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Contents

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International Unions

Patent Cooperation Treaty (PCT)

THE PCT IN 1982

The following paragraphs summarize the results of operations under the Patent Cooperation Treaty (PCT) in 1982.

Membership. At the end of 1982, the following 32 countries had ratified or acceded to the PCT: Australia, Austria, Belgium, Brazil, Cameroon, Central African Republic, Chad, Congo, Democratic People's Republic of Korea, Denmark, Finland, France, Gabon, Germany (Federal Republic of), Hungary, Japan, Liechtenstein, Luxembourg, Madagascar, Malawi, Monaco, Norway, Netherlands, Romania, Senegal, Soviet Union, Sri Lanka, Sweden, Switzerland, Togo, United Kingdom, United States of America. In Denmark, Liechtenstein, Norway, Switzerland and the United States of America, Chapter II of the PCT is not applicable.

In addition, in January 1983, Mauritania deposited its instrument of accession to the PCT and accession by other countries is expected during the course of this year.

International Searching and Preliminary Examining Authorities. The following Offices were International Searching and Preliminary Examining Authorities at the end of 1982: the Australian Patent Office, the Austrian Patent Office, the Japanese Patent Office, the USSR State Committee for Inventions and Discoveries, the Swedish Patent Office and the European Patent Office. At the same date, the United States Patent and Trademark Office was an International Searching Authority and the United Kingdom Patent Office an International Preliminary Examining Authority.

Statistics. During 1982, the International Bureau of WIPO received the "record copies" of 4,675 international applications from the "receiving Offices," that is, Offices with which international applications were filed.

The number of international applications filed, in the same year, according to information provided by the receiving Offices, amounted to 4,713. The total number of international applications filed in each calendar year since the beginning of PCT operations is as follows:

June to December 1978	687
1979	2,734
1980	3,958
1981	4,321
1982	4,713

The increase in filings can be attributed mainly to an increasing awareness of the advantages offered by the PCT on the part of potential applicants. The average number of designations per international application was almost 9.5 in 1982. The average number of designation fees paid, however, was 4.8. This difference is due to the fact that in the case of designation of several countries for regional protection (e.g., European or OAPI patent), only one designation fee is due. It shows also that applicants drop designations—made at no cost at the time of filing—by the time they effect payment of the designation fee, a natural and desirable result of the PCT procedure.

In the following table, the total numbers of record copies received and international applications filed for the year are broken down according to the various receiving Offices, and the corresponding percentages concerning each Office are indicated:

Receiving Office* (Name of Country or Organization)	Record Copies Received		Applications Filed	
	Number	Percentage	Number	Percentage
Australia	219	4.68	225	4.77
Austria	35	0.75	37	0.79
Belgium	26	0.56	26	0.55
Brazil	20	0.43	22	0.47
Denmark	117	2.50	116	2.46
Finland	66	1.41	71	1.51
France	223	4.77	225	4.77
Germany (Federal Republic of)	238	5.09	234	4.96
Hungary	68	1.45	68	1.44
Japan	497	10.63	486	10.31
Luxembourg	1	0.02	1	0.02
Netherlands	45	0.96	45	0.95
Norway	61	1.30	61	1.29
Romania	8	0.17	7	0.15
Soviet Union	41	0.88	36	0.76
Sweden	447	9.56	444	9.42
Switzerland**	137	2.93	142	3.01
United Kingdom***	351	7.51	358	7.60
United States of America	1,795	38.41	1,833	38.91
European Patent Office****	280	5.99	276	5.86
Total:	4,675	100.00	4,713	100.00

* No record copy was received from, and no application was filed with, the following receiving Offices in 1982: Democratic People's Republic of Korea, Madagascar, Malawi, Monaco, Sri Lanka and WIPO (receiving Office for nationals and residents of Cameroon, Central African Republic, Chad, Congo, Gabon, Senegal and Togo).

** Receiving Office also for nationals and residents of Liechtenstein.

*** Receiving Office also for residents of Hong Kong.

**** (Alternative) receiving Office for nationals and residents of Austria, Belgium, France, Germany (Federal Republic of), Liechtenstein, Luxembourg, the Netherlands, Sweden, Switzerland and the United Kingdom.

The languages in which the international applications received in 1982 by the International Bureau of WIPO were filed and the corresponding percentages are as follows:

Language of Filing	Number of Applications	Percentage of Total
English	2,882	61.64
German	600	12.83
Japanese	497	10.63
French	301	6.44
Swedish	227	4.85
Danish	55	1.18
Russian	41	0.88
Norwegian	35	0.75
Finnish	33	0.71
Dutch	4	0.09
Total:	4,675	100.00

In 1982, the International Preliminary Examining Authorities notified the International Bureau of their receipt of 242 demands for international preliminary examination under Chapter II of the PCT. The International Bureau received and communicated to the elected Offices the international preliminary examination reports in 233 cases. The International Bureau provided the translations of those reports in accordance with the requirements of the elected Offices. In the following table, the demands for international preliminary examination are broken down according to the International Preliminary Examining Authorities that received them, and the corresponding percentages are indicated:

Authority* (Country or Organization)	Number of Demands	Percentage of Total
Sweden	141	58.26
United Kingdom	34	14.05
European Patent Office	33	13.64
Australia	23	9.50
Japan	9	3.72
Soviet Union	2	0.83
Total:	242	100.00

* In 1982, no demand was received by Austria.

During 1982, the receiving Offices and the International Searching Authorities were able to work within the time limits prescribed for performing their various tasks, especially those involving the transmittal of record copies and international search reports to the International Bureau of WIPO. The International Bureau was in possession of the international search reports in sufficient time to publish them together with the international applications in almost all instances.

Publications under the PCT. The fortnightly publication of the *PCT Gazette*, in separate English and French editions, was continued throughout 1982. In addition to a substantial volume of information of a general character, the *PCT Gazette* included entries relating to the 4,515 international applications that were published in the form of PCT pamphlets (in English, French, German, Japanese or Russian, depending on the language of filing) on the same day as the relevant issues of the *PCT Gazette*. Three special issues were published consolidating the information of a general character. The number of international applications published as pamphlets in each of the above-mentioned languages (and the corresponding percentages) is as follows:

Language of Publication	Number of Applications Published	Percentage of Total
English	3,079	68.47
German	562	12.50
Japanese	498	11.07
French	230	5.11
Russian	128	2.85
Total:	4,515	100.00

Public Information Activities. Replacement pages were issued from time to time to update the *PCT Applicant's Guide*. The publication of "national chapters" continued in Volume II of the *PCT Applicant's Guide*, containing information on requirements for the processing of international applications before designated and elected Offices; in addition to the Offices already covered (Australia, Austria, Denmark, Finland, Germany (Federal Republic of), Hungary, Japan, Luxembourg, Monaco, Netherlands, Norway, Romania, Soviet Union, Sweden, Switzerland, United Kingdom, United States of America, European Patent Office and OAPI), the chapters published in 1982 covered the Offices of Brazil, the Democratic People's Republic of Korea, Malawi and Sri Lanka.

WIPO cooperated with the German Patent Office in the publication of the *PCT Applicant's Guide* in German. The first volume had been published in December 1981 by Carl Heymanns Verlag (Munich); the second volume was published in March 1982 by the same editor.

Plant Varieties

The International Union for the Protection of New Varieties of Plants in 1982

State of the Union

In 1982, two States expressed their consent to be bound by the Revised Act of October 23, 1978, of the International Convention for the Protection of New Varieties of Plants (hereinafter referred to as "the 1978 Act"), namely, Japan by the deposit, on August 3, 1982, of its instrument of acceptance and Sweden by the deposit, on December 1, 1982, of its instrument of ratification. Those two instruments bring the number of States bound by the 1978 Act to eight.

Japan, by the deposit of the said instrument of acceptance, became a member State of the Union (on September 3, 1982), which currently comprises the following 16 member States: Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Israel, Italy, Japan, Netherlands, New Zealand, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States of America.

A table of member States of the Union, as on January 1, 1983, is reproduced on page 25 of the January 1983 issue of this review.[1]

Sessions

During 1982, the various bodies of UPOV met as described below. Unless otherwise specified, the sessions took place in Geneva.

The *Council* held its fifth extraordinary session on April 29, 1982, under the chairmanship of Dr. W. Gfeller (Switzerland). The session was devoted to a discussion of the conformity of the Hungarian laws on the protection of plant varieties with the UPOV Convention. The Council took a positive decision on the conformity of the Hungarian laws with the provisions of the 1978 Act, as provided for under Article 32(3) of that Act. The effect of that decision is that the Government of the Hungarian People's Republic may deposit an instrument of accession.

The *Council* held its sixteenth ordinary session from October 13 to 15, 1982, also under the chairmanship of Dr. W. Gfeller. The session was attended by representatives from member States and by observers from a number of interested non-member States, namely: Austria, Brazil, Canada, Chile, Egypt, Hungary, Iran, Ivory Coast, Norway, Panama, Poland, Soviet Union. The Commission of the European Communities (CEC) and the Food and Agriculture Organization of the United Nations (FAO) were also represented by observers.

The first day of the session was devoted, for the third year running, to a symposium. The subject of the *1982 Symposium* was "Genetic Engineering and Plant Breeding." The following lectures were given:

(i) "Genetic Engineering: A New Tool for Plant Breeders," by Dr. David J. Padwa, Chairman of the Board and Chief Executive Officer, Agrigenetics Corporation, Denver, Colorado, United States of America;

(ii) "The Scientific Background of Genetic Engineering: Current Technologies and Prospects for the Future," by Dr. Robert H. Lawrence, Vice-President and Director of Research, Agrigenetics Corporation, Denver, Colorado, United States of America;

(iii) "Intellectual Property Aspects of Plant Variety Genetic Engineering: Views of an American Lawyer," by Dr. Sidney B. Williams, Jr., Manager, Patent Group 3, Patent Law Department, The Upjohn Company, Kalamazoo, Michigan, United States of America;

(iv) "Introducing New Technology to Plant Improvement," by Mr. Max Rives, Research Director, French National Institute of Agronomic Research (INRA), Versailles, France;

(v) "Intellectual Property Aspects of Plant Variety Genetic Engineering: Views of a European Lawyer," by Dr. Peter Kreye, Attorney at Law, Hamburg, Federal Republic of Germany.

In addition to the representatives of member and non-member States, the CEC, FAO and the World Intellectual Property Organization (WIPO), the Symposium was attended by more than 30 representatives of international non-governmental organizations (European Association for Research on Plant Breeding (EUCARPIA), International Association for the Protection of Industrial Property (IAPIP), International Association of Horticultural Producers (AIPH), International Association of Plant Breeders for the Protection of Plant Varieties (ASSINSEL), International Community of Breeders of Asexually Reproduced Fruit Tree and Ornamental Varieties (CIOPORA), International Federation of the Seed Trade (FIS)) and by almost 50

[1] It should be noted that since January 1, 1983, (1) Hungary deposited its instrument of accession to the 1978 Act and will become a member of UPOV with effect from April 16, 1983, and (2) France ratified the 1978 Act with effect from March 17, 1983.

technical and legal experts from companies and institutions active in or competent for plant breeding in ten countries. The proceedings were also followed by journalists and other representatives of the media, including a production team for a Japanese television station. The Symposium was concluded by a panel discussion. Records of the proceedings of the Symposium will form the subject of a special UPOV publication (No. 340) in English, French, German and Spanish.

The main decisions taken by the *Council* at its sixteenth ordinary session were:

(i) the report of the Secretary-General on the activities of the Union in 1981 and the first nine months of 1982, the report on his management and the financial situation of the Union in 1981, and the accounts of the Union for 1981, were approved;

(ii) the program and budget for 1983 was examined and approved;

(iii) the reports on the progress made by the various committees and technical working parties, including their plans for future work, were approved;

(iv) the 1983 Symposium would be devoted to the theme "Nomenclature";

(v) the adoption of new internal rules and regulations made necessary by the entry into force of the 1978 Act of the UPOV Convention.

(vi) Mr. M. Heuver (Netherlands) was elected Chairman of the Administrative and Legal Committee for a term of three years expiring at the end of the nineteenth ordinary session of the Council (1985).

The *Consultative Committee* held its twenty-fifth session on April 28 and 29, 1982, and its twenty-sixth session on October 12 and 15, 1982, both under the chairmanship of Dr. W. Gfeller (Switzerland). The sessions were devoted mainly to the preparation of the fifth extraordinary and sixteenth ordinary sessions of the Council.

The *Administrative and Legal Committee*, the body in which questions of the practical application of the UPOV Convention and future developments of an administrative or legal nature are discussed, held its ninth session on April 26 and 27, 1982, under the chairmanship of Mr. P.W. Murphy (United Kingdom), and its tenth session on November 16 and 17, 1982, under the chairmanship of Mr. M. Heuver (Netherlands). Both sessions were attended by representatives from member States; in addition, observers from Japan (prior to that country's becoming a member State shortly before the tenth session), Mexico, the CEC and the European Free Trade Association (EFTA) attended the ninth session, and an observer from the CEC attended the tenth session. During its tenth session, the Committee held a joint meeting with the Technical Committee, under the chairmanship of Mr. C. Hutin (France), Chairman of the Technical Committee.

The main business of the ninth session was as follows.

The Committee concluded its discussion on the question whether breeders should be given access to tests of varieties for distinctness, homogeneity and stability. It noted that the points of view expressed by the international professional organizations consulted were divergent—one organization favoring confidentiality of the tests and two others being in favor of breeders being allowed to visit the testing premises under certain conditions—as were the practices adopted by the member States. As far as cooperation in examination was concerned, it also noted that the UPOV Model Agreement on International Cooperation in the Testing of Varieties enabled member States carrying out trials both to adopt the policy of their choice with regard to the varieties examined on their own behalf and to provide all necessary guarantees with regard to the varieties they examined for other member States. In view of that situation, it invited member States to take the points of view of the professional organizations into account when the occasion arose, within the limits imposed by domestic law, of course.

The Commitee continucd its work on the revision of the Guidelines for Variety Denominations which date back to 1973. It gave a first reading to a draft set of Recommendations on Variety Denominations.

The main business of the tenth session was as follows.

The Committee gave a second reading to the draft set of Recommendations on Variety Denominations. It is expected that work on this draft will be completed at the Committee's eleventh session, in April 1983.

At both sessions, the Committee noted the latest developments regarding amendments to national plant variety protection legislation either introduced or planned by member States, particularly in relation to ratification of the 1978 Act of the UPOV Convention.

At the joint meeting with the Technical Committee, the Committee examined two subjects. Firstly, in connection with the revision of the Guidelines for Variety Denominations, referred to above, it considered whether the "List of Classes" forming an appendix to the 1973 Guidelines should also be revised. The meeting decided that experts from the member States should be invited to submit proposals in accordance with a number of basic principles established during its discussions. Secondly, in connection with the hearing of international non-govemmental organizations planned for November 9 and 10, 1983, the question of "minimum distances between varieties" was discussed. The expression "minimum distances between varieties" is used in UPOV circles to refer to the distance that has to exist between two varieties—in their recognizable and describable characteristics—for each to be eligible for a separate title of protection. The meeting decided that the question should be further discussed at the eleventh session of the Administrative and Legal Committee and at the twenty-seventh session of the Consultative Com-

mittee, both to be held in April 1983. It was also decided that the interested organizations should be requested to make known their opinions and proposals, for consideration by the Technical Committee at its nineteenth session, in October 1983.

The *Technical Committee*, the body in which questions of the practical application of the UPOV Convention and future developments of a technical nature are discussed, held a joint meeting with the Administrative and Legal Committee on November 17, 1982 (see the first and last paragraphs of the above summary of the work of the Administrative and Legal Committee), and held its eighteenth session on November 18 and 19, 1982, under the chairmanship of Mr. C. Hutin (France).

The main business of the session was as follows.

The Committee adopted four Test Guidelines, submitted:

(i) by the Technical Working Party for Fruit Crops — for Citrus (TG/83/3) and for Japanese Plum (TG/84/3);

(ii) by the Technical Working Party for Vegetables — for French Bean (TG/12/4), being a revision of the existing Test Guidelines, and for Celery (TG/82/3).

As in previous years, the Committee, supported by its four Technical Working Parties, discussed a number of questions arising from practical experience in the member States of the application of the principles established in the General Introduction to the Test Guidelines and of the individual Test Guidelines in conducting tests for distinctness, homogeneity and uniformity. Among the questions that arose were: tolerances for off-types; lists of varieties under test; example varieties and, in particular, the need to replace obsolete ones; criteria for assessing whether a "technological" characteristic obtained by methods such as electrophoresis could be used for establishing distinctness; the compilation of a list of standard documents and books used in connection with variety testing. The Committee also discussed the need to publish a UPOV Color Chart and to continue with the work of assessing the usefulness for variety testing purposes of colorimeters. The Committee decided to set up a technical working party to study the question of harmonization of automation and computer programs.

The Committee received reports on the progress of the work of the four Technical Working Parties, gave guidance on a number of questions raised by them and instructed them on the major aspects of their future work.

The *Technical Working Party for Vegetables* held its fifteenth session from May 11 to 13, 1982, under the chairmanship of Mr. F. Schneider (Netherlands). In addition to its work on the two Test Guidelines for vegetables adopted by the Technical Committee, the Working Party completed the preparation of a first draft of Test Guidelines for Leek for submission to the professional organizations for comment.

The *Technical Working Party for Agricultural Crops* held its eleventh session in Madrid (Spain) from May 19 to 21, 1982, under the chairmanship of Dr. G. Fuchs (Federal Republic of Germany).

The *Technical Working Party for Fruit Crops* held its thirteenth session in Faversham (United Kingdom) from September 29 to October 1, 1982, under the chairmanship of Dr. G.S. Bredell (South Africa). The Working Party completed its work on the two Test Guidelines for fruit crops that were adopted by the Technical Committee.

The *Technical Working Party for Ornamental Plants and Forest Trees* held its fifteenth session in Cambridge (United Kingdom) from October 5 to 7, 1982, under the chairmanship of Mrs. U. Löscher (Federal Republic of Germany). The Working Party completed the preparation of first drafts of Test Guidelines for African Violet (revision), Anthurium, Carnation (revision) and Narcissi for submission to the professional organizations for comment.

Contacts with States and Organizations

Of the various contacts the Office of the Union had during 1982, the following deserve special mention: in July, the Secretary-General and the Vice Secretary-General were received at the German Federal Ministry of Food, Agriculture and Forestry in Bonn-Duisdorf, during the official visit of Dr. Bogsch, as Director General of WIPO, to the Federal Republic of Germany; in August, the Vice Secretary-General visited the competent authorities of the French Republic in Paris, at their invitation; in September, he attended a ceremony in Hanover (Federal Republic of Germany), to mark the thirtieth anniversary of the Federal Plant Varieties Office (*Bundessortenamt*) and the inauguration of its new headquarters; and in November, he was visited by the Secretary of State for Food at the Ministry of Agriculture, Fisheries and Food of the Spanish State.

UPOV was represented at a meeting of the Vegetable Section of ASSINSEL, held in March in Geneva (Switzerland); at the annual Congresses of ASSINSEL and of FIS, both held in May in Venice (Italy); at an extraordinary meeting of the Governing Board of the European Co-operative Programme for the Conservation and Exchange of Crop Genetic Resources (ECP/GR), held in June in Geneva; at a conference on breeders' rights for decorative cultivars, organized by the Faculty of Law of the University of Southampton and held in September in Cambridge (United Kingdom); at the Thirty-Fourth Congress of AIPH, held in Amsterdam (Netherlands); and at the Fourth International Colloquium on the Protection of New Varieties of Plants, organized by CIOPORA and held in October 1982, in Geneva.

In November 1982, an Information Meeting was held at the headquarters of UPOV in Geneva. The purpose of the meeting, the first of its kind between the Office of UPOV and international non-governmental organizations interested in the activities of the Union, was to exchange information and to give an occasion for representatives of the organizations to express, in an informal way, their wishes and suggestions concerning the future development of plant breeders' rights in general and UPOV in particular. The organizations represented were: AIPH, ASSINSEL, CIOPORA, Association of Plant Breeders of the European Economic Community (COMASSO), FIS, National Association of Plant Patent Owners (NAPPO). The Office of the Union took note of the matters raised by the organizations, the representatives of which expressed their satisfaction at the convening of the meeting and asked that similar meetings be held in the future.

Publications

In 1982, the Office of the Union published the *Records of the 1978 Geneva Diplomatic Conference on the Revision of the International Convention for the Protection of New Varieties of Plants*, in French (UPOV publication 337(F)); *Rules of Procedure of the Council* (as of October 15, 1982), in English, French and German (UPOV publications INF/7); *Agreement Between WIPO and UPOV* (signed on November 26, 1982), in English, French and German (UPOV publications INF/8); five issues of "*Plant Variety Protection — Gazette and Newsletter of the International Union for the Protection of New Varieties of Plants*"; brochures containing the Arabic and Japanese texts of the Revised Act of 1978 of the UPOV Convention (UPOV publications 295(A) and 295(J), respectively); the *Records of the 1981 Symposium on "Plant Breeding Activities of Government Institutes, International Centers and the Private Sector,"* in English, French, German and Spanish (UPOV publications 339(E), (F), (G) and (S), respectively); an updated version of the *UPOV General Information Brochure* in English, French, German and Spanish (UPOV publications 408 (E), (F), (G) and (S), respectively); and four *Guidelines for the Conduct of Tests for Distinctness, Homogeneity and Stability* (for details, see the above report on the work of the Technical Committee).

WIPO Meetings

Paris Union

Assembly
Seventh Session (2nd Extraordinary)

and

Conference of Representatives
Ninth Session (4th Extraordinary)

(Geneva, February 28, 1983)

NOTE*

The Assembly and Conference of Representatives of the International Union for the Protection of Industrial Property (Paris Union) held their seventh session (2nd extraordinary) and ninth session (4th extraordinary), respectively, in Geneva on February 28, 1983. The purpose of the sessions was to discuss and approve the arrangements for the fourth session of the Diplomatic Conference on the Revision of the Paris Convention.

Forty-nine States members of the Assembly and four States members of the Conference of Representatives of the Paris Union were represented at the sessions. One State member of WIPO but not of the Paris Union and two intergovernmental organizations were represented by observers. The list of participants follows this Note.

The spokesmen of the three Regional Groups (Group of Developing Countries, Group B, representing industrialized market economy countries, and Group D, representing industrialized Socialist countries) each reaffirmed the importance of continuing the Diplomatic Conference and expressed the desire of their Groups to conclude successfully the work on the revision of the Paris Convention.

Following a discussion on the place, duration and dates of the fourth session of the Diplomatic Conference, the Assembly decided that that session would take place in Geneva from February 27 to March 24, 1984, and noted with appreciation that the Swiss authorities had offered to place at the disposal of the Conference, free of charge, the premises of the *Centre international de conférences de Genève*.

*Prepared by the International Bureau.

LIST OF PARTICIPANTS*

I. States

Algeria[1]: B. Saci; M. Mati. **Argentina**[1]: F. Jiménez Dávila; J. Pereira. **Australia**[1]: J. Cowcher. **Austria**[1]: G. Mayer-Dolliner; F. Trauttmannsdorff. **Belgium**[1]: J.-M. Poswick. **Brazil**[1]: A. Gurgel de Alencar; E. Cordeiro. **Bulgaria**[1]: I. Kotzev. **Burundi**[1]: B. Seburyamo. **Cameroon**[1]: W. Eyambe. **Canada**[1]: J. Lynch. **Congo**[1]: E. Kouloufoua; G. Goma; S. Bayalama. **Czechoslovakia**[1]: M. Slamova. **Denmark**[1]: K. Skjødt. **Egypt**[1]: M. Daghash. **Finland**[1]: I. Uusitalo. **France**[1]: L. Nicodème; M. Hiance; J.-M. Momal. **German Democratic Repnblic**[1]: H.-W. Mattern. **Germany (Federal Repnblic of)**[1]: E. Steup. **Ghana**[1]: A.J.B. McCarthy. **Haiti**[1]: C. Hudicourt Ewald; S. Théard Mevs. **Holy See**[1]: G. Bertello. **Hungary**[1]: Gy. Pusztai. **Indonesia**[1]: R. Tanzil. **Israel**[1]: M. Shaton. **Italy**[1]: G.L. Milesi-Ferretti; S. Samperi. **Japan**[1]: S. Ono. **Jordan**[1]: K. Abdul-Rahim. **Liechtenstein**[1]: R. Marxer. **Madagascar**[1]: O. Raveloson. **Mexico**[1]: P. Espinosa. **Morocco**[1]: M. Halfaoui. **Netherlands**[1]: J.J. Bos. **New Zealand**[1]: B.T. Lineham. **Norway**[1]: A.G. Gerhardsen. **Philippines**[1]: E.A. Manalo. **Poland**[1]: J. Zawalonka; R. Rysinski. **Portugal**[1]: J. Mota Maia; R. Serrão. **Repnblic of Korea**[1]: Jae-Uk Chae; Seock Jeong Eom. **Romania**[1]: T. Melescanu. **Senegal**[1]: S.C. Konate. **Soviet Union**[1]: V. Zubarev; V. Dmitriev. **Spain**[1]: J. Delicado Montero-Rios; S. Jessel; A. Casado Cerviño. **Sweden**[1]: G. Borggård. **Switzerland**[1]: P. Braendli; J. Manz; A.-M. Buess. **Tanzania**[1]: E.E.E. Mtango; S.J. Asman. **Trinidad and Tobago**[1]: H. Robertson. **Tnnisia**[1]: K. Gueblaoui; M. Baati. **Turkey**[1]: E. Apakan. **United Kingdom**[1]: T.W. Sage. **United States of America**[1]: G.J. Mossinghoff; M.K. Kirk; G.T. Dempsey. **Uruguay**[1]: C.A. Fernández-Ballesteros; A. Moerzinger. **Viet Nam**[1]: Nguyên Thuong; Doan Tat Cam. **Yemen**[2]: A. Tarcici. **Yngoslavia**[1]: B. Branković.

II. Intergovernmental Organizations

United Natious Industrial Development Organization (UNIDO): S.-P. Padolecchia. **African Intellectual Property Organization (OAPI)**: D. Ekani.

III. Officers

Chairman: Gy. Pusztai (Hungary). *Vice-Chairman:* P. Braendli (Switzerland). *Secretary:* K. Pfanner (WIPO).

IV. International Bureau of the World Intellectual Property Organization (WIPO)

A. Bogsch *(Director General)*; K. Pfanner *(Deputy Director General)*; M. Porzio *(Deputy Director General)*; T.A.J. Keefer *(Director, Administrative Division)*; G. Ledakis *(Legal Counsel)*; F. Balleys *(Head, Industrial Property Law Section, Industrial Property Division)*; H. Rossier *(Head, Mail and Documents Section)*.

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

[1] Member of the Paris Union.

[2] Member of WIPO but nol of the Paris Union.

Locarno Union

Committee of Experts on the International Classification for Industrial Designs

Fourth Session
(Geneva, December 13 to 17, 1982)

NOTE*

The Committee of Experts set up by Article 3 of the Locarno Agreement, of October 8, 1968, Establishing an International Classification for Industrial Designs (hereinafter referred to as "the Committee") met in Geneva from December 13 to 17, 1982.[1]

The following countries members of the Locarno Special Union were represented: Denmark, Finland, France, Netherlands, Norway, Soviet Union, Spain. Sweden, Switzerland. The following member countries of the Paris Union for the Protection of Industrial Property, not members of the Locarno Union, were represented by observers: Madagascar, Republic of Korea, Turkey. One intergovernmental organization, the Benelux Designs Office, and one international non-governmental organization, the International Chamber of Commerce, were also represented by observers. The list of participants follows this Note.

The Committee took decisions in respect of changes in each one of the three constituent elements of the International (Locarno) Classification (hereinafter referred to as "the Classification"), namely, the List of Classes and Subclasses, the Alphabetical List of Goods in which industrial designs are incorporated and the Explanatory Notes.

The decisions were based on proposals submitted by certain countries, members of the Locarno Union, as well as on proposals made by the International Bureau on the basis of a review as to formal aspects of the Classification.

Pursuant to Article 4(1) of the Locarno Agreement, the decisions of the Committee of Experts will, on July 1, 1983, be communicated by the International Bureau to the member countries of the Locarno Union by means of a special notification.

In accordance with the decisions taken by the Assembly of the Locarno Union at its first extraordinary session of September/October 1971, only the changes in the List of Classes and Subclasses and in the Explanatory Notes are published below. The changes in the Alphabetical List of Goods will be included in the said notification.

With regard to further proposals made by the International Bureau for improving the Classification by (a) limiting the Alphabetical List of Goods to single product-indications, and (b) supplementing the said List with a "Catchword Index" with cross references wherever necessary containing clusters of all related product designations, the Committeee recommended that the International Bureau should proceed and rearrange the presentation of the Classification, as proposed.

CHANGES IN THE LIST OF CLASSES AND SUBCLASSES AND IN THE EXPLANATORY NOTES

1. Class 06. Addition of a New Explanatory Note

A new Explanatory Note (b) has been added to Class 06, reading as follows:

"Sets of furniture, as far as they can be looked upon as one design, are classified in Class 06-05."

The present Note (b) has become Note (c).

2. Class 08. Addition of an Explanatory Note to Subclass 99

An Explanatory Note has been added to Subclass 99 of Class 08, reading as follows:

"Including non-electric cables, regardless of the material of which they are made."

3. Class 11. Change of the Heading of Subclass 01

The title of this Subclass has been changed to: "Jewellery."

4. Class 12. Change of the Headings of Subclasses 15 and 16

The heading of *Subclass 15* has been changed to: "Tyres and anti-skid chains for vehicles."

The heading of *Subclass 16* has been changed to: "Parts, equipment and accessories for vehicles, not included in other Classes or Subclasses."

5. Class 15. Change of the Heading of Subclass 09

The heading of this Subclass has been changed to: "Machine tools, abrading and founding machinery."

6. Class 30. Change of the Heading of this Class

The heading of this Class has been changed to: "Articles for the care and handling of animals."

* Prepared by the International Bureau.

[1] For the Note on the third session, see *Industrial Property*, 1981, p. 99.

LIST OF PARTICIPANTS*

I. Member States

Denmark: I. Sander; J.E. Carstad. **Finland:** O. Wilder. **France:** J. Norguet. **Netherlands:** F. Launspach. **Norway:** A. Guldhav. **Soviet Union:** A.N. Grigoriev. **Spain:** M. Hidalgo. **Sweden:** V. Smith. **Switzerland:** J.-M. Souche; M. Diriwächter.

II. Observer States

Madagascar: S. Rabearivelo. **Republic of Korea:** Shi Hyung Kim. **Turkey:** E. Apakan.

III. Intergovernmental Organization

Benelux Designs Office: F. Launspach.

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

IV. Non-Governmental Organization

International Chamber of Commerce (ICC): J. Buraas.

V. Officers

Chairman: J.E. Carstad (Denmark). *Vice-Chairmen:* F. Launspach (Netherlands); A.N. Grigoriev (Soviet Union). *Secretary:* C. Werkman (WIPO).

VI. International Bureau of WIPO

P. Claus *(Director, Classifications and Patent Information Division)*; C. Werkman *(Head, Trademark and Industrial Designs Classifications Section, Classifications and Patent Information Division)*; C. Leder *(Classsification Officer, Trademark and Industrial Designs Classifications Section)*; V. Terbois *(Head, Industrial Design Registration Section, Trademark and Industrial Designs Registration Division)*.

General Studies

The Protection of Inventions in Romania

Y. EMINESCU*

Patents

Sources

The first Romanian law to set up a system for protecting rights in technical creations was the Patent Law of January 17, 1906. This Law survived until 1967 with three amendments[1] and two express repeals,[2] together with a number of repeals and amendments made in 1955 following the reorganization of the national industrial property office and the adaptation of protection for inventions to the needs of a socialized economy.

The 1906 Law was repealed by Decree No. 884/1967, the first socialist legislation on inventions in Romania, which was itself superseded by the current Law, that is to say, Law No. 62 on Inventions and Innovations of October 30, 1974, published on November 2, 1974,[3] which entered into force on February 2, 1975.

In addition to this Law, the system of inventions is also governed by Decree No. 93 of April 16, 1976, on the calculation of remuneration due to authors of inventions and innovations, and Decree No. 363 of November 16, 1976, on fees in relation to patents.

These legislative acts are supplemented by:

— the Regulation on the Organization and Working of the Appeal Commission Concerning Inventions[4] attached to the State Office for Inventions and Trademarks (SOIT);

— the provisions on the drafting of descriptions of inventions, approved by the National Council for Science and Technology;[5] and

— the provisions on the constitution of regular filings of inventions with the SOIT.[6]

Romania has been a member of the Paris Convention for the Protection of Industrial Property since 1920; it ratified the Stockholm Act of 1967 by Decree No. 1177 of December 28, 1968,[7] and signed the Patent Cooperation Treaty (PCT), which it ratified in 1979 by Decree No. 81 of March 2, 1979, with the reservation contained in Section 1 of the Ratification Decree.

That reservation concerns Article 59 of the PCT. It sets out the position of Romania that, true to its previous stances, disputes arising from the interpretation or application of the Treaty and the Regulations cannot be brought before the International Court of Justice, except with the agreement of the parties to the dispute, given separately for each case.

Under Section 3 of the Ratification Decree, the SOIT is required to carry out the duties and procedures provided for by the Treaty as regards the registration of international applications to be transmitted for patenting in other countries as well as of international applications received from abroad with a view to their protection in Romania.

The Chamber of Commerce and Industry constitutes the necessary agent for all international applications provided for by the Treaty.

Patentable Inventions

Section 10 of Law No. 62/1974 gives the following definition of an invention:

> "... a technical or scientific creation showing novelty and progress as compared with the known state of the art in the world, which has not been patented or described in a printed publication within the country or abroad, which represents a technical solution and which can be applied for solving problems in economics, science, the protection of health, national defense or any other field of economic or social life."

This definition, which it must be admitted is rather heavy, enables us to isolate the following characteristic elements:

(a) an invention is a *technical solution* to a problem;

(b) the *problem* to which the invention offers a solution *may belong to any field of economic or social life*;

(c) the proposed solution must be *new*;

(d) the proposed solution must represent *progress*;

(e) the proposed solution must be *capable of application.*

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[1] Affecting Sections 15, 21 and 27, amended by Decree No. 2680/1929.

[2] Affecting Sections 2 and 34, repealed by Decree No. 120/1929 and Decree No. 120/1955, respectively.

[3] See *Industrial Property*, 1975, p. 306.

[4] Approved by the Executive Office of the National Council for Science and Technology on April 1, 1975.

[5] Published in the review *Invenţii şi Inovaţii*, 1977, No. 3.

[6] *Ibid.*, 1978, No. 4.

[7] The Convention Establishing the World Intellectual Property Organization (WIPO) was ratified by Decree No. 1175 of the same date.

A closer analysis of the legal definition obliges us to note a number of imperfections in the drafting. Firstly, there exists a contradiction, at least in appearance, between the beginning of the definition, which characterizes the invention as being "a technical or scientific creation," and the final part where the invention is *always* a "technical solution." Nevertheless, the overall definition clearly shows that not all "scientific creations" necessarily constitute an invention. Simple scientific ideas without indication of a practical application remain outside the protection afforded by the Law.

A recent decision by Civil Section III of the Bucharest Muncipal Court applied this principle as a basis for rejecting an appeal against a decision of February 28, 1976, taken by the Appeal Commission of the SOIT as regards the conclusions reached by the experts who had noted the "theoretical nature" of the subject matter of the patent application which had not been "physically" put into practice.[8]

The significance of the first part of the definition is underlined by SOIT practice which, basing itself on the expression "scientific or technical creation," considers *the existence of creative activity as a distinct condition of patentability.*

It may also be noted that, by requiring the invention to be new, the Law implicitly requires that it should not have been patented or made public beforehand.

The legal definition quoted above contains two categories of elements: some intended to demarcate the general concept of invention and others to represent the *conditions of patentability* or qualification of the patentable invention.

The *first category* contains the statement that an invention is:

— a technical solution,
— of a problem belonging to any field of economic or social life.

It follows that the invention may not be reduced to the simple identification of a problem but must consist in a statement of specific means to resolve that problem.

On the basis of this interpretation, for example, the Bucharest Municipal Court[9] (Section IV) rejected an appeal from a decision taken by the SOIT on a patent application concerning "an MGLK biotic force engine," since the application did not offer "a technical solution, that is to say, did not practically resolve the problem set."[10]

The provisions on the constitution of a regular filing explain in this context (No. 29, *(c)*) that studies and proposals for organization or planning, accounting systems, computer programs, chemical reactions, educational methods, etc., do not constitute technical solutions.

By defining an invention as a "solution," the Law implicitly lays down that it must be terminated, that is to say, that it must contain all the elements necessary to lead to the sought-after result.

By stipulating that the solution must be technical, the Law draws attention to the fact that the creative element enabling the problem to be resolved should be of a technical nature (a device, an installation, a process, etc.).[11]

The *second category* of elements contained in the statutory definition of the invention represents the actual conditions of patentability, of which there are four, that is to say:

— industrial nature;
— novelty;
— progress; and
— creative nature, a condition deduced by interpretation, in SOIT practice, and which corresponds to the requirement of a degree of inventive step.

Industrial nature means the possibility of repeated application in any field of economic or social life, which should exist not only at the present time but also in the future.

The condition of industrial nature does not mean that application of the invention necessarily leads to economic results.

The condition of *novelty* is to be assessed, as it emerges from the actual wording of Section 10, in relation to the state of the art in the world. It must be absolute.

A determining factor for the novelty of the invention, according to the practice of SOIT, is the *new technical effect* "generated by the elements distinguishing the analyzed solution from the solutions existing in the known prior art."[12]

In a judgment given in 1970,[13] the Supreme Court (Civil Section) explained that the concept of novelty:

> "...in the case of technical solutions for which protection is requested, takes on the concrete shape of distinct, characteristic, technical elements rendering the proposed solution different from all other technical solutions known in the existing state of the art, not only from a constructive or functional point of view, or the succession of phases in a given technological process, but also from the point of view of technical effects which may be obtained by means of these distinct technical elements specific to the new solution."

Under the Romanian law, anticipation searching is without chronological or geographical limit.

An invention is not new if:

(a) it has been the subject of a patent application previously recorded within the country;

[8] Decision No. 1716 of July 17, 1980.

[9] See below under "Actions and Remedies."

[10] Decision No. 836 of April 3, 1974.

[11] This matter was a subject of controversy in socialist law due to the fact that, by inadvertance, some legislative texts expressly referred to the technical nature of the problem by defining an invention as the solution to a *technical problem.*

[12] See L. Marinete in "*Invenţii, Inovaţii, Raţionalizări,*" vol. I. Institutul Central de Documentare Tehnică, Bucharest, 1970, p. 40.

[13] Decision No. 1619/1970.

(b) it has been the subject of a patent granted within the country or published abroad, with earlier priority, or of an earlier inventor's certificate published in a country where such title of protection exists;

(c) it has been described in a publication within the country or abroad;

(d) it has been exhibited, applied or otherwise brought to the knowledge of the public, within the country or abroad.

Under the Romanian Law, in order to be patentable an invention must represent *progress* as compared with preceding solutions.

In SOIT practice, the criteria of novelty and progress are held to be inseparable. L. Marinete explains:

> "It is not possible to conclude that the distinctive elements distinguishing a new technical solution from the technical solutions known in the worldwide state of the art are capable of satisfying the criteria of absolute novelty laid down by the Law if these elements do not constitute *technical progress* by comparison with known solutions."[14]

In this concept:

> "Technical progress, as an element deriving from the novelty elements of a technical solution for which patent protection has been requested, which is an inseparable element, conditioned and determined by the novelty elements of the solution concerned, must necessarily be reflected in the technical effects generated by the new solution...."[15]

This is a restrictive concept based on ill-adapted drafting of the Law that relates assessment of novelty and progress to the known state of *technology* throughout the world but does not justify, in our opinion, the attitude of the SOIT and, therefore, the exclusion of economic or socially significant effects as constitutive elements of progress represented by the proposed solution.

As we have already pointed out, basing ourselves on the statutory definition of an invention, considered as a "scientific or technical creation," the SOIT considers in practice the existence of *creative activity* to constitute a distinct condition of patentability.

Examination of this practice enables us to ascertain that the condition of creative activity is deemed to have been fulfilled wherever the proposed solution implies means that exceed the professional activity of a specialist in the given field.[16]

Thus, a change in the size of an object or of its components is not deemed to comprise creative activity. On the other hand, an invention consisting of a new use of a known product or process is considered patentable wherever it requires the product or process to be adapted to the new use.

It should be noted that the decisions of the SOIT do not use a uniform terminology, sometimes referring to "the inventive aspect" and sometimes to "the inventive idea" or the "inventive contribution" of the author.

To close this very general review of patentability conditions, we may add that, under Section 12 of the Law, inventions that are "contrary to laws, to rules of socialist living,[17] or whose application would adversely affect the development of society," are not patentable.

Persons Entitled to Rights in Inventions

Under Section 13 of the Law, "the person who has created an invention shall be deemed the author of the invention." It therefore follows, in principle, that the person entitled to rights in an invention is its *creator.* However, since rights in an invention are transferable (with the exception of rights bound up with the person of the inventor), other persons may also become entitled to rights in inventions, i.e., the inventor's *successors in title.*

In affording to the inventor the exclusive capacity of creator of the invention and, consequently, his right to the grant of a patent, the Law sets out in Section 14 three situations in which, for various reasons, the right to the grant of a patent and, thus, the capacity of holder of a patent, may only belong to a socialist organization.[18]

The first of the three hypotheses foreseen in Section 14 covers:

— inventions created by persons working in a socialist organization in the course of their contracts of employment and in relation to their work with such organization;

— inventions made at the request of a socialist organization, therefore under a contract, concluded in most cases with a research institute;

— inventions made with the physical assistance of a socialist organization by a person not bound to that organization by an employment contract, or by one of its employees but not in relation to such a contract.

The first case is that of true service inventions, whereas the other two cases cover inventions governed by arrangements assimilated to those for service inventions on account of the conditions under which they have been made.

Section 14*(b)* refers to a second category of inventions for which the right to the patent belongs exclusively to *State-owned socialist organizations.*

These provisions are intended to satisfy the same needs of social interest that have led most legislation to declare certain inventions to be non-patentable in view of their subject matter.

The special arrangements under Section 14*(b)* apply to inventions relating to:

— substances obtained by nuclear methods;

— chemical substances;

[14] Marinete, *op. cit.*, p. 71.

[15] *Ibid.*, p. 72.

[16] See examples quoted by L. Marinete, *op. cit.*, pp. 63 *et seq.*

[17] Concept equivalent to that of "morality."

[18] A term which covers equally State-owned legal persons, cooperatives and also social organizations (associations).

— medicines;
— methods for diagnosis and medical treatment;
— disinfectants;
— food and spices.

The same arrangements apply to new breeds of animals and new plant varieties.

Procedure

The procedure for obtaining a patent is set in motion by *registering a patent application* with the State Office for Inventions and Trademarks, which is subordinate to the National Council for Science and Technology.

The application may be filed by the *inventor* or by his *successor in title*, or by the socialist organization designated in accordance with the Law in those cases covered by Section 14.

Applications from foreigners, under Section 31, must be filed with the SOIT, through the Chamber of Commerce and Industry, in which a specialized industrial property service operates, known as "Rominvent." In such cases, the application must be accompanied by a power of attorney.

This same body is empowered by Section 30 to file Romanian patent applications abroad.

Pursuant to the provisions on the constitution of a statutory filing,[19] the *patent application* must be drawn up in Romanian, must state the title of the invention, the name of the inventor (or inventors), give a declaration as to the conditions under which it has been made,[20] state (where appropriate) the main invention to which the subject matter of the application is linked and furnish any information on its experimentation or application. The application must also comprise the following annexes:

— the description;
— the explanatory drawings;
— the abstract of the description;
— a bibliographic reference note on the state of the art (where this is known to the applicant);
— proof that registration and examination fees have been paid;
— priority certificates where priority under a convention is claimed (these documents may be filed within three months of the registration of the application).

In the case of an invention transferred to a socialist organization, the assignment statement must accompany the documents listed above.

The application must refer to one invention only.

The description, at the end of which the claims are to be formulated, is to be drawn up in accordance with the *provisions* approved by the National Council for Science and Technology on March 4, 1977. It must set out the subject matter of the application in a precise manner, demonstrate the novelty of the proposed solution compared with the known state of the art in the world, and its advantages, state at least one of the applications of the solution, be adequate to enable the invention to be carried out by a specialist and succinctly formulate the novel elements of the invention, in the form of claims.

Failing further detail, the problem arises of determining the level of qualification of the *specialist* for whom the description must be adequate. Is this a specialist of average capability, the usual legal standard, or a highly qualified specialist? We would lean towards the first of those solutions.

A first stage in the formalities preceding grant of the patent follows the registration of the application and consists in examining the conditions laid down for the constitution of a regular filing. Applicants must supplement incomplete applications within the period of time afforded by the Office.

After the filing has been properly constituted, a second stage begins, i.e., examining the subject matter of the patent application in respect of its patentability.

It should be noted that *the claims are interpreted in the light of the description and the drawings.*

Where new plant varieties and new breeds of animals are concerned, SOIT's practice is to request that they be tested and approved by the State Commission specially set up for such purpose by Law No. 13 of October 21, 1971. The Commission maintains a State Register and publishes in the Official Gazette a list of all new approved varieties.

The Commission's decision is therefore essential for granting the patent and, at the same time, constitutes proof of the industrial nature of the subject matter of the application.

During the substantive examination, SOIT may request, under Section 22 of the Law, the applicants to furnish the necessary information and may entrust to socialist organizations the execution of certain work where this proves necessary.

The patent is granted within a period which may not exceed two years from the registration of the application (Section 23) by means of a reasoned decision that is communicated to the applicant.

Granted patents are entered in the register of patents.

Patents and Inventors' Certificates

Under the first paragraph of Section 15, where a patent is granted to a socialist organization either in application of the Law or as a result of voluntary assignment by the inventor, the latter acquires the right to obtain an *inventor's certificate.* This document, contrary to the inventor's certificate known in various other socialist legislations, is not a title of protection for the invention but an attestation to the fact that the holder is

[19] See note 6, *supra.*

[20] In order to determine whether the invention belongs to the category of service inventions or those assimilated to that category.

the inventor (Section 36) and serves to support the economic and moral rights recognized by law.

Supplementary inventions (or improvements) are protected in the same way as main inventions by the granting of patents of addition.

Thus, wherever the main invention belongs to the category of inventions for which a patent cannot be granted except to a socialist organization (Section 14*(a)*) or exclusively to a State organization (Section 14*(b)*), the patent of addition will be subject to the same arrangements.

Romanian law contains no special document to protect improvements to inventions made by the author of the main invention.

The grant of a patent affords the holder, under Section 35 of the Law, the exclusive right to "use" the invention on the territory of Romania.

Although the Law refers to a right of "use," legal writings agree to interpret the text in its traditional meaning, which is to afford the holder of a patent an exclusive right of *exploitation.*

Something should be said, however, of the scope of this right or, more exactly, of the conditions for exercising it.

Since the exercise of a right is only possible within the limits and conditions of the law, it must be pointed out that personal exploitation of the subject matter of the patent is limited when the owner is a natural person, for instance, the case of a craftsman exploiting the invention in his own workshop, since this is the sole case of private enterprise permitted within the fully socialized economy of the country. In all other cases, exercise of the owner's exclusive right of exploitation takes the form of an authorization to exploit assigned to a socialist organization or a joint venture[21] in the form of an assignment or licensing contract.

It is therefore of interest to point in this context to the provisions of Section 29 of the Law under which inventions patented in the name of a *socialist organization* may be used "without charge and without any other formality" by any Romanian socialist organization provided that the latter informs the SOIT. The term "without any other formality" is interpreted as meaning that such use takes place under a *statutory license* without it being necessary to conclude a contract with the holder of the patent, thus independently of his consent.

We may also note that, although Section 29 refers to *all* socialist organizations, it is obvious that it does not concern inventions covered by Section 14*(b)* for which only a State organization may be the patent holder. In our view, Section 29 would not apply to this category of invention even if its application were invoked by a State organization other than that designated as holder of the patent in compliance with the special provisions of the Law. This solution would seem the obvious one in view of the social interest on which Section 14*(b)* is based and in view therefore of its restrictive nature.

Through the grant of an inventor's certificate (in the cases covered by Section 14*(a)* and *(b)* and in the case of voluntary assignment to a socialist organization) the holder acquires, subsequent to his invention being applied, a right to remuneration (Section 38) calculated in accordance with Decree No. 93 of August 16, 1976, paid to him for the first five years of application.

In view of the fact that remuneration is linked to *application* of the invention within the national economy, the problem has arisen whether, in obtaining the inventor's certificate, the inventor also acquires *a right of application of his invention.* The reply in the legal writings has been in the affirmative since such a right would seem to be in line with the obligation to ensure application and development of inventions, placed upon a number of State bodies, which is referred to explicitly by a number of provisions in the Law.[22]

In the same way as other legislation, the Romanian Law also places on the holder the *obligation to exploit the patented invention and to pay annual fees.*

The penalty for not complying with the obligation to exploit the invention within three years following granting of the patent is, in accordance with Section 46 of the Law, a *compulsory license* granted by the SOIT by means of a reasoned decision. Proof that exploitation has not taken place must be furnished by the person applying for a compulsory license. The holder of the patent may submit legitimate reasons to justify his lack of action.

The compulsory license penalty also applies in the case of inventions of general social interest or concerning national defense where it has not been possible to reach an agreement with the holder as to exploitation of the invention (Section 46*(a)*).

The amount of the annual fees to be paid is laid down in Decree No. 363/1976 on fees for patent applications and granted patents.[23]

The annual fees become due once the filing is regularly constituted and are to be paid within three months of communication of the decision to grant the patent for the period up to the end of the year in which the granting takes place.

For the following years, annual fees must be paid by the first day of each year of protection.

A six-month period of grace (subject to a 50% surcharge) is provided for by Section 5 of the above-mentioned Decree.

In justified cases, the SOIT may grant an extension for the payment of overdue annual fees (subject to a surcharge of 75%).

The penalty for non-payment of annual fees is loss of rights of the holder of the patent.

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[21] Joint ventures constitute organizations having Romanian and foreign capital whose incorporation, structure and operation are governed by Decree No. 424 of November 4, 1972.

[22] See in this respect Sections 3, 6, 9, 74, 76 and 77.

[23] The amount is 850 lei each year for the first five years, 1,500 lei for the sixth to eighth years and 5,000 lei for each subsequent year. For patents of addition, the amount is reduced by 50%.

As regards the holders of inventors' certificates, the Law (Section 42) places upon them an *obligation to provide technical assistance.* Although the text refers to inventors in general, the fact that under the Law this obligation is fulfilled *at the request of the socialist organizations holding the patent* means that the inventors referred to by the Law are exclusively the holders of inventors' certificates.

The *right of prior and personal possession* is anchored in Section 47*(c)* under which the fact of using the invention constituting the subject matter of the patent by a person who had applied the invention or had taken all necessary measures with a view to such application, in good faith and independently of the holder of the patent, does not constitute infringement of the holder of the patent's exclusive right.

The *exclusive right of exploitation ceases* on expiry of the term of the patent (first paragraph of Section 48), upon renunciation by the holder of the patent (first paragraph of Section 48), on loss of rights as a result of non-payment of annual fees (Section 49), and by annulment of the patent (Section 50).

Contrary to the other causes of loss of rights, annulment is retroactive to the filing date, whereby the patent may be annulled not only in whole but also in part, in which case it is equivalent to a restriction on the scope of protection (of the claims).

The patent is annulled in all cases where it has been granted for a nonpatentable invention, either because it is illegal or immoral or because the substantive conditions required for the existence of the patentable invention were not complied with. Under Section 51, a patent that has been granted is also annulled in each case where a final judicial decision holds that the invention belongs to a person (as inventor or successor in title) other than the holder of the patent.

In such cases, annulment of the granted patent is accompanied by the grant of a new patent in the name of the true inventor or his successor in title.

Transfer of Rights in Inventions

The admissibility of transferring rights relating to inventions is anchored in Section 44 of the Law on Inventions and Innovations. The transfer may take the shape of an assignment of the right to the grant of the patent (which is subject to no formality) or an assignment of the granted patent, or it may take the shape of a licensing contract wherever the subject matter of the transfer is the right to exploit the invention.

The provisions on assignment and statutory licensing in respect of the socialist organizations referred to above explain both the absence of special rules in respect of assignment and licensing contracts and the almost total absence of case law on such contracts.

The transfer of rights in an invention, whatever its form—assignment or license—must be registered with the SOIT and does not have effect in respect of third parties until after its registration (Section 45). This is in fact the only provision which the Law on Inventions and Innovations devotes to assignment and licensing contracts. Consequently, those contracts are governed by ordinary law, that is to say, in compliance with the wishes of the parties and, failing contractual stipulations, by the most appropriate provisions of the Civil Code in respect of contracts.

Earlier case law (under the 1906 Law) most frequently applied the provisions on sales to these types of contracts. It is probable that, faced with this problem, the present day solution would be the now conventional one of applying the rules on sales to assignment contracts and the Civil Code provisions on hiring to licensing contracts.

For these statutory instruments, interest is generally limited to relationships under international cooperation and foreign trade.

In this context, Section 32 of the Law requires that the exploitation of Romanian inventions abroad be done through the foreign trade undertakings, on proposals from the holders of patents and taking into account the opinion of the specialized scientific organizations. A similar system applies under Section 33 for the exploitation of foreign inventions in Romania where the authorization of the central body to which the beneficiary belongs is required.

To these provisions should be added those of Law No. 1 of March 17, 1971, on foreign trade and cooperation that apply under Section 3 to the sale and purchase of licenses.

A new element contributed by this Law is the fact that certain economic organizations (which are not foreign trade undertakings) are empowered to conclude foreign trade contracts.

Among the other provisions of the 1971 Law which may be mentioned as concerning technology transfer contracts is that requiring written form, which is unanimously considered by legal writers and by the practice of the International Arbitration Commission of the Chamber of Commerce and Industry as an essential condition, and noncompliance with it can affect the validity of the legal act itself.

The Law also requires (Section 29) that all contracts concluded abroad must have an *authorization* issued by the Ministry of Foreign Trade.

Finally, a particularly important provision of Law No. 1 of 1971 sets out the legal framework for incorporating within the country joint ventures having both Romanian and foreign capital. These provisions are supplemented by Decree No. 424/1972 setting out the field of application of contractual freedom as regards the incorporation, organization and operation of joint ventures. The incorporation of such ventures in the years following these regulations led to the appearance of a new legal entity capable of *directly* exercising the exclusive right of exploitation deriving from the patents of which it is the holder.

The Law on Inventions and Innovations contains only two provisions in respect of this new legal entity, viz. Section 34 and the second paragraph of Section 29. The first mentioned Section refers matters of patenting and exploitation of the inventions *made* within joint ventures to the agreements governing their incorporation, whereas the second provision expressly stipulates that joint ventures do not enjoy the statutory license provided for in the first paragraph of Section 29 in favor of socialist organizations.[24] The joint ventures must therefore in all cases conclude licensing contracts with the holders of patents for the use of any patented invention.

It must be said that the application of this Law to the latter category of (non-socialist) legal persons has raised many problems. Some of these are or may be resolved by the statutes of the ventures (approved by decree), whereas others, such as that of the arrangments for inventions falling under Section 14*(b)* (patentable exclusively in the name of a State organization), may give rise to difficulties.[25]

Actions and Remedies

Up to granting of the patent, the applicant or any other person concerned may contest the decisions of the SOIT by way of an *administrative appeal* under Section 52 of the Law.

The decisions which may be appealed from are:

- entry of applications in the register of filed inventions;
- recognition of claimed priorities;
- rejection or acceptance of the patent application;
- deletion from the register of filed applications or of granted patents where the registration or renewal fees have not been paid; and
- the grant of a compulsory license.

Competence in this field belongs to a special administrative body of a judicial nature, that is to say, to the Appeal Commission Concerning Inventions, which operates within the SOIT. It is composed of five experts, including the Director of the SOIT, who acts as chairman (Section 59).

The time limit for appeals is three months from communication of the decision or its publication (Section 52). There is an *audita altera parte* procedure and the parties may be assisted by lawyers or experts. Decisions are taken within 30 days of the filing date of appeals and are communicated within a period of 15 days.

Under Section 53, decisions taken by the Commission are *final*, with the exception of those concerning decisions to *accept or reject the patent application*, which may be appealed from to the Bucharest Municipal Court within three months of their notification.

Where the appeal against the decision of the Commission is admitted, the court examines the matter and takes its decision largely on the basis of the expert opinions produced.[26]

The importance of such evidence is emphasized by the decision of the Civil Chamber of the Supreme Court of November 27, 1970,[27] in which it was held that since the expert opinion and the counter opinion came to different conclusions, the court would require, under Section 130, second paragraph, of the Code of Civil Procedure, the production of a further opinion by highly qualified experts to determine whether the applicant's proposal possessed the novelty and technical progress required for an invention.

After the patent has been granted, it is possible for those concerned, where a patent has been granted in violation of the law, to institute *annulment proceedings*.

A granted patent may be annulled whenever the invention does not meet the requirements laid down by the Law, that is to say, whenever the subject matter of the patent:

- is contrary to law or to the rules of socialist living; or
- does not meet the requirements of patentability.

Defective filing is not a cause of nullity of a granted patent under Romanian law.

As already mentioned, an invention is a completed *solution* that is capable of being applied. In refusing the appeal lodged against Decision No. 66 of July 10, 1973, of the Appeal Commission, the Bucharest Municipal Court (Civil Section IV)[28] explained that the proposed invention entitled "MGLK biotic force engine," which was the subject of litigation, "contains only theoretical elements and formulas to describe the working of a motor imagined by the inventor but does not offer the technical solution, that is to say, does not practically resolve the technical problem that has been posed."

In a decision given after acceptance of the appeal, in annulment proceedings for a patent granted for a process for fabricating orthopedic prostheses, the Bucharest Municipal Court (Civil Section V)[29] made an interesting comparative analysis to establish the *novelty* of the subject matter of the litigation in relation to the prior art that had been invoked and reached the conclusion that the invention was "below the level of the state of the art

[24] This provision is in fact pointless since the unanimous opinion of legal writers is that joint ventures are not socialist organizations and cannot benefit from a provision of exception that has been kept for the benefit of such organizations.

[25] For instance, one may wonder, in view of the purpose of the Law, whether such inventions may constitute the contribution by the Romanian side (assuming it to be the holder of such a patent).

[26] See to this effect: Bucharest Municipal Court (Civil Section IV), Decisions No. 1373 of May 13, 1970, and No. 952 of April 15, 1974; Bucharest Municipal Court (Civil Section III), Decision No. 1080 of May 22, 1973, and Decisions Nos. 2709, 2710, 2711 and 2712 of November 6, 1970.

[27] No. 1619/1970.

[28] Decision No. 836 of April 3, 1974.

[29] No. 2393 of September 28, 1971.

in the world" and consequently decided to annul the patent.

This conclusion was based on the fact that "the difference between the process applied for... and processes long since known in the state of the art in the world referred exclusively to the order in which the layers of material were combined, which was not an essential element in assessing technical novelty."

In patent annulment proceedings concerning an automatic telephone switchboard, the Bucharest Municipal Court (Civil Section IV)[30] held that *publication* in confidential matter preceding filing of the application did not destroy the novelty since the matter invoked "had not had the publicity" required by the Law "since it was confidential, as indicated by the notice on the cover and was published exclusively for the use, within the service, of the employees of the Directorate General of Posts and Telecommunications."

The prior installation of such exchanges was also not considered by the court to constitute invocable prior art since "the installation was carried out in specially reserved rooms where public access was prohibited."

The decision given by the same court on March 8, 1971,[31] after accepting the appeal in annulment proceedings for a patent granted for an invention entitled "successive action die," which it rejected, holding the existence of the novelty of the proposed solution and the technical progress it represented, provides an example of the way in which the courts evaluate this latter condition of patentability.

Basing itself on the expert opinion that had been requested, the court held that "the double conicity punch represents technical progress both from a functional point of view and from the point of view of duration of use and the effects of wear." Whereas for the sheet lifter devised by the same inventor, with two equivalent alternatives, the technical progress was constituted, in the view of the court, by the multiple functions it carried out.

Patent annulment proceedings may be instituted by any person concerned or may be *ex officio*.

The competent body, in the first instance, is the Appeal Commission Concerning Inventions of the SOIT which hears such actions in accordance with the procedure and within the time limits set for administrative appeals.

Under the second paragraph of Section 50, "a request for the annulment of a patent may be filed throughout the period of validity of the patent." This provision does not, of course, refer to the period of time within which the nullity proceedings must be instituted but to the period of time within which the cause of nullity is situated. The actual proceedings are subject to the statute of limitation under ordinary law (three years).

Annulment has effect as from the filing date of the application.

[30] No. 1074 of April 14, 1970.

[31] No. 546/1971.

The Romanian Law contains no information as to the absolute or relative nature of the effect of the decision to annul a patent. In our opinion, the *erga omnes* solution is justified by interpretation and supported by the logic of the invention protection system. Such effects are only produced, however, by annulment decisions and not by rejection of annulment proceedings since the validity of the patent may again be questioned by another person for other reasons.

Whenever a patent is accompanied by an inventor's certificate, annulment of the patent causes annulment of the inventor's certificate issued to the inventor.

Under Section 60 of the Law on Inventions and Innovations:

> "Disputes concerning the question whether a person is or is not the author or joint author of an invention, the question how the reward or the other property rights are to be shared between the joint authors, and any other disputes relating to the rights arising under patents, assignments, licenses and compulsory licenses shall be settled by the courts of law according to the provisions of the Code of Civil Procedure."

It follows that the ordinary courts of law are competent to hear:

— actions as to authorship, that is to say, actions claiming that capacity, and all actions concerning infringement of the inventor's moral rights;

— actions concerning the transfer of rights in inventions, including compulsory licenses;

— actions for damages following infringement of the holder's exclusive right of exploitation of the patent;

— actions for payment of remuneration following statutory or voluntary assignment to a socialist organization (despite the fact that Section 60 only makes explicit mention of actions concerning the sharing of remuneration between joint inventors, since the Law makes no distinction between such forms of assignment and assignment under ordinary law when establishing the competence of the courts for all disputes arising from acts of transfer).

Among the provisions on the various types of actions and appeals, Section 55 of the Law permits the reinstatement of an expired time limit, at the request of the party concerned, where the time limit has not been observed for a well-founded reason. The right to reinstate an expired time limit belongs, depending on the competence laid down for resolving the dispute, either to the Appeal Commission or to the courts.

The installation of the system of statutory and voluntary assignment to socialist organizations and, primarily, the statutory license afforded to all other socialist organizations for inventions patented in the name of such an organization, generally removes all reason or interest in infringement since it gives a different meaning to unfair competition.

This explains why the only text dealing with such questions is Sections 299 to 301 of the Penal Code.

Under Section 299, infringement or unlawful use of the subject matter of an invention "shall be punished by imprisonment of between three months and two years

or by a fine of between 500 and 5,000 lei," and Section 300 lays down the same penalties for putting infringing articles into circulation.

Unfair competition, for its part, constitutes, under Section 301, an unlawful act punishable by imprisonment of between three months and two years or by a fine, wherever it takes the form of "the manufacture or marketing of a product bearing false statements in respect of patents."

It may also be mentioned that infringement, amply dealt with by the 1906 Law, and unfair competition give rise to civil liability proceedings wherever the prerequisites of such action are met, that is to say:

— an unlawful act;

— a prejudice;

— an offense committed by the defendant; and also

— a causal link between the unlawful act and the prejudice suffered.

Failing recent case law, but taking into account the very general nature of the new regulations, we feel that many solutions from earlier case law still retain their value under the current Law.

Thus, case law has always accepted, following the traditional concept, that the existence of an infringing act requires the existence of a *valid patent.*

In a decision of November 3, 1924, the Court of the Department of Prahova held that the party concerned may invoke the nullity of the patent, as an exception, against the request for attachment, by proving prior art that negates novelty.[32]

Romanian case law has often applied the generally accepted rule that any reproduction in which the *essential constitutive elements* of the protected invention may be found constitutes an infringement.[33]

It should also be mentioned in respect of the period within which the infringing act must be located, that a decision by the Supreme Court of Appeal on June 10, 1924,[34] made a distinction between criminal proceedings, held to be inadmissible where the acts had taken place at a time prior to publication of the patent, and proceedings for damages which, in that case, remained open.

In the same way as other socialist systems of law, Romanian law provides an *extraordinary appeal* against court decisions. It may be instituted solely by the Public Prosecutor within a period of one year from the date on which the decision becomes final. Such appeal also applies to court decisions in respect of patents.

Outlook

A recasting of the industrial property legislation is currently being examined in Romania.

Proposals have been made to take this opportunity also to regulate the protection of industrial designs.

As regards inventions, discussions are being held, *inter alia*, on the need to dispense with free statutory licenses in favor of socialist organizations for all those inventions patented in the name of such an organization and to leave it to agreements between the parties to govern relationships in this filed. This is a solution that appears necessary in the context of the new system of self-management of the ventures.

Discussions are also being held on the setting up of a system of remuneration giving more incentive for employee inventions and also on the proposal to delete chemical products from the exceptional arrangements under Section 14*(b)*, which would be tantamount to admitting their protection by individual patents.

[32] See in *Curierul judiciar*, 1925, No. 24.

[33] *Ibid.*, 1916, No. 32, p. 235.

[34] See in *Pandectele române*, 1924, I, p. 281.

The Transmission and Exchange of Knowledge: The Role of Industrial Property from the Viewpoint of a Director of Industrial Research

G. MAIRE*

Technical progress, as is life, is based on an exchange of knowledge. In life, you continuously transmit and exchange knowledge. You transmit it, or you try to transmit it, to your children, you exchange it with friends, colleagues, suppliers and customers.

The biological process itself is based on the transmission of messages and the exchange of information whose precision and exactness are vitally important since a deformed message or erroneous information may lead to illness, degeneration and death.

What is commonly referred to as "technology transfer" is but one specific aspect of the transfer of knowledge, which constitutes both the outcome and the incentive for industrial research and technical progress.

As a research director for some 25 years in various technical fields, I have seen how difficult it is to transmit information correctly and exchange knowledge.

There is a basic difference between exchanging objects and exchanging knowledge.

Contrary to the exchange of material goods, the balance sheet for the exchange of technical knowledge is imprecise and is always positive.

Exchange of Material Goods

When you buy a product from a manufacturer, you lose a sum of money and acquire ownership of the product. The manufacturer loses the product but acquires a sum of money.

The technological balance sheet[1] is zero and is well defined.

Exchange of Knowledge

On the other hand, when a manufacturer buys an up-to-date processing plant, he may also acquire, in addition to the plant he has paid for, information on the various up-to-date processes and techniques, and possibly even on the methods adopted by his competitors.

The vendor, in addition to receiving the sale price, may also receive new knowledge that will be useful to him when selling plants to other customers.

The overall balance sheet of knowledge is always positive but it is not defined since each of the partners will have kept his own ideas and acquired a certain unspecified part of the other party's ideas.

The Transmission of Information is Difficult

Even between partners whose wish it is to speak together, to listen and who are able to understand each other, numerous difficulties arise, and I personally have experienced them in various "exchange" situations:

- within an undertaking (even within the research department);
- within the undertaking-supplier-customer system;
- between undertakings at the same technical level;
- between undertakings at widely differing levels.

But Patent Language Promotes the Transmission of Knowledge

In all cases where there has been an exchange of innovatory knowledge, I have noted that precision of language was the decisive condition for correct verbal and written transmission. Exposés, technical reports, specifications, processing books and operating manuals are all essential elements as long as they are rigorous; however, the "style" and the "discourse" of industrial property, particularly of *patents*, with their precise and universal rules, have proved to be the most valuable aids to the correct expression and reception of the message.

Those factors enable the originator to be identified, permit worldwide transmission and ensure accessibility by the recipient concerned since they are classified and translated.

Their value may be judged by studying the official files and, as a last resort, by the courts.

Patents offer a medium with an average duration long enough to encourage dissemination by the originator, and sufficiently short not to discourage the recipient concerned about progress in a field that is closely enough defined to enable the surroundings to be explored. Of course, it is necessary that the rules of the game for patents be known and be respected by the partners: they must not be altered or permitted to be altered for reasons of passing convenience; in losing its universality, the game of patents would also lose its intrinsic value.

I. The Patent as a Means of Expression and of Transmission of an Innovation[2] Within an Undertaking

Among the basic questions put by a director of industrial research when visiting his laboratories, the following are the two most frequent:

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[1] The social balance sheet is positive since it includes the exchange of information between the manufacturer and the customer, both of whom are equally satisfied.

[2] I should say: "of a 'serendipity' "... that is capable of becoming an invention.

— What have you discovered?
— What do you intend doing with it?

In order to reply to those questions, the laboratory team must acquire the instinct to identify the phenomenon, to look for applications and practical methods of implementation, in liaison with the sales and production departments.

The Patent Application Cristallizes the Invention

The "serendipity" is developed and defined in verbal reports and discussions within the team and then takes on the material form of a document. Once the text has acquired a specific legal date,[3] it is discussed with documentation and patent specialists and, above all, with the technical and commercial partners. Confrontation with the known state of the art and with relevant published patents feeds the dialogue and gives more detailed form to the research. This test often shows up the belatedness or the minor interest of the "serendipity," the need to drop the approach or to redirect it. However, more often than one may think, the result is a patent application which cristallizes the invention; it is sometimes the start of a series that will prove to be fruitful, sometimes it is but an isolated, but original, marker along a well-trodden path.

As was written by Paul Mathély: "There are minor patents but there are no worthless patents."

Even if it is a minor patent or a dependent one, the filing of a *valid* patent has an important psychological effect on senior management and on the production and sales departments of the firm, particularly if they have been associated with the work of the research team.

The Patent Application Facilitates "Adoption" of the Invention

Where a major change of process is to be transferred to production or where the sales department must be tempted into launching a rather new product, requiring considerable adaptation on the part of production or sales staff, a psychological process of "adoption" of the invention must be triggered off in the recipient who is to take charge of the process or the product. It is therefore necessary to have pilot laboratories in the factory to take up new manufacture and to be able to insert new or modified products into the commercial applications laboratories in close contact with customers. Where the innovation is not "adopted" by the departments required to implement it or to sell it, it is unlikely to be a success.

What better certificate of adoption could be imagined than a patent or, better still, a small series of patents resulting from inventions—sometimes minor but nevertheless patentable—made by engineers within the factory or by the technical sales staff, in the field of innovation concerned? The psychological impact of such patent applications may be greater than their actual commercial value.

The Patent is an Internal Agent of Transfer and Motivation

Use of patents as a means of transferring an invention even within an undertaking and as a means of internal stimulus seems to have been one of the reasons for the quantitative development of patents in Japan (or of inventors' certificates in Eastern Europe); the so-called patent "drafting" bonuses paid in numerous foreign firms and in a number of French firms, independently of the intrinsic value of the patent, no doubt spring from the same psychological approach.

However, to use it as a means of motivation, as an "award" to the researcher, carries with it a risk. The *abusive* use of patent applications as a means of disseminating doubtful innovations without real inventive value pollutes the patent system and at length counters the transmission of valid information by drowning it in a flood of false novelties.

The generalized recognition of the right of personal property would no doubt enable this abuse to be reduced.

II. Transmission of Knowledge Within the Undertaking-Supplier-Customer System

The Undertaking and its Suppliers

Undertakings always have a number of suppliers of raw materials and equipment for obvious reasons of competition and safety of supply, and the suppliers for their part have a number of customers whose requirements are well known to them as are their techniques.

Indeed, such suppliers generally have teams of a good technical level watching out for any progress, and technical information spontaneously travels well and rapidly (sometimes too well and too rapidly) from the undertaking to the supplier.

To enable technical problems to be correctly expressed and to be solved through active collaboration between undertakings, it is necessary to exchange information to an adequate extent, which is possible *only if the industrial property situation is clearcut.* The drafting of an industrial property document, together with the drawing up of patent applications, concerning innovatory matters, contributes greatly to such clarity, and a protocol of cooperation can be signed in respect of difficult matters in order to avoid future complications.

Between companies that are linked by a common professional interest, such problems of industrial prop-

[3] Deposit of a Soleau envelope, a sealed letter, registration of laboratory note books, declaration of an employee's invention, etc.

erty are fairly easily solved if dealt with *in good time:* solving them is highly promotive of the exchange of knowledge and technical cooperation.

The Undertaking and its Customers

The undertaking's eventual customers, on the other hand, whether individuals, traders or processing undertakings, are often at a different technical level than the producer and the transfer of knowledge is less rapid, thus explaining the occasional commercial failure of an innovation where its application has not been adequately studied or explained.

The Development of DDT Was Held Up by the Lack of a Patent

DDT was recognized as an insecticide around 1900 and received a gold medal at the 1904 London Exhibition but nevertheless had no commercial success at the time since the necessary information for its use was not passed on.

It would seem that the French inventor had not judged the invention to be patentable and, without patent coverage, he had hesitated to enter into the expense of development and information and had simply had blotting paper printed with advertising for his anti-moth product.

No patent and no scientific publications had been recorded. The 1904 publicity, which constituted absolute prior art, was not found and the "invention" made in 1939 was patented by the firm Geigy. Their patent remained in force until the (tardy) reappearance of that famous blotting paper.

It is certain that a patent application filed in 1900 would have disseminated knowledge and would have promoted the industrial development of the invention; thus dozens of years would have been gained in the fight against malaria and millions of human lives might have been saved.

The Producers and Their Industrial Customers

At present, "exchanges" of technical staff throughout the whole length of the producer-customer sequence, downstream and upstream, are frequent occurrences and, in my view, are most useful: they indeed constitute the best agent for transmitting knowldege.

Over the years, I have been happy to see some of my best technicians leave to join—with appreciable promotions—reliable customers and I have been most happy to take on in our applications laboratories, in important jobs, technicians from consumer firms. No written restrictions were imposed on this "migrant" staff and it has been my experience that the rules of "good conduct" have been respected when clearly explained.

The respect for those rules has been strengthened by a diligent, discrete and active industrial property policy (identification or classification of products, acquisition of a confirmed date, patent applications filed rapidly, etc.). An active policy of industrial property protection provides a strong incentive to honesty and enables knowledge to be freely transmitted in a way that would be impossible where the atmosphere was disturbed by lack of clarity in rights and distrust between the partners.

Undertakings and Outside Research Bodies

The exchange of knowledge between undertakings and outside research bodies may be analyzed in the same way as the supplier-customer system, but it contains a specific difficulty which I have observed, i.e., the frequent confusion between scientific property and industrial property, whereby each partner has a tendency to claim more than he should and more than he can take on.

I have read certain patents of university origin in which a dozen "inventors" are cited; the industrial nature of those patents is very slight and the claims lack precision. They are in fact simply scientific publications that have found their way into patent literature.

In addition to a good mutual knowledge of the scientific and industrial worlds, it is essential to have some legal knowledge in order to avoid confusion and conflicts which may deteriorate or block exchanges.

III. Transfer of Technology Between Undertakings at the Same Technical Level

This is the traditional case in which the patent has its specific, undisputed place, and so much relevant literature has been devoted to the process of assignment or licensing that I feel it pointless to repeat the classical considerations in respect of such agreements, which would not in any event be original. Since 1953, the year in which I concluded my first patent licensing agreement with the United States of America (in which I was personally involved as an inventor), I have participated, directly or indirectly, in many negotiations, with problems so varied that now, 30 years later, I would no longer dare to formulate absolute recommendations. I shall, however, take the risk of making a few observations:

1. The subject matter of the transaction should be well defined and the time spent in defining it, prior to the agreement, more than makes up for the time which would be lost subsequently in legal disputes.

Discussions are lengthy since, at the beginning of the negotiations, neither the purchaser nor the vendor are able to express exactly what they want. There is a difficult period during which the purchaser manifests the wish to receive everything and the vendor tries to withhold everything.

It is necessary to establish "the common intent of the contracting parties."[4]

2. Long-term exclusive rights have often proved in use to be just as fatal for the vendor as for the purchaser since they suppress the stimulus of competition. This is obvious for the vendor but does not become clear to the purchaser until he reaches the end of this license and is suddenly deprived of the protection obtained at great cost.

3. Licensing policy should form part of the undertaking's long-term strategy in the *field involved.*

(a) Either the vendor considers giving up the job to more favored licensees (e.g., as regards raw materials, geographical or commercial situation); he may in such case grant a maximum of rights to his licensees and enter into full and effective technical cooperation.

(b) Or the vendor wishes to remain in the job and will therefore naturally maintain a research and industrial property policy so as not to fall behind competing licensees; the rights granted will be limited in such cases (to the inevitable improvements), cooperation reduced, unless a joint subsidiary is set up under the leadership of the vendor, at least temporarily.

Intermediate situations, particularly when they fluctuate, are a source of considerable difficulties as regards research, investments and commercial policy.

4. If the vendor wishes to remain in the job, the development effort through the granting of a license constitutes a powerful stimulus for research but also involves difficulties and risks.

Difficulties

A dynamic and active policy for the external development of research gives a research director many worries. It is costly in terms of money and, above all, in terms of time; it is also hazardous and, by implication for all the departments of the undertaking concerned, it is an inexhaustible source of conflict and tension.

A purely defensive policy, on the other hand, is economical, seemingly sure and gives the research director a certain amount of tranquility, under the cover of a respected or hoped for secret.

Risks

The obvious danger is that of disclosure of know-how and loss of technical expertise to possible competitors.

The choice between conducting an offensive or a defensive policy depends on the type of activity and on the technical level of the company, which influences the advantages or drawbacks of either policy. To summarize, the following advantages may be expected from an active policy of negotiating industrial property:

The Value of Confrontation with Competitors

A producer of finished goods, such as domestic electrical apparatus or pneumatic tires, has a daily experience of confrontation and is constantly judging himself against his competitors.

A producer of steel, chemical products or textiles, on the other hand, is in danger of falling behind, technically and then commercially, and losing his competitiveness without realizing in time if he does not compare himself with his major rivals.

His presence on the market either as vendor or purchaser of technology enables him both to evaluate his own processes and to obtain information on progress made by his competitors.

The position of either vendor or purchaser of technology demands intense efforts by the industrial property department: the vendor needs to set out in detail what he has, what he is selling, what is new or what is already known; the purchaser must assess the value of the offers made and thus undertake a large amount of documentation, surveying and testing work.

Even if the negotiations are not conclusive, the effort of clarification in respect of industrial property and technical information is always highly fruitful.

Technical Synergy Deriving from Technology Transfer

Generally, the vendor makes an effort to maintain his lead, whereas the purchaser will try to improve the processes he has acquired in order to establish a good starting basis for his own development.

Naturally, laziness or incompetence may lead one or the other to do nothing, the vendor who is satisfied with his regular income and the purchaser who feels more safe in his dependency... but that will not last for long.

In reality, I have mostly observed increased research activity through exchanges. Indeed, the two countries in which technical progress is most marked are the very ones where exchanges are the most intensive; these exchanges, however, are not always visible and the "grey matter balance" gives but a very incomplete picture.

The technical capacity of big firms, with worldwide installations, may be explained in particular by the intensity of exchanges and of internal competition which may, within one group, cross over geographical and legal boundaries.

To sum up, for a research director, confrontation and technical exchange are somewhat like maneuvers: if you are in command of a fleet you need to send it out on exercises and maneuvers; if, for reasons of economy and security, you always leave it in harbor, you will soon have no boats and no sailors capable of carrying out their mission.

[4] French Civil Code, Article 1156.

IV. Transfer of Technology between Undertakings at Different Technical Levels

I do not pretend to be able to deal with this question since I do not have sufficient personal experience to be competent. I will therefore limit myself to expressing the conviction that a good knowledge of the existing industrial property system—particularly patents—and an attentive reading of conventions are absolutely indispensable. A distinction must be made between the essential and the secondary, that which should apply everywhere and that which may remain at local level, that which should be permanent and that which may be provisional.

Knowledge of the system cannot come entirely from books nor from purely legal studies since the art of using patents can only be acquired through the practice of technical research and innovation under the real conditions of the country, that is to say progressively and endogenously.

As a general rule, the game of industrial property must also be played by competent technicians and not be reserved solely for those who are more concerned with shining in negotiations than with laying the bases for harmonious industrial progress.

"Men are quite extraordinary," wrote Montesquieu, "they prefer their opinions to things." However, "things" are not often simple when the illusory veil of words is lifted from them.

It is a positive sign that the majority of developing countries do not call into question the principle of patent rights but in fact only the abuses in the exercise of those rights; it is above all the use of a patent as "added value" (reputed to be exhorbitant) on imported products that is objected to rather than the use of a patent as a medium for transmitting knowledge.

In the context of a global transfer of technology, know-how and technical assistance are like a kind of river which is difficult to define and sometimes hard to contain, but where patents may serve as a dike or as well-defined solid islands on which the technical expertise of the receiving countries may be built, an expertise which they may in turn transmit and exchange. It is necessary, however, to have a solid technical basis, which is slow to spread, to provide a permanent anchorage for this expertise.

The long Japanese experience shows that this path is possible and is fruitful and may encourage the numerous countries that have set out on the road to development.

It is obvious that ill-considered demands which profoundly adulterate the universal and reciprocal nature of patent law would be altogether contrary to the development of exchanges; indeed, secrecy would extend to the most advanced technologies and only those technologies that were outdated would be patented and transferable.

I am convinced that such a situation is wished by no one.

Conclusion

Experience has shown the essential part played by patents in the transmission and exchange of technical knowledge. The system would appear to be under challenge at present, due both to a lack of knowledge as to its practice and to the lack of use and excess use made of it; it is not sufficiently known by those who as yet are subject to it without implementing it, nor sufficiently used by some nationals (including the French), but too frequently utilized by others for "false inventions" which pollute the system.

Lack of knowledge and bad use of the system tends to destroy industrial property by pushing valid inventions into secrecy or no longer enabling inventions and their owners to be identified with certainty, and thus prevents the possibility of an exchange of knowledge. It is consequently the obligation of all to prevent such a state of affairs from coming about.

Calendar of Meetings

WIPO Meetings

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

1983

May 2 to 6 (Geneva) — Committee of Experts Concerning Joint Inventive Activity

May 26 to June 3 (Geneva) — Permanent Committee on Patent Information (PCPI) — Working Group on Special Questions and Working Group on Planning

June 6 to 17 (Geneva) — Permanent Committee on Patent Information (PCPI) — Working Group on Search Information

June 13 to 17 (Geneva) — Comittee of Experts on the Legal Protection of Compnter Software

Jone 20 to 24 (Geneva) — Permanent Committee on Patent Information (PCPI) — Ad Hoc Working Gronp on the Revision of the Gnide to the IPC

July 4 to 8 (Geneva) — Joint Unesco-WIPO Consultative Committee on the Access by Developing Conntries to Works Protected by Copyrigbt (convened jointly with Unesco)

September 12 to 20 (Geneva) — International Patent Classification (IPC) Union — Committee of Experts

September 14 to 16 (Paris) — Forum of International Non-Governmental Organizations on Donble Taxation of Copyrigbt Royalties (convened jointly with Unesco)

September 19 to 23 (Geneva) — Permanent Committee on Patent Information (PCPI) and PCT Committee for Technical Cooperation (PCT/CTC)

September 26 (Geneva) — Paris Union — Celebration of the Centenary of the Paris Convention for the Protection of Industrial Property

September 26 to October 4 (Geneva) — Governing Bodies (WIPO General Assembly, Conference and Coordination Committee; Assemblies of the Paris, Madrid, Hagne, Nice, Lisbon, Locarno, IPC, PCT, Budapest, TRT and Berne Unions; Conferences of Representatives of the Paris, Hague, Nice and Berne Unions; Executive Committees of the Paris and Berne Unions; Committee of Directors of the Madrid Union; Council of the Lisbon Union)

October 12 to 14 (Geneva, ILO Headquarters) — Rome Convention — Intergovernmental Committee (conveoed jointly with ILO and Unesco)

October 17 to 21 (Geneva) — Committee of Governmental Experts on Model Statutes for Institutions Administering Authors' Rights in Developing Countries (convened jointly with Unesco)

November 21 to 25 (Geneva) — Permanent Committee on Patent Information (PCPI) — Working Groop on General Information

November 28 to December 2 (Geneva) — Permanent Committee on Patent Information (PCPI) — Working Gronp on Special Questions and Working Group on Planning

December 5 to 7 (Geneva) — Berne Union, Universal Copyright Convention and Rome Convention — Snbcommittees on Cable Distribution of the Executive Committee of the Berne Union, of the Intergovernmental Copyright Committee and of the Intergovernmental Committee of the Rome Convention (convened jointly with ILO and Unesco)

December 8 and 9 (Geneva, ILO Headquarters) — Rome Convention — Intergovernmental Committee (convened jointly with ILO and Unesco)

December 12 to 16 (Geneva) — Berne Union — Executive Committee — Extraordinary Session (sitting together, for the discussion of certain items, with the Intergovernmental Committee of the Universal Copyright Convention)

1984

February 27 to March 24 (Geneva) — Revision of the Paris Convention — Diplomatic Conference

UPOV Meetings

1983

May 17 to 19 (Cambridge) — Technical Working Party on Automation and Compnter Programs

May 30 (Zaragoza) — Technical Working Party for Vegetables — Subgroup

May 30 to June 1 (Zaragoza) — Technical Working Party for Vegetables

June 7 (Tystofte, Skaelskør) — Technical Working Party for Agricultural Crops — Snbgronps

Jnne 8 to 10 (Tystofte, Skaelskør) — Technical Working Party for Agricultural Crops

September 20 (Rome) — Technical Working Party for Frnit Crops — Snbgroup

September 21 to 23 (Rome) — Technical Working Party for Fruit Crops

September 27 to 29 (Conthey) — Technical Working Party for Ornamental Plants and Forest Trees

October 3 and 4 (Geneva) — Technical Committee

October 11 (Geneva) — Consultative Committee

October 12 to 14 (Geneva) — Conncil

November 7 and 8 (Geneva) — Administrative and Legal Committee

November 9 and 10 (Geneva) — Hearing of International Non-Governmental Organizations

Other Meetings Concerned with Industrial Property

1983

European Patent Organisation: June 6 to 10; December 6 to 9 (Munich) — Administrative Council

Government of France: May 25 (Paris) — Ceremony in Honor of the Centenary of the Paris Convention *("Un siècle d'inventions françaises")*

Ioternational Association for the Advancement of Teaching and Research in Intellectual Property: September 5 to 7 (Munich) — Assembly and Annual Meeting

International Association for the Protection of Industrial Property: May 22 to 27 (Paris and Versailles) — XXXII Congress and Celebration of the Centenary of the Paris Convention.

International League Against Unfair Competition: September 18 to 21 (Montreal) — Working Session *(Journées d'Etudes)*

1984

Royal Patent and Registration Office: June 13 to 15 (Stockholm) — Symposium on the Centenary of the Swedisb Patent System