

Industrial Property

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ADMINISTRATIVE BODIES

WIPO Coordination Committee, and Paris Union Executive Committee

Sixth Series of Meetings
(Geneva, September 23 to 29, 1975)

Note *

During the sixth series of meetings of the Administrative Bodies of the World Intellectual Property Organization (WIPO) and the Unions administered by WIPO, held in Geneva from September 23 to 29, 1975, the following three bodies held their ordinary sessions:

WIPO Coordination Committee, ninth session (6th ordinary),

Paris Union Executive Committee, eleventh session (11th ordinary),

Berne Union Executive Committee, eighth session (6th ordinary).

All of the 33 States members of the Coordination Committee and of either the Executive Committee of the Paris Union or the Executive Committee of the Berne Union were represented: *Ordinary Members*: Algeria, Australia, Brazil, Cameroon, Canada, Egypt, France, German Democratic Republic, Germany (Federal Republic of), Hungary, India, Israel, Japan, Kenya, Morocco, Netherlands, Romania, Senegal, Soviet Union, Spain, Sweden, Switzerland, United Kingdom, United States of America, Yugoslavia (25); *Associate Members*: Argentina, Iran, Italy, Mexico, Nigeria, Philippines, Poland, Sri Lanka (8).

Twenty-three other States and seven intergovernmental organizations had delegated observers.

The list of participants appears below.

At the opening meeting of this sixth series of meetings of the Administrative Bodies, the Director General of WIPO made a brief introductory speech, the text of which is reproduced hereafter.

Each Committee elected its officers at the beginning of its session. A list of the officers is given below.

The deliberations and decisions concerning the report on past activities, financial or budgetary matters, ratifications and accessions in progress, cooperation between WIPO and Organizations of the United Nations system, the program and budget for 1976 and the draft agendas for the 1976 sessions took place at joint meetings of the Coordination Committee and the Executive Committees of the Paris and Berne Unions

(hereinafter referred to as "the Committees") under the chairmanship of Mr. François Savignon (France), the Chairman of the Coordination Committee.

The principal decisions taken by the Committees are reported below.

Past Activities

The Committees considered the report of the Director General on the activities of the International Bureau between October 1, 1974, and September 15, 1975, and noted it with approval. In the course of this consideration, a number of delegations expressed satisfaction with the activities undertaken by the International Bureau in the field of legal-technical assistance to developing countries. It was pointed out that the legal aspects of such assistance had not always been sufficiently emphasized and that, at a time when the problems in connection with facilitating the transfer of technology to developing countries were being considered by the United Nations General Assembly, WIPO's role in devising adequate means of ensuring that transfer was of very special importance. Several delegations mentioned that the competent bodies of their countries in both the industrial property and the copyright fields were always willing to receive trainees from developing countries or to provide the International Bureau with experts to help it carry out assistance projects for the benefit of national or regional institutions in developing countries. Another possibility that was mentioned was that developing countries might undertake exchanges of experience by receiving trainees from other developing countries. The Director General expressed his thanks to all the national Offices that had taken part in the WIPO training program, and to those whose continuing support contributed to the implementation by WIPO of the project financed by the United Nations Development Programme (UNDP) to assist the Government of Brazil in modernizing the Brazilian patent system. With reference to the activities under the WIPO Permanent Program for the Acquisition by Developing Countries of Technology Related to Industrial Property, the Director General expressed his appreciation of the support given to the Program by Austria with its experimental project concerning searches into the state of the art, the financing of the International Patent Documentation Center (INPADOC) and the project for the classification of search files according to the International Patent Classification (IPC).

Financial and Budgetary Matters

The Committees 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 in 1974.

* This Note has been prepared by the International Bureau on the basis of the documents of the sessions of the Committees.

Cooperation between WIPO and Other Organizations within the United Nations System

The Committees noted with satisfaction the Director General's report on the various forms of cooperation between WIPO and the United Nations and other Organizations within the United Nations system. Emphasis was placed in this connection on the importance of WIPO's contribution to the implementation of the decisions of the United Nations General Assembly concerning the establishment of the New International Economic Order.

Program and Budget for 1976

WIPO Technical Assistance. The Coordination Committee established the WIPO legal-technical assistance program and budget for 1976. This program includes the grant of fellowships for officials from developing countries, the convening of experts from developing countries for the preparation of a model law on copyright for such countries, the holding of a regional seminar on neighboring rights for Asian developing countries, to be organized in cooperation with ILO and Unesco, the holding of a regional conference for Arab States on industrial property, the grant of technical assistance to English-speaking countries in Africa for the adoption of an agreement for cooperation in the field of industrial property, the continuation of the technical assistance given to OAMPI and the grant of assistance to national or regional authorities in developing countries in formulating or revising their industrial property or copyright legislation.

In addition, within the framework of the WIPO Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property, the following activities will be undertaken: the drafting of a new Model Law for Developing Countries on Inventions and Know-How; the preparation of draft guidelines and model provisions for license agreements appropriate to the needs of developing countries; the study of practical steps with a view to the use of the International Patent Classification to facilitate access to information for the acquisition of technology; the holding of a Seminar, probably in Sri Lanka, on the Interest of the Patent System for Industrial Development.

Paris Union. The Executive Committee of the Paris Union approved the program and budget for 1976 with respect to the activities of the Paris Union, the PCT, ICIREPAT and the IPC. These activities include the following:

Revision of the Paris Convention. The Executive Committee of the Paris Union noted that the study requested by the Ad Hoc Group of Governmental Experts had been made and sent to the member States, and that the work on the revision of the Paris Convention would continue. The Director General indicated that this work was based on the assumption that the Assembly of the Paris Union would decide at its next session that a revision conference should be convened.

Patent Cooperation Treaty (PCT). The PCT program and budget for 1976 provides for the continuation of the International Bureau's studies and surveys on the following mat-

ters: PCT minimum documentation, abstracting and translating services, searching techniques and documentation services; adaptation of national laws to the PCT, the administrative procedures under the PCT at national Offices, International Searching and Preliminary Examining Authorities and the International Bureau; assistance to developing countries in the adaptation of their legislation to the PCT and in the establishment and development of 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 — the Standing Subcommittee of the PCT Committee for Technical Cooperation and the Working Group on Administrative Instructions and Forms. The Executive Committee of the Paris Union noted the progress of PCT ratification procedures, notably in the United States of America.

ICIREPAT. The Executive Committee of the Paris Union adopted the program of the Paris Union Committee for International Cooperation in Information Retrieval Among Patent Offices (ICIREPAT) for 1976. It also confirmed the decision of the ICIREPAT Plenary Committee to merge the Technical Coordination Committee (TCC) and the Plenary Committee (PLC) with effect from January 1, 1976, and adopted the proposed consequential amendments to the Organizational Rules of ICIREPAT.

International Patent Classification (IPC). With respect to the IPC program and budget for 1976, see the report on the work of the first ordinary session of the Assembly of the IPC Union.

Coordination of PCT, ICIREPAT and IPC Activities. The Executive Committee of the Paris Union unanimously adopted a resolution requesting the Director General to convene an Ad Hoc Committee to review the technical related activities within the framework of the PCT, ICIREPAT and the IPC for the purpose of offering recommendations to the competent bodies to facilitate coordination of their activities.

Trademark Registration Treaty (TRT). The Executive Committee of the Paris Union approved the Rules of Procedure of the TRT Interim Committee.

Other Studies. The Executive Committee of the Paris Union approved the continuation of studies on the following: the possibilities of international cooperation in the deposit of microorganisms for the purposes of patent procedure; the revision of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration or the conclusion of a new treaty on the same and related subjects; the possible forms that the legal protection of computer programs should take and the possibility of setting up an international computer software register. It also approved the project for a computerized administration of patent documents reclassified according to the International Patent Classification (IPC), known as the CAPRI Project, and authorized the Director General to implement the Project rapidly, after concluding an agreement with the International Patent Documentation Center (INPADOC), extending its

scope as soon as possible to the entire PCT minimum documentation. Finally, with the Executive Committee of the Berne Union, it approved the continuation of the International Bureau's studies on the possibility of the international recordal of scientific discoveries. Committees of experts and working groups will be convened to consider these various questions.

Berne Union. The main features of the program and budget of the Berne Union for 1976 approved by the Executive Committee of the said Union are contained in the November 1975 issue of *Copyright*.

Appointment of a Deputy Director General

The Coordination Committee approved the Director General's decision to appoint Mr. Felix Sviridov, a national of the Soviet Union, to the post of Deputy Director General reserved for nationals of Socialist countries.

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 in both the Professional and higher and the General Service categories. It approved the long-term plan for filling vacant posts proposed by the Director General, and adopted a certain number of amendments to the Staff Regulations and Rules. It authorized the Director General to notify the Secretary-General of the United Nations of the acceptance by WIPO of the Statute of the International Civil Service Commission and to take all the necessary steps with a view to the membership of WIPO in the United Nations Joint Staff Pension Fund. Finally, the Coordination Committee expressed favorable advice on the Director General's intention to appoint Mr. Roger Harben to the post of Director of the External Relations Division (grade D. 1).

Cooperation Agreement between WIPO and the Organization of African Unity (OAU)

The draft cooperation agreement between WIPO and the Organization of African Unity (OAU) submitted by the Director General was approved by the Coordination Committee. The draft agreement will now be submitted to the Council of Ministers of the OAU for approval at its next session in February 1976 and will enter into force on the date of its signature by the authorized representatives of the two Organizations.

1976 Sessions

The Committees approved, each as far as it was concerned, the proposals submitted to them by the Director General with regard to the preparation of the draft agendas for the 1976 sessions of the WIPO General Assembly and Conference, and the Assemblies of the Paris and Berne Unions, and the preparation of the draft programs and budgets of the WIPO Conference and the Paris and Berne Unions for the period from 1977 to 1979.

Speech delivered by Dr Arpad Bogsch, Director General of WIPO

Mr. Chairman, Honorable Delegates,

I should like to inaugurate a new custom in your yearly "Administrative Meetings" by making a brief introductory speech.

The various bodies of WIPO and some of the Unions meeting here today have several important items on their agendas and over a hundred pages of documents before them for consideration. What I shall attempt to do in this introductory speech is to single out a few points in order to draw your particular attention to them.

Your decision last year that WIPO should become a specialized agency of the United Nations became a reality last December when the General Assembly of the United Nations made a parallel decision.

This decision of the United Nations General Assembly was made in the same year as that in which the said Assembly adopted the now well-known resolution on a new economic order for the world. I am pleased about this coincidence since I firmly believe that the economic situation of the world has to be changed in order to improve the economic and social situation of the developing countries. In its own specialized field, WIPO can contribute to such a change, particularly by facilitating the creation, development and transfer of patented technology and the access by developing countries to works protected by copyright.

That is why I consider that some of the most significant events of the past 12 months which you will review now and some of the most important items of the program proposed for next year have been, still are and should continue to be the activities primarily concerning developing countries: the preparatory work for the revision of the Paris Convention for the Protection of Industrial Property, the establishment of new model laws, the technical assistance given to certain developing States or groups of developing States, their participation in the Patent Cooperation Treaty, the Trademark Registration Treaty, the International Patent Classification and ICIREPAT, their full use of traineeships, seminars and the Permanent Program for the Acquisition of Technology in which there is increasing emphasis on building an adequate infrastructure, for example, documentation centers.

In the field of industrial property, I particularly hope that the next year will see the accomplishment of three tasks: first, such intensive work on the preparation of the revision of the Paris Convention that the diplomatic revision conference could be held in 1977; second, the holding of a symposium, possibly in Sri Lanka, where the contribution of industrial property to the industrialization of developing countries would be submitted to a thorough examination and be the subject of an exchange of views; third, the finding of new means, together with UNCTAD and UNIDO, to assist developing countries in their difficult task of choosing the technologies which suit them best and obtaining them on the terms which are most favorable.

The fact that I am speaking more about industrial property than copyright does not mean that copyright is of secondary concern to us. It is just as important as industrial property. The difference in the volume of our activities is due to the fact that our member States initiate fewer proposals in the field of copyright than in the field of industrial property. Almost everything we do in copyright is done on the initiative of the Secretariat. I invite the member States of the Berne Union to be more active, to make more proposals and to take more initiatives. I should be only too glad to satisfy them. In any case, we plan to have a most important meeting next year in Tunis, organized together with Unesco and at the kind invitation of the Government of Tunisia, at which all the developing countries will consider the draft of a new model law in the field of copyright. And this year, in Mexico, at the kind invitation of the Mexican Government, we shall have, together with ILO and Unesco, a very important meeting of the Latin American and the Caribbean countries on matters neighboring on copyright.

As to the other parts of our program, I hope that the next year will allow us to conclude the preparatory work directed towards international action on scientific discoveries, deposit of microorganisms and computer software. The time is either ripe for action or it is not. If it is, let the action — signing of treaties or adopting of resolutions — take place at the latest in 1977. If it is not, let us leave these projects in deep freeze for a few years. I do not think that it is healthy for any preparatory work to go on year after year. After all, much more arduous preparatory tasks, such as the preparation of the PCT and the TRT, did not take more than three or four years.

This brings me to these two Treaties. Recent events in some of our member States have raised hopes that the PCT might, at long last, come into effect, hopefully in 1977. But, as far as the ratification of the TRT is concerned, very little has happened so far. The PCT is now more than five years old and the TRT more than two. Here are two instruments designed to simplify the now rather complicated and expensive protection of inventions and marks on the international level. But they are mere paper until they are ratified. I urge you to use your influence to have them ratified, in the interest of the economy of your countries, whether developed or developing.

In contemplation of the administrative needs of the PCT and the TRT, the erection of an additional headquarters building was decided. It will be completed in 1977. But part of it, as well as the present building, will not be needed because the staff and the activities have not grown as was foreseen when we were working on the preparation of the PCT and the TRT and when the construction was decided. This situation will cause an extraordinary financial strain on the member States as from 1977.

Unfortunately, the income of the Madrid Union — which always closely reflects the general economic situation — is much below expectation and will remain so if the recession continues.

A third financial difficulty may be caused by the fact that there is a risk that the advances of the host Government, more needed than ever and so far granted free of charge, will be hurried with interest. Perhaps you may be able to persuade it to postpone the introduction of its claim to the payment of interest.

All these factors, of course, are leading to measures of economy, particularly with respect to the staff. In order to serve efficiently all the purposes of this Organization, more staff and more money would be needed. The measures which ought to be taken on behalf of developing countries should really be substantially increased rather than merely kept stationary as proposed in the draft program for 1976 and the estimates for the years thereafter.

But, of course, the programs and budgets for 1976 and thereafter are matters to be decided by you, honorable Delegates. I would welcome it if you decided that we should do more for the benefit of the developing countries.

Finally, Mr. Chairman, let me say a few words about the staff. I look forward to your decision on my proposal for the third Deputy Director General. Once he is with us, the political aim set by you two years ago, to have nationals of the three groups assist me on an equal footing, will be achieved.

The existing two Deputy Directors General and the rest of the staff have proved and continue to prove every day that they are competent, hard-working and dedicated. Many of them work more or much more than the administrative rules would require. They do it, I believe, because they find their work interesting and rewarding and, last but not least, because they are convinced that intellectual property has an important role to play in what, at this juncture of mankind's history, developing countries desire to achieve: a standard of living comparable to that of the developed countries.

I wish, therefore, Mr. Chairman, to conclude by commending the staff for their understanding of what is our most important objective and for employing their talents to the full in order to approach that objective.

* * *

List of Participants *

I. States members of the Administrative Bodies referred to above **

Algeria: G. Sellali (Mrs.); S. Bouzidi. Argentina: C. A. Passalacqua. Australia: K. B. Petersson; C. L. Hermes. Austria: T. Lorenz. Belgium: J. D. P. Degavre; R. Philippart de Foy. Brazil: A. Gurgel de Alencar. Cameroon: B. Yaya Garga. Canada: D. E. Bond; A. M. Laidlaw; J. Johnston (Mrs.); A. A. Keyes; M. Moher. Czechoslovakia: M. Bělohávek; J. Prošek. Denmark: K. Skjødt; R. Carlsen (Mrs.). Egypt: A. M. Khalil; A. El Shahed; S. A. Abou-Ali. Finland: E. V. Tuuli; R. Meinander; E. Wuori. France: J. Fernand-Laurent; L. Nicodème (Mrs.); A. Kerever; F. Savignon; J. Buffin; R. Leclerc; S. Balous (Mrs.). German Democratic Republic: J. Hemmerling; D. Schack; C. Micheel (Mrs.); M. Förster (Mrs.). Germany (Federal Republic of): A. Krieger; E. Steup (Mrs.); R. von Schleussner (Mrs.); U. C. Hallmann; T. Roetger; G. Wirth. Hungary: E. Tasnádi; I. Tímár; A. Benárd; M. Bognár (Mrs.). India: S. Alikhan; H. N. Sukhdev. Iran: Y. Madani. Ireland: M. J. Quinn. Israel: M. Gahay; N. Cohen. Italy: G. Trotta; S. Samperi; G. Catalini. Japan: H. Saito; N. Okamura; Y. Hashimoto; T. Yoshida. Kenya: D. J. Coward. Liechtenstein: A. F. de Gerliczy-Burian. Luxembourg: J.-P. Hoffmann. Mexico: G. E. Larrea Richerand; V. C. García Moreno. Morocco: A. Zerrad. Netherlands: J. B. van Benthem; J. Bos. Nigeria: S. S. A. Ojomo; A. Kuye. Norway: A. G. Gerhardsen; S. H. Røer; J. Aars-Rynning. Philippines: C. V. Espejo. Poland: J. Szomański; D. Januszkiewicz (Mrs.); M. Paszkowski. Portugal: R. Serrão; J. Van-Zeller Garin; J. Mota Maia; L. F. Rebello. Romania: L. Marinete; V. Tudor; C. Ivascu. Senegal: A. Cissé; J. P. Crespín. Soviet Union: I. Nayashkov; F. A. Sviridov; V. Zubarev; V. Roslov. Spain: A. Villalpando Martínez; J. Delicado Montero-Ríos; I. Fonseca-Ruiz (Mrs.); C. González Palacios. Sri Lanka: K. Breckenridge. Sweden: G. Borggård; C. Ugglä; B. Lundberg; A. H. Olsson. Switzerland: W. Stamm; P. Braendli; J.-L. Comte; F. Balley; A. Kamer. United Kingdom: I. J. G. Davis; V. Tarnofsky; J. J. D. Ashdown. United States of America: C. M. Dann; H. J. Winter; H. D. Hoinkes; M. K. Kirk; G. J. Klein. Yugoslavia: D. Čemalović. Total: 43 States

II. Other States

Bulgaria: I. Ivanov; N. Datzkov; T. Sourgov. Byelorussian SSR: N. J. Androsovich. Chile: P. Oyarce. Congo: F. Kouza; M.-A. Mackita. Cuba: J. M. Rodríguez Padilla; J. Otero Solanes. Holy See: O. Roulet (Mrs.). Indonesia: W. Stegarda. Ivory Coast: B. Nioupin; M.-L. Boa (Miss). Lebanon: A. Fleifel (Miss). Pakistan: I. Bukhari. Togo: A. Wilson. Turkey: N. Yosmazoglu. Zaire: C. M. Kasasa; Lukabu-K'Habouji; L. Elehe. Total: 13 States

III. Intergovernmental Organizations

United Nations (UN): V. Lissitsky. United Nations Conference on Trade and Development (UNCTAD): P. Roffe; P. O'Brien. United Nations Educational, Scientific and Cultural Organization (UNESCO): M.-C. Dock (Miss). Organization of African Unity (OAU): D. Sehoulia. Interim Committee of the European Patent Organisation: J. A. U. M. van Grevenstein. Benelux Trademark Office: L. van Bauwel. African and Malagasy Industrial Property Office: D. Ekani.

IV. International Bureau of WIPO

A. Bogsch (*Director General*); K. Pfanner (*Deputy Director General*); K. L. Liguier-Laubhouet (Mrs.) (*Deputy Director General*); C. Masouyé (*Director, Office of the Director General*); R. Harben (*Director, External Relations Division*).

V. Officers

WIPO Coordination Committee

Chairman: F. Savignon (France); *Vice-Chairmen*: D. J. Coward (Kenya); J. Szomański (Poland); *Secretary*: R. Harben (WIPO).

Paris Union Executive Committee

Chairman: A. M. Khalil (Egypt); *Vice-Chairmen*: H. Saito (Japan); S. S. A. Ojomo (Nigeria); *Secretary*: P. Claus (WIPO).

* A list may be obtained from the International Bureau containing the titles and functions of the participants and the bodies in which each State or organization was represented.

** As well as of the Bodies of the Madrid and Nice Unions which met during the same period.

WORLD INTELLECTUAL PROPERTY ORGANIZATION

WIPO Convention

Accession

IRAQ

The Government of Iraq deposited on October 21, 1975, its instrument of accession to the Convention Establishing the World Intellectual Property Organization (WIPO).

Pursuant to Article 15(2), the WIPO Convention will enter into force with respect to Iraq on January 21, 1976.

WIPO Notification No. 84, of October 24, 1975.

INTERNATIONAL UNIONS

Paris Convention

Accession to the Paris Convention (Stockholm Act)

IRAQ

The Government of Iraq deposited on October 21, 1975, its instrument of accession to the Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised at Stockholm on July 14, 1967.

Concurrently with depositing the said instrument of accession, Iraq indicated, pursuant to Article 16(4)(b), that it wished to belong to Class VI.

Furthermore, this instrument of accession was accompanied by the following reservation:

"The Government of the Republic of Iraq declares that it does not consider itself bound by the provisions of paragraph 1 of Article 28 of the said Convention which stipulates: Any dispute between two or more countries of the Union concerning the interpretation or application of this Convention, not settled by negotiation, may, by any one of the countries concerned, be brought before the International Court of Justice by application in conformity with the Statute of the Court, unless the countries concerned agree on some other method of settlement. The country bringing the dispute before the Court shall inform the International Bureau; the International Bureau shall bring the matter to the attention of the other countries of the Union." (*Original*)

Pursuant to the provisions of Article 21(2)(b), the Stockholm Act of the Paris Convention will enter into force with respect to Iraq on January 24, 1976.

Paris Notification No. 77, of October 24, 1975.

Madrid Agreement (Marks)

Ratification of the Stockholm Act

MOROCCO

The Government of Morocco deposited on October 16, 1975, its instrument of ratification of the Stockholm Act of July 14, 1967, of the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891.

Pursuant to the provisions of Article 14(4)(b), the Stockholm Act of the Madrid Agreement will enter into force with respect to Morocco on January 24, 1976.

Madrid (Marks) Notification No. 28, of October 24, 1975.

Nice Agreement

Ratification of the Stockholm Act

MOROCCO

The Government of Morocco deposited on October 16, 1975, its instrument of ratification of the Stockholm Act of July 14, 1967, of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of June 15, 1957.

Pursuant to the provisions of Article 9(4)(b), the Stockholm Act of the Nice Agreement will enter into force with respect to Morocco on January 24, 1976.

Nice Notification No. 33, of October 24, 1975.

WIPO MEETINGS

WIPO / ECA

Conference on Industrial Property Laws of English-Speaking Africa

Committee for Patent Matters and Committee for Trademark and Industrial Design Matters

First sessions

(Nairobi, October 13 to 17, 1975)

Note*

In June 1974, a Conference on Industrial Property Laws of English-Speaking Africa (hereinafter referred to as "the Conference") had been convened in Addis Ababa by the United Nations Economic Commission for Africa (ECA) and WIPO. The Conference had adopted a Draft Agreement on the Creation of an Industrial Property Organization for English-Speaking Africa, with the task of promoting legislative, administrative and technical cooperation, in the field of industrial property, in the countries of English-speaking Africa. The Conference had also adopted a resolution establishing a Committee for Patent Matters and a Committee for Trademark and Industrial Design Matters which would prepare the recommendations to be made by the Conference in preparation of the work of the future Organization¹.

Convened by ECA and WIPO on the invitation of the Government of Kenya, the two Committees referred to held their first sessions in the Kenyatta Conference Centre in Nairobi from October 13 to 17, 1975. Nine out of 18 English-speaking African countries invited took part in their work. Mr. B. Prah (Registrar-General, Ghana) was elected Chairman of the Committee for Patent Matters and Mr. J. Ntabgoba (Administrator General, Uganda), Vice-Chairman. Mr. D. Coward (Registrar-General, Kenya) was elected Chairman of the Committee for Trademark and Industrial Design Matters and Mr. S. Ojomo (Registrar of Patents, Trade Marks and Designs, Nigeria), Vice-Chairman. The list of participants follows this Note.

Draft Agreement on an Industrial Property Organization for English-Speaking Africa. The members of the two Committees, meeting in joint session, provided information about the attitude of their governments with respect to the Draft Agreement. Because of the favorable comments received, the Committees unanimously adopted a resolution recommending that a diplomatic conference for the adoption and signature of the

Agreement be convened for the end of 1976; the diplomatic conference would be followed by working sessions of the Conference and its Committees.

Future Steps in Industrial Property Cooperation. After an extensive discussion of the industrial property systems existing in English-speaking African countries and of various possibilities for regional cooperation, the following resolutions were unanimously adopted. Resolution I relates to patent cooperation, Resolution II to trademark cooperation and Resolution III to industrial design cooperation.

RESOLUTIONS

I

"The Committee for Patent Matters established by the Conference on Industrial Property Laws of English-Speaking Africa meeting in Nairobi from October 13 to 17, 1975,

Having considered the state of their national patent laws,

Recognizing the desirability of having independent patent systems² in their countries,

Aware of the need to modernize, develop and harmonize their patent laws within the context of model law provisions and those of the Patent Cooperation Treaty (PCT),

Taking into account the need for regional cooperation in the patent field and the desirability of establishing a regional institution to promote such cooperation,

"1. — *Is of the opinion* that:

- (1) independent patent systems should be established where they do not yet exist;
- (2) national patent laws should be modernized and harmonized, taking into account the needs and development aspirations of English-speaking African countries;
- (3) harmonization should be accomplished through the preparation of model provisions; such provisions should be as simple as possible, whilst ensuring a practical and efficient system;
- (4) the model provisions should be drafted in such a way as to ensure that the maximum benefit from the application of the system of international search and international preliminary examination under the PCT is obtained;
- (5) all countries should adhere as soon as possible to the PCT in order to obtain the full benefit accruing under that Treaty.

² By "independent system" is meant a system for the original grant of patents (or of trademark or industrial design registrations) as opposed to a system under which protection is granted in the African country on the basis of a foreign grant or registration. Such dependent systems are at present provided for in many patent and industrial design laws and a few trademark laws of English-speaking African countries (Editor's Note).

* This Note has been prepared by the International Bureau of WIPO.

¹ A Note on this first session of the Conference was published in *Industrial Property*, 1974, p. 346.

including technical assistance under its Chapter IV; since only Contracting States of the Paris Convention for the Protection of Industrial Property can adhere to the PCT, States which have not yet done so should adhere to the Paris Convention;

(6) the model provisions should establish a system of formal examination of patent applications, taking the PCT into account; they should allow for a possibility of extending the examination to matters of substance in such technical fields and at such times as circumstances may permit;

(7) the model provisions should form the basis of national patent legislation;

(8) in order to promote regional cooperation, the need for which was unanimously accepted, a regional Office should be established as soon as practicable; that Office should in particular assist the cooperating countries in the implementation of their patent legislation, in the training of personnel and by providing advice on existing technology to Governments; for that purpose, a Patent Documentation Center should be established in the framework of that Office as soon as possible and to the extent feasible; and

“ 2. — *Recommends that:*

(1) model provisions should be prepared, taking into account the principles stated under items 1. — (1) to (4) above; and *invites* WIPO to prepare a first draft of such model provisions in consultation with ECA and with the help of consultants, as required, such draft to be submitted as soon as possible to the Committee for consideration;

(2) countries should take urgently the necessary steps to adhere to the PCT and, where they have not yet done so, to adhere to the Paris Convention as a first step;

(3) the necessary preparatory steps should be taken in order to implement the principles referred to under item 1. — (8) above; in this context in particular and as a first step, a feasibility study should be undertaken by the Secretariat, subject to obtaining the necessary assistance for the carrying out of such study from the United Nations Development Programme (UNDP) and with a view to establishing the proposed Office by way of a technical assistance project with the cooperation of UNDP. ”

II

“ The Committee for Trademark and Industrial Design Matters established by the Conference on Industrial Property Laws of English-Speaking Africa meeting in Nairobi from October 13 to 17, 1975,

Having considered the state of their national trademark laws,

Recognizing the desirability of having independent trademark systems³ in their countries,

Aware of the need to modernize, develop and harmonize their trademark laws within the context of model law provisions,

Taking into account the need for regional cooperation in the trademark field and the desirability of establishing a regional institution to promote such cooperation,

1. — *Is of the opinion that:*

(1) independent trademark systems should be established where they do not already exist;

(2) national trademark laws should be modernized and harmonized taking into account the needs and development aspirations of English-speaking African countries;

(3) harmonization should be accomplished through the preparation of model provisions; such provisions should be as simple as possible, whilst ensuring a practical and efficient system;

(4) in drafting the model provisions, the following principles should be taken into account:

(i) the model provisions should be essentially based on the principles of trademark law already established in the States of English-speaking Africa and the WIPO Model Law for Developing Countries on Marks, Trade Names and Acts of Unfair Competition;

(ii) provision should be made for examination as to substance;

(iii) the distinction between Part A and Part B of the register should be abandoned in favor of a single register; a single set of basic requirements for registrability should be provided for;

(iv) a ten year term of registration and renewal should be provided for;

(v) renewal should be subject to proof of use of the mark, in relation to some or all of the goods specified, within two years preceding the date of renewal, unless non-use can be excused by legitimate reasons;

(vi) old trademarks registered under classification systems prior to the Classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks should be reclassified upon renewal;

(vii) defensive and reserve marks should not be allowed;

(viii) assignment provisions should be simplified to the effect that the assignment without goodwill of marks in use should not require advertisement prior to recordal;

(ix) licensing provisions should be based upon the provisions of Sections 23 to 28 of the WIPO Model Law;

(5) the model provisions should form the basis of national trademark legislation;

(6) in order to promote regional cooperation, the need for which was unanimously accepted, a regional Office should be established as soon as practicable; that Office should in particular assist the cooperating countries in the implementation of their trademark legislation, in the training of personnel and by providing or arranging for assistance in the examination by Offices of pending trademark applications and related matters; and

³ See footnote 2 above.

" 2. — Recommends that:

(1) model provisions should be prepared, taking into account the principles stated under items 1. — (1) to (4) above; and *invites* WIPO to prepare a first draft of such model provisions in consultation with ECA and with the help of consultants, as required, such draft to be submitted as soon as possible to the Committee for consideration;

(2) the necessary preparatory steps should be taken in order to implement the principles referred to under item 1. — (6) above."

III

"The Committee for Trademark and Industrial Design Matters established by the Conference on Industrial Property Laws of English-Speaking Africa meeting in Nairobi from October 13 to 17, 1975,

Having considered the state of their national design protection laws,

Recognizing the desirability in principle of having independent design protection systems⁴ in their countries, geared to local requirements,

Taking into account the need for regional cooperation in the design protection field,

" 1. — Agrees that a survey should be made which should be guided by the following principles:

- (i) in a general part, it should be directed towards obtaining information on the desirability of introducing independent systems of design protection in the countries of English-speaking Africa;
- (ii) in a special part, it should be directed towards obtaining information on the desirability of establishing a special system for the protection of textile designs and, if such system were established, on the nature and form of protection considered desirable;

⁴ See footnote 2 above.

" 2. — Recommends that:

(1) the Secretariat should undertake the survey referred to under 1;

(2) the survey should take into account the views of administrations and users of such a system;

(3) the results should be submitted to the Committee as soon as possible, preferably for its next session."

At the end of the discussions, the Committees thanked the authorities of Kenya for the excellent facilities put at their disposal and for the important contribution of the host country to the pleasant atmosphere and success of the sessions.

List of Participants*

I. States

Gambia: W. G. Grante. Ghana: B. W. Prah. Kenya: D. J. Coward, J. King' Arui (members of the Delegation); C. Kibika, L. J. Okot, P. M. Mulira (attached to the Delegation). Lesotho: M. P. Mofokeng. Liberia: E. J. Massaquoi. Nigeria: S. A. Ojomo; A. G. Adoh. Sudan: S. K. Zaki; K. S. Hassouna; O. M. Omar. Uganda: J. H. Ntabgoba. Zambia: G. E. Harre; A. R. Zikonda.

II. Officers

Committee for Patent Matters

Chairman: B. W. Prah (Ghana); Vice-Chairman: J. H. Ntabgoba (Uganda).

Committee for Trademark and Industrial Design Matters

Chairman: D. J. Coward (Kenya); Vice-Chairman: S. A. Ojomo (Nigeria).

III. Secretariat

United Nations Economic Commission for Africa (ECA):

A. M. Akiwumi (*Special Assistant to the Executive Secretary*, Addis-Aba-ba); W. C. Howarth (*Consultant to ECA*, London).

World Intellectual Property Organization (WIPO):

K. Pfanner (*Deputy Director General*); I. Thiam (*Counsellor, Head, Technical Assistance Section, External Relations Division*); D. Devlin (*Legal Officer, Industrial Property Division*).

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

LEGISLATION

ARGENTINA

Law Governing Agreements on Transfer of Technology

(No. 20.794, of September 27, 1974) *

Scope

1. — The present Law shall govern all legal agreements having as a main or subsidiary object the transfer of technology from abroad, which may have an effect in the national territory and impose or may impose obligations on natural persons or legal entities, whether governed by public or private law, domiciled in the country, towards holders of technology domiciled abroad.

2. — The provisions of this Law shall also govern legal agreements on the transfer of technology even if the licensor is domiciled in the country, if such agreements:

(a) apply to undertakings financed by foreign capital or to subsidiaries or branches of undertakings domiciled abroad;

(b) raise the presumption, upon an application of the criteria laid down in Article 14, that technology is being transferred from abroad, save where the local licensing undertaking can prove that it has a good title to or is in actual possession of the technology to be transferred or the know-how to be provided.

3. — The legal agreements referred to in the previous Articles shall apply in particular to:

(a) the acquisition of rights or licenses to exploit or use patents of invention or of industrial designs, or of other industrial rights that may subsequently be created;

(b) the supply of technical know-how in the form of processes, plans, formulae, designs for plant, diagrams, models, instructions, formulations, specifications, the training and preparation of personnel or in any other way deemed necessary to achieve the required results;

(c) the employment of foreign personnel to install or operate capital equipment or production processes;

(d) the engagement of consultant or advisory services and the supply of technical services;

(e) as an exception, the exclusive acquisition of rights or licenses to use or work trademarks in the cases referred to in Article 9.

4. — Legal agreements governed by this Law must in every case be submitted to the Control Agency for approval, both when they create obligations to remit funds abroad for the payment of royalties, commissions, fees or for any other reason, or where other kinds of consideration are concerned and also in the case of concessions granted free of charge.

5. — The Control Agency shall withhold approval of legal agreements governed by this Law when:

(a) the technology to be acquired runs counter to the objectives of national policies or plans in matters of technology and development or has an adverse effect on consumption patterns or redistribution of income, or is deemed not to promote technical, economic and social progress;

(b) the level of technology to be introduced can be obtained in the country or when rights are granted which may directly or indirectly regulate, change, interrupt or hinder national technological research and development;

(c) the licensee is not given adequate guarantees by the licensor that no additional costs and/or charges will be involved in the obligations of the licensee, and that:

1. the content of the technology to be transferred is comprehensive and detailed, so as to ensure attainment of the objectives envisaged and the autonomy essential for the purpose;

2. the licensee will receive a regular and continuous flow of the technology acquired, by virtue of the licensor's commitment to keep him informed of and supplied with all technical improvements and developments, and through provision of goods and services connected with the technology acquired throughout the currency of the agreement;

3. national staff are adequately trained to absorb and handle the technology forming the subject-matter of the legal agreement;

4. the price of capital goods, spare parts, inputs and/or component raw materials for the technology to be transferred and/or necessary for the production to which the technology relates shall not be higher than current international market prices;

when current quoted prices for such goods are not available, the Control Agency may make an estimate of such prices, after carrying out the necessary studies;

5. when the licensee agrees to sell all or a part of goods manufactured under license to the supplier of technology or to any purchaser specified by the latter, the prices for the goods manufactured by the licensee shall not be lower than those prevailing on the international market. The Control Agency shall likewise be empowered to make an estimate of such prices when there is no current quoted international market price for manufactured goods;

6. when the licensor grants more favorable contractual terms to another authorized licensee, the said terms will automatically be extended to the first licensee;

(d) a breakdown of direct and indirect costs shows that the stipulated price or agreed consideration is greater than

* Entered into force on November 6, 1974.

the benefits that will be derived from the technology to be acquired;

(e) the price of all intangible assets forming the subject-matter of the contract, and as a consequence the time-limits for payment are not separately stipulated, in cases where such itemization is feasible;

(f) the licensee is required to give guarantees with respect to fees, taxes, tariffs, rates of exchange, special profit formulae or royalty payments or any other kind of remuneration that may contribute to rendering uncertain the total price to be paid;

(g) the licensee is required to assign, free of charge or for consideration, any patents, innovations, improvements or developments, that may have been obtained in the country in connection with the license contracted for or the technology transferred;

(h) it is agreed that royalties shall be paid as after deduction of tax, whereas in the country where the recipient of such funds resides they are treated as payments subject to tax there;

(i) they are not made in writing or are not drawn up in the national language, with the exception of technical terms having no equivalent in the Spanish language;

(j) the licensor is given the right to collect royalties from the licensee for patents, licenses or trademarks which are not likely to be used, or the use of which is of no real economic value, or which have the same effects as joint compulsory licenses;

(k) they include clauses declaring that a foreign legal system is applicable to govern interpretation or performance of the contract, or extending jurisdiction to make foreign courts or arbitration tribunals competent.

Restrictive clauses and limitations

6. — The Control Agency may withhold approval of any legal agreement governed by this Law when the acquisition of technology in the form proposed has, directly or indirectly, any of the following effects:

(a) if it imposes an obligation to acquire raw materials, intermediate products or capital goods from a specific origin or from specific sources of supply, even if located within the country;

(b) if it controls, modifies or restricts production, distribution, marketing or exports; or distributes markets or excludes some of them;

(c) if it stipulates the resale prices payable by wholesalers or retailers or the licensor, or applies to third parties to the detriment of their competitive position, differing terms for the sale of equivalent goods or services;

(d) if it exempts the foreign contracting party from liability in regard to possible lawsuits brought by third parties on the ground of flaws or defects that are inherent in the technological content of the contract;

(e) if it prohibits the licensee from using designs, processes, production methods, equipment or goods other than those provided for in the proposed contract;

(f) if it lays down conditions restricting, or rendering subject to the approval of the licensor, the publicity or promotional activities of the licensee;

(g) if it imposes on the licensee the duty to employ personnel as specified by the licensor, their remuneration being for the account of the undertaking which is the recipient of the technology, where such a requirement is not deemed essential.

The foregoing list is without prejudice to the Control Agency's power to withhold approval of legal agreements containing restrictive clauses with effects analogous to those described above.

7. — Clauses that prohibit the local contractor from using the technology acquired after the contract has expired shall not be enforceable at law except in cases where such technology is protected by industrial property rights. In the latter eventuality, the Control Agency shall only approve those agreements which contain terms whereby the contractor may continue to use the technology after the contract has expired.

8. — The Control Agency may withhold approval of legal agreements where, on a general appraisal of the operation of the undertaking that is the recipient of the technology, it would be undesirable to authorize the new agreement, having regard to prior commitments.

Licenses to use or work trademarks

9. — The Control Agency shall withhold approval of legal agreements having as their object the exclusive acquisition of rights or licenses to use or work trademarks, except for:

(a) contracts recorded in accordance with Article 7 of Decree-Law No. 19.231 (registered as Law No. 19.231)¹ and with the relevant regulations laid down in pursuance thereof if they include a clause by virtue of which:

1. the licensee undertakes to develop within a period not exceeding five years a substitute local trademark of his own; or
2. the licensor is required to assign, without payment or any consideration, the rights in the foreign trademark or to consent to its use free of charge so far as the rights or licenses to use or work it are concerned;

in no case, whether under the original terms of the contracts, through the exercise of options or through renewals, may the validity of such agreements subsist beyond December 31, 1979;

(b) contracts concluded under the following terms:

1. the licensor undertakes to grant to the licensee the necessary licenses for the export of the product to other countries;
2. the licensee is required to refrain from using the trademark in the national market;
3. the price payable is fixed as a percentage of the estimated balance of foreign currency that will enter the country as the result of use of the trademark, subject to

¹ *Industrial Property*, 1972, p. 125.

the express reservation that no sum whatsoever shall be paid if the export operations do not materialize;

in both cases approval shall be conditional on the fact that none of the provisions laid down in Articles 5 and 6 of this Law apply.

Payments and time-limits

10. — The National Executive Power may establish, by sector, activity or product, maximum amounts in respect of the payments to be made or the consideration to be given by licensees under the legal agreements which they conclude as well as maximum periods for the duration of such payments, taking due account of the conditions obtaining in the sector or activity, the profitability of the technology to be incorporated from the point of view of the national economy and the characteristics of the product.

11. — The maximum amounts shall be established on the basis of the net value of sales of the items to be manufactured using the technology acquired. If the specific nature of the contract should so require, other ancillary criteria shall be applied, based largely on an economic assessment of the technology that is acquired, in accordance with the regulations.

12. — By net value of the licensed products shall be understood the invoice value at the plant, after deducting discounts, bonuses and reimbursements, less the value of inputs supplied by the licensor either directly or through other enterprises assumed to be connected with him, delivered at the licensee's premises, and less internal taxes and taxes levied upon sale or those that may supersede, be substituted for or serve to complement them in the future, as well as any other tax that may subsequently be created regarding the same taxable items.

13. — The agreed price or consideration may be paid, subject to authorization by the Control Agency, in the form of a global sum determined in advance on the basis of the estimated volume of sales during the period of validity of the legal agreement provided it does not exceed the total amount that results on application of the maximum amounts referred to in Article 10.

14. — Any amounts due as payment in respect of the price for technology, irrespective of the legal designation given to them in the agreements listed in Article 3, shall for all purposes be deemed profits where relations between subsidiaries and their head offices or between head offices and subsidiaries are concerned, as well as where there exists economic unity or community of interests between the licensor and the licensee. The same criterion shall apply if an analysis of a legal agreement governing acquisition of technology supports the conclusion that it has not been entered into with a third party in accordance with international commercial practice, or if an analysis of the financial position of the licensee enterprise shows that the effective technical, administrative, financial and commercial management is not exercised by its normal directors resident in the country.

The total amount accruing from the aggregate of the sums due by way of profits and payments for the price of technology shall be subject to the limits and taxes applicable under Articles 13 and 20 of Law No. 20.557, as appropriate.

15. — A sum in respect of royalties or, where appropriate, a global sum determined in advance or any other consideration that may be agreed shall not be treated as a contribution to capital nor shall it consist of shares in the profits or capital of the licensee enterprise, save in the cases envisaged in the previous Article, if the Control Agency deems its approval to be especially necessary for the enterprise and in the national interest, which exceptions shall require the approval of the National Executive Power in each case.

16. — Fees and expenditure in respect of the provision of advisory or technical services, the supply of engineering for the installation of equipment and the manufacture of goods, consultant services, and courses to train and prepare personnel, shall be paid at rates to be established having regard to the nature and significance of the work to be done or the services to be rendered.

17. — So long as the maximum amounts referred to in Article 10 have not been laid down, a favorable decision by the Control Agency followed by a decree of the National Executive Power shall be required for the approval of a contract in which the price exceeds the estimated net value of the sale by 5% or the duration of the contract exceeds a period of five years.

18. — The Control Agency, before approving the duration of validity of agreements, within the limits authorized, shall ensure, having regard to the kind of technology to be transferred:

(a) that the agreements permit the acquisition of know-how locally;

(b) that the agreements do not extend beyond the point at which it is foreseeable that the know-how acquired will become obsolete.

Conditions of validity of agreements

19. — The legal agreements referred to in Articles 1 to 4, as well as amendments or additions thereto, must be submitted within a period of 30 days after they have been concluded for approval by the Control Agency and for subsequent registration in the National Register of License and Know-How Agreements established by Decree-Law No. 19.231/71 (registered as Law No. 19.231), in compliance with the requirements laid down in the regulations.

Non-compliance with the above shall afford grounds for imposition of the penalty provided for in subparagraph (a) of Article 34.

20. — Contracts concluded by the armed or security forces shall be exempt from the requirements of the preceding Article whenever the National Executive Power decrees that they qualify as military secrets for overriding reasons of national defense.

21. — Legal agreements concluded between a licensor and a licensee or third parties shall be null and void when:

(a) a contract for the transfer of technology from abroad is concluded or carried out without informing the Control Agency or obtaining its approval; and

(b) there has been misrepresentation to hide, conceal, alter or change the true content of the agreements concluded, particularly regarding the characteristics of the technology to be transferred, the real costs of the same, the duration of the agreement, or any other matter dealt with in the various clauses of the contract.

22. — Legal agreements that are not approved and registered shall have no legal validity and the rights and duties established by them shall not be enforceable as between the parties nor as against third parties; nor shall they be enforceable in or outside any court of law. The same shall apply to contracts where their registration has lapsed or been cancelled.

Expiry and re-registration

23. — Registration of agreements in the Register shall expire by operation of law in the event that the performance of such agreements has not began or they have not produced effects in the country within the time-limit which the Control Agency shall specify in each case and which shall not exceed two years. The Control Agency may authorize re-registration in duly justified cases if this is requested before expiry of the time-limit and is deemed advisable after a new appraisal of the agreement has been made.

Prohibited practices or statements

24. — It shall be prohibited to use or make mention, for the purpose of identification or advertisement, of licenses, patents, trademarks or any of the other matters listed in Article 3 unless the agreement whereby the same has been acquired has been approved and registration has been effected. Non-compliance with this provision shall afford grounds for imposition of the penalty provided for in subparagraph (a) of Article 34.

Control Agency

25. — The Ministry of the Economy, through the agency of the State Secretariat for Industrial Development, shall be the Control Agency for the application of this Law. It shall entrust the National Institute for Industrial Technology with responsibility for the administration and management of the National Register of License and Know-How Agreements.

26. — An advisory committee responsible to the Ministry of the Economy (State Secretariat for Industrial Development) is hereby established for the purpose of assisting the Control Agency in connection with the decisions to be taken on matters pertaining to application of the various provisions of the Law. The advisory committee shall comprise, as permanent members:

(a) representing the Control Agency:

1. one chairman, who shall be responsible for convening, presiding over and representing the committee, and

one secretary who shall act as coordinator and shall be entrusted with the technical and administrative work of the committee; and

2. one delegate from the National Bureau for Foreign Economic and Financial Policy;

(b) one representative from the State Secretariat for Science and Technology of the Ministry for Culture and Education;

(c) one representative from the National Institute for Industrial Technology;

(d) one representative from the National Development Bank;

(e) one representative from the Central Bank of the Argentine Republic.

27. — The chairman of the advisory committee may invite ministries, state secretariats, and official and private institutions and organizations to send representatives to sit on the advisory committee as non-permanent members when the nature of the matters to be discussed should so require.

28. — A consultative committee, responsible to the Ministry of the Economy, is hereby created on which shall be represented the bodies comprising the advisory committee set up under Article 26 and delegates from the Ministries of Defense and Justice, the General Economic Confederation and the General Workers' Confederation.

The functions of this committee shall be to make periodical appraisals of the implementation of the Law on Transfer of Technology and to propose the policies to be followed in the matter.

29. — Payments remitted abroad under agreements governed by this Law may only be effected in accordance with the regulations laid down in this connection by the Central Bank of the Argentine Republic which shall as a prerequisite satisfy itself that the agreement has been approved and entered in the Register.

30. — The Control Agency shall have the necessary powers to ensure due compliance with the provisions of this Law and to supervise performance of registered agreements. It shall also be authorized: to request information from any natural person or legal entity, including information in the form of affidavits; to audit accounts; to carry out inspections or technical investigations of books, documents, correspondence or any other elements of proof held by the enterprises concerned; to request the assistance of the police force or to apply for search warrants when deemed necessary and, as a preventive measure, to order the closure of establishments or premises, and to impound merchandise manufactured in violation of the provisions of this Law. These powers may also be exercised in the situations envisaged in Article 21.

The National Register of License and Know-How Agreements shall act in coordination with the Central Bank of the Argentine Republic regarding the supply of information deemed essential to secure compliance with the exchange control elements of contracts.

The decree governing the application of this Law shall specify the measures required to verify and control the prices of imported raw materials, intermediate goods or capital goods having a connection with legal agreements for the acquisition of technology from abroad.

Proof that the services contracted for or the commitments entered into under the above-mentioned agreements have not been fulfilled shall afford grounds for imposing the penalties provided for in Article 34.

31. — The Control Agency shall decide on the information to be furnished to the National Register of License and Know-How Agreements so that it may make an accurate appraisal of the contracts submitted for its approval and verify that they are duly performed.

Refusal or failure to supply information or provision of false information shall afford grounds for imposing the penalties provided for in Article 34.

32. — The National Register of License and Know-How Agreements shall prepare statistics and reports on registered agreements and any amendments thereto, stating the amount of royalties agreed upon, the sums remitted abroad in payment of such royalties and any general and specific factors concerning national trade in technology.

33. — The National Register of License and Know-How Agreements is empowered to provide advisory services for handling, negotiating and concluding the agreements referred to in Articles 1 and 3 to interested parties who so request. The terms under which such services may be rendered shall be determined according to the regulations governing the application of this Law.

Penalties

34. — Infringements of this Law, of the regulations governing its application and of the decisions taken by the Control Agency in the exercise of the powers granted to it shall be subject to penalties imposed by the State Secretariat for Industrial Development. The penalties shall be imposed by the Secretary of State for Industrial Development on the natural persons or legal entities, or on both simultaneously, responsible for infringements, following indictment and investigation, during which the accused shall be heard, and subject to the procedure that is established. Such penalties may, separately or concurrently, consist of:

(a) fines of up to one million pesos (1.000.000) which may be imposed jointly and severally on the natural persons or legal entities responsible for the infringements;

(b) special suspension of the right to trade, for a period of up to two years, of promoters, founders, directors, administrators, representatives or managers of legal entities covered by this Law, without prejudice to the possible application of the penalties provided for in Article 248 of the Penal Code where independent entities or State enterprises or other entities in which the State has a shareholding are involved;

(c) temporary suspension of the rights deriving from registration of the agreement in the Register;

(d) cancellation of registration of the agreement in the Register;

(e) withdrawal of corporate status in the case of a civil or commercial company or cancellation of registration with the National Commercial Tribunal of First Instance in the case of unincorporated commercial companies.

Appeals

35. — Appeals against the penalties provided for in the preceding Article shall lie to the National Appeals Chamber for Federal and Administrative Litigation in the Federal Capital.

Appeals must be lodged, duly substantiated, on the Control Agency within ten working days from the date of receipt of notification of the decision at the address as given in the submission.

Miscellaneous and transitional provisions

36. — Agreements concluded prior to the date of entry into force of this Law which have not been submitted for registration or for which definitive entry in the Register has not been granted shall be brought into line with the provisions of this Law and shall be exempt from the penalty provided for in Article 19 provided that such agreements and any proposed amendments thereto are submitted before the thirty-first day of December, 1974.

37. — The National Executive Power is hereby empowered, subject to a favorable decision by the Control Agency, to order registration of agreements that are in the early stages of implementation at the date of entry into force of this Law if it deems that rescission of such agreements might cause serious prejudice to the national economy, in the following cases:

(a) agreements, concluded by bodies in the public sector, which contain clauses that do not conform to the provisions of this Law; or

(b) contracts for the exclusive acquisition of rights or licenses to use or work trademarks that have not been submitted to the National Register of License and Know-How Agreements, subject to compliance with the requirements laid down in subparagraph (a) of Article 9.

38. — This Law, which concerns public policy and which shall be retroactive in effect, shall apply to the whole territory of the Nation and shall repeal Decree-Law No. 19.231/71 (registered as Law No. 19.231) as from the date of its entry into force, with the exception of Article 1, which is hereby ratified, creating the National Register of License and Know-How Agreements and to the various agreements performed during the period of applicability of those regulations. The provisions of Decree No. 6.187/71 and the regulations that supplement it shall remain in force pending adoption of the regulations governing this Law, always provided that they do not run counter to this Law.

39. — This Law is hereby communicated to the National Executive Power.

EL SALVADOR

Trade Code (Decree No. 671, of May 8, 1970)

(Extracts)

Part IV

Restrictions on Trading Activity

488. — Traders shall carry out their activities in accordance with the law and established trade customs and practice, and without prejudice to the public or to the national economy.

Infringement of this rule shall entitle an injured party to take legal proceedings to stop the unlawful practice and to claim damages.

489. — Agreements that restrict the trading activities of a trader to a market, region or specific type of trade shall be valid, provided that their duration does not exceed ten years and that they do not conflict with any constitutional right.

Notwithstanding the foregoing, if such agreements result in the establishment of monopolies or cause prejudice to the national economy or to the rights of third persons, the injured parties may take legal action to have the said agreements dissolved. In the first two of those cases, the Attorney General may also take action to the same end.

490. — Agreements that govern conditions relating to the quantity and quality of production or features of services provided to the public shall also be valid, subject to the restrictions laid down in the preceding article.

491. — Acts designed to attract custom improperly shall be regarded as unfair competition, and in particular:

1. if they deceive the public in general or specific persons by:
 - (a) bribing the customer's employees with a view to misleading him as to the services or goods supplied;
 - (b) using false indications as to the origin or quality of the goods or services, or as to the prizes or distinctions awarded to the same;
 - (c) using packaging, markings or any other means to give imitation or adulterated goods the appearance of genuine articles;
 - (d) disseminating false information as to the seller's reasons for offering special terms, which is liable to influence the buyer's attitude, for example, by advertising sales as being due to liquidation, bankruptcy or cessation of business when such is not the case. The resale of goods purchased following bankruptcy, cessation of business or liquidation may not be accompanied by any announcement of such circumstances. Only those sales that take

place on the winding-up of a company, the closure of a business or a subsidiary thereof or the cessation of activities at one of its branches, may be advertised as liquidation sales;

- (e) offering goods on sale at prices which have not actually been reduced by comparison with previous prices;
2. if they directly prejudice any other trader, without infringing contractual obligations with the latter, by:
 - (a) the unlawful use of the trade names, emblems, patterns, signs, trademarks, patents, and any other elements belonging to an undertaking and its trading establishments;
 - (b) the dissemination of reports liable to discredit the goods or services of another undertaking;
 - (c) the bribery of the employees of another trader with a view to depriving him of his custom;
 - (d) obstructing customer access to the premises of another trader;
 - (e) comparing, directly and publicly, the quality and prices of one's own goods and services with those of other undertakings referred to by name or in such a way as to leave no doubt as to their identity;
 3. if they deliberately cause prejudice to another trader by failing to comply with the terms of an agreement on the limitation of competition;
 4. if they use the services of a person who has broken his contracts of employment at the instigation of his new employer. In this connection, failing proof to the contrary, enticement shall be presumed on the part of whosoever makes use of the services of a person placed in this situation;
 5. if there are any other similar acts designed directly or indirectly to attract custom away from another trader.
492. — Where practices constituting unfair competition cause prejudice to the interests of a professional group, legal proceedings may be initiated either by the persons individually affected or by the professional association or chamber of commerce concerned.

493. — Legal proceedings may be initiated by submission to the court of all exhibits constituting evidence of unfair competition, or a sufficient number thereof, subject to the deposit of an appropriate sum as security.

A party may also, pending institution of the proceedings, seek an interlocutory injunction ordering that the acts of unfair competition shall cease. In such a case, he shall provide as security a sum which the judge deems adequate to compensate for the damage caused in the event that the judgement subsequently passed does not conclusively establish unfair competition.

494. — If the judgement finds acts of unfair competition, an order shall be made not only for the cessation of such acts, but also for the adoption of the necessary measures to mitigate their consequences and to prevent their recurrence and

also, where applicable, for compensation of any loss or damage.

495. — Where the repetition of acts of unfair competition has been legally proved, the personal license of the trader responsible shall be permanently revoked.

496. — Where a company repeatedly infringes the provisions of the present Part, the personal licenses of the members or directors responsible for the infringement shall be revoked.

The foregoing clause shall apply to the members or directors of companies that commit the offences referred to in Chapter XIII, Part II of the First Volume of the present Code, even if such offences are not repeated.

497. — When the Commercial Court which hears a case concerning unfair competition takes note of the commission of acts that may constitute a criminal offence, it shall authenticate the relevant passages of the proceedings and transmit them, and in particular the evidence produced in the matter, to the Attorney General of the Republic, so that the latter may, on his own responsibility, take the appropriate penal action.

Part V

Chapter II — Section B — Trade Name

570. — The right to a trade name shall be acquired by the person who first applies it to an undertaking or trading establishment. This right shall give way to that of any person who first registers the name in the Trade Register.

571. — The trade name shall be freely selected but it shall not include any proper name other than that of the owner of the undertaking, unless that undertaking or trading establishment has been transferred under such name to a new owner, in which case an expression shall be added to indicate the change made. Names liable to be confused with that of another undertaking carrying out the same kind of business may also not be used.

Trade names in foreign languages shall not enjoy legal protection and may not be registered. Such names if already registered shall continue to be protected during the period of validity of their registration.

572. — The owner of a trade name is entitled to use it, to prevent others from using or imitating it in his own field of activity, and to assign it in accordance with the law.

573. — Anyone who imitates or usurps the trade name of another when he knows or ought to know of its existence shall be liable for any loss or damage caused and shall incur the penalty which the law prescribes. Anyone who, without having used a trade name, requests its registration in the Register shall not have usurped the name.

Knowledge of the trade name of another shall be presumed if that name has been published in the Official Gazette or entered in the Trade Register at the place where the said name is used unlawfully.

574. — The right to the trade name lapses on the winding-up of the business or enterprise to which it relates.

Chapter II — Section C — Distinctive Trade Signs

575. — The right to the exclusive use of a trademark in order to distinguish the origin and quality of goods manufactured or sold by an undertaking or trading establishment may be acquired by the person who uses it or wishes to do so, by registering it in accordance with the present Code and the relevant special law.

576. — Rights in a registered trademark shall not be acquired as against its owner as a result of unlawful use of the mark.

577. — A trademark which is not used by its owner shall be cancelled at the request of any trader interested therein, provided that the trademark has not been used for a period of three consecutive years.

The cancellation procedure is prescribed in the relevant special law.

578. — Any material medium, sign, emblem or name whose special characteristics render it capable of distinguishing the articles to which it applies from others of the same type or class may be used as a trademark, provided that it meets the requirements of the relevant special law.

579. — A trademark shall be used in accordance with the relevant special law and for the period of validity of the registration as laid down by that law.

580. — Any trader may add his own trademark to that of the manufacturer, provided he does not obliterate, alter or conceal the manufacturer's trademark.

581. — Where there exists an agreement which provides for equivalence of the goods manufactured, by means of using the same processes and formulae, the contracting parties shall be permitted to use simultaneously the same trademark.

582. — Assignment of a trademark shall only have effect as against a third party as from the date on which it is recorded in the Trade Register.

583. — The owner of a trademark may authorize its use by third parties. The right to use a trademark is not transferable.

584. — The owner of a trademark may take legal action to prevent its use or imitation by other persons and to obtain compensation for loss or damage.

Such legal action shall take the form of:

1. A court order to the customs authorities of the Republic, to prevent the import into the country of foreign goods which carry the trademark unlawfully. Such an order shall be issued by the judge competent in the matter at the request of the interested party who shall prove his ownership of the trademark by producing the appropriate certificate.

2. A court judgement, given in summary jurisdiction, in favor of the person proving his ownership of the trademark, against those persons in the country who manufacture similar goods carrying the trademark unlawfully.

585. — The foregoing provisions apply *mutatis mutandis* to samples, emblems and signs.

Chapter II — Section D — Patents

586. — Any person who has obtained a patent shall enjoy the exclusive right to work the invention or the improvements covered during the period specified in the patent.

587. — An inventor may obtain a patent for himself, his successors-in-title or any other person to whom he has assigned the corresponding rights.

588. — Anybody who provides another person with his services and who in the course of his employment makes an invention shall have the right to be recognized as the inventor and to be remunerated independently of the salary or emoluments he receives; such remuneration shall in no case be less than 20 per cent of the commercial value of the invention, unless the inventor has been engaged in a research capacity in the field to which the invention relates.

589. — Patents may be issued in the name of two or more persons jointly if they so request.

590. — The granting of a license to work a patented invention shall be compulsory in the following cases:

1. Where a patentee applies for a license in respect of a patent of improvement related to his invention; or, where a patent of improvement has been granted, in respect of the patent for the improved invention.
2. Where the patentee allows three years to elapse without working his patent industrially.

591. — A license, whether compulsory or contractual, shall not deprive the patentee of the right to work the invention himself and to grant other contractual licenses as he sees fit.

592. — Compulsory licenses shall be revoked:

1. if the initial invention to which a patent of improvement refers comes within the public sector;
2. if the owner of a patent, in respect of which a compulsory license has been granted on the ground of failure to work the invention, so requests, provided he can prove that he has worked the invention for two consecutive years.

593. — On the grant of a compulsory license and after consultation with experts, the percentage of the profits which the licensee shall be required to pay to the patentee shall be established.

594. — Rights conferred by patents may be transferred wholly or in part but the modification of such rights shall be

without prejudice to any third party until it has been recorded in the relevant register.

595. — Patents shall at all times be liable, *ex officio* or at the request of a third party or pursuant to a court order, to verification of novelty with a view to ascertaining whether the invention covered meets the requirements for its legal protection.

596. — Patents shall lapse when legally declared null and void or on the expiry of the time-limits laid down by the relevant special law.

597. — The decision of the Registrar granting a patent shall be published.

598. — The owner of a patent shall have the right to take legal action in order to prevent its use by other persons and to obtain compensation for loss and damage arising from unlawful use.

599. — Patents and licenses shall be granted by the Registrar of Trade in accordance with the special law.

VENEZUELA

Common Rules for the Treatment of Foreign Capital and on Trademarks, Patents, Licenses and Royalties

approved by Decisions Nos. 24, 37, 37A, 40, 46, 50, 56 and 70 of the Commission of the Cartagena Agreement

(Decree No. 63 of April 29, 1974) *

(Extracts)

Chapter I — Preliminary Provisions

1. — Foreign investments and contracts relating to trademarks, patents, licenses and royalties shall be governed by the terms of Decisions Nos. 24¹, 37, 37A and 70 of the Cartagena Agreement Commission and by the present Rules. The said terms and Rules shall not apply to foreign investments made under the contracts referred to in Article 126 of the Constitution and foreign investments governed by the Mines Law, the Hydrocarbons Law and the Tourism Law.

2. — For the purposes of the definitions contained in Chapter I of Decision No. 24, the following shall be regarded as direct foreign investments:

(a) contributions to the initial capital or to increasing or replenishing the capital of an undertaking, which come from abroad, are owned by natural persons of foreign nationality or by foreign undertakings and are made in the form of freely convertible currency, industrial plant, machinery, goods or equipment;

* As published in *Gaceta Oficial* No. 30412 of May 31, 1974.

¹ Extracts from Decision No. 24 were published in *Industrial Property*, 1974, p. 436.

(b) investments in domestic currency owned by natural persons of foreign nationality or by foreign undertakings, originating from profits, capital gains, interest, repayment of loans, the winding-up of undertakings and the sale of shares, capital holdings and other rights held by foreign investors who are entitled to re-export them abroad.

Chapter II — Competent National Authority

3. — The Superintendency of Foreign Investments is hereby set up under the Ministry of Development as the competent national authority for all matters referred to in Decisions Nos. 24, 37, 37A and 70 of the Cartagena Agreement Commission. Accordingly, it shall exercise all the powers conferred upon the said authority.

Chapter VII — Importation of Technology and Use and Exploitation of Patents and Trademarks

54. — Any contract concluded by foreign, national or joint enterprises relating to the importation of technology and the use and exploitation of patents and trademarks shall be approved and registered by the Superintendency of Foreign Investments within 30 working days from the date of its conclusion.

55. — The following documents shall likewise be subject to registration under the foregoing article: deeds, contracts and agreements of any kind liable to have effects on national territory, irrespective of whether or not such documents involve payment or any consideration, and which have been concluded for the following purposes:

1. license to use or authorization to exploit trademarks;
2. license to use or authorization to exploit patents for inventions, improvements and industrial designs;
3. the supply of technical know-how in the form of plans, diagrams, models, instructions, formulae, specifications, the training or preparation of personnel and other forms;
4. the supply of basic or specific engineering in connection with the installation of plant or the manufacture of goods;
5. technical assistance in whatever form it is provided;
6. administrative and management services.

56. — The contracts referred to in the preceding articles shall, as a minimum, contain relevant and detailed information on the following matters:

- (a) the identity of the contracting parties together with an express indication of their nationality and domicile, as well as of any intermediaries;
- (b) a description of the technological contribution and identification of the patents or trademarks which are the subject of the contract;
- (c) details of terms and conditions for the transfer of technology;
- (d) the contractual value of all the elements involved in the transfer of technology expressed in a form similar to that

provided for registration of direct foreign investment in Decision No. 24 of the Cartagena Agreement and in these Rules;

(e) the duration of validity which, in the case of technological contracts concluded after the entry into force of these Rules, shall not exceed five years;

(f) the mode of payment and the recipient country.

57. — In accordance with its duties as laid down in Articles 20 and 25 of Decision No. 24 of the Cartagena Agreement, the Superintendency of Foreign Investments shall be empowered to define, after consultation with the Minister of Development, those restrictive trade and other clauses which, if contained in the contracts referred to in Articles 54 and 55 of these Rules, would preclude their registration.

58. — Technological contracts signed after the entry into force of these Rules shall contain a clause requiring the supplier to train national personnel with a view to making the best possible use of the technology provided under the contract and to promote development and technological research activities in the country.

59. — Technological contributions made under the deeds, contracts and agreements referred to in Articles 56 and 58 above shall entitle the supplier to the payment of royalties, subject to the approval of the Superintendency of Foreign Investments, but shall not, however, be deemed a contribution by the owner or supplier of the technology to the capital of the recipient undertaking, whether national or joint.

When the technology is supplied to a foreign enterprise by its parent company or by another branch or subsidiary of the same parent company, the payment of royalties shall not be authorized and no deduction for the purposes of tax shall be admissible under this heading.

First paragraph: The following shall be deemed to be technological contributions: any supply, sale, lease or assignment relating to trademarks, patents or industrial designs; assistance with technical processes and administrative procedures through the provision of qualified personnel; instruments, models, documents or instructions concerning manufacturing processes and techniques; and any other article or service of a similar nature which the Superintendency of Foreign Investments deems should be classed as such.

Second paragraph: This provision shall not apply to personal services which are occasional or which represent an amount below the relevant ceiling fixed by the Superintendency of Foreign Investments. The duty to inform the Superintendency of Foreign Investments in advance shall be applicable in all cases.

60. — The Superintendency of Foreign Investments may at any time verify that contracts are carried out in accordance with the approved terms and, in this connection, the contracting parties shall, if so requested, report on the activities performed under the contracts and, in particular, on whether the process, patent or trademark is being effectively exploited in satisfactory economic conditions.

In the event of a breach of the terms of an approved contract, the Superintendency may, according to the gravity of the breach, suspend or revoke the registration of the contract, stating its reasons for so doing.

61. — Contracts relating to the importation of technology and to patents and trademarks, which were concluded before January 1, 1974, and are still in force, shall be submitted to the Superintendency of Foreign Investments for registration within six (6) months from the date of entry into force of these Rules.

62. — Payments of royalties and other fees for the use of trademarks, patents or industrial designs shall not be permitted beyond the period of validity of the industrial property titles granted under the Industrial Property Law.

63. — The deeds, agreements or contracts, as well as amendments thereto, referred to in Articles 56 and 58, which have not been registered with the Superintendency of Foreign Investments, shall have no legal effect and accordingly shall have no effect either as between the parties or as against third persons.

Chapter IX — Appeals

72. — If the Superintendency of Foreign Investments fails to take a decision on matters within its competence within the time-limits laid down in these Rules, the application shall be regarded as having been rejected and the applicant may appeal to the Minister of Development in accordance with Article 75 below. Where no time-limit has been set, the Superintendency shall take its decision within 30 working days from the date of receipt of the application in question.

The Superintendency of Foreign Investments shall report monthly to the Minister of Development on all cases which

have not been settled within the time-limits stipulated in these Rules.

73. — Appeals for reconsideration of decisions pronounced by the Superintendency of Foreign Investments may be lodged within 15 working days from the date of publication or notification of the decision, as the case may be.

74. — The Superintendency of Foreign Investments shall take a decision on appeals submitted to it within a period not exceeding 15 working days from the date of receipt of the appeal. Exceptionally, if the case requires further study for reconsideration, this period may be extended by a further 15 working days.

75. — Appeals against decisions of the Superintendency may be lodged with the Minister of Development within 15 working days from the date of notification of the decision of the Superintendency or of the notification of the rejection of an appeal for reconsideration where the applicant has made use of the latter remedy. The Minister shall take his decision within a period which shall in no case exceed 30 working days from the date of receipt.

76. — The exercise of the rights of appeal described in this chapter of the Rules shall not stay execution of the action appealed against.

Chapter X — Final Provisions

78. — The Superintendency of Foreign Investments shall incorporate procedures for the consideration of investment applications and registration of the contracts and agreements referred to in Chapters III, V and VII of these Rules within the internal regulations which it lays down for the purpose.

Legal Protection of Scientific Discoveries

Fredrik NEUMEYER *

Introduction

On August 19, 1971, the Chairman of the State Committee for Inventions and Discoveries of the USSR Council of Ministers sent a letter to the Director General of WIPO. In this letter WIPO was asked to consider the question of the legal status of scientific discoveries internationally and their place in the system of protection of intellectual property. The Executive Committee of the Paris Union took up the subject on its agenda in September 1971, and a first report was produced by the Director General in August 1972, giving an outline of national systems for the recognition or recording of the authorship of scientific discoveries. A Working Group on Scientific Discoveries was then constituted by WIPO and met twice (in November 1973 and November 1974); a questionnaire was sent to all Paris Union member countries and the replies were analyzed in September 1974¹. Many countries of the Paris Union Executive Committee asked for a thorough study of the national systems of protection of scientific discoveries before further decisions were taken.

The purpose of this paper is to make a contribution to such a study by first presenting legislation on scientific discoveries in three countries, the *Soviet Union*, *Czechoslovakia* and *Bulgaria*, on the one hand, and the treatment of discoveries in the law of the *United States of America* and *Germany*, on the other hand. The analysis of the situation in the United States of America and in Germany is based on leading court and patent office decisions made since the adoption of the first federal patent laws (in 1791 and 1877, respectively). This analysis shows "by negative selection" what scientific discoveries are, in the light of judicial interpretation and as distinguished from patentable inventions in these countries, and what they are not. At the end of this paper, a summary is given of the remarkable work of the League of Nations, starting in 1922, in preparation for an international convention on "scientific property."

Soviet Union

On August 21, 1973, the Soviet Union promulgated a new Statute on Discoveries, Inventions and Rationalization Proposals² and approved Regulations for the Drafting of Applications in respect of Discoveries on December 11, 1973³. Both Statute and Regulations entered into force on January 1, 1974. The main provisions on rights for discoveries are now to be found in Part II of the new Statute (Sections 10 to 20),

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¹ In the meantime the Soviet Union had adopted a New Statute on Discoveries, Inventions and Rationalization Proposals on August 21, 1973 (*Industrial Property*, 1974, p. 298) as well as Regulations for the Drafting of Applications in respect of Discoveries, which entered into force on January 1, 1974 (*Industrial Property*, 1975, p. 62).

² *Industrial Property*, 1974, p. 298.

³ *Industrial Property*, 1975, p. 62.

certain provisions in Part V (on secret discoveries), and Part VIII (on the right to remuneration and other privileges).

The new Statute defines "discovery" as the determination of hitherto unknown objective laws, properties or phenomena of the material world, bringing about fundamental changes in the standard of knowledge (Sec. 10). A diploma is granted in the name of the author certifying that the revealed laws, properties or phenomena are recognized as a discovery as well as priority and authorship of the discovery (Sec. 11). The diploma is granted by the State Committee for Inventions and Discoveries of the USSR Council of Ministers⁴. A provision is made for a kind of "service discovery" — where the discovery is made in the performance of assigned tasks. In this case the respective enterprise is granted a certificate (Sec. 20). Applications relating to a discovery now have to undergo a preliminary examination before they are accepted for consideration. This procedure is considered necessary as a filter to eliminate applications which do not comply with the requirements of the Statute⁵. When the claimed concept is recognized as a discovery the State Committee confirms the formula of the discovery, establishes the date of priority and records it in the State Register of Discoveries (Sec. 17). If the registered discovery is not challenged within one year from the date of registration, the State Committee grants the diploma and pays a remuneration to the author (Sec. 19). This remuneration is fixed by the State Committee up to a maximum of 5000 roubles (Sec. 109). Discoveries for which diplomas have been granted and which have been utilized, as well as the remuneration, are entered in the author's record of service (Sec. 135). In the case of discoveries which are capable of being applied in science and technology, the State Committee makes recommendations concerning the utilization of the discovery for examination by the State Committee for Science and Technology, which establishes a plan for the utilization of the recommended discovery in the national economy (Sec. 17). The new Statute obviously places great emphasis on the utilization of discoveries which are capable of being applied directly or which can be indirectly utilized by means of inventions made on the basis of the laws, properties and phenomena of the material world that have been brought to light⁶.

The following five points are the nucleus of the system of State recordal of discoveries provided for in the new Statute: (i) corroboration of the authenticity of scientific concepts; (ii) determination of the priority of the author; (iii) recognition of the merits of the authors of discoveries; (iv) assistance in the solution of scientific and technical problems associated with discoveries; and (v) State registration of and information concerning discoveries with a view to their comprehensive use "in science and the national economy" (Instructions for

⁴ Hereinafter: State Committee.

⁵ E. Artemiev, "The New Soviet Law on Inventive Activity," *Industrial Property*, 1974, p. 320.

⁶ E. Artemiev, *op. cit.*, p. 321.

the Drafting of Applications Concerning Discoveries, of December 11, 1973, Sec. 1).

The number of scientific discoveries which were officially recognized by diploma up to 1973, i. e. in the lifetime of the former Statute on Discoveries, Inventions and Rationalization Proposals of 1959, amounted to not many more than a hundred discoveries⁷ although almost 10,000 applications had been filed with the State Committee⁸.

Czechoslovakia

On November 1, 1972, Czechoslovakia promulgated a new Law on Discoveries, Inventions, Rationalization Proposals and Industrial Designs⁹, Sections 9 to 23 of which relate to discoveries. This Law has in fact taken over, with some small changes, the provisions on the registration of scientific discoveries in the former industrial property law of 1957¹⁰. The new Law defines a discovery as any determination of phenomena, properties or laws of the material world that were previously unknown, that exist objectively and that are proved by a scientific method (Sec. 9).

Applications for a diploma for a discovery are filed with the Office for Inventions and Discoveries, which examines whether the discovery fulfills the requirements for the grant of a diploma. If the examination is favorable, the application concerned is transmitted to a State academy of sciences or other appropriate institution, for its opinion. If the opinion is favorable, the Office, after hearing the author, draws up the definition of the discovery and its designation, and publishes the said designation with a view to opposition. At the end of the opposition period, the Office either refuses the application or grants a diploma, which entitles the author to remuneration. The amount of remuneration is fixed by the Office, after hearing the State academies of sciences specified in the Law.

Since the former (1957) law came into force until August 1973, 1462 applications for the protection of discoveries have been filed, but only seven diplomas have been granted. The total remuneration paid during this period was 113,000 crowns¹¹. Remuneration for discoveries is based on Ordinance No. 106 of 1972 on Remuneration which in Section 2 provides that it is to be assessed by reference to the importance of the discovery for the continued development of science, technology and the economy, especially the direct or indirect influence which the discovery exerts upon the respective scientific branch, the possibility of using it in the social sphere and the economic value of the discovery.

Bulgaria

The legal protection of discoveries is governed by the Law on Discoveries, Inventions and Rationalization Proposals, of February 3, 1961 (Sections 5 to 7, 13, 17, 19 to 21 and 23 to

24)¹² and by Implementing Regulations (No. 24) of 1961 (Sections 1, 2, 21 to 23, 123, 144, 147 and 150). The new Law on Inventions and Rationalizations¹³, which entered into force on January 1, 1969, does not affect the system governing discoveries under the Law of 1961.

The Law of 1961 defines a discovery as the establishment of properties, phenomena and characteristics existing but previously not known to exist in the material world (Sec. 7). The discovery must be filed with the Institute of Inventions and Rationalizations with a view to the grant of a discovery diploma. The author is required to prove his discovery either by theory or by experiment. His application is subject to examination and is evaluated by all means available to science and with the aid of technical information media. Examination as to substance of the discovery is carried out by the Bulgarian Academy of Science or a corresponding scientific research institute. In contrast to Soviet law, it is immaterial whether the results of personal scientific research activity are achieved in the course of the author's duties under a contract for scientific research or the like. If the discovery is accepted as such, a diploma is issued to the author (Sec. 21). The Bulgarian law grants moral and material rights to the authors of discoveries which are certified by diplomas. The author receives the title of discoverer and an award of 5000 levas. He also enjoys other privileges such as preferential treatment with respect to admittance to competitions for a position in a research organization, assignment to specialized studies, grant of fellowships, or extra annual leave.

During the period from 1968 to 1971, 27 applications concerning discoveries were filed in Bulgaria with the Institute of Inventions and Rationalizations. No discovery diplomas were granted during that period.

United States of America

The United States Constitution framed in 1787 and adopted in 1789 is still of utmost importance for the interpretation of the law of the country. In Section 8 of its first Article it lays down 19 areas of administration in which Congress may make rules and legislate. One of them runs as follows:

"To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

The use of pairs of concepts in three places ("Science and useful Arts," "Authors and Inventors," "Writings and Discoveries") is a source of great difficulty for the interpretation of this constitutional provision. Unfortunately, no verbatim record of the proceedings in Congress have been secured to unveil the intent of the drafting committee of the Constitution.

We are here concerned with the question whether the Constitution really wanted to express that the new Congress (first convening in 1789) was authorized to legislate about the right to scientific discoveries as we understand the concept today. The Constitutional provision was not self-executing. According to a congressional committee of our time, this

⁷ See an article by the author on the protection of scientific discoveries in the law of the Soviet Union in *Gewerblicher Rechtsschutz und Urheberrecht, Internationaler Teil (GRUR Int.)*, June/July 1973, p. 376, at p. 381.

⁸ WIPO document P/EC/VIII/9, August 22, 1972.

⁹ *Industrial Property*, 1973, p. 331.

¹⁰ *La Propriété industrielle*, 1958, p. 86.

¹¹ Information provided by Professor K. Knap, Institute for Copyright and Industrial Property Rights, Charles University, Prague, September 1973.

¹² *Industrial Property*, 1966, p. 213.

¹³ *Industrial Property*, 1971, p. 73.

provision is really two provisions merged into one: the first provision is to promote the progress of *science* by securing to *authors* exclusive rights to their *writings*, the word "science" having the meaning of knowledge in general; and the other provision is to promote the progress of "useful arts" by securing to "inventors" the exclusive right to their "discoveries." This second part led, on April 10, 1790, to the first patent law of the country: an "Act to Promote the Progress of Useful Arts"¹⁴. In this Act (Sec. 1, 2, 4 and 6) the terms "invention or discovery" are used as synonymous concepts: persons who had "invented or discovered any useful art, manufacture, engine, machine, or device, or any improvement therein not before known or used" were given "the sole and exclusive right and liberty of making, constructing, using, and vending to others to be used, the said invention or discovery."

From this it appears that the first law did not afford protection for all the results of intellectual property, but only for industrial or technical property specified as a useful art: manufacture, engines, machines, devices, or improvements thereof. Discoveries regarding new theories or natural laws could not be protected as such unless they could be embodied in technical inventions and thus come under the patent laws.

Considerable uncertainty prevailed, however, as to the correct interpretation of the Constitution and the first Patent Act. Analysis and dicta of the courts were needed. We find relevant judicial decisions with regard to scientific discoveries all through the 19th and 20th centuries. Some of the most illuminating decisions will be briefly covered here.

One of the oldest decisions is *In Re Kemper* of 1841¹⁵. A patent was sought for improvements in the manner of constructing vessels for the stowing of ice blocks and the manner of stowing them. The novel construction of vessels was held patentable, but not the manner of stowing the ice blocks by placing them edgewise. It was held that the only thing new was the discovery of the beneficial effect of this arrangement and that this was the discovery of a thing which had existed before, since the effect had been discovered by experience. A discovery could not be the subject of a patent. A careful perusal of the Constitution and the laws of the United States of America upon the subject of patents for useful arts showed that the term discovery in those texts was not used in that sense, but always as synonymous with invention¹⁶. The court held that "no discovery will entitle the discoverer to a patent which does not in effect amount to the contrivance or production of something which did not exist before"¹⁷.

Another early case was *O'Reilly v. Morse* of 1853¹⁸. Samuel Morse conceived the idea of a single circuit electromagnetic telegraph. That certain substances can be conductors of electric current had already been discovered by Gray in 1729; other discoveries relevant to electricity had been made earlier during the eighteenth century by Franklin, Galvani and Volta. Research by Oersted, Ampère and Arago had disclosed

the magnetic induction laws. The court held that "Professor Morse had no share in making those scientific discoveries: he was not a scientist." But in 1840 he received patents for his telegraph instrument recording signals on tape as a pure device or machine using known discoveries.

Another well-known precedent is the case of *Morton v. New York Eye Infirmary* of 1862¹⁹. Morton had discovered that the inhalation of vapors, particularly sulphuric ether, renders a person or an animal incapable of experiencing pain in a surgical operation. The circuit court observed:

"In its naked ordinary sense, a discovery is not patentable. A discovery of a new principle, force, or law, operating or which can be made to operate on matter, will not entitle the discoverer to a patent.

"It is only when the explorer has gone beyond the mere domain of discovery, and has laid hold of the new principle, force, or law, and connected it with some particular medium or mechanical contrivance, by which, or through which, it acts on the material world, that he can secure the exclusive control of it under the patent laws.

"He controls the discovery through the means by which he has brought it into practical action or their equivalent. It is then an invention although it embraces a discovery.

"A discovery may be the soul of an invention, but it cannot be the subject of the exclusive control of the patentee, or the patent law, until it inhabits a body, no more than can a disembodied spirit be subjected to the control of human laws.

"The application of ether to surgical purposes was an effect produced by old agents operating by old means upon old subjects. The effect alone was new, and was a mere discovery — which, however novel and important, is not patentable."

A case decided by the Commissioner of Patents, *Ex Parte Brinkerhoff* in 1883²⁰, represents a philosophy frequently applied by the United States Patent Office rejecting patents involving medical discoveries. The Patent Office holds that methods or modes of treatment of physicians of certain diseases are not patentable. They constitute discoveries which in a majority of cases under certain conditions may accomplish certain results, but no particular method will under all circumstances and in all cases produce upon all persons the same result.

A famous group of court cases known as the "telephone cases" were decided by the Supreme Court in 1887 with respect to Graham Bell's telephone²¹. The court had to consider a method and apparatus for transmitting vocal or other sounds telegraphically by causing electrical undulations similar in form to the vibrations of the air accompanying these sounds. The court reasoned in the following way:

"In this art — or, what is the same thing under the patent law, this process, this way of transmitting speech — electricity, one of the forces of nature, is employed; but electricity, left to itself, will not do what is wanted. The art consists in so controlling the force as to make it accomplish the purpose. It had long been believed that if the vibrations of air caused by the voice in speaking could be reproduced at a distance by means of electricity, the speech itself would be reproduced and understood. How to do it was the question.

"Bell discovered that it could be done by gradually changing the intensity of a continuous electric current, so as to make it correspond exactly to the changes in the density of the air caused by the sound of the voice. This was his art. He then devised a way in which these changes of

¹⁴ The first part was the basis of the first United States Copyright Act of 1790.

¹⁵ Fed. Case No. 7,687, 1 Mac A. Pat. Cases 1. Circuit Court, District of Columbia, p. 286.

¹⁶ *Ibid.*, p. 287.

¹⁷ *Ibid.*, p. 288.

¹⁸ 15 Howard 112.

¹⁹ Fed. Case No. 9,865, 2 Fish. Pat. Cas. 320, Circuit Court, S. D., New York, p. 879.

²⁰ 27 IPQS 797; see also Arthur M. Smith, "Patent Law Cases," Vol. I, Ann Arbor 1954, p. 88.

²¹ 126 US, p. 863, especially p. 988.

intensity could be made and speech actually transmitted. Thus his art was put in a condition for practical use.

"In doing this, both discovery and invention, in the popular sense of those terms, were involved; discovery in finding the art, and invention in devising the means of making it useful. For such discoveries and such inventions the law has given the discoverer and inventor the right to a patent — as discoverer, for the useful art, process, method of doing a thing he has found; and as inventor, for the means he has devised to make his discovery one of actual value. Other inventors may compete with him for the ways of giving effect to the discovery, but the new art he has found will belong to him and those claiming under him during the life of his patent. If another discovers a different art or method of doing the same thing, reduces it to practical use, and gets a patent for his discovery, the new discovery will be the property of the new discoverer, and thereafter the two will be permitted to operate each in his own way without interference by the other. The only question between them will be whether the second discovery is in fact different from the first.

"For it is only useful arts — arts which may be used to advantage — that can be made the subject of a patent."

The telephone cases illustrate clearly the attitude of United States courts towards the protection of scientific discoveries by considering how to "find an art" in connection with devising the means of "making it useful."

In *Wall v. Leck*²² of February 1895, a patent had been granted for a process for fumigating trees and plants by hydrocyanic acid gas in the absence of the actinic rays of light, thereby destroying insects on citrus fruit trees without injuring the trees. The patent was however declared to be void since it only pointed out a way of dealing with the matter by the use of a natural phenomenon. The plaintiffs had not invented any machine, device, or mode to exclude the actinic or other rays of light.

"A mere naked principle, a law of nature, or property of matter cannot be patented. So long as the principle is a mere item of knowledge, and sometimes from its nature it must always remain such, no patent can be held valid, however brilliant and useful the discovery may be.

"The laws necessarily recognize and protect this right, and do not permit any man to exclusively use the conditions which are the gifts of nature, simply because he was the first one to discover its value. Not until some new instrument or method is contrived for its direction towards ends which it cannot naturally accomplish does his creative genius manifest itself²³."

The famous case of *De Forest Radio Co. v. General Electric Co.* of 1931²⁴ concerned Langmuir's patent for the high vacuum discharge tube. It was argued, in that case, that the Langmuir patent was invalid since it did not involve any inventiveness in view of the scientific knowledge available. The court considered that the evidence cited in this respect was no more than the scientific explanation of what earlier scientists before Langmuir had known of the effect of high vacuum on the discharge in the tube and the methods and devices for procuring the vacuum. Making the distinction between invention and discovery, the court stated that "it is a method and device which may be patented and not the scientific explanation of their operation."

In *Dennis et al. v. Pitner* of 1939²⁵, a patent for an insecticide, consisting of an extract from the root of the cube plant found in South American countries, was held invalid. The

court found that the patentee had used nothing more than pure cube root and stated that it could not conceive that Congress had intended to issue patents for the discovery of a mere natural element or its properties.

A classic case, involving validity and infringement of three patents granted to Professor Harry Steenbock of the University of Wisconsin, is *Wisconsin Alumni Research Foundation v. Vitamin Technologists, Inc.*, of 1941²⁶. The Steenbock patents were directed to processes for imparting anti-rachitic properties to organic substances, among others yeast, by the action of ultraviolet rays produced by quartz mercury vapor lamps. The defendants pleaded invalidity on the ground that the patented inventions only covered a law or process of nature: the formation of vitamin D in foods through exposure to the sun. The court held that the activation of vitamin D in medicine or food had not occurred "unaided by man," but that the effects of sunlight had been followed up by the invention of a new method accomplishing through artificial means what sunlight could not do. The inventor had gone beyond the domains of discovery, had laid hold of a new force and had connected it with some mechanical contrivance through which it acted. This use was held patentable.

However, three years later, in *Vitamin Technologists, Inc. v. Wisconsin Alumni Research Foundation* of 1944²⁷, the Steenbock patents were declared invalid. It was held that ultraviolet light was a natural form of energy. Men might devise or improve machines for its more effective utilization and obtain patents upon the machine. "But it would be a monstrous thing if the energy itself could be made the subject of a monopoly." Sunlight activated the vitamin D principle, but because of unfavorable atmospheric conditions it was not effective in all cases. The artificial process differed in no essential particular from the natural one — the process itself was as ancient as the sun.

Mention should be made here of a copyright case which illustrates the limitation on any exclusive right to scientific information (about discoveries) presented in the form of a book under United States copyright protection — the case of *Ricker v. General Electric Co.* of 1947²⁸. There it was held that the author "has no monopoly of the scientific information with which her book deals, nor has she a monopoly of the idea of expounding such information in simple language comprehensible by lay readers." Dissemination of discoveries described in books cannot be prevented by any legal provisions.

In another important patent infringement case, *Funk Bros. Seed Co. v. Kalo Inoculant Co.*²⁹ of 1948, the patent claimed an inoculant for leguminous plants comprising a plurality of selected mutually non-inhibitive strains of different species of bacteria being unaffected by each other in respect of their ability to fix nitrogen in the plant for which they were specific. The Supreme Court held that the inventor had not created a state of inhibition or of non-inhibition in the bacteria. It continued: "The qualities of these bacteria, like

²² 66 Fed. R. 552, at 555, Circuit Court of Appeals, Ninth Circuit.

²³ *Ibid.*, p. 558.

²⁴ 283 US p. 664; US Supreme Court, 1931.

²⁵ 106 F. (2d) 142, C. C. A. 7th Circ.

²⁶ 41 F. Supp. 857, D. C. S. D. Cal., 1941.

²⁷ 146 F. (2d) 941, C. C. A. 9th Circ.

²⁸ 1962 F. (2d) 141, C. C. A. 2nd (1947), Copyright Office Bulletin No. 26 (Copyright Decisions 1947-1948), p. 285.

²⁹ 333 US 127.

the heat of the sun, electricity, or the qualities of metals, are part of the storehouse of knowledge of all men," and "however ingenious the discovery of that natural principle may have been, the application of it is hardly more than an advance in the packaging of the inoculants. The bacteria perform in their natural way. Their use in combination does not improve in any way their natural functioning. They serve the ends nature originally provided and act quite independently of any effort of the patentee."

Finally, the Supreme Court stated that "we cannot so hold without allowing a patent to issue on one of the ancient secrets of nature now disclosed." One Justice (Frankfurter) raised doubts about introducing terms such as "the work of nature" and the "laws of nature." According to him, "these are vague and malleable terms infected with too much ambiguity and equivocation. Everything that happens may be deemed the work of nature, and any patentable composite exemplified in its properties the laws of nature. Arguments drawn from such terms for ascertaining patentability could fairly be employed to challenge almost every patent," he thought. Two Chief Justices dissented from the majority opinion.

The principles laid down in *Funk Bros. v. Kalo* were confirmed in a relatively recent case, *Armour Pharmaceutical Co. v. Richardson-Merrell Inc.* of 1968³⁰. The patent in dispute claimed an article of manufacture, for the introduction of trypsin into the bloodstream for the systematic treatment of inflammation, which comprised an orally administrable dosage unit enterically coated so as to resist dissolution until it reached the ileum, in which it disintegrated for absorption into the bloodstream.

Referring to the above-mentioned Funk case (1948), the court held that the test of patentability of a natural phenomenon was: "Would an artisan, knowing the newly discovered natural phenomenon, require more than ordinary skill to discover the process by which to apply that phenomenon as the patentee has done?" The answer was: "Once nature's secret that the ileum would absorb trypsin was uncovered, any artisan would have known the process of enterically coating the trypsin to enable it to pass through the acid environment of the stomach and continue into the ileum." The patent was held invalid.

These cases show how the courts and the Patent Office of the United States of America have interpreted Section 8 of Article 1 of the Constitution. The result is fairly clear. Scientific discoveries without any application falling under the four categories "art, machine, manufacture, or composition of matter" are not protected by patent law. It is however worth quoting an eminent legal expert of the United States of America, who said, 43 years ago: "The statutory provision is not commensurate with the constitutional authority, the latter being considerably broader than the former. The latitude between the two allows of an expansion including newly discovered scientific facts and principles"³¹. The courts have not adopted such an interpretation.

³⁰ Court of Appeals, Third Circuit, No. 16 779, May 17, 1968, in 158 USPQ 9.

³¹ Spencer, "Scientific Property," in 13 *American Bar Association Journal* 79 (1932).

Germany and Federal Republic of Germany

The discovery concept was not mentioned in the first federal German patent law of 1877, nor in any later edition of it. The discovery and invention concepts have however been the subject of ample discussion through the years in court and patent office cases in which patentability or the validity of a patent was at issue. The following paragraphs briefly describe a selection of illustrative decisions.

*Supreme Court, December 11, 1897*³². A patent for the removal of color from glass masses by using selenium was alleged to be invalid on the ground that the effect of selenium for the removal of color was a discovery only, since the process used was the same as in all known color destroying methods and had as its basis the scientifically discovered effect of complementary colors. It was held that in order to apply this effect a series of tests had been necessary, which had led to a most valuable technical success producing beautiful glassware from cheap base substances. The patent was therefore upheld by the court.

*Supreme Court, June 20, 1898*³³. This was a validity case relating to a patent for a power engine with several cylinders. It was held that, if the inventor had merely discovered that in engines with several cylinders it was possible to balance harmful free forces by a suitable shape and arrangement of the movable parts, he would have made a discovery only. The inventor had not stopped there, but had proceeded to use his theoretical insight to produce machines which put the discovered possibility into practice and used it industrially ("gewerblich"). It was considered that in this way discovery had led to invention and the patent was upheld.

*Supreme Court, May 30, 1900*³⁴. The validity was challenged of a patent for a device to collect coal or other fragile particles being in nut-shape, which device was filled with a liquid that slowed down the speed of falling of the particles when railway engines were loaded with coal and prevented the disintegration of the particles. The patented process made use of a well-known law of physics to slow down the speed of dropping of a body into a medium of different density by means of gravity. Practical use of that law had been made in various fields. It was held that, if the usefulness of the law for a new purpose had been discovered and on the basis thereof a new process had been developed with industrial success, a patent could be granted. The patent was upheld.

*Patent Office (Validity Division), March 20, 1902*³⁵. The patent concerned a power engine with more than three cranks in which the mass effects of movable parts were balanced against each other through the specific arrangement of cylinders and cranks³⁶. The Patent Office declared the patent invalid but was overruled by the Supreme Court. It was held that (in contrast to a discovery) an invention exists from the moment that human effort creates the conditions under which a law of nature appears, in circumstances where the law was

³² *Blatt* 1898, p. 22.

³³ *Blatt* 1898, p. 169.

³⁴ *Blatt* 1900, p. 302.

³⁵ *Blatt* 1903, p. 246, and Supreme Court, March 4, 1903, p. 252.

³⁶ Same patents as in the case of June 28, 1898, for Schlick's famous boat engine.

previously inactive due to the absence of the human effort. It was also stated that discoveries were only auxiliary means which could lead to an invention³⁷.

*Supreme Court, October 28, 1903*³⁸. The validity was challenged of a patent for an automatic electrolytic current interrupter with electrodes of different surface area ("Wehnelt interrupter"). The patent was upheld since earlier publication had only partly understood the laws of nature which were at the source of the invention by Wehnelt and which proved by experiment the possibility of the periodical interruption of electrical currents at very high frequencies.

*Patent Office (Appeal Section), March 17, 1905*³⁹. The patent related to a process for fixing anthracene color substance on plant fibers (cotton) by alkaline reduction and oxidation. The patent was held invalid on the ground that the analysis of the qualities of the product of the process was a necessary prerequisite for the proof of the invention. The mere citation of a chemical compound whose usefulness had not been shown by the applicant could not be patented.

*Supreme Court, February 15, 1908*⁴⁰. The validity was challenged of a patent for a process to regulate the light arc in arc lamps based on the fact that the regulating device was affected by the changing position of the light arc during the burning down of the coal electrodes. It was held that, if an applicant made a new (and perhaps valuable) observation in connection with a known device about the effective causes of a process occurring during the operation of the device, there was no patentable invention in such an observation since only something existing before had been discovered, but nothing new had been created.

*Patent Office (Appeal Section), February 3, 1915*⁴¹. The validity was challenged of a patent for the improvement of breeding results on animals by using a specific type of water to make animals immune to illness — a kind of thermal cure for animals. The Patent Office held that effects on breeding as well as the biological process of reproduction could not be protected by a patent. There must be a technical effect resulting from a technical means — the natural production of new living beings could not be such a result. The patent was held invalid.

*Supreme Court, February 1, 1933*⁴². The validity was challenged of a patent for pressure regulation creating constant gas pressure. In an earlier patent the scientific basis of the phenomenon in question had not been clearly understood, but the later scientific discovery of the physical basis of the phenomenon concerned was held unpatentable since the earlier patent has already disclosed the necessary knowledge.

*Patent Office (Appeal Section), May 15, 1952*⁴³. The validity was challenged of a patent for grown crystals of hydrocarbons. It was held that a technical invention in the field of chemistry exists only if the invention relates to a fixed technical field. If there is only some new creative intel-

lectual activity, such as the synthesis of new chemical compounds for purposes which serve pure science through the study of chemical reactions as such but which do not involve their application, no human material needs are satisfied and there is therefore no technical invention. The synthesis may be inventive as an intellectual creation but it is nevertheless not eligible for patent protection.

*Supreme Court, December 17, 1954*⁴⁴. The court upheld the validity of a patent for a process to increase the transparency of optical parts by lowering the diffraction exponent at the marginal areas of such parts by providing additional layers without changing their polished surfaces. An early work by Lord Raleigh and Bauer had explained to a large extent the physical basis of diminishing optical reflexion, but there had previously been no technical process with optical effects which could be safely calculated.

League of Nations

Far ahead of national law in any country, the League of Nations discussed, analyzed and attempted to draft an international convention on "scientific property" ("*Droit des savants*"), starting in 1922. The reason for the great interest in these questions at that time was the desire to mitigate the economic misery and scientific isolation of professional people and scientists caused by World War I. Important contributions to clarifying the concepts and to drafting convention provisions were made by representatives from Italy (Senator Ruffini), France (Professor J. Barthélemy⁴⁵ and Marcel Plaisant⁴⁶), and two Directors of the *Bureaux internationaux réunis de la propriété industrielle, littéraire et artistique* in Berne (Gariel⁴⁷ and Röthlisberger⁴⁸).

In August 1922 the League of Nations set up a Commission on Intellectual Cooperation which took up the question of scientific property on a broad basis and asked Senator Ruffini to draft an international convention for the protection of scientific property⁴⁹.

The conception of Ruffini was that existing law only recognized "the two extremes of intellectual work: the base and the summit," i. e. the technical inventor and the composer (or other artist), securing a pecuniary reward for them. In this "chain of law," he thought a link was missing. To the man of science who observes a truth from which humanity will draw immense and durable advantages "the law accords nothing"⁵⁰. Ruffini used for a definition of scientific discoveries substantially what the *Confédération des travailleurs intellectuels* (CTI) had drafted in 1921 with a view to the amendment of the French patent law. Scientific discoveries were "the proof of the existence of principles, bodies, forces

³⁷ Supreme Court decision cited in footnote 35, at p. 253.

³⁸ Blatt 1904, p. 76.

³⁹ Blatt 1906, p. 121.

⁴⁰ GRUR 1908, p. 222.

⁴¹ Blatt 1915, p. 31.

⁴² GRUR 1933, p. 296.

⁴³ Blatt 1952, p. 330.

⁴⁴ GRUR 1955, p. 386.

⁴⁵ *La Propriété industrielle*, 1922, p. 82.

⁴⁶ "*Traité de droit international conventionnel de la propriété industrielle*", Paris 1949, p. 283.

⁴⁷ *La Propriété industrielle*, 1923, pp. 113, 131, 146, 169, and 1925, p. 208.

⁴⁸ *La Propriété industrielle*, 1923, p. 16.

⁴⁹ Full text of Ruffini's report in League of Nations Document A-38, 1923, XII, September 1, 1925. For basic discussion of Ruffini's report see J. H. Wigmore-F. Ruffini, "Scientific Property," in *Illinois Law Review*, Vol. 22, December 1927, No. 4, pp. 355 ss., at pp. 359 ss.; see also *La Propriété industrielle*, 1923, pp. 169 ss.

⁵⁰ Wigmore, *op. cit.*, p. 359.

and qualities of living and dead nature not known before.”⁵¹ “Inventions” were defined as “creations of the intellect consisting of processes, apparatus, products, combinations of products and generally all new applications of discoveries and inventions.”

Ruffini called for an international union to protect a new kind of right for scientific discoveries, which he called “rights of men of science in their scientific works of discovery.” He stated that all three branches of legal systems existing at that time refused such protection for purely scientific discoveries, either by explicit exclusion in the Latin group (French and Italian law), by the absence of any mention in the Germanic group, or implicitly by the enumerative and descriptive wording of the laws in the Anglo-American group.

The “root problem,” as Ruffini called it, was: how is the scientist to be rewarded? Ruffini gave some consideration to proposals made by others, mainly by de Torres Quevedo, a professor of electrical engineering and committee colleague of Ruffini, and Röthlisberger and Gariel, Directors of the United Bureaux in Berne⁵². De Torres had suggested that 30 % of the profits obtained through patents should be divided between national laboratories (having generally a large share in producing the profits) and the authors of the ideas utilized in the patents. Gariel had suggested that a reward should be paid for discoveries out of a fund formed from subscriptions paid by industries profiting from the discoveries. Ruffini himself thought that such national law schemes might be adapted to requirements on an international level by means of a “model law” submitted to interested States. Discoverers should receive a proportion of the profits earned from the application of the discovery in industry.

With regard to the priority of a discovery, Ruffini suggested four possible ways in which priority could be established: (1) simply by publication, if the date of publication could be verified, (2) by the so-called “Soleau envelope” establishing the preliminary or final conception, communicated under sealed cover by the author and perforated by the International Bureau without opening it, (3) by a special kind of patent granted under the procedure applicable to the issue of ordinary patents, or (4) by an ordinary patent, based on an extension of the patent right (a) so as to enable biological or

pharmaceutical products to be patented, and (b) so as to provide protection for pure discoveries with a less severe examination as to the fulfillment of the patentability requirements.

In this connection, Ruffini considered that “it may well commend itself to enlightened humanity to increase the boundaries of the patent right and to sanction for the discoverer of such scientific principles a right to the share in the profits of the applications which arise from his principle.”⁵³ According to his draft, the term of the right over scientific discoveries should extend to 50 years after the death of the discoverer.

Following Ruffini’s draft convention international discussion continued on a broad basis, including the preparation of draft conventions by the International Chamber of Commerce and the International Association for the Protection of Industrial Property. There was general sympathy for the idea of creating a new legal right in favor of the author of discoveries. What was decisive, however, was that the majority of the expert opinions requested by the League of Nations from the various governments were against formally establishing rights to scientific discoveries on an international basis. Completely unfavorable opinions came from Austria, Japan and the United Kingdom (including India and South Africa). Opinions rejecting the idea of a license share for the use of a discovery came from Chile, Finland, the Netherlands, Sweden and Switzerland. Italy’s opinion was also unfavorable. Only Belgium, Brazil, Cuba, Hungary and Mexico were in favor of a convention.

The opposition was due to the complex system involved in the right of scientists to compensation, and also to the problem of assessing how much profit is likely to result from the practical use of a discovery. Strong doubts were also expressed about the influence of rights in discoveries on the existing patent system, on the rights of inventors of patentable inventions and on the reasonable interests of industry⁵⁴. During the years 1926-1927 the task of modifying the Ruffini draft was taken over by a French institute for cooperation with the League of Nations, but due to the strong opposition from other countries, the institute did not continue its work on this question.

⁵³ Wigmore, *op. cit.*, p. 376.

⁵⁴ A system of voluntary rewards for discoveries which would be granted by competent scientific institutions — like the Nobel prize committees — was suggested by experts in several countries.

⁵¹ See W. Erman, *Wissenschaftliches Eigentum*, Marburg 1929, pp. 22

ss.

⁵² *La Propriété industrielle*, 1925, p. 209.

NEWS ITEMS

FRANCE

Chef du Service de la propriété industrielle
Directeur de l'Institut national de la propriété industrielle

We have been informed that Mr. Georges Vianès, *Conseiller référendaire à la Cour des comptes*, has been appointed *Chef du Service de la pro-*

priété industrielle and *Directeur de l'Institut national de la propriété industrielle*. He succeeds Mr. François Savignon.

We take this opportunity of congratulating Mr. Vianès on his appointment.

CALENDAR

WIPO Meetings

- December 1 to 5, 1975 (Geneva) — Paris Union — International Protection of Appellations of Origin and Other Indications of Source — Committee of Experts
- December 1 to 12, 1975 (Munich) — International Patent Classification (IPC) — Working Group III
- December 8, 9 and 16, 1975 (Geneva) — International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations — Intergovernmental Committee — Ordinary Session (organized jointly with ILO and Unesco)
- December 10 to 12, 1975 (Geneva) — ICIREPAT — Technical Coordination Committee (TCC)
- December 10 to 16, 1975 (Geneva) — Executive Committee of the Berne Union (Extraordinary Session)
- December 15 to 19, 1975 (Geneva) — International Classification of the Figurative Elements of Marks — Provisional Committee of Experts
- December 15 to 22, 1975 (Geneva) — Paris Union — Group of Governmental Experts for the Revision of the Paris Convention
- January 19 to 23, 1976 (Geneva) — International Patent Classification (IPC) — Steering Committee
- January 26 to 30, 1976 (Geneva) — International Patent Classification (IPC) — Committee of Experts
- February 2 to 4, 1976 (Geneva) — ICIREPAT — Plenary Committee (PLC)
- February 2 to 10, 1976 (Geneva) — Nice Union — Temporary Working Group
- February 16 to 20, 1976 (Geneva) — Hague Union — Regulations — Working Group
- February 16 to 27, 1976 (Paris) — International Patent Classification (IPC) — Working Group IV
- February 23 to March 2, 1976 (Tunis) — Committee of Governmental Experts for the Preparation of a Model Law on Copyright for Developing Countries
(Meeting convened by the Government of Tunisia in cooperation with WIPO and Unesco)
- March 1 to 5, 1976 (Geneva) — Nice Union — Revision of the Nice Agreement — Committee of Experts
- March 9 to 12, 1976 (Geneva) — Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property — Working Group on the Use of the International Patent Classification
- March 15 to 19, 1976 (Geneva) — WIPO Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property — Permanent Committee (3rd session)
- March 22 to April 2, 1976 (Munich) — International Patent Classification (IPC) — Working Group I
- March 29 to 31, 1976 (Geneva) — Paris Union — Ad hoc Coordinating Committee for Technical Activities
- April 26 to 30, 1976 (Geneva) — ICIREPAT — Technical Committee for Search Systems (TCSS)
- April 26 to 30, 1976 (Geneva) — Paris Union — Committee of Experts on the Deposit of Microorganisms for the Purposes of Patent Procedure
- May 3 to 7, 1976 (Geneva) — ICIREPAT — Technical Committee for Standardization (TCST)
- May 3 to 7, 1976 (Geneva) — Paris and Madrid Unions — Working Group on the Use of Computers in Trademarks Operations
- May 10 to 15, 1976 (Geneva) — Paris and Berne Unions — Committee of Experts on Scientific Discoveries
- May 17 to 21, 1976 (Geneva) — International Patent Classification (IPC) — Working Group V
- May 17 to 21, 1976 (Geneva) — Paris Union — Computer Programs — Committee of Experts
- May 24 to 31, 1976 (Geneva) — Nice Union — Temporary Working Group
- June 8 to 14, 1976 (Geneva) — Paris Union — Group of Governmental Experts for the Revision of the Paris Convention
- June 14 to 18, 1976 (Geneva) — WIPO Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property — Working Group on the Model Law for Developing Countries on Inventions and Know-How
- June 21 to 25, 1976 (Geneva) — WIPO Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property — Working Group on Licensing Guidelines
- September 6 to 17, 1976 (Washington) — International Patent Classification (IPC) — Working Group III
- September 21 to 24, 1976 (Geneva) — ICIREPAT — Plenary Committee (PLC)
- September 27 to October 5, 1976 (Geneva) — WIPO General Assembly, Conference and Coordination Committee; Assemblies of the Paris, Madrid, Nice, Lisbon, Locarno, IPC and Berne Unions; Conferences of Representatives of the Paris, Nice and Berne Unions; Executive Committees of the Paris and Berne Unions; Council of the Lisbon Union — Ordinary Sessions
- September 27 to October 8, 1976 (Rijswijk) — International Patent Classification (IPC) — Working Group II
- October 6 to 8, 1976 (Geneva) — Trademark Registration Treaty (TRT) — Interim Advisory Committee
- October 11 to 15, 1976 (Geneva) — Paris and Madrid Unions — Working Group on the Use of Computers in Trademarks Operations

- October 11 to 15, 1976 (Geneva) — International Patent Classification (IPC) — Steering Committee
- October 13 to 21, 1976 (Geneva) — Nice Union — Temporary Working Group
- October 18 to 22, 1976 (Geneva) — ICIREPAT — Technical Committee for Standardization (TCST)
- October 18 to 22, 1976 (Geneva) — International Patent Classification (IPC) — Committee of Experts
- October 25 to 29, 1976 (Geneva) — ICIREPAT — Technical Committee for Search Systems (TCSS)
- October 25 to 30, 1976 (Beirut) — Regional Conference for Arab States on Industrial Property
(Meeting organized jointly with UNIDO and IDCAS)
- November 1 to 6, 1976 (Geneva) — Patent Cooperation Treaty (PCT) — Interim Committees
- November 8 to 13, 1976 (Colombo) — Seminar on the Interest of the Patent System for Industrial Development
- November 8 to 19, 1976 (Munich) — International Patent Classification (IPC) — Working Group IV
- November 15 to 17, 1976 (Colombo) — Regional Conference for Asian States on Industrial Property
- November 22 to 26 [or 30], 1976 (Geneva) — Paris Union — Group of Governmental Experts for the Revision of the Paris Convention
- November 29 to December 3, 1976 (Geneva) — WIPO Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property — Working Group on the Model Law for Developing Countries on Inventions and Know-How
- November 29 to December 10, 1976 (Rijswijk) — International Patent Classification (IPC) — Working Group I
- December 6 to 14, 1976 (Geneva) — Paris Union — International Protection of Appellations of Origin and Other Indications of Source — Committee of Experts
- March 14 to 18, 1977 (Geneva) — WIPO Permanent Legal-Technical Program for the Acquisition by Developing Countries of Technology Related to Industrial Property — Permanent Committee (4th session)
- September 26 to October 4, 1977 (Geneva) — WIPO Coordination Committee and Executive Committees of the Paris and Berne Unions

UPOV Meetings

Council: October 13 to 15, 1976

Consultative Committee: March 10 and 11, 1976; October 12 and 15, 1976

Technical Steering Committee: May 6 and 7, 1976; November 18 and 19, 1976

Working Group on Variety Denominations: in the course of the week from September 14 to 17, 1976

Committee of Experts on International Cooperation in Examination: May 3 to 5, 1976; November 15 to 17, 1976

Committee of Experts on the Interpretation and Revision of the Convention: December 2 to 5, 1975; February 17 to 20, 1976; September 14 to 17, 1976

Note: All these meetings will take place in Geneva at the headquarters of UPOV

Technical Working Party for Vegetables: March 23 to 25, 1976 (Wageningen - Netherlands)

Technical Working Party for Ornamental Plants: May 12 to 14, 1976 (Melle - Belgium)

Technical Working Party for Agricultural Crops: May 24 to 26, 1976 (Tystofte - Denmark)

Technical Working Party for Fruit Crops: June 16 to 18, 1976 (Hanover - Federal Republic of Germany)

Technical Working Party for Forest Trees: August 17 to 19, 1976 (Humblebak - Denmark)

Meetings of Other International Organizations concerned with Intellectual Property

December 10 to 16, 1975 (Geneva) — United Nations Educational, Scientific and Cultural Organization (UNESCO) — Intergovernmental Copyright Committee established by the Universal Copyright Convention (as revised at Paris in 1971) — First extraordinary session

December 17 to 19, 1975 (Rijswijk) — International Patent Institute — Administrative Board

January 16, 1976 (Paris) — International Literary and Artistic Association — Executive Committee and General Assembly

February 2 to 6, 1976 (Strasbourg) — Council of Europe — Legal Committee on Broadcasting and Television

May 9 to 13, 1976 (Munich) — International League Against Unfair Competition — Congress

May 24 to 29, 1976 (Athens) — International Literary and Artistic Association — Congress

May 25 to June 1, 1976 (Tokyo) — International Publishers Association — Congress

September 26 to October 2, 1976 (Montrenx) — International Association for the Protection of Industrial Property — Executive Committee

September 27 to October 1, 1976 (Paris) — International Confederation of Societies of Authors and Composers — Congress

October 11 to 16, 1976 (Varna) — International Writers Guild — Congress