; I. Fonseca-Ruiz (Mrs.). Sri Lanka (Ceylon): A. Goonasekera. Sweden: G. Borggård; C. Uggla; I. Stjernberg; W. G. Skoldefors. Switzerland: W. Stamm; P. Braendli; P. Ruedin. Tunisia: A. Amri; H. Ben Achour. United Kingdom: E. Armitage; W. Wallace; D. Cadman; A. Evans. United States of America: B. C. Ladd; R. Gottschalk; R. D. Tegmeyer; H. J. Winter; M. K. Kirk; H. D. Hoinkes. Yugoslavia: D. Bošković; N. Janković.

## II. Other States

Bulgaria: I. Ivanov; T. Sourgov; I. Daskalov. Chile: A. Alberti; E. Bucchi de Yépez (Mrs.). Cuba: J. M. Rodriguez Padilla; E. Pretel; F. Ortiz Rodriguez. Iran: M. Naraghi. Israel: M. Gabay. Jordan: A. Marzouq. Lebanon: C. Choueri. Syrian Arab Republic: M. Allaf. Turkey: S. Adil; Y. Vedat. Uruguay: R. Rodriguez-Larreta de Pesaresi (Mrs.).

## III. Intergovernmental Organizations

United Nations: P. Casson; V. Fessenko. United Nations Conference on Trade and Development (UNCTAD): C. R. Greenbill; T. Ganiatsos. United Nations Educational, Scientific and Cultural Organization (Unesco): B. Ringer (Miss). United Nations Economic Commission for Europe (ECE): B. Beer (Mrs.). International Patent Institute (IPI): G. M. Finnis; L. Knight. African and Malagasy Industrial Property Office (OAMPI): D. Ekani. Benelux Trademark Office: L. van Bauwel. Council of Europe: H. Golsong. Industrial Development Centre for Arab States (IDCAS): A. Abdel Hak; A. Shalakany.

## IV. International Bureau of WIPO

G. H. C. Bodenhausen (*Director General*); A. Bogsch (*First Deputy Director General*); J. Voyame (*Second Deputy Director General*); C. Masouyé (*Senior Counsellor, Head, External and Public Relations Division*); K. Pfanner (*Senior Counsellor, Head, Industrial Property Division*); B. A. Armstrong (*Senior Counsellor, Head, Administrative Division*); L. Egger (*Counsellor, Head, International Registrations Division*); T. S. Krishnamurti (*Counsellor, Head, Copyright Division*).

## V. Officers and Secretariat

### World Intellectual Property Organization (WIPO)

Coordination Committee: *Chairman*: B. C. Ladd (United States of America); *Vice-Chairmen*: L. Marinete (Romania); A. Goonasekera (Sri Lanka (Ceylon)); *Secretary*: C. Masouyé (WIPO).

### Paris Union

Executive Committee: *Chairman*: T. Thedim Lobo (Brazil); *Vice-Chairmen*: N. N'Diaye (Senegal); E. Artemiev (Soviet Union); *Secretary*: K. Pfanner (WIPO).

### Madrid Union

Assembly: *Chairman*: F. Savignon (France); *Vice-Chairmen*: A. Fernandez-Mazambroz (Spain); D. Bošković (Yugoslavia); *Secretary*: L. Egger (WIPO).

Committee of Directors: *Chairman*: A. Amri (Tunisia); *Vice-Chairmen*: T. Lorenz (Austria); M. M. Saad (Egypt); *Secretary*: L. Egger (WIPO).

### Locarno Union

Assembly: *Chairman*: (Ireland: not represented); *Vice-Chairmen*: G. Borggård (Sweden); W. Stamm (Switzerland); *Secretary*: L. Egger (WIPO).

## Lisbon Union

### Council

#### Seventh Ordinary Session

(Geneva, September 28 and 29, 1972)

### Note\*

Nine of the ten States party to the Lisbon Agreement were represented: Algeria, Cuba, Czechoslovakia, France, Hungary, Israel, Italy, Mexico, Portugal (9). Haiti was not represented.

The following States party to the Paris Convention but not to the Lisbon Agreement were represented by observers: Austria, Canada, Finland, Germany (Federal Republic), Iran, Norway, Senegal, Spain, Sweden, Switzerland, Turkey.

**Activities of the Union and Financial Questions.** The Council noted with unanimous approval the report of the Director General on the activities of the Union and on financial questions. In particular, it expressed a favorable opinion on the 1971 accounts and the budget for 1973.

**Revision of the Lisbon Agreement or Preparation of a New Treaty.** After an exchange of views on this question, the Council came to the following conclusions: that a revision of the Lisbon Agreement was necessary both to facilitate further accessions and to improve the system of protection under the Agreement; that the study to be undertaken for this purpose should be as extensive as possible and should take into account not only the results of the survey carried out by the International Bureau among member countries of the Paris Union (see documents P/EC/VIII/6 and 7), but also all other sources of information; that the study should be aimed first and foremost at a revision of the Lisbon Agreement, but should not overlook any other solutions if these can be expected to yield better results, such as the merging of the Lisbon Agreement with the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, or the preparation of a new treaty. Accordingly, the Council requested the International Bureau to study, with the aid of a working group, the revision of existing agreements in the field or the preparation of a new treaty, and to submit any proposals to a committee of experts to which all member countries of the Paris Union would be invited. The Council invited the Director General, in the meantime, to make a report on the progress of the study, at the Council's next ordinary session; the Council would thus be in a complete position to decide upon the most suitable solution in the light of the objectives to be attained.

**Other Developments.** The Delegation of Iran declared that Iran planned to accede to the Lisbon Agreement. The Delegation of Senegal recalled that a Convention relating to the Protection of Appellations of Origin had been adopted under the auspices of the African and Malagasy Industrial Property Office (OAMPI), and stated that after the member countries

\* This Note has been prepared by the International Bureau on the basis of the documents of the session.

of OAMPI had ratified this Convention, they might consider acceding to an agreement which would take account of the special situation in their countries.

### List of Participants\*

#### I. Member States

Algeria: S. Bouzidi; G. Sellali (Mrs.); A. Bonssaid. Cuba: J. M. Rodriguez Padilla; E. Pretel; F. Ortiz Rodriguez. Czechoslovakia: J. Prošek; J. Springer. France: R. M. N. Lahry; A. Devletian. Hungary: E. Tasnádi; J. Bobrovsky. Israel: M. Gabay. Italy: V. Oliva. Mexico: J. Sandoval Ulloa; J. Fraymann Castro. Portugal: J. L. Esteves da Fonseca; J. Van-Zeller Garin.

\* A list containing the titles and functions of the participants may be obtained from the International Bureau upon request.

#### II. Observers

Austria: T. Lorenz. Canada: F. W. Simons; J. Corbeil. Finland: E. Tuuli. Germany (Federal Republic): H. Mast. Iran: M. Naraghi. Norway: L. Nordstrand. Senegal: B. Niang. Spain: A. Fernandez-Mazarambroz. Sweden: C. Ugglá. Switzerland: P. Braendli. Turkey: S. Adil; Y. Vedat.

#### III. WIPO

J. Voyame (*Second Deputy Director General*); B. A. Armstrong (*Senior Counsellor, Head, Administrative Division*); L. Egger (*Counsellor, Head, International Registrations Division*); A. Jaccard (*Head, Finance Section, Administrative Division*).

#### IV. Officers

*Chairman*: J. M. Rodriguez Padilla (Cuba); *Vice-Chairman*: J. L. Esteves da Fonseca (Portugal); *Secretary*: L. Egger (WIPO).

## INTERNATIONAL UNIONS

### Madrid Union

#### New Scale of Fees and Charges

effective January 1, 1973

The Assembly of the Madrid Union and the Committee of Directors of the National Industrial Property Offices have adopted the following scale, to take effect on January 1, 1973, of fees and charges provided for under Article 27 of the Regulations of the Madrid Agreement Concerning the International Registration of Marks:

	Swiss francs
1. Basic fee	
(a) for 20 years	400 or 390 *
(b) for 10 years	240 or 230 *
2. Balance of the fee	330 or 320 *
3. Supplementary fee	40
4. Complementary fee	40
5. Establishment of printing block	30
6. Classification and reclassification of goods and services; per word	1 †

\* The first figure relates to a single mark, the second to each of the following marks belonging to the same proprietor and for which registration or renewal is requested at the same time.

† Minimum 20 francs.

7. Fee for recording territorial extension subsequent to registration	50
8. Period of grace	50 %
9. Transfers	50
10. Limitation of list of goods and services	50
11. Change of name and/or address of proprietor of mark	50 or 10 **
12. Entries relating to agent	20 or 5 **
13. Extract from Register	40
14. Facsimiles or photocopies	5
15. Information	
written	30 or 5 **
oral	10
16. Attestations	30 or 5 **
17. Searches for anticipation	
(a) identity (word mark)	15
(b) identity (figurative mark)	30
(c) similarity	60

The fees listed under 1, 3 and 4 above will apply to renewals of registrations expiring on or after January 1, 1973, irrespective of the date when the request for renewal was made to the International Bureau.

\*\* The first figure relates to a single mark, the second to each of the following marks belonging to the same proprietor and for which the same change, information or attestation is requested at the same time.



- (vii) in relation to the Union territory of Chandigarh, the High Court of Punjab and Haryana; and
- (viii) in relation to any other State, the High Court for that State;
- (j) "invention" means any new and useful —
- (i) art, process, method or manner of manufacture;
  - (ii) machine, apparatus or other article;
  - (iii) substance produced by manufacture,
- and includes any new and useful improvement of any of them, and an alleged invention;
- (k) "legal representative" means a person who in law represents the estate of a deceased person;
- (l) "medicine or drug" includes —
- (i) all medicines for internal or external use of human beings or animals,
  - (ii) all substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of diseases in human beings or animals,
  - (iii) all substances intended to be used for or in the maintenance of public health, or the prevention or control of any epidemic disease among human beings or animals,
  - (iv) insecticides, germicides, fungicides, weedicides and all other substances intended to be used for the protection or preservation of plants;
  - (v) all chemical substances which are ordinarily used as intermediates in the preparation or manufacture of any of the medicines or substances above referred to;
- (m) "patent" means a patent granted under this Act and includes for the purposes of sections 44, 49, 50, 51, 52, 54, 55, 56, 57, 58, 63, 65, 66, 68, 69, 70, 78, 134, 140, 153, 154 and 156 and Chapters XVI, XVII and XVIII, a patent granted under the Indian Patents and Designs Act, 1911;
- (n) "patent agent" means a person for the time being registered under this Act as a patent agent;
- (o) "patented article" and "patented process" mean respectively an article or process in respect of which a patent is in force;
- (p) "patentee" means the person for the time being entered on the register as the grantee or proprietor of the patent;
- (q) "patent of addition" means a patent granted in accordance with section 54;
- (r) "patent office" means the patent office referred to in section 74;
- (s) "person" includes the Government;
- (t) "person interested" includes a person engaged in, or in promoting, research in the same field as that to which the invention relates;
- (u) "prescribed" means, in relation to proceedings before a High Court, prescribed by rules made by the High Court, and in other cases, prescribed by rules made under this Act;
- (v) "prescribed manner" includes the payment of the prescribed fee;
- (w) "priority date" has the meaning assigned to it by section 11;
- (x) "register" means the register of patents referred to in section 67;
- (y) "true and first inventor" does not include either the first importer of an invention into India, or a person to whom an invention is first communicated from outside India.
- (2) In this Act, unless the context otherwise requires, any reference —
- (a) to the Controller shall be construed as including a reference to any officer discharging the functions of the Controller in pursuance of section 73;
  - (b) to the patent office shall be construed as including a reference to any branch office of the patent office.

## Chapter II — Inventions not patentable

3. — The following are not inventions within the meaning of this Act, —

- (a) an invention which is frivolous or which claims anything obviously contrary to well established natural laws;
- (b) an invention the primary or intended use of which would be contrary to law or morality or injurious to public health;
- (c) the mere discovery of a scientific principle or the formulation of an abstract theory;
- (d) the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant;
- (e) a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance;
- (f) the mere arrangement or re-arrangement or duplication of known devices each functioning independently of one another in a known way;
- (g) a method or process of testing applicable during the process of manufacture for rendering the machine, apparatus or other equipment more efficient or for the improvement or restoration of the existing machine, apparatus or other equipment or for the improvement or control of manufacture;
- (h) a method of agriculture or horticulture;
- (i) any process for the medicinal, surgical, curative, prophylactic or other treatment of human beings or any process for a similar treatment of animals or plants to render them free of disease or to increase their economic value or that of their products.

4. — No patent shall be granted in respect of an invention relating to atomic energy falling within sub-section (1) of section 20 of the Atomic Energy Act, 1962.

## 5. — In the case of inventions —

- (a) claiming substances intended for use, or capable of being used, as food or as medicine or drug, or
- (b) relating to substances prepared or produced by chemical processes (including alloys, optical glass, semi-conductors and inter-metallic compounds),

no patent shall be granted in respect of claims for the substances themselves, but claims for the methods or processes of manufacture shall be patentable.

## Chapter III — Applications for patents

6. — (1) Subject to the provisions contained in section 134, an application for a patent for an invention may be made by any of the following persons, that is to say, —

- (a) by any person claiming to be the true and first inventor of the invention;
- (b) by any person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application;
- (c) by the legal representative of any deceased person who immediately before his death was entitled to make such an application.

(2) An application under sub-section (1) may be made by any of the persons referred to therein either alone or jointly with any other person.

7. — (1) Every application for a patent shall be for one invention only and shall be made in the prescribed form and filed in the patent office.

(2) Where the application is made by virtue of an assignment of the right to apply for a patent for the invention, there shall be furnished with the application, or within such period as may be prescribed after the filing of the application, proof of the right to make the application.

(3) Every application under this section shall state that the applicant is in possession of the invention and shall name the owner claiming to be the true and first inventor; and where the person so claiming is not the applicant or one of the applicants, the application shall contain a declaration that the applicant believes the person so named to be the true and first inventor.

(4) Every such application (not being a convention application) shall be accompanied by a provisional or a complete specification.

8. — (1) Where an applicant for a patent under this Act is prosecuting either alone or jointly with any other person an application for a patent in any country outside India in respect of the same or substantially the same invention, or where to his knowledge such an application is being prosecuted by some person through whom he claims or by some person deriving title from him, he shall file along with his application —

- (a) a statement setting out the name of the country where the application is being prosecuted, the serial number and date of filing of the application and such other particulars as may be prescribed; and

(b) an undertaking that, up to the date of the acceptance of his complete specification filed in India, he would keep the Controller informed in writing, from time to time, of details of the nature referred to in clause (a) in respect of every other application relating to the same or substantially the same invention, if any, filed in any country outside India subsequently to the filing of the statement referred to in the aforesaid clause, within the prescribed time.

(2) The Controller may also require the applicant to furnish, as far as may be available to the applicant, details relating to the objections, if any, taken to any such application as is referred to in sub-section (1) on the ground that the invention is lacking in novelty or patentability, the amendments effected in the specifications, the claims allowed in respect thereof and such other particulars as he may require.

9. — (1) Where an application for a patent (not being a convention application) is accompanied by a provisional specification, a complete specification shall be filed within twelve months from the date of filing of the application, and if the complete specification is not so filed the application shall be deemed to be abandoned:

Provided that the complete specification may be filed at any time after twelve months but within fifteen months from the date aforesaid, if a request to that effect is made to the Controller and the prescribed fee is paid on or before the date on which the complete specification is filed.

(2) Where two or more applications in the name of the same applicant are accompanied by provisional specifications in respect of inventions which are cognate or of which one is a modification of another and the Controller is of opinion that the whole of such inventions are such as to constitute a single invention and may properly be included in one patent, he may allow one complete specification to be filed in respect of all such provisional specifications.

(3) Where an application for a patent (not being a convention application) is accompanied by a specification purporting to be a complete specification, the Controller may, if the applicant so requests at any time before the acceptance of the specification, direct that such specification shall be treated for the purposes of this Act as a provisional specification and proceed with the application accordingly.

(4) Where a complete specification has been filed in pursuance of an application for a patent accompanied by a provisional specification or by a specification treated by virtue of a direction under sub-section (3) as a provisional specification, the Controller may, if the applicant so requests at any time before the acceptance of the complete specification, cancel the provisional specification and post-date the application to the date of filing of the complete specification.

10. — (1) Every specification, whether provisional or complete, shall describe the invention and shall begin with a title sufficiently indicating the subject-matter to which the invention relates.

(2) Subject to any rules that may be made in this behalf under this Act, drawings may, and shall, if the Controller so

requires, be supplied for the purposes of any specification, whether complete or provisional; and any drawings so supplied shall, unless the Controller otherwise directs, be deemed to form part of the specification, and references in this Act to a specification shall be construed accordingly.

(3) If, in any particular case, the Controller considers that an application should be further supplemented by a model or sample of anything illustrating the invention or alleged to constitute an invention, such model or sample as he may require shall be furnished before the acceptance of the application, but such model or sample shall not be deemed to form part of the specification.

(4) Every complete specification shall —

- (a) fully and particularly describe the invention and its operation or use and the method by which it is to be performed;
- (b) disclose the best method of performing the invention which is known to the applicant and for which he is entitled to claim protection; and
- (c) end with a claim or claims defining the scope of the invention for which protection is claimed.

(5) The claim or claims of a complete specification shall relate to a single invention, shall be clear and succinct and shall be fairly based on the matter disclosed in the specification and shall, in the case of an invention such as is referred to in section 5, relate to a single method or process of manufacture.

(6) A declaration as to the inventorship of the invention shall, in such cases as may be prescribed, be furnished in the prescribed form with the complete specification or within such period as may be prescribed after the filing of that specification.

(7) Subject to the foregoing provisions of this section, a complete specification filed after a provisional specification may include claims in respect of developments of, or additions to, the invention which was described in the provisional specification, being developments or additions in respect of which the applicant would be entitled under the provisions of section 6 to make a separate application for a patent.

11. — (1) There shall be a priority date for each claim of a complete specification.

(2) Where a complete specification is filed in pursuance of a single application accompanied by —

- (a) a provisional specification; or
- (b) a specification which is treated by virtue of a direction under sub-section (3) of section 9 as a provisional specification,

and the claim is fairly based on the matter disclosed in the specification referred to in clause (a) or clause (b), the priority date of that claim shall be the date of the filing of the relevant specification.

(3) Where the complete specification is filed or proceeded with in pursuance of two or more applications accompanied by such specifications as are mentioned in sub-section (2) and the claim is fairly based on the matter disclosed —

- (a) in one of those specifications, the priority date of that claim shall be the date of the filing of the application accompanied by that specification;
- (b) partly in one and partly in another, the priority date of that claim shall be the date of the filing of the application accompanied by the specification of the later date.

(4) Where the complete specification has been filed in pursuance of a further application made by virtue of sub-section (1) of section 16 and the claim is fairly based on the matter disclosed in any of the earlier specifications, provisional or complete, as the case may be, the priority date of that claim shall be the date of the filing of that specification in which the matter was first disclosed.

(5) Where, under the foregoing provisions of this section, any claim of a complete specification would, but for the provisions of this sub-section, have two or more priority dates, the priority date of that claim shall be the earlier or earliest of those dates.

(6) In any case to which sub-sections (2), (3), (4) and (5) do not apply, the priority date of a claim shall, subject to the provisions of section 137, be the date of filing of the complete specification.

(7) The reference to the date of the filing of the application or of the complete specification in this section shall, in cases where there has been a post-dating under section 9 or section 17 or, as the case may be, an ante-dating under section 16, be a reference to the date as so post-dated or ante-dated.

(8) A claim in a complete specification of a patent shall not be invalid by reason only of —

- (a) the publication or use of the invention so far as claimed in that claim on or after the priority date of such claim; or
- (b) the grant of another patent which claims the invention, so far as claimed in the first mentioned claim, in a claim of the same or a later priority date.

#### Chapter IV — Examination of applications

12. — (1) When the complete specification has been filed in respect of an application for a patent, the application and the specification relating thereto shall be referred by the Controller to an examiner for making a report to him in respect of the following matters, namely: —

- (a) whether the application and the specification relating thereto are in accordance with the requirements of this Act and of any rules made thereunder;
- (b) whether there is any lawful ground of objection to the grant of the patent under this Act in pursuance of the application;
- (c) the result of investigations made under section 13; and
- (d) any other matter which may be prescribed.

(2) The examiner to whom the application and the specification relating thereto are referred under sub-section (1) shall ordinarily make the report to the Controller within a period of eighteen months from the date of such reference.

13. — (1) The examiner to whom an application for a patent is referred under section 12 shall make investigation for the purpose of ascertaining whether the invention so far as claimed in any claim of the complete specification —

- (a) has been anticipated by publication before the date of filing of the applicant's complete specification in any specification filed in pursuance of an application for a patent made in India and dated on or after the 1st day of January, 1912;
- (b) is claimed in any claim of any other complete specification published on or after the date of filing of the applicant's complete specification, being a specification filed in pursuance of an application for a patent made in India and dated before or claiming the priority date earlier than that date.

(2) The examiner shall, in addition, make such investigation as the Controller may direct for the purpose of ascertaining whether the invention, so far as claimed in any claim of the complete specification, has been anticipated by publication in India or elsewhere in any document other than those mentioned in sub-section (1) before the date of filing of the applicant's complete specification.

(3) Where a complete specification is amended under the provisions of this Act before it has been accepted, the amended specification shall be examined and investigated in like manner as the original specification.

(4) The examination and investigations required under section 12 and this section shall not be deemed in any way to warrant the validity of any patent, and no liability shall be incurred by the Central Government or any officer thereof by reason of, or in connection with, any such examination or investigation or any report or other proceedings consequent thereon.

14. — Where, in respect of an application for a patent, the report of the examiner received by the Controller is adverse to the applicant or requires any amendment of the application or of the specification to ensure compliance with the provisions of this Act or of the rules made thereunder, the Controller, before proceeding to dispose of the application in accordance with the provisions hereinafter appearing, shall communicate the gist of the objections to the applicant and shall, if so required by the applicant within the prescribed time, give him an opportunity of being heard.

15. — (1) Where the Controller is satisfied that the application or any specification filed in pursuance thereof does not comply with the requirements of this Act or of any rules made thereunder, the Controller may either —

- (a) refuse to proceed with the application; or
- (b) require the application, specification or drawings to be amended to his satisfaction before he proceeds with the application.

(2) If it appears to the Controller that the invention claimed in the specification is not an invention within the meaning of, or is not patentable under, this Act, he shall refuse the application.

(3) If it appears to the Controller that any invention, in respect of which an application for a patent is made, might be used in any manner contrary to law, he may refuse the application, unless the specification is amended by the insertion of such disclaimer in respect of that use of the invention, or such other reference to the illegality thereof, as the Controller thinks fit.

16. — (1) A person who has made an application for a patent under this Act may, at any time before the acceptance of the complete specification, if he so desires, or with a view to remedy the objection raised by the Controller on the ground that the claims of the complete specification relate to more than one invention, file a further application in respect of an invention disclosed in the provisional or complete specification already filed in respect of the first mentioned application.

(2) The further application under sub-section (1) shall be accompanied by a complete specification, but such complete specification shall not include any matter not in substance disclosed in the complete specification filed in pursuance of the first mentioned application.

(3) The Controller may require such amendment of the complete specification filed in pursuance of either the original or the further application as may be necessary to ensure that neither of the said complete specifications includes a claim for any matter claimed in the other.

*Explanation.* — For the purposes of this Act, the further application and the complete specification accompanying it shall be deemed to have been filed on the date on which the complete specification in pursuance of the first mentioned application had been filed, and the further application shall, subject to the determination of the priority date under sub-section (4) of section 11, be proceeded with as a substantive application.

17. — (1) Subject to the provisions of section 9, at any time after the filing of an application and before acceptance of the complete specification under this Act, the Controller may, at the request of the applicant made in the prescribed manner, direct that the application shall be post-dated to such date as may be specified in the request, and proceed with the application accordingly:

Provided that no application shall be post-dated under this sub-section to a date later than six months from the date on which it was actually made or would, but for the provisions of this sub-section, be deemed to have been made.

(2) Where an application or specification (including drawings) is required to be amended under clause (b) of sub-section (1) of section 15, the application or specification shall, if the Controller so directs, be deemed to have been made on the date on which the requirement is complied with or where the application or specification is returned to the applicant, on the date on which it is re-filed after complying with the requirement.

18. — (1) Where it appears to the Controller that the invention so far as claimed in any claim of the complete speci-

fication has been anticipated in the manner referred to in clause (a) of sub-section (1) or sub-section (2) of section 13, he may refuse to accept the complete specification unless the applicant —

- (a) shows to the satisfaction of the Controller that the priority date of the claim of his complete specification is not later than the date on which the relevant document was published; or
- (b) amends his complete specification to the satisfaction of the Controller.

(2) If it appears to the Controller that the invention is claimed in a claim of any other complete specification referred to in clause (b) of sub-section (1) of section 13, he may, subject to the provisions hereinafter contained, direct that a reference to that other specification shall be inserted by way of notice to the public in the applicant's complete specification unless within such time as may be prescribed, —

- (a) the applicant shows to the satisfaction of the Controller that the priority date of his claim is not later than the priority date of the claim of the said other specification; or
- (b) the complete specification is amended to the satisfaction of the Controller.

(3) If it appears to the Controller, as a result of an investigation under section 13 or otherwise, —

- (a) that the invention so far as claimed in any claim of the applicant's complete specification has been claimed in any other complete specification referred to in clause (a) of sub-section (1) of section 13; and
- (b) that such other complete specification was published on or after the priority date of the applicant's claim,

then, unless it is shown to the satisfaction of the Controller that the priority date of the applicant's claim is not later than the priority date of the claim of that specification, the provisions of sub-section (2) shall apply thereto in the same manner as they apply to a specification published on or after the date of filing of the applicant's complete specification.

(4) Any order of the Controller under sub-section (2) or sub-section (3) directing the insertion of a reference to another complete specification shall be of no effect unless and until the other patent is granted.

19. — (1) If, in consequence of the investigations required by the foregoing provisions of this Act or of proceedings under section 25, it appears to the Controller that an invention in respect of which an application for a patent has been made cannot be performed without substantial risk of infringement of a claim of any other patent, he may direct that a reference to that other patent shall be inserted in the applicant's complete specification by way of notice to the public, unless within such time as may be prescribed —

- (a) the applicant shows to the satisfaction of the Controller that there are reasonable grounds for contesting the validity of the said claim of the other patent; or
- (b) the complete specification is amended to the satisfaction of the Controller.

(2) Where, after a reference to another patent has been inserted in a complete specification in pursuance of a direction under sub-section (1) —

- (a) that other patent is revoked or otherwise ceases to be in force; or
- (b) the specification of that other patent is amended by the deletion of the relevant claim; or
- (c) it is found, in proceedings before the court or the Controller, that the relevant claim of that other patent is invalid or is not infringed by any working of the applicant's invention,

the Controller may, on the application of the applicant, delete the reference to that other patent.

20. — (1) If the Controller is satisfied, on a claim made in the prescribed manner at any time before a patent has been granted, that by virtue of any assignment or agreement in writing made by the applicant or one of the applicants for the patent or by operation of law, the claimant would, if the patent were then granted, be entitled thereto or to the interest of the applicant therein, or to an undivided share of the patent or of that interest, the Controller may, subject to the provisions of this section, direct that the application shall proceed in the name of the claimant or in the names of the claimants and the applicant or the other joint applicant or applicants, accordingly as the case may require.

(2) No such direction as aforesaid shall be given by virtue of any assignment or agreement made by one of two or more joint applicants for a patent except with the consent of the other joint applicant or applicants.

(3) No such direction as aforesaid shall be given by virtue of any assignment or agreement for the assignment of the benefit of an invention unless —

- (a) the invention is identified therein by reference to the number of the application for the patent; or
- (b) there is produced to the Controller an acknowledgment by the person by whom the assignment or agreement was made that the assignment or agreement relates to the invention in respect of which that application is made; or
- (c) the rights of the claimant in respect of the invention have been finally established by the decision of a court; or
- (d) the Controller gives directions for enabling the application to proceed or for regulating the manner in which it should be proceeded with under sub-section (5).

(4) Where one of two or more joint applicants for a patent dies at any time before the patent has been granted, the Controller may, upon a request in that behalf made by the survivor or survivors, and with the consent of the legal representative of the deceased, direct that the application shall proceed in the name of the survivor or survivors alone.

(5) If any dispute arises between joint applicants for a patent whether or in what manner the application should be proceeded with, the Controller may, upon application made to him in the prescribed manner by any of the parties, and after

giving to all parties concerned an opportunity to be heard, give such directions as he thinks fit for enabling the application to proceed in the name of one or more of the parties alone or for regulating the manner in which it should be proceeded with, or for both those purposes, as the case may require.

21. — (1) An application for a patent shall be deemed to have been abandoned unless within fifteen months from the date on which the first statement of objections to the application or complete specification is forwarded by the Controller to the applicant or within such longer period as may be allowed under the following provisions of this section the applicant has complied with all the requirements imposed on him by or under this Act, whether in connection with the complete specification or otherwise in relation to the application.

*Explanation.* — Where the application or any specification or, in the case of a convention application, any document filed as part of the application has been returned to the applicant by the Controller in the course of the proceedings, the applicant shall not be deemed to have complied with such requirements unless and until he has re-filed it.

(2) The period of fifteen months specified in sub-section (1) shall, on request made by the applicant in the prescribed manner and before the expiration of the period so specified, be extended for a further period so requested (hereafter in this section referred to as the extended period), so, however, that the total period for complying with the requirements of the Controller does not exceed eighteen months from the date on which the objections referred to in sub-section (1) are forwarded to the applicant.

(3) If at the expiration of the period of fifteen months specified in sub-section (1) or the extended period —

- (a) an appeal to the High Court is pending in respect of the application for the patent for the main invention, or
- (b) in the case of an application for a patent of addition, an appeal to the High Court is pending in respect of either that application or the application for the main invention,

the time within which the requirements of the Controller shall be complied with shall, on an application made by the applicant before the expiration of the said period of fifteen months or the extended period, as the case may be, be extended until such date as the High Court may determine.

(4) If the time within which the appeal mentioned in sub-section (3) may be instituted has not expired, the Controller may extend the period of fifteen months, or as the case may be, the extended period, until the expiration of such further period as he may determine:

Provided that if an appeal has been filed during the said further period, and the High Court has granted any extension of time for complying with the requirements of the Controller, then, the requirements may be complied with within the time granted by the Court.

22. — Subject to the provisions of section 21, the complete specification filed in pursuance of an application for a patent may be accepted by the Controller at any time after the applicant has complied with the requirements mentioned in sub-section (1) of that section, and, if not so accepted within the period allowed under that section for compliance with those requirements, shall be accepted as soon as may be thereafter:

Provided that the applicant may make an application to the Controller in the prescribed manner requesting him to postpone acceptance until such date [not being later than eighteen months from the date on which the objections referred to in sub-section (1) of section 21 are forwarded to the applicant] as may be specified in the application, and, if such application is made, the Controller may postpone acceptance accordingly.

23. — On the acceptance of a complete specification, the Controller shall give notice thereof to the applicant and shall advertise in the Official Gazette the fact that the specification has been accepted, and thereupon the application and the specification with the drawings (if any) filed in pursuance thereof shall be open to public inspection.

24. — On and from the date of advertisement of the acceptance of a complete specification and until the date of sealing of a patent in respect thereof, the applicant shall have the like privileges and rights as if a patent for the invention had been sealed on the date of advertisement of acceptance of the complete specification:

Provided that the applicant shall not be entitled to institute any proceedings for infringement until the patent has been sealed.

#### Chapter V — Opposition to grant of patent

25. — (1) At any time within four months from the date of advertisement of the acceptance of a complete specification under this Act (or within such further period not exceeding one month in the aggregate as the Controller may allow on application made to him in the prescribed manner before the expiry of the four months aforesaid) any person interested may give notice to the Controller of opposition to the grant of the patent on any of the following grounds, namely: —

- (a) that the applicant for the patent or the person under or through whom he claims, wrongfully obtained the invention or any part thereof from him or from a person under or through whom he claims;
- (b) that the invention so far as claimed in any claim of the complete specification has been published before the priority date of the claim —

- (i) in any specification filed in pursuance of an application for a patent made in India on or after the 1st day of January, 1912; or
- (ii) in India or elsewhere, in any other document:

Provided that the ground specified in sub-clause (ii) shall not be available where such publication does not constitute an anticipation of the invention by virtue of sub-section (2) or sub-section (3) of section 29;

- (c) that the invention so far as claimed in any claim of the complete specification is claimed in a claim of a complete specification published on or after the priority date of the applicant's claim and filed in pursuance of an application for a patent in India, being a claim of which the priority date is earlier than that of the applicant's claim;
- (d) that the invention so far as claimed in any claim of the complete specification was publicly known or publicly used in India before the priority date of that claim.

*Explanation.* — For the purposes of this clause, an invention relating to a process for which a patent is claimed shall be deemed to have been publicly known or publicly used in India before the priority date of the claim if a product made by that process had already been imported into India before that date except where such importation has been for the purpose of reasonable trial or experiment only;

- (e) that the invention so far as claimed in any claim of the complete specification is obvious and clearly does not involve any inventive step, having regard to the matter published as mentioned in clause (b) or having regard to what was used in India before the priority date of the applicant's claim;
- (f) that the subject of any claim of the complete specification is not an invention within the meaning of this Act, or is not patentable under this Act;
- (g) that the complete specification does not sufficiently and clearly describe the invention or the method by which it is to be performed;
- (h) that the applicant has failed to disclose to the Controller the information required by section 8 or has furnished the information which in any material particular was false to his knowledge;
- (i) that in the case of a convention application, the application was not made within twelve months from the date of the first application for protection for the invention made in a convention country by the applicant or a person from whom he derives title,

but on no other ground.

(2) Where any such notice of opposition is duly given, the Controller shall notify the applicant and shall give to the applicant and the opponent an opportunity to be heard before deciding the case.

(3) The grant of a patent shall not be refused on the ground stated in clause (c) of sub-section (1) if no patent has been granted in pursuance of the application mentioned in that clause; and for the purpose of any inquiry under clause (d) or clause (e) of that sub-section, no account shall be taken of any secret use.

26. — (1) Where in any opposition proceeding under this Act —

- (a) the Controller finds that the invention, so far as claimed in any claim of the complete specification, was obtained from the opponent in the manner set out in clause (a) of sub-section (1) of section 25 and refuses the applica-

tion on that ground, he may, on request by such opponent made in the prescribed manner, direct that the application shall proceed in the name of the opponent as if the application and the specification had been filed by the opponent on the date on which they were actually filed;

- (b) the Controller finds that a part of an invention described in the complete specification was so obtained from the opponent and passes an order requiring that the specification be amended by the exclusion of that part of the invention, the opponent may, subject to the provisions of sub-section (2), file an application in accordance with the provisions of this Act accompanied by a complete specification for the grant of a patent for the invention so excluded from the applicant's specification, and the Controller may treat such application and specification as having been filed, for the purposes of this Act relating to the priority dates of claims of the complete specification, on the date on which the corresponding document was or was deemed to have been filed by the earlier applicant, but for all other purposes the application of the opponent shall be proceeded with as an application for a patent under this Act.

(2) Where an opponent has, before the date of the order of the Controller requiring the amendment of a complete specification referred to in clause (b) of sub-section (1), filed an application for a patent for an invention which includes the whole or a part of the invention held to have been obtained from him and such application is pending, the Controller may treat such application and specification in so far as they relate to the invention held to have been obtained from him, as having been filed, for the purposes of this Act relating to the priority dates of claims of the complete specification, on the date on which the corresponding document was or was deemed to have been filed by the earlier applicant, but for all other purposes the application of the opponent shall be proceeded with as an application for a patent under this Act.

27. — If at any time after the acceptance of the complete specification filed in pursuance of an application for a patent and before the grant of a patent thereon it comes to the notice of the Controller otherwise than in consequence of proceedings in opposition to the grant under section 25, that the invention, so far as claimed in any claim of the complete specification, has been published before the priority date of the claim —

- (a) in any specification filed in pursuance of an application for a patent made in India and dated on or after the 1st day of January, 1912;
- (b) in any other document in India or elsewhere,

the Controller may refuse to grant the patent unless, within such time as may be prescribed, the complete specification is amended to his satisfaction:

Provided that the Controller shall not refuse to grant the patent on the ground specified in clause (b) if such publication does not constitute an anticipation of the invention by virtue of sub-section (2) or sub-section (3) of section 29.

28. — (1) If the Controller is satisfied, upon a request or claim made in accordance with the provisions of this section,

(a) that the person in respect of or by whom the request or claim is made is the inventor of an invention in respect of which application for a patent has been made, or of a substantial part of that invention; and

(b) that the application for the patent is a direct consequence of his being the inventor,

the Controller shall, subject to the provisions of this section, cause him to be mentioned as inventor in any patent granted in pursuance of the application in the complete specification and in the register of patents:

Provided that the mention of any person as inventor under this section shall not confer or derogate from any rights under the patent.

(2) A request that any person shall be mentioned as aforesaid may be made in the prescribed manner by the applicant for the patent or (where the person alleged to be the inventor is not the applicant or one of the applicants) by the applicant and that person.

(3) If any person [other than a person in respect of whom a request in relation to the application in question has been made under sub-section (2)] desires to be mentioned as aforesaid, he may make a claim in the prescribed manner in that behalf.

(4) A request or claim under the foregoing provisions of this section shall be made not later than two months after the date of advertisement of acceptance of the complete specification or within such further period (not exceeding one month) as the Controller may, on an application made to him in that behalf before the expiration of the said period of two months and subject to the payment of the prescribed fee, allow.

(5) No request or claim under the foregoing provisions of this section shall be entertained if it appears to the Controller that the request or claim is based upon facts which, if proved in the case of an opposition under the provisions of clause (a) of sub-section (1) of section 25 by the person in respect of or by whom the request or claim is made, would have entitled him to relief under that section.

(6) Subject to the provisions of sub-section (5), where a claim is made under sub-section (3), the Controller shall give notice of the claim to every applicant for the patent (not being the claimant) and to any other person whom the Controller may consider to be interested; and before deciding upon any request or claim made under sub-section (2) or sub-section (3), the Controller shall, if required, hear the person in respect of or by whom the request or claim is made, and, in the case of a claim under sub-section (3), any person to whom notice of the claim has been given as aforesaid.

(7) Where any person has been mentioned as inventor in pursuance of this section, any other person who alleges that he ought not to have been so mentioned may at any time apply to the Controller for a certificate to that effect, and the Controller may, after hearing, if required, any person whom he may consider to be interested, issue such a certificate, and if he does so, he shall rectify the specification and the register accordingly.

## Chapter VI — Anticipation

29. — (1) An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published in a specification filed in pursuance of an application for a patent made in India and dated before the 1st day of January, 1912.

(2) Subject as hereinafter provided, an invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published before the priority date of the relevant claim of the specification, if the patentee or the applicant for the patent proves —

(a) that the matter published was obtained from him, or (where he is not himself the true and first inventor) from any person from whom he derives title, and was published without his consent or the consent of any such person; and

(b) where the patentee or the applicant for the patent or any person from whom he derives title learned of the publication before the date of the application for the patent, or, in the case of a convention application, before the date of the application for protection in a convention country, that the application or the application in the convention country, as the case may be, was made as soon as reasonably practicable thereafter:

Provided that this sub-section shall not apply if the invention was before the priority date of the claim commercially worked in India, otherwise than for the purpose of reasonable trial, either by the patentee or the applicant for the patent or any person from whom he derives title or by any other person with the consent of the patentee or the applicant for the patent or any person from whom he derives title.

(3) Where a complete specification is filed in pursuance of an application for a patent made by a person being the true and first inventor or deriving title from him, an invention claimed in that specification shall not be deemed to have been anticipated by reason only of any other application for a patent in respect of the same invention made in contravention of the rights of that person, or by reason only that after the date of filing of that other application the invention was used or published, without the consent of that person, by the applicant in respect of that other application, or by any other person in consequence of any disclosure of any invention by that applicant.

30. — An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of the communication of the invention to the Government or to any person authorised by the Government to investigate the invention or its merits, or of anything done, in consequence of such a communication, for the purpose of the investigation.

31. — An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of —

(a) the display of the invention with the consent of the true and first inventor or a person deriving title from him at an industrial or other exhibition to which the provisions

of this section have been extended by the Central Government by notification in the Official Gazette, or the use thereof with his consent for the purpose of such an exhibition in the place where it is held; or

- (b) the publication of any description of the invention in consequence of the display or use of the invention at any such exhibition as aforesaid; or
- (c) the use of the invention, after it has been displayed or used at any such exhibition as aforesaid and during the period of the exhibition, by any person without the consent of the true and first inventor or a person deriving title from him; or
- (d) the description of the invention in a paper read by the true and first inventor before a learned society or published with his consent in the transactions of such a society,

if the application for the patent is made by the true and first inventor or a person deriving title from him not later than six months after the opening of the exhibition or the reading or publication of the paper, as the case may be.

32. — An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that at any time within one year before the priority date of the relevant claim of the specification, the invention was publicly worked in India —

- (a) by the patentee or applicant for the patent or any person from whom he derives title; or
- (b) by any other person with the consent of the patentee or applicant for the patent or any person from whom he derives title,

if the working was effected for the purpose of reasonable trial only and if it was reasonably necessary, having regard to the nature of the invention, that the working for that purpose should be effected in public.

33. — (1) Where a complete specification is filed or proceeded with in pursuance of an application which was accompanied by a provisional specification or where a complete specification filed along with an application is treated by virtue of a direction under sub-section (3) of section 9 as a provisional specification, then, notwithstanding anything contained in this Act the Controller shall not refuse to grant the patent, and the patent shall not be revoked or invalidated by reason only that any matter described in the provisional specification or in the specification treated as aforesaid as a provisional specification was used in India or published in India or elsewhere at any time after the date of the filing of that specification.

(2) Where a complete specification is filed in pursuance of a convention application, then, notwithstanding anything contained in this Act, the Controller shall not refuse to grant the patent, and the patent shall not be revoked or invalidated, by reason only that any matter disclosed in any application for protection in a convention country upon which the convention application is founded was used in India or published in India or elsewhere at any time after the date of that application for protection.

34. — Notwithstanding anything contained in this Act, the Controller shall not refuse to accept a complete specification for a patent or to grant a patent, and a patent shall not be revoked or invalidated by reason only of any circumstances which, by virtue of section 29 or section 30 or section 31 or section 32, do not constitute an anticipation of the invention claimed in the specification.

#### Chapter VII — Provisions for secrecy of certain inventions

35. — (1) Where, in respect of an application made before or after the commencement of this Act for a patent, it appears to the Controller that the invention is one of a class notified to him by the Central Government as relevant for defence purposes, or, where otherwise the invention appears to him to be so relevant, he may give directions for prohibiting or restricting the publication of information with respect to the invention or the communication of such information to any person or class of persons specified in the directions.

(2) Where the Controller gives any such directions as are referred to in sub-section (1), he shall give notice of the application and of the directions to the Central Government, and the Central Government shall, upon receipt of such notice, consider whether the publication of the invention would be prejudicial to the defence of India, and if upon such consideration, it appears to it that the publication of the invention would not so prejudice, give notice to the Controller to that effect, who shall thereupon revoke the directions and notify the applicant accordingly.

(3) Without prejudice to the provisions contained in sub-section (1), where the Central Government is of opinion that an invention in respect of which the Controller has not given any directions under sub-section (1), is relevant for defence purposes, it may at any time before acceptance of the complete specification notify the Controller to that effect, and thereupon the provisions of that sub-section shall apply as if the invention were one of the class notified by the Central Government, and accordingly the Controller shall give notice to the Central Government of the directions issued by him.

36. — (1) The question whether an invention in respect of which directions have been given under section 35 continues to be relevant for defence purposes shall be re-considered by the Central Government within nine months from the date of issue of such directions and thereafter at intervals not exceeding twelve months, and if, on such re-consideration it appears to the Central Government that the publication of the invention would no longer be prejudicial to the defence of India it shall forthwith give notice to the Controller accordingly and the Controller shall thereupon revoke the directions previously given by him.

(2) The result of every re-consideration under sub-section (1), shall be communicated to the applicant within such time and in such manner as may be prescribed.

37. — (1) So long as any directions under section 35 are in force in respect of an application —

- (a) the Controller shall not pass an order refusing to accept the same; and
- (b) notwithstanding anything contained in this Act, no appeal shall lie from any order of the Controller passed in respect thereof:

Provided that the application may, subject to the directions, proceed up to the stage of the acceptance of the complete specification, but the acceptance shall not be advertised nor the specification published, and no patent shall be granted in pursuance of the application.

(2) Where a complete specification filed in pursuance of an application for a patent for an invention in respect of which directions have been given under section 35 is accepted during the continuance in force of the directions, then —

- (a) if, during the continuance in force of the directions, any use of the invention is made by or on behalf of, or to the order of the Government, the provisions of sections 100, 101 and 103 shall apply in relation to that use as if the patent had been granted for the invention; and
- (b) if it appears to the Central Government that the applicant for the patent has suffered hardship by reason of the continuance in force of the directions, the Central Government may make to him such payment (if any) by way of solatium as appears to the Central Government to be reasonable having regard to the novelty and utility of the invention and the purpose for which it is designed, and to any other relevant circumstances.

(3) Where a patent is granted in pursuance of an application in respect of which directions have been given under section 35, no renewal fee shall be payable in respect of any period during which those directions were in force.

38. — When any direction given under section 35 is revoked by the Controller, then, notwithstanding any provision of this Act specifying the time within which any step should be taken or any act done in connection with an application for the patent, the Controller may, subject to such conditions, if any, as he thinks fit to impose, extend the time for doing anything required or authorised to be done by or under this Act in connection with the application, whether or not that time has previously expired.

39. — (1) No person resident in India shall, except under the authority of a written permit granted by or on behalf of the Controller, make or cause to be made any application outside India for the grant of a patent for an invention unless —

- (a) an application for a patent for the same invention has been made in India, not less than six weeks before the application outside India; and
- (b) either no directions have been given under sub-section (1) of section 35 in relation to the application in India, or all such directions have been revoked.

(2) The Controller shall not grant written permission to any person to make any application outside India without the prior consent of the Central Government.

(3) This section shall not apply in relation to an invention for which an application for protection has first been filed in a country outside India by a person resident outside India.

40. — Without prejudice to the provisions contained in Chapter XX, if in respect of an application for a patent any person contravenes any direction as to secrecy given by the Controller under section 35 or makes or causes to be made an application for the grant of a patent outside India in contravention of section 39, the application for patent under this Act shall be deemed to have been abandoned and the patent granted, if any, shall be liable to be revoked under section 64.

41. — All orders of the Controller giving directions as to secrecy as well as all orders of the Central Government under this Chapter shall be final and shall not be called in question in any court on any ground whatsoever.

42. — Nothing in this Act shall be held to prevent the disclosure by the Controller of information concerning an application for a patent or a specification filed in pursuance thereof to the Central Government for the purpose of the application or specification being examined for considering whether an order under this Chapter should be made or whether an order so made should be revoked.

#### Chapter VIII — Grant and sealing of patents and rights conferred thereby

43. — (1) Where a complete specification in pursuance of an application for a patent has been accepted and either —

- (a) the application has not been opposed under section 25 and the time for the filing of the opposition has expired; or
- (b) the application has been opposed and the opposition has been finally decided in favour of the applicant; or
- (c) the application has not been refused by the Controller by virtue of any power vested in him by this Act,

the patent shall, on request made by the applicant in the prescribed form, be granted to the applicant or, in the case of a joint application, to the applicants jointly, and the Controller shall cause the patent to be sealed with the seal of the patent office and the date on which the patent is sealed shall be entered in the register.

(2) Subject to the provisions of sub-section (1) and of the provisions of this Act with respect to patents of addition, a request under this section for the sealing of a patent shall be made not later than the expiration of a period of six months from the date of advertisement of the acceptance of the complete specification:

Provided that —

- (a) where at the expiration of the said six months any proceeding in relation to the application for the patent is pending before the Controller or the High Court, the request may be made within the prescribed period after the final determination of that proceeding;
- (b) where the applicant or one of the applicants has died before the expiration of the time within which under the provisions of this sub-section the request could

otherwise be made, the said request may be made at any time within twelve months after the date of the death or at such later time as the Controller may allow.

(3) The period within which under sub-section (2) a request for the sealing of a patent may be made, may, from time to time, be extended by the Controller to such longer period as may be specified in an application made to him in that behalf, if the application is made and the prescribed fee paid within that longer period:

Provided that the first mentioned period shall not be extended under this sub-section by more than three months in the aggregate.

*Explanation.* — For the purposes of this section a proceeding shall be deemed to be pending so long as the time for any appeal therein (apart from any future extension of that time) has not expired, and a proceeding shall be deemed to be finally determined when the time for any appeal therein (apart from any such extension) has expired without the appeal being brought.

44. — Where, at any time after a patent has been sealed in pursuance of an application under this Act, the Controller is satisfied that the person to whom the patent was granted had died, or, in the case of a body corporate, had ceased to exist, before the patent was sealed, the Controller may amend the patent by substituting for the name of that person the name of the person to whom the patent ought to have been granted, and the patent shall have effect, and shall be deemed always to have had effect, accordingly.

45. — (1) Subject to the other provisions contained in this Act, every patent shall be dated as of the date on which the complete specification was filed:

Provided that a patent which is granted in pursuance of an application to which any directions issued under section 78C of the Indian Patents and Designs Act, 1911 applied immediately before the commencement of this Act, shall be dated as of the date of the filing of the complete specification or the date of such commencement whichever is later.

(2) The date of every patent shall be entered in the register.

(3) Notwithstanding anything contained in this section, no suit or other proceeding shall be commenced or prosecuted in respect of an infringement committed before the date of advertisement of the acceptance of the complete specification.

46. — (1) Every patent shall be in the prescribed form and shall have effect throughout India.

(2) A patent shall be granted for one invention only:

Provided that it shall not be competent for any person in a suit or other proceeding to take any objection to a patent on the ground that it has been granted for more than one invention.

47. — The grant of a patent under this Act shall be subject to the condition that —

- (1) any machine, apparatus or other article in respect of which the patent is granted or any article made by using a process in respect of which the patent is granted, may be imported or made by or on behalf of the Government for the purpose merely of its own use;
- (2) any process in respect of which the patent is granted may be used by or on behalf of the Government for the purpose merely of its own use;
- (3) any machine, apparatus or other article in respect of which the patent is granted or any article made by the use of the process in respect of which the patent is granted, may be made or used, and any process in respect of which the patent is granted may be used, by any person, for the purpose merely of experiment or research including the imparting of instructions to pupils; and
- (4) in the case of a patent in respect of any medicine or drug, the medicine or drug may be imported by the Government for the purpose merely of its own use or for distribution in any dispensary, hospital or other medical institution maintained by or on behalf of the Government or any other dispensary, hospital or other medical institution which the Central Government may, having regard to the public service that such dispensary, hospital or medical institution renders, specify in this behalf by notification in the Official Gazette.

48. — (1) Subject to the other provisions contained in this Act, a patent granted before the commencement of this Act, shall confer on the patentee the exclusive right by himself, his agents or licensees to make, use, exercise, sell or distribute the invention in India.

(2) Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted after the commencement of this Act shall confer upon the patentee —

- (a) where the patent is for an article or substance, the exclusive right by himself, his agents or licensees to make, use, exercise, sell or distribute such article or substance in India;
- (b) where a patent is for a method or process of manufacturing an article or substance, the exclusive right by himself, his agents or licensees to use or exercise the method or process in India.

49. — (1) Where a vessel or aircraft registered in a foreign country or a land vehicle owned by a person ordinarily resident in such country comes into India (including the territorial waters thereof) temporarily or accidentally only, the rights conferred by a patent for an invention shall not be deemed to be infringed by the use of the invention —

- (a) in the body of the vessel or in the machinery, tackle, apparatus or other accessories thereof, so far as the invention is used on board the vessel and for its actual needs only; or
- (b) in the construction or working of the aircraft or land vehicle or of the accessories thereof,

as the case may be.

(2) This section shall not extend to vessels, aircraft or land vehicles owned by persons ordinarily resident in a foreign country the laws of which do not confer corresponding rights with respect to the use of inventions in vessels, aircraft or land vehicles owned by persons ordinarily resident in India while in the ports or within the territorial waters of that foreign country or otherwise within the jurisdiction of its courts.

50. — (1) Where a patent is granted to two or more persons, each of those persons shall, unless an agreement to the contrary is in force, be entitled to an equal undivided share in the patent.

(2) Subject to the provisions contained in this section and in section 51, where two or more persons are registered as grantee or proprietor of a patent, then, unless an agreement to the contrary is in force, each of those persons shall be entitled, by himself or his agents, to make, use, exercise and sell the patented invention for his own benefit without accounting to the other person or persons.

(3) Subject to the provisions contained in this section and in section 51 and to any agreement for the time being in force, where two or more persons are registered as grantee or proprietor of a patent, then, a licence under the patent shall not be granted and a share in the patent shall not be assigned by one of such persons except with the consent of the other person or persons.

(4) Where a patented article is sold by one of two or more persons registered as grantee or proprietor of a patent, the purchaser and any person claiming through him shall be entitled to deal with the article in the same manner as if the article had been sold by a sole patentee.

(5) Subject to the provisions contained in this section, the rules of law applicable to the ownership and devolution of movable property generally shall apply in relation to patents; and nothing contained in sub-section (1) or sub-section (2) shall affect the mutual rights or obligations of trustees or of the legal representatives of a deceased person or their rights or obligations as such.

(6) Nothing in this section shall affect the rights of the assignees of a partial interest in a patent created before the commencement of this Act.

51. — (1) Where two or more persons are registered as grantee or proprietor of a patent, the Controller may, upon application made to him in the prescribed manner by any of those persons, give such directions in accordance with the application as to the sale or lease of the patent or any interest therein, the grant of licences under the patent, or the exercise of any right under section 50 in relation thereto, as he thinks fit.

(2) If any person registered as grantee or proprietor of a patent fails to execute any instrument or to do any other thing required for the carrying out of any direction given under this section within fourteen days after being requested in writing so to do by any of the other persons so registered, the Controller may, upon application made to him in the prescribed manner by any such other person, give directions

empowering any person to execute that instrument or to do that thing in the name and on behalf of the person in default.

(3) Before giving any directions in pursuance of an application under this section, the Controller shall give an opportunity to be heard —

(a) in the case of an application under sub-section (1), to the other person or persons registered as grantee or proprietor of the patent;

(b) in the case of an application under sub-section (2), to the person in default.

(4) No direction shall be given under this section so as to affect the mutual rights or obligations of trustees or of the legal representatives of a deceased person or of their rights or obligations as such, or which is inconsistent with the terms of any agreement between persons registered as grantee or proprietor of the patent.

52. — (1) Where a patent has been revoked on the ground that the patent was obtained wrongfully and in contravention of the rights of the petitioner or any person under or through whom he claims, or, where in a petition for revocation, the court, instead of revoking the patent, directs the complete specification to be amended by the exclusion of a claim or claims in consequence of a finding that the invention covered by such claim or claims had been obtained from the petitioner, the court may, by order passed in the same proceeding, permit the grant to the petitioner of the whole or such part of the invention which the court finds has been wrongfully obtained by the patentee, in lieu of the patent so revoked or is excluded by amendment.

(2) Where any such order is passed, the Controller shall, on request by the petitioner made in the prescribed manner grant to him —

(i) in cases where the court permits the whole of the patent to be granted, a new patent bearing the same date and number as the patent revoked;

(ii) in cases where the court permits a part only of the patent to be granted, a new patent for such part bearing the same date as the patent revoked and numbered in such manner as may be prescribed:

Provided that the Controller may, as a condition of such grant, require the petitioner to file a new and complete specification to the satisfaction of the Controller describing and claiming that part of the invention for which the patent is to be granted.

(3) No suit shall be brought for any infringement of a patent granted under this section committed before the actual date on which such patent was granted.

53. — (1) Subject to the provisions of this Act, the term of every patent granted under this Act shall —

(a) in respect of an invention claiming the method or process of manufacture of a substance, where the substance is intended for use, or is capable of being used, as food or as a medicine or drug, be five years from the date of sealing of the patent, or seven years from the date of the patent whichever period is shorter; and

(b) in respect of any other invention, be fourteen years from the date of the patent.

(2) A patent shall cease to have effect notwithstanding anything therein or in this Act on the expiration of the period prescribed for the payment of any renewal fee, if that fee is not paid within the prescribed period or within that period as extended under this section.

(3) The period prescribed for the payment of any renewal fee shall be extended to such period, not being more than six months longer than the prescribed period, as may be specified in a request made to the Controller if the request is made and the renewal fee and the prescribed additional fee paid before the expiration of the period so specified.

#### Chapter IX — Patents of addition

54. — (1) Subject to the provisions contained in this section, where an application is made for a patent in respect of any improvement in or modification of an invention described or disclosed in the complete specification filed therefor (in this Act referred to as the "main invention") and the applicant also applies or has applied for a patent for that invention or is the patentee in respect thereof, the Controller may, if the applicant so requests, grant the patent for the improvement or modification as a patent of addition.

(2) Subject to the provisions contained in this section, where an invention, being an improvement in or modification of another invention, is the subject of an independent patent and the patentee in respect of that patent is also the patentee in respect of the patent for the main invention, the Controller may, if the patentee so requests, by order, revoke the patent for the improvement or modification and grant to the patentee a patent of addition in respect thereof, bearing the same date as the date of the patent so revoked.

(3) A patent shall not be granted as a patent of addition unless the date of filing of the complete specification was the same as or later than the date of filing of the complete specification in respect of the main invention.

(4) A patent of addition shall not be sealed before the sealing of the patent for the main invention; and if the period within which, but for the provisions of this sub-section, a request for the sealing of a patent of addition could be made under section 43 expires before the period within which a request for the sealing of the patent for the main invention may be so made, the request for the sealing of the patent of addition may be made at any time within the last mentioned period.

55. — (1) A patent of addition shall be granted for a term equal to that of the patent for the main invention, or so much thereof as has not expired, and shall remain in force during that term or until the previous cesser of the patent for the main invention and no longer:

Provided that if the patent for the main invention is revoked under this Act, the court, or, as the case may be, the Controller, on request made to him by the patentee in the prescribed manner, may order that the patent of addition shall become an independent patent for the remainder of the term

for the patent for the main invention and thereupon the patent shall continue in force as an independent patent accordingly.

(2) No renewal fees shall be payable in respect of a patent of addition, but, if any such patent becomes an independent patent under sub-section (1), the same fees shall thereafter be payable, upon the same dates, as if the patent had been originally granted as an independent patent.

56. — (1) The grant of a patent of addition shall not be refused, and a patent granted as a patent of addition shall not be revoked or invalidated, on the ground only that the invention claimed in the complete specification does not involve any inventive step having regard to any publication or use of —

- (a) the main invention described in the complete specification relating thereto; or
- (b) any improvement in or modification of the main invention described in the complete specification of a patent of addition to the patent for the main invention or of an application for such a patent of addition,

and the validity of a patent of addition shall not be questioned on the ground that the invention ought to have been the subject of an independent patent.

(2) For the removal of doubts it is hereby declared that in determining the novelty of the invention claimed in the complete specification filed in pursuance of an application for a patent of addition regard shall be had also to the complete specification in which the main invention is described.

#### Chapter X — Amendment of applications and specifications

57. — (1) Subject to the provisions of section 59, the Controller may, upon application made under this section in the prescribed manner by an applicant for a patent or by a patentee, allow the application for the patent or the complete specification to be amended subject to such conditions, if any, as the Controller thinks fit:

Provided that the Controller shall not pass any order allowing or refusing an application to amend an application for a patent or a specification under this section while any suit before a court for the infringement of the patent or any proceeding before the High Court for the revocation of the patent is pending, whether the suit or proceeding commenced before or after the filing of the application to amend.

(2) Every application for leave to amend an application for a patent or a specification under this section shall state the nature of the proposed amendment, and shall give full particulars of the reasons for which the application is made.

(3) Every application for leave to amend an application for a patent or a specification under this section made after the acceptance of the complete specification and the nature of the proposed amendment shall be advertised in the prescribed manner.

(4) Where an application is advertised under sub-section (3), any person interested may, within the prescribed period after the advertisement thereof, give notice to the Con-

troller of opposition thereto; and where such a notice is given within the period aforesaid, the Controller shall notify the person by whom the application under this section is made and shall give to that person and to the opponent an opportunity to be heard before he decides the case.

(5) An amendment under this section of a complete specification may be, or include, an amendment of the priority date of a claim.

(6) The provisions of this section shall be without prejudice to the right of an applicant for a patent to amend his specification to comply with the directions of the Controller issued before the acceptance of the complete specification or in the course of proceedings in opposition to the grant of a patent.

58. — (1) In any proceeding before the High Court for the revocation of a patent, the High Court may, subject to the provisions contained in section 59, allow the patentee to amend his complete specification in such manner and subject to such terms as to costs, advertisement or otherwise, as the High Court may think fit, and if in any proceedings for revocation the High Court decides that the patent is invalid, it may allow the specification to be amended under this section instead of revoking the patent.

(2) Where an application for an order under this section is made to the High Court, the applicant shall give notice of the application to the Controller, and the Controller shall be entitled to appear and be heard, and shall appear if so directed by the High Court.

(3) Copies of all orders of the High Court allowing the patentee to amend the specification shall be transmitted by the High Court to the Controller, who shall on receipt thereof cause an entry thereof and reference thereto to be made in the register.

59. — (1) No amendment of an application for a patent or a complete specification shall be made except by way of disclaimer, correction or explanation, and no amendment thereof shall be allowed, except for the purpose of correcting an obvious mistake, and no amendment of a complete specification shall be allowed the effect of which would be that the specification as amended would claim or describe matter not in substance disclosed in the specification before the amendment, or that any claim of the specification as amended would not fall wholly within the scope of a claim of the specification before the amendment.

(2) Where after the date of advertisement of acceptance of a complete specification, any amendment of the specification is allowed by the Controller or by the High Court, —

- (a) the amendment shall for all purposes be deemed to form part of the specification;
- (b) the fact that the specification has been amended shall be advertised in the Official Gazette; and
- (c) the right of the applicant or patentee to make amendment shall not be called in question except on the ground of fraud.

(3) In construing the specification as amended, reference may be made to the specification as originally accepted.

## Chapter XI — Restoration of lapsed patents

60. — (1) Where a patent has ceased to have effect by reason of failure to pay any renewal fee within the prescribed period or within that period as extended under sub-section (3) of section 53, the patentee or his legal representative, and where the patent was held by two or more persons jointly, then, with the leave of the Controller, one or more of them without joining the others, may, within one year from the date on which the patent ceased to have effect, make an application for the restoration of the patent.

(2) The provisions of sub-section (1) shall also apply to patents granted before the commencement of this Act, subject to the modification that for the reference to the prescribed period or to sub-section (3) of section 53, there shall be substituted a reference to the period prescribed therefor under the Indian Patents and Designs Act, 1911 or to sub-section (2) of section 14 of that Act.

(3) An application under this section shall contain a statement, verified in the prescribed manner, fully setting out the circumstances which led to the failure to pay the prescribed fee, and the Controller may require from the applicant such further evidence as he may think necessary.

61. — (1) If, after hearing the applicant in cases where the applicant so desires or the Controller thinks fit, the Controller is *prima facie* satisfied that the failure to pay the renewal fee was unintentional and that there has been no undue delay in the making of the application, he shall advertise the application in the prescribed manner; and within the prescribed period any person interested may give notice to the Controller of opposition thereto on either or both of the following grounds, that is to say, —

- (a) that the failure to pay the renewal fee was not unintentional; or
- (b) that there has been undue delay in the making of the application.

(2) If notice of opposition is given within the period aforesaid, the Controller shall notify the applicant, and shall give to him and to the opponent an opportunity to be heard before he decides the case.

(3) If no notice of opposition is given within the period aforesaid or if in the case of opposition, the decision of the Controller is in favour of the applicant, the Controller shall, upon payment of any unpaid renewal fee and such additional fee as may be prescribed, restore the patent and any patent of addition specified in the application which has ceased to have effect on the cesser of that patent.

(4) The Controller may, if he thinks fit as a condition of restoring the patent, require that an entry shall be made in the register of any document or matter which, under the provisions of this Act, has to be entered in the register but which has not been so entered.

62. — (1) Where a patent is restored, the rights of the patentee shall be subject to such provisions as may be prescribed and to such other provisions as the Controller thinks fit to impose for the protection or compensation of persons who may have begun to avail themselves of, or have taken

definite steps by contract or otherwise to avail themselves of, the patented invention between the date when the patent ceased to have effect and the date of the advertisement of the application for restoration of the patent under this Chapter.

(2) No suit or other proceeding shall be commenced or prosecuted in respect of an infringement of a patent committed between the date on which the patent ceased to have effect and the date of the advertisement of the application for restoration of the patent.

#### Chapter XII — Surrender and revocation of patents

63. — (1) A patentee may, at any time by giving notice in the prescribed manner to the Controller, offer to surrender his patent.

(2) Where such an offer is made, the Controller shall advertise the offer in the prescribed manner, and also notify every person other than the patentee whose name appears in the register as having an interest in the patent.

(3) Any person interested may, within the prescribed period after such advertisement, give notice to the Controller of opposition to the surrender, and where any such notice is given the Controller shall notify the patentee.

(4) If the Controller is satisfied after hearing the patentee and any opponent, if desirous of being heard, that the patent may properly be surrendered, he may accept the offer and, by order, revoke the patent.

64. — (1) Subject to the provisions contained in this Act, a patent, whether granted before or after the commencement of this Act, may, on the petition of any person interested or of the Central Government or on a counter-claim in a suit for infringement of the patent, be revoked by the High Court on any of the following grounds, that is to say —

(a) that the invention, so far as claimed in any claim of the complete specification, was claimed in a valid claim of earlier priority date contained in the complete specification of another patent granted in India;

(b) that the patent was granted on the application of a person not entitled under the provisions of this Act to apply therefor:

Provided that a patent granted under the Indian Patents and Designs Act, 1911 shall not be revoked on the ground that the applicant was the communicatee or the importer of the invention in India and therefore not entitled to make an application for the grant of a patent under this Act;

(c) that the patent was obtained wrongfully in contravention of the rights of the petitioner or any person under or through whom he claims;

(d) that the subject of any claim of the complete specification is not an invention within the meaning of this Act;

(e) that the invention so far as claimed in any claim of the complete specification is not new, having regard to what was publicly known or publicly used in India before the priority date of the claim or to what was published in India or elsewhere in any of the documents referred to in section 13:

Provided that in relation to patents granted under the Indian Patents and Designs Act, 1911, this clause shall have effect as if the words "or elsewhere" had been omitted;

(f) that the invention so far as claimed in any claim of the complete specification is obvious or does not involve any inventive step, having regard to what was publicly known or publicly used in India or what was published in India or elsewhere before the priority date of the claim:

Provided that in relation to patents granted under the Indian Patents and Designs Act, 1911, this clause shall have effect as if the words "or elsewhere" had been omitted;

(g) that the invention, so far as claimed in any claim of the complete specification, is not useful;

(h) that the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed, that is to say, that the description of the method or the instructions for the working of the invention as contained in the complete specification are not by themselves sufficient to enable a person in India possessing average skill in, and average knowledge of, the art to which the invention relates, to work the invention, or that it does not disclose the best method of performing it which was known to the applicant for the patent and for which he was entitled to claim protection;

(i) that the scope of any claim of the complete specification is not sufficiently and clearly defined or that any claim of the complete specification is not fairly based on the matter disclosed in the specification;

(j) that the patent was obtained on a false suggestion or representation;

(k) that the subject of any claim of the complete specification is not patentable under this Act;

(l) that the invention so far as claimed in any claim of the complete specification was secretly used in India, otherwise than as mentioned in sub-section (3), before the priority date of the claim;

(m) that the applicant for the patent has failed to disclose to the Controller the information required by section 8 or has furnished information which in any material particular was false to his knowledge;

(n) that the applicant contravened any direction for secrecy passed under section 35 or made or caused to be made an application for the grant of a patent outside India in contravention of section 39;

(o) that leave to amend the complete specification under section 57 or section 58 was obtained by fraud.

(2) For the purposes of clauses (e) and (f) of sub-section (1), —

(a) no account shall be taken of secret use; and

(b) where the patent is for a process or for a product as made by a process described or claimed, the importation into India of the product made abroad by that process shall constitute knowledge or use in India of the inven-

tion on the date of the importation, except where such importation has been for the purpose of reasonable trial or experiment only.

(3) For the purpose of clause (1) of sub-section (1), no account shall be taken of any use of the invention —

- (a) for the purpose of reasonable trial or experiment only; or
- (b) by the Government or by any person authorised by the Government or by a Government undertaking, in consequence of the applicant for the patent or any person from whom he derives title having communicated or disclosed the invention directly or indirectly to the Government or person authorised as aforesaid or to the Government undertaking; or
- (c) by any other person, in consequence of the applicant for the patent or any person from whom he derives title having communicated or disclosed the invention, and without the consent or acquiescence of the applicant or of any person from whom he derives title.

(4) Without prejudice to the provisions contained in sub-section (1), a patent may be revoked by the High Court on the petition of the Central Government, if the High Court is satisfied that the patentee has without reasonable cause failed to comply with the request of the Central Government to make, use or exercise the patented invention for the purposes of Government within the meaning of section 99 upon reasonable terms.

(5) A notice of any petition for revocation of a patent under this section shall be served on all persons appearing from the register to be proprietors of that patent or to have shares or interests therein and it shall not be necessary to serve a notice on any other person.

65. — (1) Where at any time after acceptance of a complete specification, the Central Government is satisfied that an application for a patent or a patent is for an invention relating to atomic energy for which no patent can be granted under sub-section (1) of section 20 of the Atomic Energy Act, 1962, it may direct the Controller to refuse to proceed further with the application or to revoke the patent, as the case may be, and thereupon the Controller, after giving notice to the applicant or, as the case may be, to the patentee and every other person whose name has been entered in the register as having an interest in the patent, and after giving them an opportunity of being heard, may refuse to proceed further with the application or may revoke the patent.

(2) In any proceedings under sub-section (1), the Controller may allow the applicant for the patent or the patentee to amend the complete specification in such manner as he considers necessary instead of refusing to proceed with the application or revoking the patent.

66. — Where the Central Government is of opinion that a patent or the mode in which it is exercised is mischievous to the State or generally prejudicial to the public, it may, after giving the patentee an opportunity to be heard, make a declaration to that effect in the Official Gazette and thereupon the patent shall be deemed to be revoked.

### Chapter XIII — Register of patents

67. — (1) There shall be kept at the patent office a register of patents, wherein shall be entered —

- (a) the names and addresses of grantees of patents;
- (b) notifications of assignments and of transmissions of patents, of licences under patents, and of amendments, extensions, and revocations of patents; and
- (c) particulars of such other matters affecting the validity or proprietorship of patents as may be prescribed.

(2) No notice of any trust, whether express, implied or constructive, shall be entered in the register, and the Controller shall not be affected by any such notice.

(3) Subject to the superintendence and direction of the Central Government, the register shall be kept under the control and management of the Controller.

(4) For the removal of doubts, it is hereby declared that the register of patents existing at the commencement of this Act shall be incorporated in, and form part of, the register under this Act.

68. — An assignment of a patent or of a share in a patent, a mortgage, licence or the creation of any other interest in a patent shall not be valid unless the same were in writing and the agreement between the parties concerned is reduced to the form of a document embodying all the terms and conditions governing their rights and obligations and the application for registration of such document is filed in the prescribed manner with the Controller within six months from the commencement of this Act or the execution of the document, whichever is later or within such further period not exceeding six months in the aggregate as the Controller on application made in the prescribed manner allows:

Provided that the document shall, when registered, have effect from the date of its execution.

69. — (1) Where any person becomes entitled by assignment, transmission or operation of law to a patent or to a share in a patent or becomes entitled as a mortgagee, licensee or otherwise to any other interest in a patent, he shall apply in writing in the prescribed manner to the Controller for the registration of his title or, as the case may be, of notice of his interest in the register.

(2) Without prejudice to the provisions of sub-section (1), an application for the registration of the title of any person becoming entitled by assignment to a patent or a share in a patent or becoming entitled by virtue of a mortgage, licence or other instrument to any other interest in a patent may be made in the prescribed manner by the assignor, mortgagor, licensor or other party to that instrument, as the case may be.

(3) Where an application is made under this section for the registration of the title of any person the Controller shall, upon proof of title to his satisfaction, —

- (a) where that person is entitled to a patent or a share in a patent, register him in the register as proprietor or co-proprietor of the patent, and enter in the register particulars of the instrument or event by which he derives title; or

(b) where that person is entitled to any other interest in the patent, enter in the register notice of his interest, with particulars of the instrument, if any, creating it:

Provided that if there is any dispute between the parties whether the assignment, mortgage, licence, transmission, operation of law or any other such transaction has validly vested in such person a title to the patent or any share or interest therein, the Controller may refuse to take any action under clause (a) or, as the case may be, under clause (b), until the rights of the parties have been determined by a competent court.

(4) There shall be supplied to the Controller in the prescribed manner for being filed in the patent office copies of all agreements, licences and other documents affecting the title to any patent or any licence thereunder authenticated in the prescribed manner and also such other documents as may be prescribed relevant to the subject-matter:

Provided that in the case of a licence granted under a patent, the Controller shall, if so requested by the patentee or licensee, take steps for securing that the terms of the licence are not disclosed to any person except under the order of a court.

(5) Except for the purposes of an application under sub-section (1) or of an application to rectify the register, a document in respect of which no entry has been made in the register under sub-section (3) shall not be admitted by the Controller or by any court as evidence of the title of any person to a patent or to a share or interest therein unless the Controller or the court, for reasons to be recorded in writing, otherwise directs.

70. — Subject to the provisions contained in this Act relating to co-ownership of patents and subject also to any rights vested in any other person of which notice is entered in the register, the person or persons registered as grantee or proprietor of a patent shall have power to assign, grant licences under, or otherwise deal with, the patent and to give effectual receipts for any consideration for any such assignment, licence or dealing:

Provided that any equities in respect of the patent may be enforced in like manner as in respect of any other movable property.

71. — (1) The High Court may, on the application of any person aggrieved —

(a) by the absence or omission from the register of any entry; or  
 (b) by any entry made in the register without sufficient cause; or  
 (c) by any entry wrongly remaining on the register; or  
 (d) by any error or defect in any entry in the register,  
 make such order for the making, variation or deletion, of any entry therein as it may think fit.

(2) In any proceeding under this section the High Court may decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(3) Notice of any application to the High Court under this section shall be given in the prescribed manner to the Control-

ler who shall be entitled to appear and be heard on the application, and shall appear if so directed by the court.

(4) Any order of the High Court under this section rectifying the register shall direct that notice of the rectification shall be served upon the Controller in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.

72. — (1) Subject to the provisions contained in this Act and any rules made thereunder, the register shall at all convenient times be open to inspection by the public; and certified copies, sealed with the seal of the patent office, of any entry in the register shall be given to any person requiring them on payment of the prescribed fee.

(2) The register shall be *prima facie* evidence of any matters required or authorised by or under this Act to be entered therein.

(To be continued)

## ITALY

### Decrees concerning the Temporary Protection of Industrial Property Rights at Exhibitions

(of July, August and September 1972) \*

#### Sole Section

Industrial inventions, utility models, designs and trade-marks relating to objects appearing at the following exhibitions:

XXXVI° *Salone internazionale delle calzature, del cuoio, delle macchine e degli affini* — IV° MICAM (Milan, September 8 to 11, 1972);

XXV° *Fiera di Bolzano* — *Campionaria internazionale* (Bolzano, September 16 to 25, 1972);

IV° *Salone internazionale delle attività zootecniche* — EUROCARNE (Verona, October 4 to 8, 1972);

II° *Fiera Agricola dell'Arco Alpino* (Bolzano, October 20 to 23, 1972);

XVI° SINCAS — *Salone internazionale campeggio sport* and XII° *Salone internazionale rimorchio campeggio* (Busto Arsizio (Varese), October 28 to 30, 1972);

XXXII° *Mercato internazionale del tessile per l'abbigliamento* — MITAM (Milan, November 1 to 3, 1972);

III° *Mostra nazionale dei vini e liquori BIBE* and IX° *Mostra internazionale delle attrezzature alberghiere e turistiche* — TECHHOTEL (Genoa, October 28 to November 5, 1972);

XII° *Salone nautico internazionale* (Genoa, December 1 to 10, 1972)

shall enjoy the temporary protection established by the decrees mentioned in the preamble<sup>1</sup>.

\* Official communications from the Italian Administration.

<sup>1</sup> Royal Decrees No. 1127 of June 29, 1939, No. 1411 of August 25, 1940, No. 929 of June 21, 1942 and Law No. 514 of July 1, 1959. (See *La Propriété industrielle* 1939, p. 124; 1940, pp. 84 and 196; 1942, p. 168; 1960, p. 23.)

## The European Patent in 1972

### The First Convention — European System for the Grant of Patents

By J. B. van BENTHEM \*

In an article published last year<sup>1</sup>, I gave an account of the principles of the preliminary draft of a Convention Establishing a European System for the Grant of Patents, which had been prepared by an Intergovernmental Conference of representatives of 19 European countries. The preliminary draft was then published in 1971, together with its Implementing Regulations, its Rules relating to Fees and Explanatory Reports.

Since that time, the Intergovernmental Conference, which has grown to 21 European countries as a result of the participation of Finland and Liechtenstein, has resumed its work on the preliminary draft at two meetings held in Luxembourg. At the first of these meetings (January 24 to February 4, 1972), the Conference heard the views of the interested circles on a large number of questions covering all the provisions of the preliminary drafts, and decided to amend the drafts in several respects in the light of their observations.

At the second and last of its two meetings (June 19 to 30, 1972), the Intergovernmental Conference gave the "final polish" to the preliminary drafts on the basis of proposals by various working parties and a drafting committee. The "final polish" involved a further complete reworking of the drafts on matters of detail; their completion, in particular with respect to the seat of the European Patent Office; the question of the time limits prescribed by the Office and representation before it, and the preparation of three protocols and a number of recommendations. The protocols concern the privileges and immunities of the European Patent Office, the recognition of decisions in respect of the right to the grant of a European patent, and the centralization and introduction of the European patent system. The recommendations deal in particular with work to be done in preparation for the opening of the European Patent Office and the eventual staffing of the Office.

With this work the Intergovernmental Conference completed the preparation of the preliminary drafts on the European patent. The drafts will now be sent to the Governments of participating European countries with a view to their submission to a diplomatic conference. The Government of Germany (Federal Republic) has already stated its intention to invite participating countries to a diplomatic conference in Munich, provisionally scheduled for September

1973; the invitation will be accompanied by a printed edition of the new texts of the preliminary drafts prepared by the host government, which will come out at the end of 1972.

The purpose of this Study is to give an outline of the amendments and additions made to the preliminary drafts since their publication in 1971. It assumes that the reader already knows the essential features of the drafts, which were covered in the previous Study. It will therefore confine itself to questions which seem to be of greater importance than the numerous matters of detail which have been settled. It should however be mentioned beforehand that the articles in the draft Convention and Implementing Regulations have been regrouped in a more satisfactory order and renumbered, and that many articles have been combined or simplified or have had their drafting clarified. This regrouping has resulted in a different order not only of the articles (incidentally the articles of the Implementing Regulations are now "rules"), but also of the different parts and chapters. The new numbers will be used in this Study, followed [in brackets] by the old numbers as appearing in the 1971 drafts.

#### Part I: General and Institutional Provisions

1. Part I contains all the general provisions, relating among other things to the territorial scope of the European patent system, the legal status and the seat of the Organization created by the Convention, as well as all the institutional provisions concerning the European Patent Office, its departments and Administrative Council, and the financial provisions necessary for the operation of the European system.

2. With respect to the European patent system the earlier (published) draft of the Convention provided for the creation of two separate bodies: a European Patent Office responsible for the issue of European patents and having the capacity accorded to legal entities, and an Administrative Council to supervise the Office, with an undefined legal status (which raised the problem of the Council's powers). The redrafted Article 4 creates a single European Patent Organization responsible for the issue of European patents and as such having legal capacity (Article 5 [formerly 30]), but performing its tasks through two bodies: the European Patent Office and its Administrative Council, which may both act in the name of the European Organization within the limits of their respective functions. All references in the previous draft to the contractual or financial liability of the European Patent Office now relate to the European Patent Organization. This Organization is given administrative and financial autonomy, is to collect fees and contributions from Member States and will have budgets covering the disbursements and receipts of its two component bodies.

3. Article 6 [7] reflects the Conference's decision that the seat of the Organization will be in Munich, where its main

\* President of the *Octrooiraad* (Netherlands Patent Office); General Rapporteur of the Intergovernmental Conference for the Setting Up of a European System for the Grant of Patents.

<sup>1</sup> "The European Patent in 1971," *Industrial Property*, 1971, p. 275.

body — the European Patent Office — will be located. The Office will however have a branch in The Hague which is to examine patent applications for compliance with the requirements for filing and to publish applications. This provision should be read together with Section I (1) of the draft Protocol on Centralisation, which provides, by its obligation on Contracting States to take the necessary measures to this end, for the integration of the International Patent Institute (IIB) in the European Patent Office as the Directorate-General for Searching, in charge of novelty searches on European patent applications. Taken as a whole, these provisions mean that part of the European Patent Office will be in The Hague and will be responsible for the whole first stage of the European grant procedure (examination as to form at the time of filing, the novelty search and the publication of European patent applications). The following stages (starting with the request for examination and including the examination for patentability, appeals, the patent grant and opposition) will take place at the Office in Munich. Under Article 10 [36], the President of the European Patent Office (who will be responsible to the Administrative Council) will determine the formal requirements to be fulfilled in relation to the European Patent Office in Munich or to its branch in The Hague. Since however both bodies will be part of the same European institution, it is hardly likely that a filing or payment made with one of them will not be admissible with the other. In all probability, therefore, the applicant will, at his option, be able to file any document or pay any fee at either of the offices.

4. The integration of the IIB in the European Patent Office will be accompanied by a number of additional measures. First a sub-office of the Directorate-General for Searching of the European Patent Office, which will be a result of the integration, will be set up in Berlin. This in fact will be the Berlin Branch of the German Patent Office. The Branch will in due course become a European agency responsible for searching a specified number of European patent applications under the authority of the Directorate-General in The Hague, the two bodies being allocated different functions. This measure is due to the special political situation of West Berlin. Another measure is that any commitment regarding the creation of a sub-office under the Hague Agreement on the IIB will be taken over by the European Patent Office. This relates in particular to the IIB sub-office in Rome, whose creation has recently been agreed and which will be in charge of searching Italian patent applications in Italian-language documentation. After the integration of the IIB in the European Office this task may be extended to European patent applications filed by nationals or residents in Italy.

5. The former Article 6 left Member States free to decide whether the protection afforded by a European patent could be combined with that of a national patent for the same invention. This provision has been incorporated in the new Article 139, which deals with the relationship, from the point of view of prior rights, between a European patent application or patent and a national patent application or patent, both relating to the same invention and valid in the same country. In the event of a difference of date, the European

patent application or patent will be treated, as far as the national patent application or patent is concerned, as if it was another national patent application or patent. This means that the question would automatically be solved under the existing national legislation. Where the dates are the same, Contracting States will be free to decide on the question of simultaneous protection under the two patent applications or patents; States must therefore adopt legislation to cover such cases. This solution seems reasonable since cases of applications or patents having the same priority date can easily arise, in particular where an applicant relies on one national patent application in a Contracting State as the basis of priority both for a European patent application and for patent applications in other Contracting States. Such a situation must be satisfactorily regulated.

6. Article 14 provides that the European patent application and the European patent specification will be published in only one of the three official languages of the European Patent Office; in principle, this will be the language in which the application was filed and processed ("language of the proceedings"). This rule admits of one exception: European patent specifications will contain translations of the claims in the two other official languages of the Office. The previous text provided that the claims in published European patent applications should also be translated, but this requirement has been dispensed with. The preparation of translations in two other languages will be a heavy burden on the European Patent Office requiring a substantial number of translators. This seemed justified only in the case of European patent specifications, which will be guaranteed by the Office and will determine the scope of the protection granted. With regard to published European patent applications, the possibility of making the applicant submit a translation of the claims was considered, but it came up against the fact that the Patent Cooperation Treaty (PCT) does not permit such a requirement in the case of applications filed under the Treaty. Therefore, according to the most recent text of the draft Convention, European patent applications will be published without any translation, but it should be noted that Article 65 [19] maintains the rule that any Contracting State for which the language of the proceedings is not its official language may provide that the rights deriving from the application after its publication will not be effective until a translation of the claims in the language of that State has been made available to the public or has been communicated to the person using the invention which is the subject of the application. It goes without saying that the former Article 97a has also been retained, as Article 63, under which any Contracting State may require a patent applicant or patentee to supply, within a certain period and on pain of nullity of the patent on its territory, a translation in its official language of any European patent specification which has not been issued in that language, and to pay the cost of publishing the translation.

7. The new Article 68 now contains a detailed ruling on the question of which text is to be the authentic one in the case of translations. In the context of Article 14 (2), which allows nationals of a Contracting State with a language other

than those of the European Patent Office to file a European patent application in their own language on condition that they supply a translation in one of the languages of the Office (which then becomes the language of the proceedings), the authentic text will be the translation in all proceedings before the Office and in Contracting States. One exception has been allowed, however: the text originally filed will be used to determine whether the subject-matter of the European patent application has not been extended beyond the scope of the application as filed; in this way the applicant cannot lose rights as a result of a mistranslation.

In the case of a translation of the claims in a published patent application or of the specification of a patent issued, which may be required under the Convention by a Contracting State, the State may also provide that the translation will be the authentic text on its territory (except in the case of revocation proceedings), provided that the scope of the translation does not go beyond the text published in the language of the proceedings. Thus the required translation will be able to restrict but not extend the protection conferred by the European patent application or patent, but the patent applicant or patentee may correct the translation with effect for the future.

8. In Article 15 [53], which lists the departments of the European Patent Office entrusted with the procedure, the Examining Section has been replaced by a "Receiving Section." The Intergovernmental Conference has therefore yielded to the opinion of interested circles, who questioned the value of having an examination for obvious substantive defects, at the time of filing, in addition to the examination for formal defects. The examination criticized was a departure from the rules laid down by the PCT for the examination of international applications at the same stage of the procedure. Consequently, under Article 27 of the PCT and Article 150 [117] of the draft European Convention, such examination could not have been applied to European patent applications arriving at the European Patent Office via the PCT. The utility of such an examination for only some European applications was doubtful, and these doubts were reinforced by the experience of Germany (Federal Republic). In the similar examination introduced there, some years ago, inspired by the draft European Patent Convention, only 0.14% of patent applications are rejected for obvious substantive defects. The Intergovernmental Conference therefore came to the conclusion that the examination criticized was an unnecessary complication, in this early stage of the procedure, and therefore restricted Article 90 [77, 78] to an examination for formal defects — relating to the presentation and content of the application documents, the representation of the applicant and the designation of the inventor. In view of this restriction it no longer seemed necessary to have an Examining Section, consisting of a technically qualified examiner, responsible for the procedure before the publication of the application. The Examining Section has thus been replaced by a Receiving Section, whose composition has not been specified in the Convention but left to the discretion of the President of the European Patent Office.

## Part II: Substantive Patent Law

1. Part II of the draft Convention groups all the substantive law provisions, to be laid down in the Convention, governing European patent applications and patents. They concern patentability, the right to apply for and obtain a European patent, the effects of a European patent and a European patent application, and the European patent application as an object of property.

2. Part II starts with Article 50 [9]. The first paragraph contains the fundamental rule that European patents will be granted for new inventions involving an inventive step and susceptible of industrial application. Paragraph (2) approaches the question of what is an invention from a negative angle, by stating what in particular is not considered an invention at the European level. It was this non-exhaustive indication which underwent amendment as a result of long discussions arising from observations by the interested circles. First the idea of the mere discovery of matter existing in nature was replaced by the idea of any discovery as such, so that now, in addition to scientific theories and mathematical methods, discoveries as such will not be regarded as inventions. The amendment clearly shows the intention to exclude from patentability the discovery as such of any phenomenon. Then the Conference decided to exclude computer programs once and for all from patentability. It was suggested that the adaptation of this provision to a possible future change of attitude should be made possible by transferring either the computer program exclusion or the entire contents of paragraph (2) of Article 50 [9] to the Implementing Regulations, thereby giving the Administrative Council of the European Patent Office the possibility of amending it. This suggestion was ultimately rejected since questions of substantive law were involved here and such amendments should be undertaken only by a diplomatic conference of Contracting States.

The Intergovernmental Conference maintained the exclusion from patentability of methods for treating the human or animal body by surgery or therapy and of diagnostic methods practised on the human or animal body. It was suggested that the patentability of the treatment of animal bodies should be allowed, but the Conference emphasized the ethical aspects of the matter, acknowledging however that the rule was drafted in very broad terms and that it would be for the European Patent Office and the courts to interpret it. It is generally accepted in national patent systems that the exclusion from patentability of surgical or therapeutic treatments does not rule out the grant of patents in respect of apparatus or substances intended for such treatments, and it seems clear that the European patent system will not depart from this principle. Nevertheless the Intergovernmental Conference decided to insert a provision specifically stating that the exclusion of the above methods did not preclude the patentability of a substance or composition for the application of the methods. However this addition should above all be seen as a point of departure for a new paragraph in Article 52 [11] on novelty, which states that the substance or composition referred to will be patentable even when it is disclosed in the state of the art, provided that the state of the art does not

include a disclosure of that substance or composition in the context of any method of treatment by surgery or therapy. This provision, which is in line with the wishes of the interested circles, enables a European patent to be granted, provided the other prerequisites of patentability are present, for a known substance or composition intended to be used for the first time in a method either of treatment by surgery or therapy or of diagnosis.

3. In view of the fact that, as far as the European patent application is concerned, the subject-matter of prior applications published before the filing of the application in question will not be taken into account in determining inventive step (Article 54 [13]), the system of patents of addition, which could only be filed before publication of the main application, could be justified only by its implications with respect to fees. After reexamination, the Intergovernmental Conference saw no reason to give the inventors who improve, develop and supplement an invention already protected by a European patent the possibility of obtaining a cheaper patent by exempting them from certain fees. If however they were to be charged normal fees, there was no longer any reason for maintaining a system of patents of addition. Consequently all the provisions of the draft Convention and the Implementing Regulations concerning patents of addition have been removed.

4. Under Article 58 [15], it is the Convention which determines who has the right to the patent: the inventor or his successor in title. An exception has been provided for however where the inventor is an employee; the former Article 15 provided that such cases were to be decided in accordance with the domestic law governing the employer-employee relationship. It was thought that its wording did not indicate clearly enough which domestic law was applicable, and the Intergovernmental Conference sought a more satisfactory formula. The choice of law provision in the new text refers, still only for the case where the inventor is an employee, to the law of the State in which the employee is mainly employed or, if such State cannot be determined, the law of the State in which the employer has his place of business to which the employee is attached.

5. Article 59 [16] concerns the remedies of the injured party where an applicant not so entitled has taken part in the procedure before the European Patent Office. The Article embodies the principle that the Office does not concern itself with the question of the right to the European patent, acting only on a final decision rendered by the competent national courts. It was realized that the old text did not take sufficiently into account the problem of the recognition of decisions not only as between States party to the Convention but also as between those States and third States in which decisions might have originated. In addition the means whereby the person recognized as being the person entitled might intervene in the procedure to assert his rights had not been sufficiently studied. In order to remove these shortcomings the Article was redrafted. In the new text, the person recognized as entitled by a court decision will have a choice of three alternatives: either to continue the procedure in place of the

original applicant, or to file a new application, or simply to request the rejection of the application. These rights may be claimed only in Contracting States designated in the application in which the judgment has been rendered or recognized or is to be recognized by virtue of a special protocol. The Conference prepared the draft of such a protocol, to be annexed to the Convention, whereby any final decision to this effect which is rendered in a Contracting State will be recognized in all the other States party to the protocol, without any special procedure being required.

Rule 13 [16, paragraphs (1) and (3)] of the Implementing Regulations provides for the suspension of the grant or opposition procedure if the European Patent Office is provided with proof that judicial proceedings have been brought with a view to establishing the right to the grant of a European patent. This Rule has been given a complementary provision enabling the Office to set the date on which the procedure is to be resumed, irrespective of the progress of the proceedings relating to the claim of entitlement to the patent. This provision has been introduced to provide the possibility of limiting the suspension period, which might otherwise be unduly protracted at the expense of third parties owing to the length of the entitlement procedure, which may cover several instances of appeal.

6. Article 67 [20] provides that the extent of protection conferred by the European patent or patent application is to be determined by the terms of the claims, but that the description and drawings are to be used to interpret the claims. The text was taken from the Strasbourg Convention on the Unification of Certain Points of Substantive Law on Patents for Invention, and it tends toward a system for interpreting the text of the European patent which lies midway between the "strict" British system and the "liberal" German system. Unfortunately, owing to a discrepancy between its versions in the three languages, the text of Article 67 reflects this idea only in an ambiguous way: while the English phrase "terms of the claims" denotes the literal wording of the claims, the German word "Inhalt" means more the contents of the claims. The Intergovernmental Conference was reluctant to clarify the text of the Article itself since it reproduced the text of a convention, and eventually decided to recommend to the Diplomatic Conference on the European Patent the adoption of the following declaration in respect of Article 67:

"Article 67 should not be interpreted in the sense that the extent of the protection conferred by a European patent is to be understood as that defined by the strict, literal meaning of the wording used in the claims, the description and the drawings being employed only for the purpose of resolving an ambiguity found in the claims. Neither should it be interpreted in the sense that the claims serve only as a guideline and that the actual protection conferred may extend to what, from a consideration of the description and drawings by a person skilled in the art, the patentee has contemplated. On the contrary, it is to be interpreted as defining a position between these extremes which combines a fair protection for the patentee with a reasonable degree of certainty for third parties."

It is to be hoped that, with the aid of this declaration of intention by a diplomatic conference, national courts will be able to reach a uniform interpretation of the text and thus

bring about a harmonization of the extent of protection under the European patent or patent application in Contracting States. As far as the European patent application is concerned, the text makes it clear that the extent of protection is to be determined by the latest filed claims contained in the publication of the application, but that the European patent as granted will retroactively restrict this protection.

### Part III: Application for European Patents

1. Part III groups the provisions relating to the application requirements for the European patent as such, and the right of priority.

2. The articles scattered over the previous draft which contained provisions on the division of the patent application have been eliminated and replaced by a new Article 74, which allows a European divisional application to be filed only in respect of subject-matter contained in an earlier European patent application, but refers for the procedure and special conditions to the Implementing Regulations.

3. In response to a suggestion from the interested circles, Article 81 [71], on the disclosure of the invention, has been supplemented in the Implementing Regulations (Rule 28) by provisions on patent applications in respect of inventions involving the use of a microorganism. In such a case the invention will not be regarded as being disclosed in a manner sufficiently clear and complete unless a sample of the microorganism is deposited in a culture collection not later than the date of filing of the patent application, and unless the application names the culture collection, identifies the sample deposited and specifies that it is or will be made available to the public, irrevocably, not later than the date of publication of the application.

4. The Intergovernmental Conference also dealt with the advance payment of annual fees for the European patent application, which was not subject to any limitation under Article 130 of the published text. First of all advance payment presented a problem in that it offered a means of escaping fee increases which occurred after the payment but before the due-date. Moreover the advance payment system had to be reviewed in the light of the renewal fee system as a whole, which is intended, as far as European patent applications are concerned, both to provide the financial means for their maintenance and to induce the applicant to examine every year whether his interests justify such maintenance. These considerations gave rise to two amendments in the renewal fee system, which now appear in Rule 37 of the Implementing Regulations. The first limits the possibility of advance payment to a maximum of one year before the date on which the fee falls due, and the other ensures that the amount payable is that of the fee as fixed on the due-date. The latter amendment can, in the case of advance payment, have the effect of obliging the applicant to pay an additional amount where an increase in the annual fee occurs during the period between the advance payment and the due-date. There is now a new paragraph which avoids all injustice in such a situation with respect to the additional fee charged for late payment.

5. The Intergovernmental Conference has maintained the requirement (which now appears in the Implementing Regulations under Rule 38) that the priority declaration must be made at the time of filing the European patent application and must mention the date and State of the previous filing; only the file number may be given later, but not later than the end of the sixteenth month after the priority date. This raises the problem of the correction of inaccurate information on priority, pointed out by the interested circles. This problem was solved in a general provision concerning the correction of errors in documents filed with the European Patent Office (Rule 89 of the Implementing Regulations). Under this provision linguistic errors, errors of transcription and mistakes in any document may be corrected on request, without restriction except where they relate to the description, claims and drawings in the European patent application; in the latter case the correction must be obvious, a condition which avoids corrections of substance resulting in the addition of new subject-matter to the application.

Under the old Article 75, priority documents were to be submitted to the European Patent Office only at the special request of the latter. This point was reconsidered, and a stricter solution has now been adopted according to which any person making a priority declaration is obliged to submit the relevant documents automatically to the European Patent Office before the end of the sixteenth month after the priority date (Article 86, read together with Rule 38 of the Implementing Regulations). This solution, which is certainly an easier one for the Office, also benefits third parties in that priority documents will be included in all European patent application files where priority has been claimed. The requirements regarding the priority document (certified copy of the previous application) have been mitigated by a provision in conformity with the PCT under which the translation required when the document is not in one of the languages of the European Patent Office may be produced within 20 months after the priority date. Furthermore, in the context of a general rule on the certification of translations (Rule 5), such certification need only be produced at the request of the European Patent Office, which will thus be able to decide whether it is necessary.

### Part IV: Procedure up to Grant

1. Part IV contains only ten articles, which cover the entire procedure from the filing of the European patent application up to the grant of the European patent. In order to facilitate their adaptation to possible future developments some of the provisions of the published draft have been transferred to the Implementing Regulations, where there are now 17 rules on this procedure. At the same time, great freedom of action has been allowed in particular to the Examining Division which will be responsible for the largest part of the procedure following the request for examination.

2. Article 77 of the published draft already distinguished between examination of the admissibility of the application (conditions under which and date on which it may be considered to have been filed as a European patent application)

and examination for formal defects (conditions to be met by the applicant on pain of rejection of the application before publication). The distinction has been clarified by confining the article (Article 90 in the new text) to the examination of the application for formal defects, and by placing a new Article 88 before it which deals solely with examination of the admissibility of the application (called examination on filing). This presentation was dictated by the desire to bring forward the transmission of the application file to the IIB (future Directorate-General for Searching at The Hague) for the novelty search. Under the published draft, the file was not to be transmitted until the European Patent Office had found after examination, and correction where necessary, that the application satisfied the formal requirements. Where correction was necessary the transmission of the application for searching might have been unduly delayed. Compliance with the formal requirements is intended to facilitate the publication of the application but has little to do with the novelty search.

In view of the desire to streamline the procedure, it seemed possible to place the transmission of the application documents for the novelty search immediately after the examination of admissibility. This has the advantage of providing the applicant at the earliest possible moment with the search report and makes it considerably less likely that the report will be issued after publication of the application. This is the purpose of the new Article 89. Of course, by bringing the novelty search forward there is a risk of its proving unnecessary where the application is rejected after the examination for formal defects. However, cases of rejection solely on account of formal defects are rare, and the European Patent Office will moreover be able to warn the IIB unofficially in many such cases.

3. Article 90, on the examination as to form, lists all the requirements to be examined by the Receiving Section, and all the consequences of failure to meet the requirements, or to remedy any defects: these include rejection of the application and loss of the right of priority or the designation of a certain State.

These requirements do not include the substantive condition of unity of invention. The IIB (Directorate-General for Searching of the European Patent Office) will therefore have to be given the power to examine applications for lack of unity; it would otherwise have to extend the search to several inventions without being able to claim additional fees. In conformity with the PCT system, Rule 46 of the Implementing Regulations gives this power so that the IIB's search may be confined to a single invention unless additional fees are paid. The IIB has the further task of ascertaining whether the application allows a meaningful search into the prior art: if not, it may forego the search, like any searching authority under the PCT.

4. The early transmission of the application file to the IIB means that the novelty search fee will have to be paid at the same time as the filing fee. This is also a simplification, since no request to pay the fee need be made. There was some discussion of whether a single fee should not be introduced to

cover both the filing and the search, instead of having two separate fees. Finally the latter system was maintained, on the basis that the clear distinction between the filing and the search should be reflected in the existence of two separate fees, and that a separate search fee is more readily adapted to variations in the cost of the search. Consequently the new Article 76 [66] requires, as a condition for filing a European patent application, the simultaneous payment of the filing fee and the search fee. This nevertheless is without prejudice to the question of whether or not the search fee should cover the cost of the search entirely.

5. For political considerations vis-à-vis the PCT, the Intergovernmental Conference has maintained the rule that the international search report provided for in the PCT will take the place of the European search report established under the European Patent Convention. However, the Conference realized that, particularly during the early stages of the PCT's operation, no forecasts could be made as to the quality of the PCT search reports drawn up by the various Searching Authorities and received by the European Patent Office in its capacity as a Designated Office, or as to the attitude of national Patent Offices designated in an international patent application which is accompanied by a European search report. For these reasons the Conference has added to the new Article 156, which contains the general rule referred to above, a new paragraph stating that the European Patent Office is to have a supplementary European search report drawn up for every international application, and that the applicant will be required to pay the full search fee for this report at the same time as the filing fee. However this provision was made subject to a contrary decision on the part of the Administrative Council, which will be free to dispense with the supplementary European search report or to reduce the amount of the search fee according to circumstances, for instance where the search carried out by the PCT Searching Authorities, at the beginning or in the course of the development of the PCT, proves satisfactory as to the quality required under the European system.

6. The published draft of the Convention already reflected the decision of the Intergovernmental Conference to eliminate in principle the deferred examination system as far as the European patent was concerned, and yet to maintain the submission of a special request for examination subject to a special fee as a prerequisite for initiating the European patent granting procedure before the Examining Division. The period for the submission of such a request has now been finally fixed at six months from the date on which the European Patent Bulletin mentions the publication of the European search report (Article 93 [88]). This six-month period was considered to be a good compromise between the needs of the applicant and the desire not to delay the procedure to the detriment of legal certainty among third parties. In view of the limited length of the period, the possibility for such third parties to file a request for examination themselves was considered superfluous and removed. The Intergovernmental Conference also deleted Article 160 of the published draft, which provided for the introduction

of deferred examination during the early days of the European Patent Office. It rejected this means of dealing with the Office's "teething" difficulties on the grounds that deferred examination, once introduced, could not be easily abandoned and was thus likely to be maintained.

All this does not mean however that deferred examination has disappeared from the draft Convention without trace: the Conference acknowledged the usefulness of providing the Administrative Council of the European Patent Office with the possibility of introducing deferred examination where the European Patent Office, like other examining Offices in the past, is confronted with a work load so great that it cannot be handled by other means. For this reason a new Article 94 has been inserted in the draft which gives the Administrative Council the possibility of extending the period for the filing of the request for examination if it is established that European patent applications cannot be examined in time, provided that at the same time it takes steps to restore the original period as soon as possible. It was thought self-evident that the Council would not extend the period without first having made a thorough consultation with interested circles.

#### Part V: Opposition Procedure

Under the European system the opposition procedure takes place after the patent grant and is comparable to a central revocation action which may be brought during a period of nine months from the publication of the mention of the grant of the patent. After that period third parties wishing to challenge the validity of the European patent can only do so by the more complicated method of bringing proceedings at the national level. This system in itself is logical and acceptable to the extent that the European patent only leads to national patents subject in principle to domestic law. It has nevertheless been criticized with respect to the case where, in the course of the opposition procedure, the owner of a European patent institutes an infringement action in which the defendant challenges the validity of the patent. In this case, it would be in the defendant's interest to refer the dispute to the forum which has already been called upon to determine the validity of the patent, namely the Opposition Division or Board of Appeal ruling on the opposition. The Intergovernmental Conference has therefore adopted a new Article 104 which gives to any third party who provides proof that infringement proceedings have been brought against him the possibility of intervening, after expiration of the opposition period, in the opposition proceedings being carried on against the same patent, on condition that he makes the request to intervene within three months after the infringement action was filed. Such a right will of course entail the adaptation of national legislations.

#### Part VI: Appeals Procedure

1. Article 105 [108] provides that a decision which does not terminate proceedings as regards one of the parties can only be appealed together with the final decision. At the request of the interested circles, the possibility of immediate

appeal from such decisions was introduced, but on condition that the department taking the decision allows it in its decision: this proviso was considered necessary in order to avoid delays in the procedure resulting from appeals without sufficient foundation.

2. Under Article 116 of the published draft the President of the European Patent Office could at any time, except where proceedings were in progress, refer to the Enlarged Board of Appeal for an Opinion. There were already different schools of thought as to whether or not the highest judicial instance of the European Patent Office should be entrusted with giving Opinions to the President of the Office. After seeking the advice of experts from Ministries of Justice, the Intergovernmental Conference decided to remove this power from the President. As a result, he may submit a point of law to the Enlarged Board of Appeal only when two Boards of Appeal have given different decisions on the same question (Article 111).

It was also made clear that the Board of Appeal which was competent to refer to the Enlarged Board of Appeal in the course of a proceeding, in order to ensure the uniform application of the law or when a fundamental point of law arose, might do so not only on its own initiative but also at the request of one of the parties: it could refuse such a request only if it gave its reasons for doing so in the final decision. This only partially met the wishes of the interested circles, which had proposed giving any party to the procedure the right to appeal to the Enlarged Board of Appeal as a "cour de cassation." The proposal was rejected for fear that such freedom in the hands of the parties might cause undue delays in proceedings before the European Patent Office.

#### Part VII: Common Provisions

1. Part VII groups the general procedural provisions and the provisions concerning in particular the unity of the European patent application, the communication of the documents, time limits, restitutio in integrum, amendment of the application documents, the supplementary European search report, the Register of European Patents, periodical publications of the Office, and exchange of information with other Offices.

2. The regulation of time limits has been modified by Article 119 [141] of the draft Convention, which now refers to the Implementing Regulations for both the manner of calculating time limits fixed by the Convention or to be determined by the European Patent Office and their minimum and maximum duration; these provisions can thus be amended without difficulty. The Conference also thoroughly considered the extension of time limits where this seems necessary to avoid undue loss of rights.

First of all the system was completed with a new Article 120 which responds to a need of the interested circles. They had raised the problem of the sanction under the Convention for failure to observe most of the time limits laid down by the European Patent Office: the application is considered withdrawn. This sanction helps to facilitate the work of the Office, but results in a situation where any failure to ob-

serve a time limit, even if due to inadvertence or to pressure of work on the patent agent, would mean irretrievable loss of rights. To remedy the situation, the Intergovernmental Conference adopted a system whereby the applicant can forestall the legal consequences of failure to observe a time limit by presenting, within two months of the notification that the application is considered withdrawn, a special request for further processing of the application. The request will be subject to payment of a fee for further processing and will not be accepted unless the omitted act is completed within the same time limit.

In addition, extension of time limits has been provided for not only for cases where the last day of a time limit is a day when the European Patent Office is closed or a day when mail is not normally delivered in the locality where the Office has its seat, but also in cases of a general interruption in mail deliveries or of a subsequent dislocation of such services within a Contracting State or between a Contracting State and the European Patent Office. In the latter cases the time limit will be extended to the first day following the end of the period of interruption or dislocation, as determined by the President of the European Patent Office. In principle, extension will benefit only parties who have their residence or registered office in the Contracting State concerned or have appointed representatives there; but if the interruption or dislocation in deliveries occurs in the State in which the European Patent Office has its seat, extension will apply to all parties (Rule 86).

3. The extension of time limits, especially on request as mentioned above (Article 120), could be regarded as a kind of *restitutio in integrum sui generis*, outside the purview of Article 121 [142], which provides for *restitutio in integrum* in the case of prevention from observing a time limit, but confines this to cases of force majeure. In connection with Article 121, the Intergovernmental Conference considered whether its scope should be extended to patentees and opponents. It seemed reasonable to give an applicant who has become the patentee, during the opposition period or where opposition proceedings are pending, the same possibility of reinstatement as he had, in respect of the grant procedures, before the patent grant. On the other hand the Conference did not consider that such a right should be given to the opponent, who had other legal remedies for the loss of his rights (revocation proceedings, in particular). Consequently, Article 121 was enlarged to cover the patentee, and paragraph (1) was amended so as to relate not only to the time limits imposed by the European Patent Office but also to those provided for in the Convention, with certain exceptions such as the priority time limit.

4. All the possibilities for amending the patent application throughout the European procedure have now been set out clearly in two provisions (Article 122 of the Convention and Rule 87). Only after receiving the European search report will the applicant have the opportunity to amend the description, claims and drawings in his European patent application. This opportunity is restricted, however, after the subsequent receipt of the first communication from the

Examining Division: from then on he may only once make amendments of his own volition; all later amendments will be subject to the consent of the Examining Division. Of course, the amendments must not go beyond the subject-matter of the application as filed, and the claims of the European patent may not be amended during opposition proceedings so as to extend the protection conferred.

5. In the new draft Convention the question of the representation of natural persons or legal entities in proceedings before the European Patent Office has been resolved in a truly European fashion which ensures a uniform standard of representation adapted to the needs of the European grant procedure. Article 134 provides that such representation may only be undertaken by professional representatives whose names appear on a list maintained for the purpose by the Office. Such representatives must not only be nationals or have their place of business or employment on the territory of one of the Contracting States but must also have passed the European qualifying examinations. The Administrative Council of the European Patent Office is to take the necessary measures regarding the organization of the examinations and the creation of an institute of European professional representatives.

The amended draft Convention allows any professional representative whose name appears on the list to establish a place of business on the territory of the State in which the European Patent Office is located, for the purpose of practising before the Office.

Clearly, such a system cannot be introduced without transitional measures for professional representatives practising before the national Patent Offices of Contracting States. During a transitional period to be fixed by the Administrative Council such persons may have their names entered in the list of professional representatives under the same conditions as those appearing in Article 153 of the published draft. However this rule, which originally was final in character, is now limited to a transitional period in the interests of the European system (new Article 162).

6. An exception has been allowed to the rule that representation before the European Patent Office can only be undertaken by professional representatives: natural persons and legal entities being nationals of one of the Contracting States or having their place of business on the territory of such a State may act in any proceeding before the European Patent Office through the intermediary of an employee who need not be a professional representative. This qualification of the rule that only professional representatives may act in proceedings was made on the plea of European industry in favor of such a concession, which has been a long-standing practice in the majority of European countries and has not given rise to any problems in examining countries.

7. The draft has maintained the principle that there is no obligation to be represented by a professional representative before the European Patent Office, with the exception of natural persons or legal entities who are not nationals of any of the Contracting States and do not have a place of business on its territory.

### Part VIII: Impact on National Law

Part VIII groups the provisions concerning *inter alia* the conversion of the European patent application into a national patent application, revocation of the European patent as far as a Contracting State is concerned, prior rights in the relationship between the European patent and a national patent and renewal fees for the European patent.

Article 59 provides that a person whose right to the European patent has been recognized by a court decision, to the detriment of the applicant, may in principle either take the place of the applicant, or file a new application for the same invention, or request that the application be rejected. If the court decision occurs after the grant of the patent, the first two remedies will no longer be available; as far as the third is concerned, however, it seems possible and reasonable to provide a similar remedy to the person whose right to the patent has been recognized, enabling him to attack the title of the person not entitled. For this reason the Intergovernmental Conference added a further ground for revocation in Article 138 [133] — namely, that the proprietor of the European patent did not have the right to the patent under Article 58. On the wording adopted, this ground is not reserved to the person entitled, but no disadvantage was seen in making it available to anybody.

### Part IX: Special Agreements

Part IX groups all the provisions relating to special agreements between Contracting States which provide that European patents granted in respect of those States will have a unitary character throughout their territories. These provisions, on which the draft Convention on the European Community Patent prepared by the Common Market countries is based, have in principle remained unchanged pending reexamination of the Common Market draft.

### Part X: International Application Pursuant to the PCT

1. Part X has not undergone amendment as to substance either, but mention should again be made of the Protocol on the Centralisation of the European Patent System and on its Introduction.

2. Under Article 154 [121a] the European Patent Office is to act as an International Preliminary Examining Authority within the meaning of Chapter II of the PCT and, if the IIB is incorporated in the Office as searching authority, as provided in the Protocol (see above), the Office itself will also act as an International Searching Authority under Chapter I of the PCT. However, there is nothing in the PCT to prevent the national Offices of the Contracting States of the European Convention, as well as the European Patent Office itself, from acting as International Searching Authorities or International Preliminary Examining Authorities. This would run counter to the centralizing principle both of the PCT with regard to the international search and preliminary examination and of the European Convention with regard to the grant of patents for inventions to be protected in several European countries; it could even lead to competition on the

territories of Europe between national Offices and the European Patent Office. The Intergovernmental Conference considered this problem, and eventually decided on the insertion in the Protocol on Centralisation of a provision to ensure that the States party to the European Convention undertake, on behalf of their central Industrial Property Offices, to renounce in favor of the European Patent Office any activities as International Searching and International Preliminary Examining Authorities under the PCT. This obligation will take effect as soon as the IIB is incorporated in the European Patent Office as far as the international search is concerned and, as far as the international preliminary examination is concerned, two years after the date on which the European Patent Office, in accordance with the plan for the commencement of operations, begins its examining activity in the areas of technology concerned.

3. One exception to the general rule was allowed however for any State party to the European Convention whose language is not one of the official languages of the European Patent Office (English, French and German) and whose nationals may therefore have an interest in filing an international application in their own language for the purposes of the international search and the international preliminary examination, where applicable. The central Industrial Property Office of such a State will be allowed to act as an International Searching or Preliminary Examination Authority on condition that it restricts such activities to international applications filed by nationals or residents of that State or adjacent States. This exception was made with the Scandinavian countries particularly in mind, since the Swedish Patent Office plans to act as a central Scandinavian International Searching Authority, although the question of centralizing the preliminary examination for the territories of Scandinavia has yet to be settled. This does not mean however that other European countries will not be able to take advantage of this exception: Latin-language European States have even won a concession whereby the Administrative Council may authorize the central Industrial Property Office of one such State to extend its PCT activity to international applications coming from non-Contracting States with the same official language, where the applications are drawn up in that language.

### Part XI: Transitional Provisions

Part XI contains five articles on measures during the transitional period following the entry into force of the Convention (Administrative Council, appointment of employees, professional representatives, and first accounting period) and one article on the progressive expansion of the field of activity of the European Patent Office (Article 161 [157]). Like the other articles in Part XI, Article 161 has not undergone any substantive changes, but it has been supplemented by the Protocol on Centralisation.

The Intergovernmental Conference found itself confronted with the problem of the adaptation of national Industrial Property Offices: as from the opening of the European Patent Office, the number of applications for national patents will gradually diminish in favor of the applications for

European patents; this could create social problems. The Intergovernmental Conference has therefore provided in the Protocol on Centralisation for two measures designed to facilitate the adaptation of the national Offices of Contracting States to the European Convention. The first is that the Administrative Council has been given the power, where it considers this desirable, to entrust the national Industrial Property Offices of Contracting States which are able to conduct the proceedings in one of the official languages of the European Patent Office with tasks concerning the examination of European patent applications drawn up in that language which as a general rule are entrusted to a member of the Examining Division; decisions on such applications will however still be taken by the Examining Division of the European Patent Office. This work must not involve more than 40% of all European patent applications filed; the work entrusted to any one State must not exceed one-third of the number of European patent applications filed. Such tasks will be given for a period of 15 years from the opening of the European Patent Office and will be gradually phased out.

A measure of this kind could have made a faster start possible for the European Patent Office, since it would benefit from the work of established national examiners. However, since it has been taken in the interests of the adaptation of national Offices, the Conference was careful not to allow any shortening of the starting-up period. The Protocol provides — and this was the second measure adopted by the Conference — that the European Patent Office will gradually, on the basis of a five-year plan which can only be amended by decision of the Administrative Council, extend its activities to all areas of technology.

## Part XII: Final Provisions

1. Part XII has not been amended as to substance, with the exception of Articles 163 [161] and 166 [159]. Article 163 has been amended so as to include, as integral parts of the Convention, not only the Implementing Regulations but also the Protocol on the Recognition of Decisions in respect of the Right to the Grant of a European Patent and the Protocol on the Privileges and Immunities of the European Patent Organization. This is also the case with the Protocol on Centralisation, under a special provision incorporated in it.

2. In Article 166, concerning the reservations which a Contracting State may make (for a period of ten years from the entry into force of the Convention), a further possible reservation has been added: any Contracting State may provide that it is not bound by the Protocol on Recognition.

## Exhaustion of Exclusive Patent Rights and Free Movement of Goods within the Common Market

By Ulrich SCHATZ \*

The decision of the Court of Justice of the European Communities in *Deutsche Grammophongesellschaft mbH v. Metro GmbH*<sup>1</sup> has again drawn attention in industrial property circles to the group of provisions — generally known as the “economic clauses” — in the Second Preliminary Draft of a Convention for a European Patent for the Common Market. These provisions are intended to demarcate the boundary between the monopoly conferred by the patent and the realm within which the ordinary rules of free trade must apply. Have they introduced something new into the Community patent and will they, therefore, tend to cut down the scope of patent rights, as it is traditionally defined in the law of the States which will become party to the Community Patent Convention?

Do the decisions of the Court of Justice in the field of intellectual property constitute a further encroachment upon patent rights? If they do, will the Community patent law — *de lege ferenda* — have to bow before the Communities' rules on the free movement of goods and free competition within the Common Market?

These are the kind of questions to be considered in this Study, which — it should be added — reflects only the personal views of its author. The first part will examine, from a comparative viewpoint, the intrinsic limits of the exclusive rights conferred by the Community patent on the one hand and by the national patents granted in the States concerned, on the other. The second part of this Study will in particular be concerned with the problems relating to the introduction of the free movement of patented goods within the Common Market.

### Part I: The Scope of the Patent Rights

#### *The Principle of Exhaustion*

In Article 11(1) of the Second Preliminary Draft mentioned above, the principle of the exhaustion of the rights attached to the Community patent has been formulated in the following way:

“The rights attached to a Community patent shall not extend to acts concerning the product covered by the said patent which are done on the territory of Contracting States after the proprietor of the patent has put the product on the market in one of these States.”

Under Article 23(2), the same rule applies with regard to a product lawfully put on the market by a licensee.

1. From the standpoint of terminology, it should first be mentioned that the designation “exhaustion of the patent rights” in relation to the rule set out above is rather imprecise.

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<sup>1</sup> No. 78-70 of June 8, 1971, *Recueil de la jurisprudence de la Cour*, 1971-5, p. 487.

cise. It is in fact clear from the meaning of Article 11(1) and from its title (Limitation of Rights attached to a Community Patent) that the provision is concerned with an *a priori* limitation upon the rights conferred by the patent and does not, as the word "exhaustion" implies, contain any idea of the extinction of patent rights that were initially more extensive. The wording of the paragraph might therefore be amended by excluding the element of time introduced by the conjunction "after." It would then read:

"The rights attached to a Community patent shall not extend to acts concerning the products covered by the said patent which have been put on the market in one of the Contracting States by the proprietor of the patent."<sup>2</sup>

Worded in this way, the provision would show more clearly that the exclusive rights extend in principle only to the manufacture and initial putting on the market of the product covered by the patent and not to any subsequent commercial transactions. The interest of the owner of the Community patent in controlling the marketing of the product, notably as far as pricing is concerned, cannot therefore be the subject of protection under the Community patent. Such control can be exercised only to the extent permitted by the general principles of free trade.

The patentee's right to prevent acts of exploitation in relation to patented goods which have been put into circulation by unauthorized third parties should therefore be seen as an auxiliary right designed to reinforce the basic right to the exclusive manufacture of the goods.<sup>3</sup>

2. The limitations of the rights attached to the Community patent which arise from Articles 11(1) and 23(2) of the Second Preliminary Draft can be seen to have counterparts under the national patent laws of the States which are now members of the European Communities. With reference to the legal basis for these limitations under domestic law, a distinction should be made between German, Netherlands and Italian law on the one hand and French and Belgian law on the other.

(a) An express provision corresponding to those in the Second Preliminary Draft is only to be found in the Netherlands Patents Act, which reads (Section 30(2)):

"If a product or a substance, as mentioned under (a) or (b), has lawfully been put on the market, the acquirer and subsequent holders commit no infringement of the patent if, in pursuit of or on behalf of their business, they vend, hire out, supply or, for any such purpose, keep in stock or use that product."

There is no similar provision in German law. However, this gap has been filled by the doctrine of exhaustion of the rights, which in a celebrated decision of the Supreme Court of the *Reich* of March 26, 1902 was formulated in this way:

"A patent relating to a process has the effect of preventing anyone other than the patentee (and persons authorized by him) from manufacturing the product according to the process and from putting it on the market inside the country. However, once these acts have been performed,

<sup>2</sup> The clause "which are done on the territory of Contracting States" is unnecessary (the rights conferred by the Community patent will in any event only extend to acts done on the territory covered by the Community patent).

<sup>3</sup> Historically, patents were seen as rights limited to the application of the invention by manufacture; see Singer in *L'épuisement du droit du breveté*, Paris 1971, p. 18.

the protection conferred by the patent is exhausted. A patentee who has manufactured the product and put it on the market under the patent protection, which precludes any third party from competing, has enjoyed the advantages conferred upon him by the patent and has thus consummated his right."

In the context of this Study, it is particularly interesting to note that the theory of exhaustion was not based originally on considerations of antitrust law but on an evaluation of the function of the patent system itself. Strohm<sup>4</sup> rightly points out that the founder of the doctrine, Kohler, considered that "the protection conferred by a patent applies first and foremost to the direct application of the invention — that is, to the manufacture under a patent granted for a product and to the implementation of a patented process; other subsequent acts of exploitation, such as the utilization of the patented products and their eventual sale, fall outside the specific field of protection conferred by the patent."

More relevant for an assessment of the interests concerned is the statement by the Supreme Court, in the case mentioned above, that to extend the exclusive rights beyond the initial putting into circulation would place an intolerable strain upon the free movement of goods and upon legal certainty in commerce.

In Italy, it is again the legal authors and the courts which have undertaken to delimit the exclusive rights conferred by a patent. In a decision of February 3, 1969, the Milan Tribunal held that "once the patented product has been acquired, the purchaser has exhausted his relationship with the owner of the patent rights and can exercise his right to the use of the product in complete independence."<sup>5</sup>

(b) In French and Belgian law, the limitation of the exclusive rights corresponding to Articles 11(1) and 23(2) of the Second Preliminary Draft is derived from the provisions defining infringement. Under Sections 40 and 41 of the former French patent law of 1844, whose rules in this respect have been reflected in the new law of 1968, and Section 4 of the Belgian patent law, only the direct exploitation of the invention by the manufacture of the patented product or by the application of the patented methods is in all cases reserved to the patentee. Indirect or secondary acts of exploitation, such as receiving, stocking, selling or importing the product, can be prevented by the patentee only if such acts are performed in relation to infringing articles. Any transactions with goods manufactured by the patentee or his licensee thus fall outside the exclusive rights conferred by the patent. For France, as has been indicated, this rule has not been substantially changed by the entry into force of the law of January 2, 1968. It is true that under Section 29 of the new law the exclusive patent rights extend irrespectively both to primary acts of exploitation, such as the manufacture of the patented product and the implementation of the patented process, and to secondary acts of exploitation, such as the use, importation, sale and marketing of the patented product. However, Section 51(2) of the law provides that "the use, the sale or the

<sup>4</sup> In *Wettbewerbsbeschränkungen in Patentreizenverträgen*, Cologne, Berlin, Bonn and Munich, 1971, p. 134.

<sup>5</sup> *Monitore Tribunale*, 1969, p. 655; see also: Fabiani, *Commercio e importazione di prodotti e tutela dei beni immateriali*, Milan 1959, and Marchetti in *Epuisement du droit du breveté*, op. cit., pp. 56 et seq.

putting on the market and the stocking for the purposes of using or putting on the market, of an infringing product . . . shall not constitute infringements of the patent unless they were committed with full knowledge of the facts."

It would seem possible to draw the following conclusion from this provision: since infringement is not committed where the purchaser *believed* the articles to be free of infringement, when in fact they were not, a fortiori there will be no infringement where the articles *were* free of infringement. Phrased differently, since good faith is necessary to avoid liability for selling or using infringing articles, no defense at all is needed to avoid liability for selling or using articles that are free of infringement. Such acts are lawful *per se* and therefore fall outside the exclusive patent rights<sup>6</sup>.

3. The limitation upon the exclusive patent rights as outlined above in relation to the law in continental Europe seems however to be unknown in the United Kingdom.

Under the traditional wording of the Letters Patent, the patentee and persons acting under his authority are solely entitled not only to "make, use, exercise and vend the invention" but also to "enjoy the whole profit and advantage from time to time accruing by reason of the said invention." It is probably on account of these last words that the Common Law courts have been unable to set the limits to the exclusive rights by means of a doctrine similar to that of exhaustion introduced into the continental legal systems<sup>7</sup>.

The Privy Council has thus held that "the general doctrine of absolute freedom of disposal of chattels of an ordinary kind is, in the case of patented chattels, subject to the restrictions that the person purchasing them in the knowledge of the conditions attached by the patentee, which knowledge is clearly brought home to him at the time of the sale, shall be bound by that knowledge, and accept the situation of ownership subject to the limitations."<sup>8</sup>

#### *Exhaustion and the Marketing of Patented Articles*

Since under the doctrine of exhaustion the rights conferred by a patent are limited essentially to manufacture, they cannot — in the States that are now members of the European Communities — be used by patentees or persons acting under them to regulate the various stages in the marketing of patented products. A patentee can of course insert in the contract of sale restrictive clauses relating to the use and resale of the products, in particular as far as pricing is concerned. If a purchaser violates such a clause (on the assumption that it is lawful, particularly with regard to the law on restrictive business practices), he will only be committing a breach of contract and cannot be sued for patent infringement<sup>9</sup>.

<sup>6</sup> See the general outline of these conclusions by Gajac in *L'épuisement du droit du breveté*, op. cit., p. 83.

<sup>7</sup> See in this respect Klaus Reichold, *Das Patentrecht als Mittel zur Preis- und Vertriebsbindung*, Munich 1970, p. 11, and the English authors cited.

<sup>8</sup> *National Phonograph* case, cited in footnote<sup>15</sup> below, at p. 246.

<sup>9</sup> In its decision of March 26, 1902, mentioned above, the Supreme Court of the Reich observed in this connection: "The patent does not give the patentee any power to subject the marketing of his product to specific conditions. If he intends to impose such conditions on the purchasers, he is free to do so. Such a right does not derive from the exclusive nature of his patent but from the general principle of freedom of contract. This freedom enables him, to the exclusion of all others, to

The same rules govern the circulation of goods lawfully put on the market by a licensee. The exclusive patent rights are not applicable here, notwithstanding any restrictions agreed between the licensee and third parties acquiring the goods. Such third parties can sell the goods where they will, in particular, outside the territorial limits fixed by the licensee. The only case where the principle of exhaustion will not apply is where the licensee himself goes beyond the limits of the right of exploitation granted to him by the patentee and thus infringes the exclusive right conferred by the patent. In this case there exists an infringing product which may be seized by the patentee from any third party.

The rules outlined above would seem to be generally accepted in Germany (Federal Republic), the Netherlands and Italy<sup>10</sup>. In France and Belgium, the rules are to a subsidiary degree derived from the principle that movable property cannot be charged with an encumbrance<sup>11</sup>.

However, in these last two countries there have been a number of attempts to arrive at a more favorable result for the patentee. As an example mention will only be made here of the doctrine of "dismemberment" of the rights conferred by a patent, elaborated by Vander Haeghen<sup>12</sup>. He admits that "for a purchaser who lawfully becomes the owner of a patented product, the purchase price will include a sum required by the patentee as compensation for his intellectual property right in the product," but feels that, since no part of the exclusive right is being alienated at the time of the product's sale, the patentee may — by virtue of the exclusive right — impose upon the purchaser any restrictions "relating to acts which, in themselves and performed without authorization, constitute infringement." Such a restriction would be, for example, an agreement not to sell in a given region. It should however be noted that Section 4(2) of the Belgian patent law provides that the sale or use of a non-infringing article does not constitute infringement. The argument of Vander Haeghen would thus seem to be only academic. It was indeed stated in a decision of the Brussels Tribunal of January 15, 1924 that "the use of a product manufactured by the patentee which has been lawfully purchased by a third party cannot, in any circumstances, constitute infringement."<sup>13</sup>

Clearly, in view of the wider definition given to the scope of patent rights in the United Kingdom, the English courts have come to quite different conclusions. Here it is not a question of devising a doctrine that would allow a patentee to have the continuing enjoyment of his patent rights but quite the opposite: an explanation has to be found as to why the purchaser of a patented product has the right to use or resell

decide whether he will put the product on the market, but does not permit him arbitrarily to determine the way in which the marketing should be carried out. The only infringement will be of a contractual nature. Once the goods have been put on the market by the patentee, their circulation cannot — under patent law — be subjected to any restriction."

<sup>10</sup> See, respectively, the exposés of Singer, van Benthem and Marchetti in *Epuisement du droit du breveté*, op. cit.

<sup>11</sup> See Plaisant in *Brevets et marques au regard du droit de la concurrence*, Brussels 1968, p. 113; Chomé in *Epuisement du droit du breveté*, op. cit.

<sup>12</sup> Vander Haeghen, "Démembrement des droits intellectuels," *Ingénieur-Conseil*, 1955, p. 155.

<sup>13</sup> *Ingénieur-Conseil*, 1924, p. 66.

the product. Such an explanation was given by Buckley J. in a now established decision of 1906:

"If a Patentee sells the patented article to a purchaser and the purchaser uses it, he, of course, does not infringe. But why? By reason of the fact that the law presumes from the sale an implied licence given by the Patentee to the purchaser that he shall use that which he has bought, and, in the absence of condition, this implied licence is a licence to use or sell or deal with the goods as the purchaser pleases . . ." <sup>14</sup>

By implication, this decision allows a patentee, by an express clause, to restrict the implied licence inherent in the sale of a patented product so as to keep control of the subsequent marketing stages. There have been a string of decisions to this effect since the celebrated *National Phonograph* case before the Privy Council <sup>15</sup>.

In this case the plaintiffs, who were the owners of a number of patents relating to phonographs and discs, had fixed the resale price of their products and limited their distribution to a network consisting of 24 wholesalers and 1,200 authorized retailers. The defendant was originally one of the authorized retailers but had been taken off the list after a dispute with the patentees. He nevertheless continued to sell the goods coming from the plaintiffs.

The Judicial Committee of the Privy Council held the plaintiffs' patent to have been infringed on the following principles:

" . . . first, that it is open to the Patentee, by virtue of his statutory monopoly, to make a sale *sub modo*, or accompanied by restrictive conditions which would not apply in the case of ordinary chattels; secondly, that the imposition of these conditions in the case of a sale is not presumed, but, on the contrary, a sale having occurred, the presumption is that the full right of ownership was meant to be vested in the purchaser; while thirdly, the owner's rights in a patented chattel will be limited, if there is brought home to him the knowledge of conditions imposed, by the Patentee or those representing the Patentee, upon him at the time of the sale." <sup>16</sup>

As can be seen from the many cases applying this doctrine, the power that it gives to the patentee in relation to the marketing of his goods has in practice been used principally to fix resale prices and to compel the purchaser to buy from the patentee not only the patented goods but also goods that are free of any exclusive right. Although this Study is intended to deal only with the general question of the scope of exclusive patent rights, it is interesting to note that this latter form of restrictive practice has to a large degree been made unlawful, since 1907, by a provision which is now to be found in Section 57 of the Patents Act, 1949. Furthermore the Resale Price Act, 1964 has also brought an end to the practice of price fixing. Section 1(2) of this Act <sup>17</sup> expressly extends the prohibition of the practice to goods covered by a patent, the

<sup>14</sup> *Badische Anilin und Soda Fabrik v. Otto Isler* (1906), 23 R. P. C. 173 at p. 180.

<sup>15</sup> *National Phonograph Company of Australia Ltd. v. Menck* (1911), 28 R. P. C. 229.

<sup>16</sup> *Ibid.*, at p. 248.

<sup>17</sup> Section 1(2): "This section applies to patented articles (including articles made by a patented process) as it applies to other goods; and notice of any term or condition which is void by virtue of this section . . . shall be of no effect for the purpose of limiting the right of a dealer to dispose of that article without infringement of the patent: Provided that nothing in this section shall affect the validity . . . of any term or condition of a licence . . ., or of any assignment of a patent, so far as it regulates the price at which articles produced or processed by the licensee or assignee may be sold by him."

only exception being the fixing of resale prices under a license to manufacture. Thus, although the principle of exhaustion was not originally adopted by the English courts, it is progressively being applied in specific situations.

It might be suggested, with a view to the United Kingdom's adhesion to the Community Patent Convention, that the articles of the Second Preliminary Draft relating to exhaustion should be replaced by a system corresponding to that of a "limited license." I should however like to refer to an observation of Parker J.:

"I have had to look into these cases dealing with the question of a limited licence more than once, but I never thought they were very satisfactory. As the owner of a thing you can, I should have thought, do one of two things: — You can sell or you can grant a licence to use. But to sell with a licence does not seem to me to be right, it is selling with a restriction on ownership. But the authorities are clear on the point and I am bound by them." <sup>18</sup>

### *Importation of Patented Goods*

1. Since the patent rights are necessarily limited to the territory covered by the law under which the patent was granted, the question arises whether the exclusive right is capable of being exhausted when the product has been put into circulation outside that territory.

If the sole function of the patent is considered to be the protection of the inventor against infringement, the reply to that question must be in the affirmative. Under this approach, all that the patentee would need is the right to prevent the importation of any goods which would be considered to infringe the patent if they had been manufactured or put on the market in the territory covered by the patent.

In support of the opposite argument, it could be pointed out that a patent gives a right of exploitation and exclusive enjoyment of a given market, which is itself delimited by the territorial scope of the patent. The patentee must therefore, even if he has several parallel patents relating to different territories, be put in a position where he can prevent any penetration of those markets insofar as his interests require a separate exploitation. This would especially be the case where the conditions on the market differ from territory to territory (the existence of alternative products may for instance be a factor in this respect) or where the patentee has licensed his invention abroad to persons whose resources for production are greater than his own, whether in the field of cost prices or in that of industrial power.

It is this latter approach which would seem to have been in the mind of the authors of the Second Preliminary Draft. Under Articles 11(1) and 23(2), exhaustion of the patent rights will occur only where the product covered by the Community patent is put on the market *in one of the Contracting States*. The converse of this is, therefore, that a patentee will be able to prevent the importation and subsequent exploitation of any product put on the market in a non-Contracting State, even where it was he himself who put the product on the market there.

2. Such a clear-cut position is not to be found in the domestic legislation of any of the Contracting States. It has

<sup>18</sup> *Gillette Safety Razor Company Ltd. and King Camp Gillette v. A. W. Gamage Ltd.* (1909), 26 R. P. C. 745 at p. 752.

however been accepted in the case law of some of these States. The Supreme Court of the Netherlands has thus held, in a decision of June 25, 1943, that "the consequence of the territorial scope of the Patents Act is that where a patentee puts the patented product on a foreign market, this will not affect his rights under the patent. It follows that a product is 'lawfully put on the market' within the meaning of Section 30(2) of the Patents Act only where it has been put on the Netherlands market."<sup>19</sup>

Similarly, in relation to the importation of a patented product into France, the French *Cour de cassation* held in a decision of June 27, 1893:

"There is here an act punishable per se . . . It may not be an offense to manufacture a product in a foreign country where the French patent cannot have any application, but to import that product onto French territory is nonetheless punishable since it is this which impairs the exclusive rights of the patentee."<sup>20</sup>

The answer given in the laws of Belgium and the United Kingdom tends to be more flexible. According to Chomé<sup>21</sup>, the Belgian courts take the view — based on the fact that Section 4 of the patent law only makes the importation of *infringing* products unlawful — that where a patented product has been imported into Belgium by a purchaser who acquired it from the patentee free of any territorial restrictions, the patentee has no right to prevent such importation. According to Chomé, the legal position is the same even where the Belgian patentee does not have a parallel patent in the country where the product was put on the market.

The Common Law doctrine of the implied license normally accompanying the sale of any patented article has led the courts to a similar result. It has thus been held that where an article manufactured under a patent, whether a foreign or a United Kingdom patent, is sold without any restriction on the purchaser's rights, the sale gives the purchaser the right to deal with the article as he wishes — to sell it, for example, in any country where the vendor has a patent<sup>22</sup>. On the other hand, where the sale of the product to the importer was subject to territorial restrictions — arising either from terms imposed on the purchaser by the patentee himself or from the fact that the license under which the product was manufactured and put on the market was subject to territorial limitations —, the patentee will retain his right to prevent importation<sup>23</sup>.

In Germany (Federal Republic), the Federal Supreme Court has recently held that "the principle of exhaustion does not apply to patent rights that are territorially distinct. Even where the patentee is the same in each country, an article lawfully manufactured under a patent in one State may not, in the absence of special authorization, be put on the market or used in any way in another State."<sup>24</sup>

<sup>19</sup> *Ned. Jur.*, 1943, No. 519.

<sup>20</sup> *Ann.*, 1894, p. 224.

<sup>21</sup> In *Épuisement du droit du breveté*, op. cit., pp. 94 et seq.

<sup>22</sup> *Société anonyme des manufactures de glaces v. Tilghman's Patent Sand Blast Co.* (1883), 25 Ch. D. 1, cited by Reichold, op. cit., p. 19.

<sup>23</sup> See decision of the High Court of Kenya of February 8, 1968 (*GRUR Int.*, 1968, p. 208) and the numerous Common Law cases cited in that decision.

<sup>24</sup> Decision of February 29, 1968; *GRUR Int.*, 1968, p. 129. Although the case concerned plant variety protection, the Court expressly referred to the patent decisions of the Supreme Court of the Reich; see *Reichsgericht* of April 4, 1914, RGZ 84 370.

However, legal authors in Germany (Federal Republic) have recognized that the principle invoked in the Federal Supreme Court's decision — the territoriality of patent rights — cannot lead to the conclusion that exhaustion will in no case result from the fact that a product has been put on the market abroad<sup>25</sup>, and have progressively been recommending more flexible solutions.

Admittedly, according to a recent article by Reimer<sup>26</sup>, the patent's function of guaranteeing the inventor a fair reward for his efforts (*Belohnungs-theorie*) means that a patent will not be considered exhausted if a product put into circulation in a foreign country enjoys less protection there than in the country into which it is imported. This situation must be distinguished from the case where there are equivalent parallel patents: the German patent rights will be exhausted if the parallel patents belong to the same patentee and if the product has been put into circulation under a parallel patent either by the patentee himself or by a licensee whose rights are not limited to the country in which the product has been put into circulation. The rights will also be exhausted where the different parallel patents belong to enterprises which are economically linked and where the product has been put into circulation in a foreign country by an enterprise controlled by the owner of the German patent or by an enterprise under his joint management.

The German patent rights will not be exhausted, however, where the parallel patents belong to independent enterprises or where the product has been put into circulation in a foreign country by a licensee whose rights are subject to territorial limitations. The main justification for this latter exception is that a patentee has a legitimate interest not to be exposed on his own territory to fierce competition resulting from the importation of products which his own licensee has manufactured abroad, perhaps under economic conditions enabling cheaper production.

These references to the domestic law in the States which will be party to the Convention for a European Patent for the Common Market show that varying solutions may be applicable to the problem of exhaustion of the exclusive rights where the product is put into circulation *outside* the territory covered by the patent. It seems therefore legitimate to ask whether the categorical and definitive solution of the problem provided by Articles 11(1) and 23(2) of the Second Preliminary Draft is opportune. Is it really in line with the interests of Member States of the European Communities to provide for the free movement of patented goods inside the Community and, at the same time, to maintain and even, for some of those States, to heighten the barriers to the free movement of those goods vis-à-vis non-Member States?<sup>27</sup> If a comprehensive reply cannot be found to this question at the present

<sup>25</sup> See in particular on this subject Beier, "Territorialität des Markenrechts und internationaler Wirtschaftsverkehr," *GRUR Int.*, 1968, p. 8.

<sup>26</sup> Reimer, "Der Erschöpfungsgrundsatz im Urheberrecht und gewerblichen Rechtsschutz," *GRUR Int.* 1972, p. 211.

<sup>27</sup> Cf. Beier in *L'épuisement du droit du breveté*, op. cit., p. 139: "This means that an American company owning a European patent will be able to use Article 11(1) to partition off the Common Market against parallel imports from Austria, Switzerland, Asia and America. This raises a serious economic problem."

time, it might be advisable to delete the words "in one of the Contracting States" in Articles 11(1) and 23(2) of the Second Preliminary Draft, and thus to leave the problem to be settled by the gradual alignment of the decisions of the courts which will be interpreting the provisions of the Community Patent Convention.

#### Part II: The Decisions of the EEC Court of Justice and Article 99 of the Second Preliminary Draft

Since the principle of the free movement within the Community of goods covered by a Community patent is clearly affirmed in Articles 11(1) and 23(2) of the Second Preliminary Draft, the only provision that can conflict with the rules of the EEC Treaty guaranteeing the free movement of goods within the Common Market is Article 99, which contains a derogation from those articles, with respect to the restrictions on intra-Community trade, based on the territorial character of national patents issued in Contracting States.

The possibility of such a conflict seems to have been taken into account by the group of experts which prepared the Second Preliminary Draft. There is a note under Article 99 stating that the article must be entirely reexamined in the light of recent intellectual property decisions of the Court of Justice of the European Communities, especially Decision No. 78-70 (*Deutsche Grammophongesellschaft mbH v. Metro SB - Grossmärkte GmbH*).

Such a reexamination will come up against two major difficulties. One difficulty is that the decisions of the Court relate not only to patent rights but also to trademark rights and to the neighboring rights in the field of copyright. In the case of *Deutsche Grammophon GmbH*, which is the most fundamental of the four intellectual property decisions rendered by the Court, it can nevertheless be stated, in agreement here with the Advocate General of the Court, that the similarity of the interests protected makes it possible to conclude that the rules laid down for the exercise of the exclusive rights of the manufacturer of sound carriers also apply to exclusive patent rights. However care must be taken with the conclusions which may be drawn from the Court's trademark jurisprudence. In the *Sirena* case of February 18, 1971, the Court itself noted, rightly or wrongly, that "trademark rights may be distinguished . . . from other rights under industrial property and business law in that the elements protected by the latter are frequently of greater interest and value than those deriving from a mere trademark."

The second difficulty which faces the group of experts in their proposed reexamination lies in the fact that the task of the Court of Justice is to determine the compatibility of the exercise of exclusive intellectual property rights with the rules of the EEC Treaty, while the purpose of the Community Patent Convention is to define the content of one such right, however it may be exercised. The question then arises whether the patentee's right to prevent the importation of patented goods can reasonably be limited on the sole ground that its exercise can, depending on the circumstances of each case, be unlawful under the EEC Treaty. This question could be answered in the negative insofar as the decisions of the Court

of Justice are based only on Article 85 of the Treaty which, while prohibiting certain arrangements, does not affect the exercise of the exclusive rights in the absence of any contract or other element of concertation between enterprises. At the same time, the distinction between the *existence* of exclusive intellectual property rights and their *exercise*, introduced by the Court in its *Grundig* decision of July 13, 1966, has lost its relevance, since, in *Deutsche Grammophon GmbH*, the Court has ruled that even in the absence of any contractual element, the exercise of the exclusive rights may "conflict with the essential purpose of the Treaty, namely the merging of national markets in a single market." It is with this purpose in mind, therefore, that the scope of the rights attaching to patents issued within the Common Market must be defined.

#### *Free Movement of Goods covered by a Community Patent during the Transitional Period*

Article 99(1) of the Second Preliminary Draft provides:

"During a transitional period [which is to be not less than five and not more than ten years] and notwithstanding the provisions of Article 11, paragraph 1, and Article 23, paragraph 2, an objection may be raised by virtue of the rights derived under the Community patent to the importation into the territory of any Contracting State of products covered by the [Community] patent and put on the market in the territory of another Contracting State, and to acts carried out with respect to any products thus imported against the wish of the proprietor of the patent."

There now seems to be little point in comparing the above provision with what is certainly the more liberal solution provided for in the national laws of some of the Contracting States<sup>28</sup>. Indeed Article 99(1) of the Second Preliminary Draft is a negation, pure and simple, of the principles stated by the Court of Justice in *Deutsche Grammophon GmbH*.

In this case, the Court held that the EEC Treaty's provisions on the free movement of goods within the Common Market, taken as a whole and especially Articles 3(f), 36, 85 and 86, showed that:

"It would be contrary to the rules providing for the free movement of goods within the Common Market if the exclusive right to put protected articles into circulation, conferred on the manufacturer of sound carriers by the legislation of a Member State, were exercised by the manufacturer so as to prevent the marketing in that State of goods which have been put on the market in another Member State, by himself or with his consent, on the sole ground that the goods have not been put on the market in the first Member State."

Applied to the exclusive rights conferred by a patent, this quotation seems to be another formulation of the principle of exhaustion in Articles 11(1) and 23(2) of the Second Preliminary Draft. The derogation from these articles provided for in Article 99(1) is therefore contrary to rules which are now part of the positive law of the Community and are, as the Court emphasized, bound up with the "very foundations of the Community." It follows that, if Contracting States wish to abide by the intention stated in the preamble to the Second Preliminary Draft, not to depart from the provisions of the Treaties establishing the European Communities, Article 99(1) of the Second Preliminary Draft will have to be deleted.

<sup>28</sup> See "Importation of Patented Goods," pp. 334 ff. above.

### *The Free Movement of Goods covered by a National Patent*

In order to harmonize national legislations with the unitary system of the Community patent, Article 99(3) of the Second Preliminary Draft provides that, at the end of the transitional period:

"... and notwithstanding the legislation of the Contracting States, the rights deriving from a patent granted in a Contracting State or from one of the patents granted for the same invention in two or more Contracting States and held by the same natural or legal person or by natural or legal persons with economic connections may not be raised in objection to acts in respect of the product covered by one of the said patents, carried out in the territory of one of the said Contracting States after the proprietor of the patent or his licensee has lawfully put the product on the market in one of the Contracting States."

The question that arises is whether this provision, like the first paragraph of Article 99 relating to the transitional period, has lost all relevance in view of the decisions of the Court of Justice. The answer must, it is submitted, be in the negative. The Court's intellectual property decisions, only four in number, are based on rules relating to the general principles of free movement of goods and free competition and it is still uncertain, in many respects, how far such principles apply to patents. The maintenance of express provisions specific to patent law would therefore be a desirable contribution to legal certainty, provided however that they do not give rise to new conflicts with the Community law in force.

With this in mind, it is now necessary to briefly consider the main divergencies between the rules provided for in Article 99(3) and those established by the Court of Justice applying the provisions of the EEC Treaty. These divergencies can be seen in the following situations:

1. An invention is protected only in one Member State of the Community. The product covered by the patent granted in that State has been put on the market in another Member State by a third party who is acting with the consent of the patentee.

Under Article 99(3), the patent rights are exhausted only when the product is put on the market by the patentee or his licensee. In the absence of any legal protection in the State in which the product was put on the market, the third party does not have the character of licensee even though he has acted in agreement with the patentee; consequently the patentee retains the right to prevent importation of the product.

On the other hand, the *Deutsche Grammophon GmbH* decision clearly shows that if a product which is the subject of an exclusive right in a Member State of the Community has been put on the market in a second Member State, either by the owner of the right or with his consent, the conclusion that the owner is unable to prevent importation of the product into the first State cannot be avoided by relying upon the absence of protection in the second State. It does not seem correct to argue that, in *Deutsche Grammophon GmbH*, the owner of the exclusive right conferred by German law on the manufacturers of sound carriers did have protection in France (the country where the product was put on the market), the protection being based on unfair competition law<sup>29</sup>. First, such protection cannot be equated with an exclusive

right and, second, the existence of such protection was not given any consideration in the case. Since "the sole ground" that the product has been put into circulation *outside* the territory covered by the exclusive right cannot, as the Court held, be relied on to prevent the product being marketed within that territory, it can only be concluded that where a product is put into circulation in any of the Member States of the European Communities, such action must be equated with putting the product into circulation in the territory covered by the exclusive right.

The harmonization of Article 99(3) of the Second Preliminary Draft with the rules of the EEC Treaty would therefore call for the replacement of "after the proprietor of the patent or his licensee has lawfully put the product on the market in one of the Contracting States" by "after the product has been put on the market in one of the Contracting States by the proprietor of the patent or with his consent."

2. Conflict also arises between the rules deriving from the decisions of the Court of Justice and the provisions of Article 99(3) of the Second Preliminary Draft in the following situation: The same invention is protected in several Member States of the European Communities. In each of those States the different patents have been assigned to enterprises economically independent of one another. The product is put on the market in one of the States by the owner of the patent issued in that State or with his consent.

Under Article 99(3), each of the different patentees retains his right in this case to prevent importation of the product onto the territory to which his patent applies, since a mere contract for the assignment of the exclusive rights cannot create an economic connection in terms of the definition given in that provision.

A different rule seems to follow from Decision No. 40-70 of February 18, 1971 (the *Sirena* case). In 1937 a United States company, Mark Allen, had assigned the trademark "Prep" to Sirena, an Italian company, which subsequently invoked its exclusive right against the importation into Italy of products bearing the "Prep" trademark which had been manufactured in Germany (Federal Republic) by the German licensee of Mark Allen. Apart from assignment and license contracts relating to the mark, no economic connection could be found between Sirena on one hand and Mark Allen and its German licensee on the other. The Court of Justice nevertheless held that "Article 85 of the Treaty is applicable where the trademark right is invoked to prohibit imports of products coming from other Member States and carrying the same trademark, if the owners of this trademark acquired the mark or the right to use it under agreements between them or agreements with third parties."<sup>30</sup>

Obviously the application of a similar rule to patent rights would require the elimination of the criterion of "economic connections" in Article 99(3) of the Second Preliminary Draft. The Article would therefore have to provide that the rights attaching to a patent issued in a Contracting State may not be invoked against acts in respect of the product covered by that patent if the product has been put on the market in

<sup>29</sup> Cf. Reimer, *op. cit.* p. 233.

<sup>30</sup> *Sirena S.r.l. v. Eda GmbH*, 10 *Common Market Reports* 260.

another Contracting State by the owner of a patent issued in that other State for the same invention, or with his consent.

However, it is questionable whether the *Sirena* decision is a sufficiently sound basis for such an extension of the rule of exhaustion of exclusive rights. It should be recalled at the outset that the Court of Justice itself has suggested that its trademark decisions will not apply automatically to other industrial property rights, a reservation which no doubt applies especially to the exclusive exploitation rights granted as consideration for a service rendered at the industrial level (*Leistungsschutzrecht*).

Furthermore the *Sirena* decision does not involve the basic principle in the EEC Treaty of the free movement of goods within the Common Market. On the contrary, the Court alluded to its observation, made in the *Parke Davis* decision (Case No. 24-67, February 29, 1968), that the national character of industrial property protection was capable of creating obstacles both to the free movement of protected goods and to the Communities' rules on competition.

While the Court nevertheless held Article 85 of the EEC Treaty to be applicable in the *Sirena* case, in view of the agreements entered into by the parties concerned, it did not rule out the possibility that the prohibition contained in paragraph (1) of Article 85 could be lifted by virtue of paragraph (3), which comes into effect whenever a restriction of competition contributes "to the improvement of the production or distribution of goods or to the promotion of technical or economic progress while reserving to users an equitable share in the profit resulting therefrom."

It follows from what has been said that the teachings of the *Sirena* decision are not only inapplicable to patents, but moreover "must not be understood as condemning all territo-

rial assignments of trademarks in the sense that the assignee of a trademark in a Member State cannot exercise his property right in the trademark by preventing the importation of goods bearing his trademark and originating with another person."<sup>31</sup> Far from providing a general and definitive solution to the problem of whether industrial property rights may be invoked against the importation of goods put on the market abroad by the owner of a parallel right, the *Sirena* decision has emphasized the need for a clear-cut and intelligible regulation of this difficult subject.

Article 99(3) of the Second Preliminary Draft is a suitable basis for such regulation. By denying the owner of a national patent the power to prevent the importation of products put on the market within the Communities by himself, with his consent or in arrangement with him, the provision satisfies not only the rules of the EEC Treaty but also the doctrine of exhaustion of rights, under which the patent essentially confers a right of exclusive manufacture but does not allow any restriction or control of marketing in relation to non-infringing products. In addition, by giving the patentee the right to protect himself against the importation of products which do not originate from himself, the provision does constitute a derogation from the principle of the free movement of goods within the Common Market, but it does not infringe the rules under the EEC Treaty, for these rules, according to the decisions of the EEC Court of Justice itself, allow such derogations "in so far as they are warranted in order to safeguard the rights which are the specific object of industrial property."

<sup>31</sup> Ladas, "Assignment of Trademarks and Antitrust Law — *Sirena* Case," *Industrial Property*, 1972, p. 208 at p. 213.

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## NEWS ITEMS

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### COLOMBIA

#### *Head of the Industrial Property Division*

We have been informed that Mrs. María Eugenia Orozco de Correa has been appointed Head of the Industrial Property Division in the Ministry of Economic Development.

We take this opportunity of congratulating Dr. Orozco de Correa on her appointment.

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## Meetings of Other International Organizations concerned with Intellectual Property

December 11 to 15, 1972 (The Hague) — International Patent Institute — Administrative Council

February 13 to 23, 1973 (Brussels) — European Economic Community — “Community Patent” Working Party

May 20 to 26, 1973 (Rio de Janeiro) — International Chamber of Commerce — Congress

September 10 to October 6, 1973 (Munich) — Diplomatic Conference on a European Patent Convention

September 24 to 28, 1973 (Budapest) — International Association for the Protection of Industrial Property — Symposium

October 28 to November 3, 1973 (Jerusalem) — International Writers Guild — Congress

### VACANCY IN WIPO

#### Competition No. 198

#### Counsellor

(or “Legal Assistant” \*)

#### Legislation and Regional Agreements Section (Industrial Property Division)

Category and grade: P.4/P.3, according to qualifications and experience of the selected candidate.

#### Principal duties:

The incumbent will assist the Head of the Legislation and Regional Agreements Section in carrying out the duties which fall under the competence of the above-mentioned Section. In particular, he will have the following duties:

- (a) preparing drafts of industrial property model laws and regulations for developing countries and commentaries thereon (including all preparatory documents for meetings of expert committees); acting as assistant secretary in WIPO meetings dealing with these matters;
- (b) undertaking studies on questions relating to regional industrial property agreements;
- (c) undertaking studies on particular aspects of industrial property protection, such as license agreements, know-how and trade secrets, as well as studies concerning the role of industrial property in developing countries;
- (d) representing WIPO in meetings of other international organizations dealing with the questions referred to under (a) through (c).

#### Qualifications required \*\*:

- (a) University degree in law or qualifications equivalent to such a degree;

\* Title applicable if appointment at P.3 level.

\*\* The full range of these qualifications corresponds to an appointment at the P. 4 level.

- (b) wide experience in industrial property law (including its international aspects); thorough knowledge of at least one national law in this field;
- (c) ability to undertake legal studies involving critical analysis and to draft legislative texts (i. e. model laws);
- (d) ability to act as a representative of WIPO in specialized meetings related to the above-mentioned duties;
- (e) excellent knowledge of English; at least a good knowledge of French; knowledge of other major languages would be an advantage.

#### Nationality:

Candidates must be nationals of one of the Member States of WIPO or of the Paris or Berne Unions. Qualifications being equal, preference will be given to candidates who are nationals of States of which no national is on the staff of WIPO.

#### Type of appointment:

Probationary period of two years, after satisfactory completion of which a permanent appointment will be offered.

#### Age limit:

Candidates must be under fifty at date of appointment.

#### Date of entry on duty:

To be agreed.

#### Applications:

Application forms and full information regarding the conditions of employment may be obtained from the Head of the Administrative Division, WIPO, 32, chemin des Colomnettes, 1211 Geneva, Switzerland. Please refer to the number of the competition.

Closing date: January 31, 1973.