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World Intellectual Property Organization

WIPO Convention

I.

Ratification

PERU

The Government of Peru deposited, on June 4, 1980, its instrument of ratification of the Convention Establishing the World Intellectual Property Organization, signed at Stockholm on July 14, 1967.

Peru will belong to Class C for the purpose of establishing its contribution towards the budget of the WIPO Conference.

The WIPO Convention will enter into force, with respect to Peru, on September 4, 1980.

WIPO Notification No. 112, of June 6, 1980.

II.

Accession

ARGENTINA

The Government of Argentina deposited, on July 8, 1980, its instrument of accession to the Convention Establishing the World Intellectual Property Organization.

The said Convention will enter into force, with respect to Argentina, on October 8, 1980.

WIPO Notification No. 113, of July 8, 1980.

International Unions

Paris Convention

Accession to the Stockholm Act (1967) (with the exception of Articles 1 to 12)

ARGENTINA

The Government of Argentina deposited, on July 8, 1980, its instrument of accession to the Stockholm Act of July 14, 1967, of the Paris Convention for the Protection of Industrial Property of March 20, 1883, with a declaration to the effect that its accession shall not apply to Articles 1 to 12.

The Stockholm Act (1967) of the said Convention, with the exception of Articles 1 to 12, will enter into force, with respect to Argentina, on October 8, 1980.

Paris Notification No. 100, of July 8, 1980.

Madrid Agreement (Indications of Source)

Ratification of the Additional Act of Stockholm (1967)

CUBA

The Government of Cuba deposited, on July 4, 1980, its instrument of ratification of the Additional Act of Stockholm of July 14, 1967, to the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of April 14, 1891.

The Additional Act of Stockholm (1967) to the said Agreement will enter into force, with respect to Cuba, on October 7, 1980.

Madrid (Indications of Source) Notification No. 21, of July 7, 1980.

Patent Cooperation Treaty (PCT)

Ratification

FINLAND

The Government of Finland deposited, on July 1, 1980, its instrument of ratification of the Patent Cooperation Treaty (PCT), done at Washington on June 19, 1970.

The said instrument contains the following reservation:

"Finland enters a reservation pursuant to Article 64(2)(a)(ii) to the effect that the obligation to delay national processing, as provided for under Article 40, shall not prevent publication, by or through its national Office, of the international application or a translation thereof, it being understood, however, that it is not exempted from the limitations provided for in Articles 30 and 38."

The said Treaty will enter into force, with respect to Finland, on October 1, 1980.

PCT Notification No. 33, of July 4, 1980.

Vienna Agreement (Classification)

Ratification

SWEDEN

The Government of Sweden deposited, on June 5, 1980, its instrument of ratification of the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks, done at Vienna on June 12, 1973.

A separate notification will be made of the date of the entry into force of the said Agreement, when the required number of ratifications or accessions is reached.

Vienna (Classification) Notification No. 4, of June 9, 1980.

WIPO Meetings

WIPO Permanent Program for Development Cooperation Related to Industrial Property

Permanent Committee

Seventh Session
(Geneva, April 28 to May 1, 1980)

NOTE*

The WIPO Permanent Committee for Development Cooperation Related to Industrial Property held its seventh session in Geneva from April 28 to May 1, 1980. Forty-eight States, members of the Permanent Committee, eight States, non-members of the Permanent Committee, seven intergovernmental and eleven international non-governmental organizations were represented. The list of participants appears at the end of this Note. Colombia, El Salvador and Malawi became members of the Permanent Committee since its preceding session,¹ bringing the total membership to 67 States.

* This Note has been prepared by the International Bureau.

¹ A Note on the sixth session of the Permanent Committee was published in *Industrial Property*, 1979, p. 151.

In accordance with the special provisions contained in the approved budget of WIPO, travel and subsistence expenses were paid by WIPO for one delegate from each of the countries represented at the session which are members of the Permanent Committee and are regarded as being among the least developed of the developing countries.

The Permanent Committee reviewed activities since its last session and plans for continuing and future activities, on the basis of the relevant program and budget items approved by the Governing Bodies of WIPO for the years 1980 and 1981.

In reviewing activities concerning *training* (individual training and training in groups), several delegations made detailed or general suggestions to be taken into account in planning and implementing the program. Most delegations congratulated the International Bureau on the program's further development since the last session of the Permanent Committee. Several delegations expressed their appreciation of the training so far received by their nationals. Several delegations announced their continued or—in the case of the Delegations of Spain, Germany (Federal Republic of), Canada, the Soviet Union, France and the United Kingdom—increased contributions to the WIPO Training Program. The Delegation of the Federal Republic of Germany announced

that its Government would most probably organize a course on marks in 1981. The Delegation of Poland stated that its country would participate in training nationals of developing countries by offering a training course at the Patent Office of Poland for a trainee from a developing country.

The Permanent Committee was invited to comment on the draft of the parts of the new *Model Law for Developing Countries on Inventions and Know-How* which remained to be published (Part I, on patents, was published in August 1979). The draft dealt with know-how, the examination and registration of contracts, inventors' certificates, technovations and, in an annex, transfer of technology patents. The draft was based on the views expressed during the last session of the Working Group on the Model Law (March 1979).

Several delegations and observer organizations suggested changes in the text of the draft, and, in respect of each of its parts (except that relating to transfer of technology patents), one or more delegations expressed the view that it did not serve the interests of developing countries seeking foreign investment or transfer of technology. Two sections of the draft, dealing with rights and obligations under know-how contracts and with contracts concluded before the entry into force of the new law, were the subject of particularly strong criticism on the part of several delegations. As far as the part dealing with examination and registration of contracts is concerned, several delegations suggested that its publication should await the adoption of the International Code of Conduct on the Transfer of Technology in course of preparation in the United Nations Conference on Trade and Development (UNCTAD) since it was desirable to avoid too great differences between that Code and this part of the draft.

On the other hand, all the delegations representing developing countries said that they were generally satisfied with the Draft, found it consistent with their interests and urged its early publication. Furthermore, the Delegation of the Soviet Union said that the Group D countries found that there was no reason to delay publication.

The Director General said that most, if not all, of the criticisms made in the present session had already been made in written observations in 1978 and 1979 and those written observations had been placed before the WIPO Working Group on the Model Law at its last session. He said that careful note had been taken by the Secretariat of all the criticisms voiced in the present session and that the Secretariat would carefully consider them once more.

It was generally understood that the Model Law would be published under the sole responsibility of the Director General, that it did not necessarily express the views of any government, and that it did not bind

any State neither as far as its domestic law nor as far as its international obligations were concerned.

The Permanent Committee noted that drafts were being prepared or revised on *basic options for legislators* in connection with the Model Law on Inventions, on "*Trademarks for Development*" and on industrial property aspects of *consumer protection*, for consideration by groups of consultants or experts.

In its review of activities and plans relating to the building of *governmental institutions* for industrial property, the Permanent Committee devoted particular attention to the importance of *cooperation among developing countries*, and noted that close consultation was being maintained with the regional commissions of the United Nations and with the United Nations Development Programme (UNDP) in order to ensure that activities for the promotion and support of such cooperation were fully relevant to current policies, possibilities and needs. The Permanent Committee noted with approval activities in support of the African Intellectual Property Organization (OAPI) and its Patent Documentation and Information Center (CADIB), the Industrial Property Organization for English-Speaking Africa (ESARIPO) and the Patent Documentation and Information Centre for English-Speaking Africa (ESAPADIC), the Andean Group, the Latin American Data Service (LADS) and the Industrial Development Centre for Arab States (IDCAS).

In a discussion of meetings organized by WIPO on the encouragement of *technological innovation* in developing countries, the Delegation of the Sudan announced that its Government planned to invite WIPO to organize, jointly with that Government, a regional (Afro-Arab) meeting dealing with innovation in Khartoum, probably in January or February 1981.

The Permanent Committee examined an outline description, presented by WIPO, of a possible system for *international cooperation in the examination of patent applications*, to assist developing countries unable to justify the investment in staff, documentation and other equipment required for substantive examination.

Many delegations spoke on this matter and they all welcomed the initiative of the Director General of WIPO, including a plan for the convocation of a group of consultants preferably in 1980. The general view of the Permanent Committee was that the matter was clearly and exclusively within the jurisdiction of WIPO, that the contemplated cooperation would be extremely useful for developing countries desiring to formulate a judgment on the patentability of the inventions of their own nationals, and that the feasibility of the cooperation system should be thoroughly explored. Several delegations and observers offered their participation in the planned group of consultants.

Plans were noted with approval for cooperation with governments of developing countries for the development of the *profession* of industrial property lawyer and agent, including plans for the convening of a small group of consultants. Several delegations underlined the importance of the activity in question and welcomed the initiative of the International Bureau. Observer organizations whose membership consists of or includes industrial property lawyers and agents offered their cooperation.

LIST OF PARTICIPANTS*

I. States

Algeria²: M.H. Kadi. Angola: S. Costa; A. Fernandes Júnior. Austria²: J. Fichte; M. Sajdik. Barbados: L.S. Hunte; D.B. Rhynd. Benin²: B. Olaye. Brazil²: A. Libert Westphalen; A.-G. Bahadian; A. Marques Porto. Bulgaria²: I. Kotzev. Cameroon²: J.-R. Booh. Canada²: F. Hay; M.R. Leir. Chile²: R. Plaza. Colombia²: A. Gomez. Czechoslovakia²: J. Čížek. Democratic People's Republic of Korea²: G. W. Jo; C.R. Pak. Egypt²: A.A. Omar. El Salvador²: N.R. Monge Lopez; C. Barahona Rivas. Ecuador: C. Izquierdo. Finland²: F. Edman. France²: G. Vianès; M. Hiance. German Democratic Republic²: O. Hugler. Germany (Federal Republic of)²: M. Aúz Castro; J. Wenzl. Hungary²: Z. Szilvássy. Indonesia²: H. Reksodiputro. Iraq²: G.A. Rafik. Israel²: I. Eliashiv. Italy²: S. Samperi; L. Spadea Dinale. Ivory Coast²: G. Doh. Japan²: K. Kujirai; H. Hayashida. Kenya²: J. N. King'Arui. Libyan Arab Jamabiriya²: M.M. Milad. Malaŵi²: M.H. Chirambo. Mexico²: O. Garrido-Ruiz. Morocco²: A. Bojji. Netherlands²: W. Neervoort. Niger²: I. Foukori. Norway²: T. Hansen. Oman: M. Hamdan. Pakistan²: S. Bashir. Poland²: A. Olszowka. Portugal²: R. Serrão. Qatar: A.R. Al Attiyah; A. Zaman. Republic of Korea²: S.H. Kim; J.H. Kum; D.N. Kim; M.G. Kang. Senegal²: A. Sène; P. Crespin; K. Koma. Soviet Union²: V. Ilyin; A. Ruban; V.N. Poliakov. Spain²: J. Delicado Montero-Ríos; L. Nagore. Sri Lanka: I.B. Fonseka. Sudan²: M.S. Abdalla; A.M.O. Yassin. Sweden²: T. Halén; J.G. Petersson. Switzerland²: R. Kämpf; J.-M. Salamolard. Turkey²: E. Tümer. United Kingdom²: P. Ferdinando. United States of America²: M.K. Kirk; S. Brattain. Upper Volta²: K.I. Yameogo. Uruguay: C.A. Barros-Oreiro. Venezuela: G. Pérez-Castillo; E. Pietri. Yemen²: A.Y. Al Modwahi. Zaire²: E. Esaki Kabeya.

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

² State member of the WIPO Permanent Committee for Development Cooperation Related to Industrial Property.

II. United Nations Organizations

United Nations Conference on Trade and Development (UNCTAD): D. Chudnovsky. United Nations Industrial Development Organization (UNIDO): S.-P. Padolecchia. United Nations Development Programme (UNDP): N.J. Desai.

III. Other Intergovernmental Organizations

African Intellectual Property Organization (OAPI): P. N'Goma. European Patent Office (EPO): S. Behmo; S.C. Gees. Industrial Development Centre for Arab States (IDCAS): A. Abdulhak. Organization of American States (OAS): F.E. Hurtado de Mendoza.

IV. International Non-Governmental Organizations

Benelux Association of Trademark and Design Agents (BIMM): R.H. van Dijk. Center for the International Study of Industrial Property (CEIPI): F. Savignon. Council of European Industrial Federations (CEIF): W. Kuster. European Federation of Agents of Industry in Industrial Property (FEMIP): J.-M. Dopchic. International Chamber of Commerce (ICC): G.F. Kunze; A. Frignani; J.-M. Dopchic. International Federation of Inventors' Associations (IFIA): S.-E. Angert. International Federation of Patent Agents (FICPA): M.-P. Micheli. International Federation of Pharmaceutical Manufacturers Associations (IFPMA): W. Kuster. International Patent Documentation Center (INPADOC): G. Quarda. Union of European Practitioners in Industrial Property (UEPIP): G.E. Kirker. Union of Industries of the European Community (UNICE): C.G. Wickham.

V. Officers

Chairman: J. King'Arui (Kenya). Vice-Chairmen: G. Vianès (France); V. Ilyin (Soviet Union). Secretary: I. Thiam (WIPO).

VI. International Bureau of WIPO

A. Bogsch (*Director General*); K.-L. Liguier Laubhouet (*Deputy Director General*); L. Baeumer (*Director, Industrial Property Division*); M. Porzio (*Director, Office of the Director General*); I. Thiam (*Director, External Relations and Development Cooperation Policy Division*); F. Curchod (*Head, Special Projects Section, Industrial Property Division*); P.A. Higham (*Senior Patent Information Officer, Classifications and Patent Information Division*); L. Kadrigamar (*Head, Development Cooperation Policy Section, External Relations and Development Cooperation Policy Division*); F. Moussa (*Head, External Relations Section, External Relations and Development Cooperation Policy Division*).

General Studies

The Revision of the International Treaty Provisions Dealing with Appellations of Origin and Indications of Source

R. PLAISANT*

1. The discussions on a revision of the provisions dealing with indications of source and appellations of origin in the treaties administered by WIPO—the Paris Convention for the Protection of Industrial Property (hereinafter “Paris Convention”), the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (hereinafter “Madrid Agreement”) and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (hereinafter “Lisbon Agreement”)—have been going on for more than five years.¹ A distinction must be made between the work of the Committee of Experts on the International Protection of Appellations of Origin and Other Indications of Source, basically dealing with the revision of the above-mentioned Agreements, and that of the Preparatory Intergovernmental Committee on the Revision of the Paris Convention, dealing with the revision of the Paris Convention and the conflict between a trademark and an appellation of origin.

2. A study of these documents calls forth a first remark. The number of countries interested in appellations of origin, indications of source and geographical indications in general would seem much greater than was earlier the case, particularly among the developing countries. The report on the fourth session of the Preparatory Intergovernmental Committee

(Geneva, June 26 to 30, 1978) is typical: Algeria explained that “the Group of Developing Countries has based itself on two fundamental considerations. The first concerned the need to protect the interests of the people of those countries as consumers. The second sprang from the fact that the developing countries had only recently begun to create appellations of origin at an international level whereas the industrialized countries had been doing so for a long time and had also been selling their products under trademarks for a long time, which meant that the question to be looked into was primarily one of the collision between appellations of origin relating to developing countries and trademarks. The aim was to achieve a degree of moralization in international trade.” Brazil echoed this point of view. Its representative emphasized the importance of the problem of acquired rights and of the retroactive effect of protection for new appellations: “The problem... would inevitably arise when it became necessary to decide between an appellation of origin relating to a developing country used for the same goods as a prior trademark and that prior trademark.” He pointed out that the problem would occur both on the territory of the developing country concerned and on that of third countries.²

The report of the third session of that same Preparatory Intergovernmental Committee (Geneva, November 21 to 25, 1977)³ contains a number of interesting comments made by very diverse countries: Algeria, Argentina, Belgium, Brazil, Canada, Colombia, Egypt, France, German Democratic Republic, Germany (Federal Republic of), Italy, Mexico, Portugal, Romania, Senegal, Switzerland, United Kingdom, Venezuela, Yugoslavia, Zambia.

The report on the second session of the Committee of Experts on the International Protection of Appellations of Origin and other Indications of Source (Geneva, December 1 to 5, 1977)⁴ shows a similar, although less generalized, interest in the revision of the Madrid and Lisbon Agreements.

The reasons for such new interest emerge quite clearly: general development of international trade, in addition to competition, with the result that each country endeavors to distinguish its own products from similar articles sold by other countries; growth in trade in agricultural produce, particularly that of a more or less luxury nature, between an ever greater

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¹ Committee of Experts on the International Protection of Appellations of Origin and Other Indications of Source, first session, Geneva, November 4 to 8, 1974, and its most interesting report prepared by the International Bureau (see *Industrial Property*, 1974, p. 469, and document TAO/II/8); second session, Geneva, December 1 to 5, 1975 (see *Industrial Property*, 1976, p. 77, and document TAO/II/2), with the draft Treaty on the Protection of Geographical Indications examined by the Committee of Experts. The Preparatory Intergovernmental Committee on the Revision of the Paris Convention, first session, Geneva, November 23 to 30, 1976; second session, Geneva, June 29 to July 8, 1977; third session, Geneva, November 21 to 25, 1977, and the report adopted by the Committee at that session; fourth session, Geneva, June 26 to 30, 1978; fifth session, Geneva, November 28 to December 6, 1978 (see *Industrial Property*, 1977, pp. 18 and 167; 1978, pp. 21 and 216; 1979, p. 80; and documents PR/PIC/II/10, PR/PIC/III/13, PR/PIC/III/14, PR/PIC/IV/7 and PR/PIC/IV/11). All references to documents in this study are to WIPO documents.

² Document PR/PIC/IV/7, paragraphs 21 and 22, respectively.

³ Document PR/PIC/III/14.

⁴ Document TAO/II/6.

variety of countries at an increasing distance from each other; specialization of protection, with a particular view to the possible importance for export of articles manufactured in a limited quantity, sometimes on a handicraft basis, but which enjoy a big reputation.

The present-day world is characterized by increasingly fierce competition. Each country wishes to increase its resources and its standard of living and therefore exploits all the advantages available to it. Appellations of origin and indications of source constitute one element which, although it is not indispensable perhaps, is nevertheless of value and cannot be neglected.

In addition to these economic considerations, there are others of a more legal nature: ensuring fair competition and protecting the consumer against deception—or, as Algeria so aptly put it, “moralizing” international trade.

A final notion which was not raised was that of the guarantee of quality. Perhaps it is implicit. It can hardly have any effect from an international point of view since appellations and indications are the province of national legislations. This aspect should nevertheless be mentioned.⁵

3. A second remark concerns terminology. This item is of considerable importance since the accession of new States to the Lisbon Agreement or to a new treaty will depend to a great extent on its field of application.

The Lisbon Agreement applies to the appellations of origin defined in its Article 2: “the geographical name of a country, region or locality which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.”⁶

A similar, but somewhat broader, definition of appellations of origin is given in the WIPO Model Law for Developing Countries on Appellations of Origin and Indications of Source (Section 1): “the geographical name of a country, region or specific place which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors, or both natural and human factors; any name which is not that of a country, region or specific place is also considered a geographical name if it relates to a specific geo-

graphical area when used in connection with certain products.”

The Stresa International Convention on the Use of Appellations of Origin and Denominations of Cheeses (of June 1, 1951)⁷ does not, for its part, contain a definition.

The Madrid Agreement (Article 1) is aimed at false or deceptive indications, that is to say those that are inaccurate or intended to mislead, without further definition.

The Paris Convention (Article 10) refers to false indications as regards the source of goods.

The bilateral treaties, whose role is capital, as will be seen below in paragraph 11, refer to indications of source, including appellations of origin and other geographical denominations, but do not give definitions, which would in fact be of no point since the protected denominations are exhaustively listed.

A definition of indications of source is to be found only in the WIPO Model Law for Developing Countries on Appellations of Origin and Indications of Source (Section 1): “expression or sign used to indicate that a product or service originates in a country, a region or a specified place.”

The draft Treaty on the Protection of Geographical Indications⁸ contains the following definitions (Article 2):

“For the purposes of this Treaty and the Regulations:

(i) the expression ‘geographical indications’ covers indications of source and appellations of origin as defined in items (ii) and (iii) below;

(ii) ‘indication of source’ means any denomination, expression or sign indicating, directly or indirectly, that a product or service originates in a country, a region or a specified place;

(iii) ‘appellation of origin’ means the denomination of a country, a region or a specific place which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors, or both natural and human factors; any denomination which, while not being that of a country, a region or a specific place, has acquired a geographical sense in relation to a certain product the characteristic qualities of which fulfill the conditions prescribed above shall also be considered an appellation of origin.”

The above definition of appellations of origin contains elements taken from the Lisbon Agreement and from the above-mentioned Model Law but its scope is considerably broadened.

We may therefore conclude that:

— the term “geographical indication” has no meaning of its own and comprises both appellations of origin and indications of source;

— “appellations of origin” have the general meaning given in the Lisbon Agreement, the Model Law and the above-mentioned draft Treaty.

The relative simplicity of these definitions should not, however, make us forget the complexity of the problems. The national regulations themselves are

⁵ Auby and Plaisant, *Le droit des appellations d'origine*, Librairies techniques, Paris, 1974, Nos. 704, 754.

⁶ As regards this definition, see the report prepared by the International Bureau of WIPO for the Committee of Experts on the International Protection of Appellations of Origin and Other Indications of Source, Geneva, November 4 to 8, 1974, document TAO/II/2, paragraphs 39 to 43; Devétian, *Jurisclasseur Concurrency déloyale, Appellations d'origine*, Fascicule L, No. 28.

⁷ *La Propriété industrielle*, 1953, p. 21.

⁸ Document TAO/II/2.

complicated and, additionally, differ greatly from one country to the next. The complexity of the national laws derives from the fact that they have to be adapted to the products to which they apply, particularly agricultural produce, including wine, spirits and the like. The conditions of protection and distribution differ depending on the product and on the country, as do the legal concepts and machineries. In this field, there is not to be found at all the legislative similarities between States which exist in respect of trademarks or patents, particularly since the entry into force of the recent international conventions. Experience with bilateral treaties covering geographical indications shows, however, that despite national differences and despite leaving them wide scope, common protection can be achieved.

A convincing example is that of the European regulation on quality wines p.s.r. (produced in specified regions), which has achieved a much greater harmonization between national laws. A system was able to be set up and appears to work despite differences between the national laws.⁹

4. A favorable trend towards protection of geographical indications has emerged in the two directions referred to:

— inclusion in the Paris Convention of a new provision extending protection by governing conflicts between geographical indications and trademarks (Article 10*quater*);

— organization of broader and more complete protection through the revision of the Lisbon Agreement, and possibly the Madrid Agreement, or by the conclusion of a new treaty.

These two aspects will be looked into again.

I. Amendment of the Paris Convention— Geographical Indications and Trademarks

5. The conflict between geographical indications and trademarks constitutes a thorny problem.

Agreement seems to have been achieved on the principle of an indication prevailing over a trademark. The reason for this is simple: everyone has the right to state the geographical origin of his goods and this statement constitutes or can constitute a useful piece of information for the public. In addition, statement of the geographical indication is a necessary act and the corresponding denomination is unchangeable,

⁹ Auby and Plaisant, *op. cit.*, No. 530; Rozier, *Le droit de la vigne et du vin*, Editions techniques, Paris, 1978, Nos. 126 et seq., 138; Regulation 817/70 of April 28, 1970. See Devlétian, *Recueil Pratiques Droit des affaires dans les pays du Marché commun*, Editions Jupiter, T.O., EEC Treaty, noting that the regulations were amended in 1979.

whereas the word constituting a trademark is imaginary, with the result being that a choice is always possible. Additionally, the precedence of geographical indications is part of the policy adopted by all countries to promote their exports. The individual's interest in maintaining his customers joins that of the public authorities in developing national resources.

Once the principle is laid down, the difficulties appear. It is not possible to prohibit the use of all denominations, or possibly of all geographical signs as trademarks. However, geographical indications are generated by time and circumstances. The case of the developing countries is a typical one: if a crop or an industry is established and acquires a world reputation in Saint Helena (the mother of Constantine) or on Easter Island (a well-known feast) or the Gambier Islands (the name of a British admiral), these names will become appellations of origin or indications of source. What then happens to prior trademarks? This is the problem of acquired rights. In view of the abundance of geographical names, it may be assumed that the precedence of geographical indications cannot be absolute but only relative, that is to say subordinate to the possible misleading of the public. It should be noted that a difference may arise depending on whether the point of view is international or national: in view of the number of geographical indications throughout the world and the difficulty of knowing them all, the rules should be less strict in the first case than in the second.

This matter has been dealt with by the Working Group on Conflict Between an Appellation of Origin and a Trademark, the Working Group Entrusted with Questions of Special Interest to Developing Countries and by the Preparatory Intergovernmental Committee on the Revision of the Paris Convention.

The Director General's draft submitted to the Preparatory Intergovernmental Committee (third session, Geneva, November 21 to 25, 1977)¹⁰ was worded as follows:

"Each Contracting State shall refuse, at least from the date from which it is bound by the present Act, the registration, as a new mark, of any geographical name well known as such in that State where such name, if used as a mark or an element of a mark, would mislead the public as to the origin of the products or services for which the registration was requested."

The wording proposed by the Group of Developing Countries was more radical (fourth session, Geneva, June 26 to 30, 1978)¹¹:

"Each country of the Union undertakes to refuse or invalidate, either *ex officio* where the legislation of the country permits or at the request of the interested person, the registration or renewal and to prohibit the use of marks containing geographical indications which may mislead the public as to the origin of the goods or services for which marks have been filed, registered or used."

¹⁰ Document PR/PIC/III/10.

¹¹ Document PR/PIC/IV/5; see the proposal relating to Article 6octies.

The major differences are as follows:

(1) The first wording refers to "new" marks and therefore excludes acquired rights, whereas the second version does not do so and therefore covers all earlier or later marks.

(2) The first wording does not cover marks acquired by use but only those that have been registered.

(3) The first wording concerns only geographical names "well known as such" in the country concerned.

The remarks at (1) and (3), in particular, have called forth criticism from developing countries.¹²

6. The conflict of interests is clear cut. The position of the developing countries, however, raises a problem: it is not possible to prohibit all words having a geographical meaning without singularly limiting the number of words available to make up trademarks; it is not possible to unduly limit the choice of available words on the grounds that one of them has a geographical meaning when used in conjunction with another which does not or because, possibly, a word could become an appellation of origin or an indication of source. Experience with bilateral conventions, for example, the one between France and the United States of America,¹³ shows that the recognition of appellations and indications can only be done on a case-by-case basis as a result of negotiations.

In addition, a new mark can only be opposed by signs which the interested party is likely to know; that is the purpose of registration. Otherwise, an element of uncertainty is introduced which is harmful to trade. Therefore, only those signs that are well known or are registered can be chosen, and registration of geographical indications can only be made on the basis of an agreement. In the context of a possible revision of the Lisbon Agreement, the developing countries have pointed to the cost involved in registration.

This brings us back to a fact that we have already established: precedence of geographical indications over marks at the international level can only be relative since it has to take acquired rights into account. In some cases, a prior trademark and a new appellation may be reconciled by adding a correcting statement. The same applies where one and the same appellation is used in two different States.

7. As a result of the discussions in the Working Group on Conflict Between an Appellation of Origin and a Trademark, which continued up to June 1979,

¹² See the report adopted by the Preparatory Intergovernmental Committee on the Revision of the Paris Convention, third session (Geneva, November 21 to 25, 1977), document PR/PIC/III/14, paragraph 60: interventions by the Delegation of Algeria.

¹³ Letters of December 2, 1970, and January 28, 1971, Decree No. 71.448, of June 11, 1971, giving reciprocal protection to Cognac, Armagnac, Calvados, Bourbon and Bourbon Whiskey.

the proposals to be submitted to the Diplomatic Conference¹⁴ took the form of a draft new Article 10*quater* of the Paris Convention, containing "alternatives" reflecting the preferences of various countries or of the three "groups" of countries (Group of Market Economy Countries or Group B, Group of Socialist Countries or Group D and the Group of Developing Countries).

Paragraph (1) of Article 10*quater* basically requires that the countries of the Union refuse or invalidate the registration, either *ex officio* where their legislation so permits or at the request of an interested or entitled party, of a trademark containing a geographical indication suggesting a specific geographical area (country of the Union, or a region or locality in that country) for products not originating therein in cases where use of the indication is likely to mislead the public as to their true origin, and also to prohibit use of such an indication for such products where it would mislead the public as to the true country of origin.

Paragraph (2) extends this principle to geographical indications which, although correct, lead the public to believe that the products originate in another country.

Paragraph (3) extends this same principle to trademarks containing a geographical indication, which are to be used for products not originating in the geographical area referred to, if the indication has acquired a reputation in relation to products in that area and if, at the time of registration or use in the country where the refusal or invalidation is sought, such reputation is generally known in that country in the circles concerned. A number of the Group B countries, including the United States of America, and the Group D countries proposed that paragraph (3) be deleted.

Paragraph (4) lays down (for the countries other than those of Group D: subject to bilateral or multilateral negotiations; for the Group D countries: without reservation) that Article 10*quater* should not apply where use of an indication had begun in good faith prior to the entry into force of that Article in the country concerned, where such use could not have been prohibited under the national law of that country (at the time of its entry into force¹⁵). Paragraph (4) specifies that each country of the Union may provide that requests for refusal or invalidation of prohibition of use made in accordance with paragraph (1) should be submitted within a reasonable period of time, after use has become generally known in the country (or after the date of registration in that country where such date is earlier¹⁶) or, again, submitted within a period laid down by national law,¹⁷ on condition that

¹⁴ Basic Proposals for the Diplomatic Conference on the Revision of the Paris Convention, *Industrial Property*, 1979, p. 243.

¹⁵ Proposal by the United States of America.

¹⁶ *Ibid.*

¹⁷ Proposal by Group D.

the use in question has not been made in bad faith (or without such condition¹⁸).

Paragraph (5) deals with the factual circumstances to be taken into consideration when applying paragraphs (1) and (2) (for example, the importance of the trademark or indication in the country where its use is contested, or the length of time the trademark has been in use).

Paragraph (6), which is not accepted by the Group D countries, ensures that Article 10*quater* does not exclude the possibility of entering into bilateral or multilateral negotiations in order to settle disputes.

Finally, paragraph (7), advocated by the developing countries, permits each of those countries to file with the International Bureau a certain number of geographical names (a maximum of 200 the first time, and a maximum of ten every two years thereafter). This filing would result in publication and notification by the International Bureau, followed by refusal or invalidation by the national offices, or again prohibition of use, for trademarks containing such names—thus a procedure similar to that under Article 6*ter*—at least for those products which may be notified by the filing State. Paragraph (7) lays down in subparagraph (c) that the provision cannot be invoked against trademarks registered or, in the case of prohibition of use, used prior to the date of international publication of the name concerned, for a period of 20 years from publication.

As may be seen, paragraph (4) tends to protect the acquired rights of trademark users and therefore recognizes the relative precedence of geographical indications over trademarks. Subparagraph (c) of paragraph (7) does likewise. Paragraph (7) therefore basically affords to each developing country a special protection for its geographical denominations without bilateral or multilateral negotiation, without the possibility of refusal by other countries (contrary to Article 5(3) of the Lisbon Agreement) and without examining the concordance of the names filed with the names effectively designating the regions or localities of the filing country.

II. Possible Revision of the Agreements on Geographical Indications or the Adoption of a New Treaty

8. Protection of geographical indications is provided by two Agreements, those of Madrid and Lisbon.

A. Madrid Agreement Concerning the Prevention of False or Deceptive Indications of Source on Goods

9. The Madrid Agreement binds 32 States, including Brazil, Egypt, France, Germany (Federal Republic of), Italy, Japan, Poland, Spain, Sweden, Switzerland and the United Kingdom. It does not seem to have generated much case law and its application raises practically no difficulties. It provides for seizure on importation (or, failing special sanctions, those applicable to trademarks or trade names) of products bearing a false or misleading indication, that is to say an inaccurate or deceptive indication (Article 1). It leaves it to the courts of each country to decide whether an appellation is generic, except in the case of "regional appellations concerning the source of products of the vine." This exception is cast in very vague terms.¹⁹

The number of States party to the Madrid Agreement stems from the fact that the level of protection is low. Progress in comparison with the Paris Convention is limited.

During the discussions on a possible revision, it was asked whether it should not be repealed and a single agreement maintained. In such case, quite a few countries party to the Madrid Agreement on indications would not accede to the new treaty.

B. Lisbon Agreement for the Protection of Appellations of Origin and their International Registration

10. The Lisbon Agreement, in force since 1966, is, on the one hand, a success since it works and, it would seem, gives a degree of satisfaction to its signatories and, on the other hand, a failure since it counts only 16 members (including Algeria, Czechoslovakia, France, Hungary, Italy and Portugal). The main problem is that of amending it to permit the accession of further States, that is to say, basically, the Federal Republic of Germany, but also Spain, Greece and Switzerland. The main features of the Agreement are as follows:

- protection only of appellations of origin as defined in the Agreement (see paragraph 3, above; Article 2);
- protection in accordance with the law of the country of origin, with the procedure and sanctions subject to the law of the country where protection is claimed (Articles 1 and 2);

¹⁸ Proposal by the United States of America.

¹⁹ Auby and Plaisant, *op. cit.*, No. 493.

— international registration effected by the national authorities on behalf of natural persons or legal entities of public or private law entitled to the appellation, with the possibility of refusal by the other States (Article 5).²⁰

C. Bilateral Treaties

11. The present state of the conventions on geographical indications is something of a paradox. Several States that are not party to the Lisbon Agreement are nevertheless very interested, on the evidence of the number of bilateral treaties signed by them in recent years and published in *Industrial Property*, in having their geographical indications protected.

For instance, the Federal Republic of Germany has entered into treaties with such countries as Czechoslovakia, France, Greece, Italy, Spain and Switzerland; Greece with Austria, France and Germany (Federal Republic of); Spain with Austria, France, Germany (Federal Republic of), Portugal and Switzerland; and Switzerland with Czechoslovakia, France, Germany (Federal Republic of), Portugal and Spain.²¹

While the details of these treaties are complex, their governing principle is a simple one; moreover, they are all drafted according to the same pattern. In essence, each signatory undertakes to protect, according to its own law (law of the country in which protection is sought, competent with regard to procedure and sanctions), indications that are protected under the law of the other country (law of the country of origin, competent with regard to the identification of protected indications), which indications are listed in an Annex. The indications are either appellations of origin or indications of source, without distinction, but there is a far greater number of the former than of the latter. The lists contain hundreds of names.

The advantage of these treaties is that they bypass the difficulties inherent in the Lisbon Agreement:

(a) there is no definition confining protection to appellations of origin within the meaning of the Agreement, which means that indications of source are included;

(b) the indications in the treaty are protected regardless of their status and the means of securing protection for them in the country of origin;

(c) finally, lists are made and the form in which an indication is protected is specified after discussion, case by case, between the parties.

D. Criticism of the Lisbon Agreement

12. The criticism of the Lisbon Agreement made by the Federal Republic of Germany and the amendments necessary for that country to accede to the Agreement are set out very clearly in a letter from its Government in reply to a WIPO circular of November 11, 1971.²²

In its reply, the Government of the Federal Republic of Germany mentions that appellations of origin and indications of source are protected by its Law of June 7, 1909, on Unfair Competition, which prohibits the use of deceptive indications. Only the appellation "Solingen" and, to a certain extent, wine appellations are recognized by specific official acts.²³

The effect of this is that two requirements of the Lisbon Agreement prevent the accession of the Federal Republic of Germany:

(a) first, according to Article 1(2), protection is accorded to appellations "recognized and protected as such in the country of origin"; the Federal Republic of Germany is unable to meet this condition in almost every case;

(b) second, according to Article 5(1), appellations have to be registered "in the name of ... persons ... having, according to their national legislation, a right to use such appellations" (see also Article 1 of the Regulations); as the right of use belongs to all persons operating in a specific area, the criterion should be the region and not the persons, even though in fact the Agreement is very broadly interpreted on this point.

Finally, the Federal Republic of Germany wishes protection to be extended to cover indications of source.

In general, the Federal Republic of Germany considers that international registration should not refer to the special status of indications and their registration in the country of origin. International protection and registration should apply even where there is no national registration in the country of origin. The principle according to which indications are protected under the law of the country of origin, regardless of the means of securing such protection,

²⁰ Auby and Plaisant, *op. cit.*, No. 497; Devlétian, *Jurisclasseur Concurrence déloyale, V^o Appellations d'origine*, Fascicule L, and *Industrial Property*, 1973, p. 308; Ladas, *Patents, Trademarks and Related Rights*, Vol. III, paragraph 861.

²¹ See *Industrial Property*, 1974, p. 371, and *Industrial Property Laws and Treaties*, BILATERAL TREATIES — Texts 5-001 *et seq.* See also document TAO/II/3 and Auby and Plaisant, *op. cit.*, No. 505.

²² Document TAO/II/4.

²³ Wine Law of July 16, 1971, as amended by the Laws of July 19, 1972, and March 28, 1973. See *RecueilPratique/Droit des affaires dans les pays du Marché commun*, Editions Jupiter, Vol. III, "Pratiques commerciales," and Vol. VIII, "Agriculture, Allemagne"; see also the study by M. Zippel, *Bundesrichter*, No. 83-17. For a brief analysis, see Auby and Plaisant, *op. cit.*, No. 368; M^{me} Bienaymé and M^{me} Bourret, *Jurisclasseur Concurrence déloyale, V^o Appellations d'origine*, Fascicule R, No. 6.

and even without registration, is sufficient in itself, as witness the bilateral treaties, the implementation of which has not given rise to any particular difficulties.

13. Finally, it should be noted that a number of States party to the Lisbon Agreement are African States, and that on January 10, 1969, several African States signed a Convention Relating to the Protection of Appellations of Origin, which established a Uniform Law. It was concluded under the Libreville Agreement of September 13, 1962, Relating to the Creation of an African and Malagasy Industrial Property Office (OAMPI)—which has since become the African Intellectual Property Organization (OAPI).

E. Revision of the Lisbon Agreement or New Treaty

14. The position of the main countries concerned, particularly the Federal Republic of Germany, is perfectly clear. A new treaty or an amended Lisbon Agreement could be based on the following concepts:²⁴

(i) protection extended to cover indications of source;

(ii) removal of the obligation of protection in the country of origin on the basis of an official enactment for each individual indication;

(iii) international registration at the request of each signatory State;

(iv) protection reserved for products of the country of origin and those mentioned in the registration, with the possibility of "absolute" protection for certain denominations, the latter being the names of countries and their territorial subdivisions; absolute protection prohibited for any use of the denominations on any grounds and for any purpose whatever;

(v) protection under the law of a country of origin, with the possibility of making reservations;

(vi) general prohibition of deception, that is, prohibition of false or deceptive indications that mislead the public not only as to the origin of source, but also as to nature, variety or essential properties. Protection would naturally be extended to the use of the indication with the addition of words such as "kind," "type," "make," or "imitation."

²⁴ See the very interesting report submitted by the International Bureau of WIPO to the first session (Geneva, November 4 to 8, 1974) of the Committee of Experts on the International Protection of Appellations of Origin and Other Indications of Source (document TAO/I/2), which contains a very full analysis of the bilateral and multilateral conventions and their development.

15. Some of these concepts seem clear, others less so, to a person who has not followed the work and the discussions that have taken place during recent years.

Extension to indications of source seems to be called for. The concern of countries interested mainly in appellations of origin is that the protection of the latter should not be diminished.

International registration without the geographical indication being recognized in the country of origin by a specific act seems to have to be accepted, in view of the fact that it is a principle written into the bilateral treaties.

Here there is certain to be a conceptual conflict, albeit only by implication: recognition of an indication by specific official act almost always affords a guarantee of quality; on the other hand, indications established merely by use are of value because a certain quality is implied without actually being officially guaranteed.

This obstacle does not appear insurmountable as the Lisbon Agreement itself does not inherently afford any guarantee of quality. The concept is foreign to treaties on the subject, which is understandable: their purpose is to ensure the protection of the sign and not to establish an international quality-control body; such an aim cannot at present be achieved in the international field.

In connection with international registration at the request of each member State (provided for in Article 5(I) of the Lisbon Agreement), there arises the question of the identification of rightful users, mentioned in the letter from the Government of the Federal Republic of Germany mentioned earlier.²⁵ It should be noted that the Council of the Lisbon Union²⁶ adopted a very broad interpretation, according to which it was not necessary for the rightful users to be indicated by name; it was sufficient that the circle of owners be clearly defined. This solution is logical, above all for appellations of origin: the rightful users are the persons who produce or manufacture within the area of protection. The right to the indications is by its nature a collective one. A problem no doubt arises with indications of source, because the area is perhaps less clearly defined.

16. Protection under the law of the country of origin gives rise not only to the above remark but also to some uncertainty in the mind of anyone who has not practiced in the field of appellations of origin.

From a purely legal point of view, the rule seems clear, even though it represents a departure from general law. Under the Paris Convention, protection is provided solely by the law of the country in which protection is sought, but for geographical indications

²⁵ See paragraph 12, above, and footnote 22.

²⁶ Report by the International Bureau of WIPO, document TAO/I/2, paragraph 48.

application of the law of the country of origin is required, except for procedure and sanctions. This is because geographical indications are connected with the soil and because they provide, in law or in fact, a guarantee of quality; in the countries at present party to the Lisbon Agreement, that guarantee stems from control exercised by the national authorities. Protection in the various countries has to be made subject to very exact compliance with the law of the country of origin. Without this, the appellation would lose its value for the public.

The Madrid Agreement is very general, referring to the law of the country of origin only in connection with the generic character of wine appellations. On the other hand, it seems to us that the Lisbon Agreement quite definitely allows the principle, albeit by implication: one need only refer to Articles 1 (protection of appellations "recognized and protected as such in the country of origin"), 2 (definition of appellation and country of origin), 6 (generic character) and 8 (legal action, reference to the law of the country of protection).

The same is true of the Stresa Convention on the Use of Appellations of Origin and Denominations of Cheeses (Articles 3 and 4).

The bilateral treaties clearly refer to the law of the country of origin.

In conclusion, then, the principle of protection under the law of the country of origin is as fundamental as it is necessary if the law, albeit complex, on geographical indications is to be applied properly.

Reference to this law by the courts in order to identify protected indications and the conditions for their protection in the event of legal action should not raise insurmountable difficulties; it has not under the bilateral treaties. The proposed Draft Treaty provides (Article 15) for the exchange of the texts of national laws.

17. The rule that only products coming from the country of origin are protected is another puzzling one. The author always believed that this was the case. In view of the association existing between the indication and the soil, a State cannot take action in order to secure protection abroad for appellations other than its own or for products bearing those appellations other than its own. The purpose of such action is to reserve an exclusive right for the State concerned, so that the indications used in countries outside the treaty are prohibited in other contracting States.

Difficulties may arise in particular where an appellation (such as Tokay) corresponds to an area located in two States. The same applies to the rare case where two places of the same name producing the same things are located in two States. There the two countries concerned have to come to terms; the

addition of a corrective provision may also be necessary.

18. There is another question related to this one, namely that of absolute or relative protection.

Protection is absolute when a State reserves a word for itself and prohibits any use of it for any goods or services. The case is rare: reference must be made to the bilateral treaty concluded between the Federal Republic of Germany and Switzerland, which appears to be the only one providing for absolute protection, and which does so for "*Bundesrepublik Deutschland*," "*Deutschland*" and the names of the "*Länder*," and for "*Schweizerische Eidgenossenschaft*," "*Schweiz*," "*Eidgenossenschaft*" and the names of the Swiss cantons.

Protection is relative, on the other hand, when it is confined to certain specific products and, by means of an extension comparable to that existing for trademarks, to similar products (or services) where their use would create confusion in the public mind.

We do not think that this question is likely to create any great difficulties. In the Draft Treaty, protection is comparable to that of official names and signs, provided for in Article 6*ter* of the Paris Convention.

Usually, protection is relative, as with trademarks. There is no valid reason for reducing the number of signs available, provided that no confusion is possible between the product using the geographical indication and other quite different products, for instance a wine and bicycles.

19. The Draft Treaty prepared by the International Bureau²⁷ is based on these principles.

Article 2 contains definitions, including that of an indication of source, "indicating, directly or indirectly, that a product or service originates in a country, a region or a specific place," and that of an appellation of origin, "which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors, or both natural and human factors"—as well as appellations that are not geographical but have acquired a geographical sense through use.

Chapter I (Article 4) concerns false or deceptive geographical indications. It reproduces, in more detail, the principle constituting the essence of the Madrid Agreement.

Chapter II (Articles 5 to 16) concerns international registration. Developing countries have pointed out that the negotiation of bilateral conventions is a source of cost and complication so that international registration, provided that it is not too costly, is desirable.

²⁷ Document TAO/II/2.

Chapter III concerns sanctions and the right to bring actions (Article 17) and transitional provisions (Article 18).

20. From a strictly legal standpoint, the main provisions are probably those in Article 9 (protection based on the international registration) and Article 10 (exceptions to protection based on the international registration), which are fairly complex; they read as follows:

Article 9

Protection Based on International Registration

(1)(a) The use in the course of trade, on the territory of the State of protection, of any denomination referred to in Article 6(2) and registered without any reference to a product, in relation to products of any kind which do not originate in the filing state, is prohibited.

(b) Where products of any kind originate in the filing State, the use in the course of trade of the denomination referred to in subparagraph (a) is prohibited if it does not comply with the requirements of the law of the filing State, including requirements relating to quality standards, or, where applicable, with any special conditions of protection agreed upon under Article 7(3).

(2)(a) The use in the course of trade, on the territory of the State of protection, of any registered denomination referred to in Article 6(3), in relation to products mentioned in the international registration which do not originate in the filing State, is prohibited.

(b) Where the products mentioned in the international registration originate in the filing State, the use in the course of trade of the denomination referred to in subparagraph (a) is prohibited if it does not comply with the requirements of the law of the filing State, including requirements relating to quality standards, or, where applicable, with any special conditions of protection agreed upon under Article 7(3).

(c) The prohibitions referred to in subparagraphs (a) and (b) shall extend to other products in so far as there is any risk of confusion.

(3) The provisions of this Article shall apply even where the registered denomination is used in translation, or with an indication of the true source of the product, or with the addition of terms such as "kind," "type," "make," "imitation" or the like, or in another grammatical form, or in a modified form in so far as the risk of confusion remains despite the modification.

Article 10

Exceptions to Protection Based on the International Registration

(1) In so far as there is no risk of confusion, the provisions of Article 9 shall not prevent, within the limits of good faith,

(i) the use in the course of trade of a geographical indication referring to a country other than the filing State, or to a region or a specific place situated in such a country, in relation to products originating in that country, region or specific place, as the case may be;

(ii) the use by a person of his own name in the course of trade, except as a mark.

(2) The provisions of Article 9 shall not apply to products in transit.

Article 9 has to do with protection. The rule is that a denomination registered for the products of a State may not be used otherwise than for products originating in that State and complying with the requirements

of the law of that State. The competence of the law of the country of origin is thus recognized.

Article 9(1) refers to Article 6(2); it deals with denominations consisting of the official or usual name of a State or of a major circumscription of that State, which may be registered without any reference to a product; protection here is absolute. Article 9(2) refers to Article 6(3); it deals with other denominations, filed with a reference to at least one product; here protection is relative.

Protection extends to similar products (services are not covered).

Protection also extends, according to a constant practice, to the use of the denomination in translation, or with the addition of terms ("kind," "type," "make"), or in modified form.

21. The reports of the Committee of Experts on the International Protection of Appellations of Origin and Other Indications of Source²⁸ clearly show the attitudes taken by the various participants.

Countries party to the Lisbon Agreement, such as Cuba, Czechoslovakia, France, Hungary, Mexico and Portugal, are in favor of revision of the Lisbon Agreement to make it accessible to new countries, while France wishes in addition to have protection extended to industrial products on condition that there is no weakening of protection.

Of the countries not members of the Lisbon Union, the United States of America was represented at the first session of the Committee of Experts by an observer only, and not at all the second session; its participation in a multilateral convention on geographical indications is likely to prove impossible; the Nordic countries (Denmark, Norway and Sweden) and the countries of the Commonwealth (Australia, United Kingdom), as well as Austria and the Netherlands, show no more than an interest in the principle underlying the work, or have expressed doubts regarding the solutions contemplated; the Federal Republic of Germany, Spain and Switzerland prefer the adoption of an instrument to which they will be able to adhere.

Ultimately, the only problem actually requiring solution is that of satisfying the wishes of the latter three countries.

22. According to the conclusions reached, there seems to be agreement in principle on the following:

(1) "two-level" protection: prohibition of false or deceptive indications; protection of geographical indications;

(2) protection according to the law of the country of origin, provided that knowledge of national provisions is made readily available;

²⁸ Documents TAO/II/8 and TAO/II/6.

(3) international registration, with the possibility of refusal and of negotiation between the States concerned (this being embodied in the bilateral treaties); the list of grounds of refusal would be exhaustive;

(4) no mention of rightful users in the registration;

(5) further study of protection confined to certain categories of products (absolute or relative protection);

(6) sanctions and legal action according to the legislation of the country in which protection is claimed, the persons entitled to bring action being specified in the treaty.

Conclusion

23. The preparatory work for the Diplomatic Conference on the Revision of the Paris Convention and for the revision of the Madrid and Lisbon Agreements, or the adoption of a new treaty, therefore give rise to two aspects with very different implications.

24. One aspect has to do with the amendment of the provisions of the Convention, completing them with an Article 10^{quater}, to provide a solution for the conflict between a geographical indication and a mark; the solution is simple in principle, in that it recognizes the primacy of the former, but awkward to apply, especially if prior rights have to be respected, owing to the conflict of interests existing between industrialized and developing countries.

25. The other side of the coin is that the revision of the Lisbon Agreement or the adoption of a new treaty on geographical indications interests only a small number of States, and is bound to be followed by only a limited number of adhesions, including the Federal Republic of Germany, Spain, Switzerland and possibly some of the Socialist countries of Europe that are not yet party to the Lisbon Agreement.

The areas in which the reforms have to be made are perfectly clear. It would be strange at the outset if States were unable to agree on provisions that were very close to those that appear in the bilateral conventions. The latter admittedly allow more scope

for negotiation and exchange, which is more difficult under the more strictly legal regime of a multilateral agreement. For that reason, where a denomination is refused by a signatory State, the Draft Treaty provides for direct negotiations between States.

In law, the rule that receives attention is the one that has to do with the competence of the law of the country of origin. This shows the originality of geographical indications and their difference in relation to trademarks.

The trademark is an instrument of free trade: the public becomes attached to a mark or rejects it, depending on the attractiveness of the product or service. The indication of source and to an even greater extent the appellation of origin are the instruments of organized trade in which the public authority or bodies authorized by it intervene to give a guarantee of quality and thereby facilitate exports. Consequently, the rules are different in the international and national fields.

In the first case, the treaty is confined to the sign, ensuring its protection in particular by informing interested parties on marks protected by registration; negotiators cannot go further either in law or in practice.

In the second case, the State intervenes by means of complex and detailed provisions that are adapted to the wide range of specific situations. The link between the country of origin and that in which protection is claimed is created by the competence of the law of the country of origin. The application of this law may give rise to difficulties. Its basic vocation seems to be beyond dispute, as the bilateral conventions show. For that reason the adoption of this principle should not present any major difficulties.

It is possible that the substitution of a multilateral treaty for bilateral conventions may in the short term afford more of an apparent than a real simplification.

However, the introduction of a multilateral treaty signed by a large number of important States will mark a significant step forward in the international law governing geographical indications. Their world role will thus be recognized. Other countries may accede to the new instrument later. It hardly seems practical to continue making bilateral treaties ad infinitum; it is thus by means of a multilateral treaty that the future, more extensive protection of geographical indications will be brought about.

News from Industrial Property Offices

UNITED STATES OF AMERICA

Annual Report of the Commissioner of Patents and Trademarks Fiscal Year 1979*

Introduction

The Patent and Trademark Office (hereinafter referred to as the "PTO") is a bureau of the United States Department of Commerce which administers both the patent and the trademark laws.

The patent laws of the United States are enacted pursuant to the authority found in Article 1, Section 8, clause 8 of the United States Constitution. The principal law is Title 35 of the United States Code.

The first Federal law providing for the registration of trademarks was enacted in 1870. The present law is the Trademark Act of 1946, commonly known as the Lanham Act.

The primary objectives of the Patent and Trademark Office in administering the patent laws and the Lanham Act relate to:

- Quality;
- Pendency;
- Information Dissemination;
- International Cooperation.

Quality

"Quality" affects confidence in the patent and trademark laws since the principal purpose of these laws is to stimulate economic development by encouraging investment in technology (patents) and by providing legal protection for trademarks used in identifying the source of new products and services. There may well be little investment based on patents and trademarks if confidence in them is low—and confidence will be low if quality is perceived to be poor.

The quality of a patent or a trademark, in a narrow sense, is the ability to withstand legal challenge. While the legality of only a very small percentage of patents and trademarks is ever involved in court decisions, the actual "quality" of those litigated patents and trademarks is only symptomatically related to the overall

quality of the PTO examination processes. The true measure of patent and trademark quality may be in the collective minds of the users and potential users of the patent and trademark systems.

The primary components of the activities of the Patent and Trademark Office which address the issue of quality can be grouped as follows:

- Quality Review;
- Regulations Concerning the Duty of Disclosure;
- Re-examination of Patents in Reissue Applications;
- Patent Search File—Reclassification and Integrity;
- Trademark Search File—Reclassification and Integrity;
- Mechanized Search Systems Development;
- Miscellaneous Procedures.

Quality Review

An on-going Quality Review Program evaluates the quality of the product of the patent examination process and assists in determining whether there is need for substantive or procedural adjustments in any area of the process. Generally, the objectives of the program are to prevent the allowance of unpatentable applications; improve public confidence in the certainty and reliability of issued patents; detect trends away from normal examining practice; provide feedback information to examining corps personnel; emphasize to examining corps personnel the importance of quality; and compile data on the "quality" of the patent examination process.

The Quality Review Program presently takes a random sample of four percent of all "allowed applications," i.e., applications awaiting issuance as patents, and provides data on the patentability of the invention, correctness of the technological areas searched and compliance with current Office practices and procedures.

Of those applications reviewed during fiscal year 1979, four percent were found to have been allowed in error. The Quality Review Program thus is a useful supplement to the normal quality review performed by the immediate supervisors of examining personnel.

Regulations Concerning the Duty of Disclosure

PTO regulations define the affirmative duty of candor and good faith which patent applicants and

* Excerpted from the report issued under the same title.

their professional representatives owe with regard to the disclosure of information, of which they are aware, that is likely to be of importance to the PTO's patent examining personnel. During fiscal year 1979, about 60 to 65% of all applications for patents contained some patentability information supplied by applicants.

Those patent applications believed to involve a possible violation of the disclosure regulations are referred to the Office of the Assistant Commissioner for Patents for close scrutiny. During the fiscal year, 171 patent applications were so referred. Of the 45 applications disposed of by the Assistant Commissioner's Office during fiscal year 1979, 23 were abandoned, 20 were not stricken from the files, and 2 were stricken.

Re-examination of Patents in Reissue Applications

Office regulations afford patent owners a procedural opportunity to obtain a ruling from the PTO on the pertinence of patentability evidence after their patents have been issued. This procedure involves the filing of a reissue patent application by the patent owner and "publication" of the application by the PTO for public comment. In this manner, the usual *ex parte* nature of the patent procurement process takes on some of the trappings of an *inter partes* proceeding, i.e., the PTO can rule on patentability in light of the arguments of both the patent applicant and those who have interests adverse to the applicant. Because of the usual commercial significance of the subject matter of most reissue applications, the standard four percent Quality Review sampling has been increased to a 25% sampling for all allowed reissue applications.

During the fiscal year new guidelines and procedures on the reissue practice were published. The various guidelines spelled out internal processing and handling of reissue applications in more detail and procedures intended to ensure the prompt examination of all reissue applications, especially those involved in related litigation.

Patent Search File—Reclassification and Integrity

To facilitate access to the approximately 4.4 million United States patents, these patents have been classified into about 400 broad technological classes and 103,000 specific technological subclasses. Together, these classes and subclasses form the structure of the classified patent search file.

Presently, through the mechanism of reclassification programs, selected portions of the search file are reviewed periodically to determine the need for new classifications which better correspond to the current state of a technology and its contemporary termino-

logy, and which control the size of the subgroupings. These on-going programs constitute an in-depth analysis of all patents, old and new, in a given technology and a restructuring of the technological breakdowns so that each reclassification program increases the ease of access to, and reliability of, the patent search file. Reclassification programs during fiscal year 1979 established 6,883 new subclasses.

In fiscal year 1979, an on-going program to upgrade the integrity of the patent search file and to improve the accuracy of the computer record relating to the contents of the file was accelerated. Approximately 3,500 subclasses containing about 875,000 patents were reviewed. As a result of this review, approximately 72,000 patent copies were added to the file to replace missing or mutilated documents.

The majority of the overall "searching" in the patent file is a manual operation involving the physical review of millions of paper copies of patent documents, which are constantly being withdrawn from the search file for comprehensive analysis and photoduplication. The drawbacks to this searching program are self-evident. Annually, the search file is supplemented by the influx of over 180,000 foreign patent documents and about 150,000 "non-patent" literature items, both of which must be studied, classified, and physically filed. This annual influx, coupled with the fiscal year 1979 addition of 220,000 new "original" and "cross-reference" U. S. patents, has caused the patent search file, as of the end of the fiscal year, to double in size in just the last decade to approximately 24 million documents.

Trademark Search File—Reclassification and Integrity

The trademark search file is also presently a paper file which is used manually by trademark examining personnel and members of the public. The search file contains registered trademarks and trademarks for which applications are presently pending. A basic purpose of the trademark search file is to facilitate enforcement of Section 2(d) of the Lanham Act, which prohibits registration of trademarks which are confusingly similar to those trademarks previously registered.

If all trademark registration certificates and applications had to be searched before a new registration could be issued, the examination of each trademark application by the PTO would entail a search through over three million documents. The trademark search file is therefore organized alphabetically, and in many areas by classes of goods and services, to facilitate searching.

The integrity of the search file is maintained by placing new trademark applications and registrations into the file, as well as by removing cancelled and

expired ones. Late in fiscal year 1978 a special project was started to remove from the file a portion of the cancelled and expired trademark registrations. Such a purge had not been conducted in over a decade. In fiscal year 1979 substantial progress was made on the project and completion is expected in the first half of fiscal year 1980. A total of over half a million documents were removed from the trademark file.

Mechanized Search Systems Development

PTO efforts in the development of mechanized search systems are presently concentrated in the areas of an on-line computer-based patent searching system and a Computer Controlled Microform Search System ("CCMSS").

The on-line searching system provides subject matter access to the U. S. patent classification system and thus increases the capability for subject matter searching of the patent file. The on-line system, or the so-called "mini-computer system," was expanded in fiscal year 1979. Users of the system's video terminals can now key in a word or combination of words relating to the subject matter for which they are searching and have displayed a list of the subclasses which have those words in their titles. This not only provides those unfamiliar with the U. S. patent classification system with a new means of determining where to start searching, it also serves as a tool used by experienced searchers in expanding their searching into areas which might be otherwise overlooked. The mini-computer system was used during the fiscal year to reprint in its entirety an up-to-date Manual of Patent Classification—for the first time in ten years. Subsequently, two revisions to the Manual were prepared to keep it current with the on-going reclassification programs.

CCMSS is utilized by Office examining personnel for searching indexed files on an experimental basis. A relatively recent upgrading and expansion of the system has extended its use to the searching of document files classified according to subject matter.

Miscellaneous Procedures

Some relatively new internal Office procedures which enhance the quality and completeness of the patent examining process, and, accordingly, of issued patents, are: statements by examining personnel of the reasons for allowing a patent; remand of appealed patent applications from the PTO's Board of Patent Appeals to examining personnel for further consideration of allowed portions of an application; appear-

ance at oral hearings before the Board of Patent Appeals by examining personnel at the request of the Board or of such personnel; and recordation in the official patent file of the substance of oral interviews between patent applicants and examining personnel; and more complete recordation of the areas of the patent search file and the specific documents of the file reviewed by such personnel during the examination process.

Pendency

Since fiscal year 1971, yearly patent application filings have remained relatively stable—varying between about 107 and about 109 thousand. From fiscal year 1971 to fiscal year 1976, trademark application filings were also relatively stable, although to a lesser degree than patent applications. After fiscal year 1976, a marked increase in trademark filings has taken place, though this increase appeared to level off in fiscal year 1979.

The total number of patents issued annually by the PTO has fallen progressively since fiscal year 1976. The total reached a 15-year low of 55,418 in fiscal year 1979. In a somewhat similar fashion, there was an abrupt drop in registered trademarks experienced in fiscal year 1979 from the prior year—from 28,921 to 22,210.

In 1964, patent pendency stood at about 34.8 months. This delay was widely regarded as an impediment to the orderly and prompt development and marketing of new technology. The PTO developed a plan to reduce patent pendency to the lowest level that was believed consistent with efficient operations—18 months average pendency. Although this level was practically attained at the end of fiscal year 1976, the downward trend in average pendency reversed direction in fiscal year 1977 and fiscal year 1978. Despite an increase in the total number of patent applications pending before the Office in fiscal year 1979, average pendency dropped. However, the fiscal year 1979 patent pendency figure of 19.4 months is artificially low due to an anomalous situation in the latter third of the fiscal year, occasioned by a limited number of issued patents, and an abnormally low issuances-to-abandonments ratio.

The net result of these two factors is believed to be a temporary understatement of up to about two months in the fiscal year 1979 pendency figure.

The gradual decline in trademark pendency experienced since fiscal year 1972 began to change direction in fiscal year 1977. Since that time the total number of trademark applications pending before the PTO, the total number of trademark application filings, and the total number of trademark applications awaiting action by examining personnel have increased dramatically.

Information Dissemination

The public knowledge secured through the incentives of the patent grant has been a significant contributor to the base of science and technology upon which the United States' economy is built. Patents provide unique information which cannot be obtained in any other way. In fact, a very large majority of patents disclose technology not available in other publications. The patent search file represents one of the largest collections of organized and structured technological literature in the world. The potential uses of the information contained in this file are many and intriguing.

Trademark information dissemination also contributes to the national economy. One of the major reasons for maintaining a Federal register of trademarks is to promote order and certainty in the marketplace. Accordingly, the introduction of new products and services is made easier and less risky by the availability of information concerning trademarks in current use by others.

The primary components of the activities of the Patent and Trademark Office which concern patent and trademark information dissemination can be grouped as follows:

- Patent Disclosures and Search Facilities;
- Trademark Disclosures and Search Facilities;
- Technology Assessment and Forecast Program;
- Cooperative Dissemination Efforts;
- Accelerated Examination.

Patent Disclosures and Search Facilities

The sale and distribution of printed copies of U. S. patents contribute in a major way to the fulfillment of the information dissemination objectives of the PTO. During the fiscal year 6.3 million copies of these patents were ordered by the general public, and were also distributed to libraries, foreign exchange programs and archives.

In addition to patent copy sales, the PTO issues a weekly publication, the *Official Gazette for Patents* (the "O.G."), which contains a brief description and a drawing (if applicable) taken from each of the 900 to 1,500 patents issued each week. During the fiscal year 3,500 subscription copies of the O.G. were sold to the public.

The Public Patent Search Room of the PTO, located in Arlington, Virginia, contains the *only* complete collection of patent literature in the country filed according to subject matter. On an average day during fiscal year 1979, over 800 members of the public used this facility.

A significant element of the patent dissemination process consists of public patent depository libraries

located throughout the country. During fiscal year 1979 three patent depository libraries were added, bringing the national total to 32. These new libraries were the Memphis and Shelby County Public Library and Information Center, the California State Library in Sacramento and the Pennsylvania State University Library.

Trademark Disclosures and Search Facilities

Copies of trademark registrations and applications are provided by the PTO to the public in furtherance of the trademark information dissemination objectives of the Office. During fiscal year 1979 about 215,000 copies of trademark applications and registrations were provided by the PTO.

The Trademark Search Room at the PTO contains the *only* complete publicly available system of U. S. trademark registration and application information in the world. Use can be made of the indices and organizational system of the Trademark Search Room to effectively go through the almost three million documents on file to ensure that trademarks chosen are not confusingly similar to those already adopted by others.

In addition to trademark copy sales and search file accessibility, the PTO makes trademark information available through the weekly publication of the *Official Gazette for Trademarks*, which contains information concerning pending trademark applications, issued registrations, and other trademark matters.

Technology Assessment and Forecast Program

The purpose of the Technology Assessment and Forecast Program is to stimulate the use of the patent file and assemble, analyze, and make available meaningful data about the file and trends in patented technology. In carrying out this purpose the PTO's Office of Technology Assessment and Forecast ("OTAF") has assembled a master data base covering all U. S. patents and the patents of selected foreign countries. OTAF uses the data base in two principal ways, to issue periodic general distribution reports and prepare special reports tailored to individual needs.

In fiscal year 1979 the ninth in a series of OTAF general distribution reports was published. The report identified the most patent-active technologies and those technologies in which foreign resident inventors were receiving the highest share of U. S. patents. The report also contained extensive technical discussion of the activity, as evidenced by patenting, in ferrous metal technologies. Also reviewed were recent domestic and independent inventor patenting trends, and efforts to use patents as a resource for appropriate

technology transfer to small businesses and developing countries. In addition to the ninth report, 172 special technology assessment reports were prepared by OTAF during the fiscal year for public and private organizations.

As a supplement to the type of information found in the OTAF ninth report, an analysis of the inroads made on the United States patent system by foreign resident inventors indicates that in fiscal year 1979, 38% of all patents issued by the United States went to residents of foreign countries.

Cooperative Dissemination Efforts

The Patent and Trademark Office is involved in several cooperative patent information dissemination arrangements which result in the more efficient and economic availability of a variety of patent information products and services. Various commercial organizations, in cooperation with the PTO, offer to industry patented technological information in specialized form, e.g., patents on microfilm, patent abstract services, special "alerting" services in given technologies, etc.

During fiscal year 1979 plans were completed for publishing patent classification definitions in microfiche and offering them for sale through the Superintendent of Documents. In this manner, this essential tool of the U. S. patent classification system will be available to the public at much lower cost and will permit cost-free distribution through the regular government depository library system.

Accelerated Examination

"Special" status has been accorded to all patent applications for inventions which materially enhance the quality of the environment or contribute to the discovery, development, or efficient utilization and conservation of energy resources. In fiscal year 1979 such "special" status was accorded in 34 environmental-related and in 68 energy-related patent applications.

International Cooperation

The broad objective of U. S. foreign policy in the industrial property field is to provide more effective protection of the industrial property rights of United States nationals throughout the world. In conjunction with the Departments of State and Commerce, the PTO pursues this objective on a number of fronts.

PTO efforts have been directed toward developing simpler and less expensive means for U. S. business to secure and maintain protection of their industrial

property rights internationally, especially with the significant foreign trading partners of the United States. Fiscal year 1979 activity in this regard included the Patent Cooperation Treaty, the Trademark Registration Treaty, Revision of the Paris Convention, the Budapest Treaty and miscellaneous cooperative activities.

The Patent Cooperation Treaty (PCT)

The United States Patent and Trademark Office entered its second year as a receiving Office under the PCT in fiscal year 1979. Since the inception of the PCT, monthly filings of international applications in the U. S. receiving Office have increased almost continuously. During the fiscal year, 971 international applications were received by the Office.

Under the PCT, the Patent and Trademark Office also serves as an International Searching Authority for international applications filed in the United States and Brazil. In this capacity, the PTO completed 471 PCT search reports during fiscal year 1979. Eleven of these search reports were made for PCT applications filed in Brazil.

Provisions of the Treaty allow a discretionary refund of patent search fees by International Searching Authorities due to reliance by the Authorities on an earlier patent search made in a national application. Of the 460 PCT search reports completed during fiscal year 1979 by the Patent and Trademark Office on international applications filed in the United States, 355 (77%) received a \$270 refund of the \$300 patent search fee, 67 (15%) received a \$135 refund, three (1%) received refunds which included part of supplemental search fees paid because of more than one claimed invention in an application, and 35 (7%) received no refund.

Of the 35 applications which received no refund, five did not have a prior application, eight had a prior application but had not yet had a patent search made in that application, and 22 had earlier searches considered to be of no value.

During the fiscal year the PTO received notification that it had been "designated" in 1,327 international applications filed in other PCT receiving Offices around the world.

The Trademark Registration Treaty (TRT)

During the fiscal year, the PTO continued its participation in the international efforts towards implementation of the TRT; however, the Treaty has yet to be ratified by the United States, and the implementing legislation for the TRT has yet to be introduced into the Congress.

Revision of the Paris Convention

The Office continued to participate in discussions directed at revising the Paris Convention for the Protection of Industrial Property in a Diplomatic Conference, the first session of which took place in 1980.

The Budapest Treaty

In the latter stages of the fiscal year, the United States deposited with the Director General of WIPO an instrument of ratification of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. The United States was the third State to ratify this Treaty. Under the Budapest Treaty, patent applications for microbiological inventions will be able to utilize a designated depository in any of the member countries to the Treaty. Thus, there will be no need to make more than one microbiological deposit in order to enforce patents in the countries which adhere to the Treaty.

Miscellaneous Cooperative Activities

In joint cooperation with the Departments of State and Commerce, WIPO and others, the PTO attempts to facilitate the effective protection of industrial property rights in developing countries and the efficient administration of various systems which regulate the protection and exercise of these rights. In this regard, during fiscal year 1979 the Patent and Trademark Office:

- assisted in the drafting of the operating patent regulations necessary for the implementation of the new Patent Act of Thailand, and in the establishment of a national Patent Office in Bangkok;
- assisted with negotiations held in Budapest to partially resolve the complaints of U. S. agricultural chemical manufacturers concerning the alleged disregard of their patent rights by the Government of Hungary;
- participated in negotiations for developing an International Code of Conduct on the transfer of technology to developing countries, under the auspices of the United Nations Conference on Trade and Development;
- participated in the completion of the second revision of the International Patent Classification;
- received representatives from China, Ghana, Kenya, Korea, and Thailand for training and briefing on the operations of the PTO;

- continued its cooperation with the development of the Brazilian Patent Office by sending two Office personnel to Brazil to serve as instructors for a period of six months each.

Other Activities of the Patent and Trademark Office

Administrative Affairs

New Computer System

The Office accepted and placed into operational status a new computer system with the capacity for 2.5 billion characters of on-line disk storage. The new computer has approximately five times the capacity of the former system and will be used to meet the PTO five-year data processing needs. Currently, long-term automatic data processing development is underway in several major areas, such as patent application processing support, trademark processing support, automation of patent and trademark ownership records, and a PTO office-wide integrated resource management system.

More specifically, a system to locate and monitor the status of all pending patent applications is presently being implemented. The system will use a network of about 275 computer terminals scattered throughout the PTO. All patent application files will carry bar code labels, which can be "read" electronically by hand-held instruments connected through the network to the Office computer. By using keyboard entries at each terminal, the computer will be "informed" of status and location changes of all patent applications. The new system should improve internal management control and provide for better overall service to the public.

Legal Affairs

The legal affairs of the PTO are administered by the Office of the Solicitor, which represents the Patent and Trademark Office and the Commissioner before various judicial tribunals. The business of the Office of the Solicitor is diverse, and fiscal year 1979 produced several noteworthy activities.

The patentability of living organisms as manufactures or compositions of matter under the present patent law remained an unsettled question. Raised for the second time when the U. S. Court of Customs and Patent Appeals (the "CCPA") vacated its original decisions in *In re Bergy* and *In re Chakrabarty*, the Court, on rehearing, again reversed the decisions of the Patent and Trademark Office. It was held, as previously, that living organisms are patentable as

manufactures or compositions of matter under the present patent law. A combined petition for certiorari to review the decision of the CCPA in the two cases was filed in the Supreme Court.

The United States Court of Appeals for the District of Columbia Circuit ruled in *Irons & Sears v. Dann* that the Freedom of Information Act does not require the PTO to make available to the public decisions in pending or abandoned patent applications which relate to the filing date of the application. In another case, *Matsui v. Banner*, the same Court upheld the practice of the Office in refusing to accept the date of receipt of a patent application as its filing date if the application is received without a valid oath or declaration.

Legislative Affairs

Legislative revision of the patent and trademark laws, as well as legislation affecting various other legal aspects of industrial property, are within the province of the PTO's Office of Legislation and International Affairs ("OLIA"). Working with the Department of Commerce, OLIA formulates and implements the legislative programs of the Office. Fiscal year 1979 produced activity in the areas of the statutory fees charged by the PTO, the Trademark Trial and Appeal Board and the re-examination of patents.

Statutory Fees Charged by the PTO

Following the publication of a report prepared by the General Accounting Office recommending higher patent fees, the Office began drafting the legislation necessary to accomplish this recommendation. The patent fees charged by the PTO are statutory and have not been changed since 1965. The constancy in the income generated from patent fees over the last 15 years has led to a significant gap relative to the operating costs of the Office. The form of PTO fee legislation was to be determined during the President's Domestic Policy Review of Industrial Innovation, which was conducted under the leadership of the Department of Commerce during fiscal year 1979.

Trademark Trial and Appeal Board

The PTO's Trademark Trial and Appeal Board (the "TTAB") hears appeals from the decisions of trademark examining personnel in refusing the registration of trademarks. The Board also tries "adversary proceedings" under the Lanham Act. There are four types of "adversary proceedings" under the Act: interferences, oppositions, cancellations and concurrent use proceedings.

At the request of the PTO, a bill was reintroduced into the Congress during the fiscal year to ease the unnecessary eligibility restrictions for appointments of members to the TTAB. The bill was still pending at the end of the year.

Re-examination of Patents

During the President's Domestic Policy Review of Industrial Innovation, the PTO helped formulate a proposal for legislation to authorize the Office to re-examine issued patents. Under the proposal, a patent could be re-examined at any time during its 17-year life at the request of any person who complied with certain requirements and paid a fee. A private sector advisory committee also urged enactment of such legislation as a part of the Domestic Policy Review. This work led to a Presidential recommendation to Congress shortly after the end of the fiscal year for enactment of re-examination legislation.

Financial Affairs

In fiscal year 1979, the funds available to the Patent and Trademark Office totaled \$96,708,516—consisting of a regular appropriation of \$96,654,000, and reimbursements of \$54,516. By the end of the fiscal year, all but a minor fraction of these funds were obligated.

Under the accrual basis of accounting, or cost accounting, the total operating costs for the PTO in fiscal year 1979 were \$96,229,182.

The fees collected by the PTO are deposited directly into the general fund of the United States Treasury, and do not accrue directly to the benefit of the Patent and Trademark Office. In fiscal year 1979, \$27,111,713 in fees were collected.

As a public service, deposit accounts are maintained at the Patent and Trademark Office to facilitate the transfer of funds from the public. At the end of the fiscal year, the balance in these accounts totaled \$2,501,851.

Miscellaneous Activities

National Inventor's Day

This annual event included the dedication of new exhibits for the National Inventor's Hall of Fame. The 1979 inductees into the Hall of Fame, located in the Patent and Trademark Office, were:

— Jay W. Forrester, for his "Multi-Coordinate Digital Storage Information Device";

- Robert H. Goddard, posthumously, for his "Control Mechanism for Rocket Apparatus"; and
- Charles J. Plank and Edward J. Rosinski, for their "Catalytic Cracking of Hydrocarbons with a Crystalline Zeolite Catalyst Composite."

Patentee Index on Microfilm

The Public Patent Search Room of the PTO installed a new computer-generated microfilm system

for accessing patentee information, beginning with patents issued after January 3, 1978.

Classified Patents on Solar Energy

Due to public demand for access to patents on solar energy these patents have been microfilmed and made available for public use.

News Items

COLOMBIA

*Head of the Office for Intellectual
Property and Publications*

We have been informed that Dr. Luz Myriam Montañes de Lorduy has been appointed Head of the Office for Intellectual Property and Publications.

Calendar

WIPO Meetings

(Not all WIPO meetings are listed. Dates are subject to possible change.)

1980

- September 8 to 16 (Geneva) — Permanent Committee on Patent Information (PCPI) — Working Group on Planning
- September 22 to 26 (Geneva) — Governing Bodies (WIPO Coordination Committee; Assemblies of the Paris, Budapest, PCT and TRT Unions; Conference of Representatives of the Paris Union; Executive Committees of the Paris and Berne Unions)
- October 6 to 10 (Geneva) — Locarno Union — Committee of Experts
- October 14 to 17 (Geneva) — Permanent Committee on Patent Information (PCPI) — Working Group on Patent Information for Developing Countries
- October 20 to 24 (Geneva) — Permanent Committee on Patent Information (PCPI) and PCT Committee for Technical Cooperation
- November 17 to 21 (Geneva) — Berne Union and Universal Copyright Convention — Working Group on the overall problems posed for developing countries concerning access to works protected under copyright conventions (convened jointly with Unesco)
- November 24 to 28 (Vienna) — Permanent Committee on Patent Information (PCPI) — Working Group on Search Information — Subgroup on IPC Class B 60
- November 24 to December 5 (Geneva) — Nice Union — Committee of Experts
- December 1 to 3 (Lomé) — Development Cooperation — African Regional Seminar on Copyright (convened jointly with Unesco)
- December 1 to 5 (Paris) — Permanent Committee on Patent Information (PCPI) — Working Group on Search Information — Subgroup on IPC Class G 01, etc.

December 4 and 5 (Lomé) — African Regional Seminar on Neighboring Rights (convened jointly with ILO and Unesco)

December 8 to 12 (Geneva) — International Patent Classification (IPC) — Committee of Experts

December 15 to 19 (Paris) — Berne Union — Committee of Governmental Experts on Problems Arising from the Use of Computers
(convened jointly with Unesco)

UPOV Meetings

1980

September 16 to 18 (Lund) — Technical Working Party for Ornamental Plants

September 23 to 25 (Lund) — Technical Working Party for Vegetables

October 14 (Geneva) — Consultative Committee

October 15 to 17 (Geneva) — Council

November 10 to 12 (Geneva) — Technical Committee

November 13 and 14 (Geneva) — Administrative and Legal Committee

Meetings of Other International Organizations Concerned with Industrial Property

1980

European Patent Organisation:

Inauguration of the New Building and Administrative Council (Special Session): September 18 and 19 (Munich)

Administrative Council: December 8 to 12 (Munich)

International Association for the Protection of Industrial Property: November 16 to 21 (Buenos Aires) — 31st Congress

Pacific Industrial Property Association: October 22 to 24 (Tokyo) — 11th International Congress