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Notifications

Nice Agreement

Ratification of the Geneva Act (1977)

SWITZERLAND

The Government of Switzerland deposited, on January 22, 1986, its instrument of ratification of the Geneva Act of May 13, 1977, of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of June 15, 1957, as revised at Stockholm on July 14, 1967.

The Geneva Act (1977) of the said Agreement will enter into force, with respect to Switzerland, on April 22, 1986.

Nice Notification No. 63, of January 22, 1986.

WIPO Meetings

Paris Union

Committee of Experts on the International Registration of Marks

Second Session
(Geneva, December 11 to 13, 1985)

NOTE*

The Committee of Experts on the International Registration of Marks (hereinafter referred to as "the Committee of Experts") held its second session in Geneva from December 11 to 13, 1985.¹ The following States were represented: Algeria, Austria, Belgium, Bulgaria, Canada, China, Czechoslovakia, Democratic People's Republic of Korea, Denmark, Equatorial Guinea, Finland, France, Germany (Federal Republic of), Greece, Hungary, Ireland, Italy, Japan, Morocco, Netherlands, Norway, Panama, Portugal, Romania, Soviet Union, Spain, Sudan, Sweden, Switzerland, Tunisia, United Kingdom, United States of America, Viet Nam, Yugoslavia (34). In addition, representatives of two intergovernmental organizations and 27 non-governmental organizations participated as observers. The list of participants follows this Note.

The discussions were based on a memorandum by the Director General of WIPO entitled "Detailed Outline of a Proposed New Treaty on the International Registration of Trademarks" (document IRM/CE/II/2).

The participants first engaged in a general debate as to the advisability of establishing a new system for the international registration of marks, in addition to those established by the Madrid Agreement Concerning the International Registration of Marks and the Trademark Registration Treaty, and then concentrated their discussions on a few specific issues. The discussions on some of those issues are summarized below.

Should International Applications Be Required to Be Based on a National (or Regional) Registration, a National (or Regional) Application or Neither of the Two? Where Should or Could International Applications Be Filed? The delegations representing countries *not*

party to the Madrid Agreement that took the floor unanimously stated that a new system of international registration of marks in which an international application would be required to be based on a registration of the mark in a national or regional trademark register would be totally unacceptable. The majority of those delegations were also of the opinion that an international application should in no case be required to be based on an application for a national registration and that filing an international application directly with the International Bureau should be allowed.

The majority of the delegations of the countries *party* to the Madrid Agreement, while expressing their satisfaction with the requirement of a national registration as presently in force in the Madrid Agreement, stated that they were willing to accept that a national application be a sufficient basis for the filing of an international application, in order to facilitate the adherence of countries not members of the Madrid Union to the new system for the international registration of marks. A number of those delegations stated, however, that the national application should, in order to be able to serve as a basis for an international application, lead to a national registration and that, should the national application be refused within a certain time limit after the filing of the international application, the effects of the international registration would cease to exist; another delegation suggested that the possibility, in such a situation, of the international registration being transformed in each designated State into a national registration benefiting from the filing or priority date of the international application be studied. One suggestion that was proposed would, along the lines of Articles 4(6) and 5(2) of the Trademark Registration Treaty, allow the country of origin of the applicant to require that the mark be the subject of a national application in that country at the time of the (direct) filing of the international application with the International Bureau.

Should the Possibility Be Provided for a Central Attack of the International Registration? The majority of the delegations representing countries *party* to the Madrid Agreement stressed the advantages of a system in which, during a certain period of time, the effects of the international registration may come to an end in all the designated countries as a consequence of the registration in the country of origin ceasing during that period of time either as the result of an action brought against the registration (central attack) or as a result of some other fact. Those delegations, however, recognized that central attack could lead to unjust results

* Prepared by the International Bureau.

¹ For a Note on the first session, see *Industrial Property*, 1985, p. 165.

since a ground for cancellation in one country might very well not be a ground for cancellation in other countries and said that alternative solutions allowing the elimination of such unjust consequences should be studied.

All the delegations of countries *not party* to the Madrid Agreement that took the floor on the central attack question expressed their strong opposition to including the institution of central attack in the envisaged new system.

The majority of the representatives of non-governmental organizations, speaking largely in the name of trademark owners who can and do use the Madrid Agreement, expressed their preference for a central attack system, since it allowed for good protection of the owners of any prior rights.

A possible compromise solution that was suggested for further study would provide that the owner of an international registration that loses its effect as a consequence of a successful central attack could file applications for national registrations in the designated countries and that such applications would be considered as if they had been filed on the filing or priority date of the application for international registration.

What Should the Effects of International Registration Be? Attention was drawn to the fact that it was conceivable to give very different effects to an international registration in the designated countries. As a minimum, the internationally registered mark would be treated in each designated country as if it had been the subject, on the same day, of a national application in that country, whereas all other conditions for protection would be left to the national law of the designated country. As a maximum, the international registration would have the full effects of a national registration in each designated country. Several intermediate solutions could also be envisaged.

The Committee agreed that the International Bureau would study various alternative solutions and would analyze the consequences of each of them.

Fees. A number of delegations *not party* to the Madrid Agreement considered that a solution according to which each country party to the new treaty would have the choice between a system comparable to that of the Madrid Agreement (in which the designation fee for each country is the same and is fixed by the Assembly of the Madrid Union and in which the fees are distributed among the members States taking into consideration the degree of examination to which they must proceed under their national laws) and a system under which each designated State would charge the same amount as for national applications was acceptable. The delegations of countries that undertook a substantive examination of applications for the registration of marks stated that their countries' choice would be for the second system. It was said that even if all countries

opted for that system, it would still be financially advantageous for applicants.

Time Limit for Provisional Refusal. The Committee of Experts considered the question of what, under any future system of international registration of marks, should be the time limit for issuing a notice of possible refusal, or "provisional refusal." A considerable number of delegations (including member countries of the Madrid Agreement) stated that the time limit of 12 months for the provisional refusal under the Madrid Agreement was too short, in particular for countries with a more elaborate examination system. Several member countries of the Madrid Agreement, however, stated that they were satisfied with the existing time limit under that Agreement and were of the opinion that it gave sufficient opportunity for timely refusal.

As to the desirable time limit for the envisaged new system, it was noted that there was a general willingness in the Committee of Experts to move toward a period of 15 to 20 months from the publication of the international registration, while some delegations expressed a preference for 24 months.

Languages. The Committee of Experts noted with approval the proposal of the International Bureau that English and French should be the languages to be used under the new treaty. Several delegations expressed the opinion that the introduction of English should also be envisaged in connection with the Madrid Agreement.

Planned Continuation of the Work. At the end of the discussions of the Committee of Experts, the Director General said that those discussions had shown that views were divided on whether the conclusion of a new treaty or the revision of the existing Madrid Agreement should be aimed at, although the mandate that had been received thus far was the exploration of the possibilities for the conclusion of a new treaty.

On the continuation of the work, he said that he would convene a third session of the Committee of Experts and would prepare a preparatory document containing new proposals that would, in the light of the present discussions, contain various alternatives as to the effect of an international recordal.

Furthermore, the Director General said that since the delegates of several countries of the Madrid Union declared that they would be ready to make some modifications in the Madrid system and since the delegates of several countries not party to the Madrid Agreement declared that they might be interested in a revised Madrid Agreement, he would ask the Assembly of the Madrid Union to give, if it so wishes, directions to the International Bureau concerning the preparation of a possible conference of revision of the Madrid Agreement. If such a mandate—which did not exist at the present time—were given, the International Bureau would work on proposals for a possible revision on the basis of the statements made in the Committee of Experts.

LIST OF PARTICIPANTS**

I. States

Algeria: F. Hamitou. Austria: O. Leberl. Belgium: W. Peeters. Bulgaria: P. Karajanev. Canada: G.W. Partington. China: Li Yuanmin. Czechoslovakia: J. Prosek. Democratic People's Republic of Korea: Yeung Seun Kwon. Denmark: L. Østerborg; C. Boysen Schmidt; I. Sander. Equatorial Guinea: C. Ocha'a Mve Bengobesama. Finland: S. Tanskanen; K.-H. Henn. France: B. Vidaud; G. Rajot. Germany (Federal Republic of): A. von Mühlendahl; M. Bühring. Greece: P. Geroulakos. Hungary: G. Vékás; M. Bognár; R. Sikos; E. Szigeti; B. Kende; A. Szentpéteri. Ireland: V. O'Reilly. Italy: G. Prigioni; M. Morandi. Japan: K. Mise; Y. Masuda. Morocco: H. Abbar. Netherlands: R. Fürstner; M.C. Geuze; E.C. Nootboom. Norway: A.G. Gerhardsen; M. Ruud. Panama: I. Aizpúrua Pérez. Portugal: J. Mota Maia; R. Serrão; A. de Sampaio. Romania: R. Susan. Soviet Union: A. Grigoriev. Spain: C. Gutierrez González. Sudan A.E.R.A. Ibrahim. Sweden: H. Olsson; K. Sundström. Switzerland: A. Rosenkranz. Tunisia: M. Blanco. United Kingdom: P. Shepherd; C.J.A. Parker. United States of America: L. Schroeder; R.G. Bowie; P.A. Woodring; W.A. Finkelstein. Viet Nam: Tran Viet Hung; Vu Huy Tan. Yugoslavia: M. Radivojevic.

II. Intergovernmental Organizations

European Free Trade Association (EFTA): S. Norberg; J.G. Petersson. Benelux Trademark Office (BBM) L. Van Bauwel.

III. Non-Governmental Organizations

American Bar Association (ABA): C.W. Lackert. Association française des praticiens du droit des marques et des modèles (APRAM): R. Baudin; R. Serain. Benelux Association of Trademark and Design Agents (BMM): F. Gevers. Bundesverband der Deutschen Industrie e.V. (BDI): F. Winter. Committee of National Institutes of Patent Agents (CNIPA): T.L. Johnson; M. Ruff. European Association of Industries of Branded Products (AIM): G.F. Kunze. European Communities Trademark Association (ECTA): J. Charrière; F. Gevers. European Federation of Agents of Industry in Industrial Property (FEMIP): S. Smith-Meyer. European Federation of Pharmaceutical Industries' Associations (EFPIA): P. Bocken. Institute of Patent Attorneys of Australia (IPAA): T.C. Collins; D.R. Shanahan. Institute of Trade Mark Agents (ITMA): G.A.A. Ball; D.B. Lutkin. International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP): D. Llewelyn; H.P. Kunz-Hallstein. International Association for the Protection of Industrial Property (AIPPI): E. Armitage; D.H. Tatham; M.W. Metz. International Chamber of Commerce (ICC): J.M.W. Buraas; N.-A. Jensen; A. Thrierr; G.F. Kunze; D.H. Tatham; A. Pickford. International Federation of Industrial Property Attorneys (FICPI): H. Sonn; P.F. Heritier; R. Jenkins. International Federation of Pharmaceutical Manufacturers Associations (IFPMA): C.M. Sautory; N.H. Newey. International League for Competition Law (LIDC): J. Guyet. International Patent and Trademark Association (IPTA): G.R. Clark; L.J. Kaufman. Max Planck Institute for Foreign and International Patent, Copyright, and Competition Law: H.P. Kunz-Hallstein. Pharmaceutical Trade Marks Group (PTMG): D.T. Rossiter; G.J. Foot; D. Llewelyn; S. Grandjean. The Chartered Institute of Patent Agents (CIPA): T.L. Johnson. The United States Trademark Association (USTA): R. Rolfe. Trade Marks, Patents and Designs Federation (TMDPF): B.D. Freeman; T.F. Brazier. Union des Fabricants (UNIFAB): A. Thrierr. Union of European Practitioners in Industrial Property (UEPIP): C. Kik. Union of Industries of the European Community (UNICE): H. Molijn. United States Council for International Business (USCIB): E.W. Hanak.

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

IV. Officers

Chairman: A. von Mühlendahl (Germany (Federal Republic of)). Vice-Chairmen: L. Schroeder (United States of America); A. Grigoriev (Soviet Union). Secretary: F. Balleys (WIPO).

V. International Bureau of WIPO

A. Bogsch (Director General); K. Pfanner (Deputy Director General); F. Balleys (Head, Industrial Property (Special Projects) Division); P. Mangué (Head, Trademark and Industrial Designs Registration Division); Tran-Thi T.-L. (Senior Legal Officer, Industrial Property (Special Projects) Division).

Nice Union

Committee of Experts for the International Classification of Goods and Services for the Purpose of the Registration of Marks

Fifteenth Session

(Geneva, October 21 to 25, 1985)

NOTE*

The Committee of Experts set up under Article 3 of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks met in Geneva from October 21 to 25, 1985.

The following member countries of the Nice Union were represented: Denmark, Finland, France, Germany (Federal Republic of), Netherlands, Norway, Soviet Union, Spain, Sweden, Switzerland, United Kingdom, United States of America (12). Cameroon, China and Japan were represented by observers. The list of participants follows this Note.

At its fifteenth session, the Committee of Experts studied a number of proposals, submitted by various member countries of the Nice Union or by the International Bureau of WIPO, with regard to changes to be made to the Classification.

Those proposals had already been examined by the Preparatory Working Group set up in 1974 to prepare the decisions of the Committee of Experts.

At this, the fifteenth session, the Committee of Experts adopted, unanimously as far as the amendments were concerned, the majority of the proposals and recommendations prepared by the Working Group at its 1983 and 1984 sessions.

The Committee of Experts decided that the changes adopted would enter into force on January 1, 1987. A new (fifth) edition of the Classification will then be published.

* Prepared by the International Bureau.

In addition, the Committee of Experts spoke in favor of setting up, in French and in English, a Keyword Index of the goods and services comprised in the Alphabetical List. This Index will reproduce under keywords all the goods and services listed by the Classification and will thus assist those who use the Classification by permitting them, once the fifth edition has been published, to consult it in addition to the List of Classes and the Alphabetical List, whose form and content will remain unchanged.

The Committee of Experts also noted with interest the progress achieved in the publication of official texts of the Classification in the languages referred to in Article 1(6) of the Nice Agreement. By the end of 1985, the fourth edition of the Classification had been published in Dutch, German, Italian, Portuguese and Spanish. The Russian version is under preparation. The amendments and additions adopted at the 1985 session of the Committee of Experts will be incorporated in those texts, and a new (fifth) edition will be published.

LIST OF PARTICIPANTS**

I. Member States

Denmark: I. Sander; **B. Wiborg.** **Finland:** K.-E. Jungfelt. **France:** G. Rajot; M.-C. Bartoli. **Germany (Federal Republic of):** G. Jehle. **Netherlands:** F. Launspach. **Norway:** A. Kaarhus; S.-J. Bostad. **Soviet Union:** R. Shabanov; L. Bandourina. **Spain:** C. Carranza. **Sweden:** K. Sundström. **Switzerland:** J. Weber. **United Kingdom:** E.N. Haverty. **United States of America:** M. Hynak.

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

II. Observer States

Cameroon: C.-E. Mbella Ngom. **China:** Liao Nengjing; Wu Qun. **Japon:** Y. Masuda.

III. Intergovernmental Organization

Benelux Trademark Office (BBM): F. Launspach; J.-P. Hoebreck.

IV. Observer Organizations

International Association for the Protection of Industrial Property (AIPPI): G.E. Kirker. **International Chamber of Commerce (ICC):** J.M.W. Buraas.

V. Consultant

J.-C. Tardy, SWORD S.A.R.L. (for point 5 of the Agenda).

VI. Officers

Chairman: M. Hynak (United States of America). *Vice-Chairmen:* F. Launspach (Netherlands); R. Shabanov (Soviet Union). *Secretary:* C.J. Werkman (WIPO).

VII. International Bureau of WIPO

L.E. Kostikov (*Deputy Director General*); C.J. Werkman (*Head, Trademark and Industrial Designs Classifications Section, Patent Information and Classification Division*); C. Leder (*Classification Officer, Trademarks and Industrial Designs Classifications Section*); M. Kaufmann (*Principal Examiner, Trademark and Appellations of Origin Registration Section, Trademark and Industrial Designs Registration Division*).

General Studies

Protection of Industrial Designs in Italian and Comparative European Law

F. BENUSSI*

The protection of industrial designs doubtlessly constitutes one of the most complex and one of the most disputed aspects of copyright and industrial property.

The problems raised by the protection of industrial designs, both in domestic Italian law and in comparative European law, have assumed considerable dimensions over recent years.¹

The problem, when dealing with the protection of industrial designs, is that in many ways designs resemble other comparable creations, and their nature is difficult to pin down or define with any precision.

I. The Concept of Industrial Design

The term "industrial design" refers, in everyday language, to articles of two or three dimensions, having a utilitarian purpose, the shape of which engenders an aesthetic pleasure for the person who looks at them or uses them.

They comprise articles of furnishing (chairs, lamps, tables, glasses, domestic appliances, wallpapers, wall-hangings, chinaware) or products of industrial technology in general, although these days all industrial products, as I will explain subsequently, are notable for the fact that the functional element and the aesthetic element are constantly and inseparably associated.

Both industrial property specialists and sociologists and philosophers have indeed attempted to define this phenomenon, but the difficulties and problems they meet with are in no way less than those involved in any attempt to define what is constituted by art, where it begins and where it ends. Since it has proved difficult to produce a definition of industrial design that can be universally accepted, it is necessary to define those articles that normally fall within this category, in order

to determine laws that may be capable of protecting them.

Such articles are normally held to constitute creations protected by industrial design law in respect of "the appearance of an industrial article, which may be the result, in particular, of a combination of lines or colors, of the shape of the object itself or of its decoration." However, their nature is such that they may, on occasion, be considered works of art, and are then better protected under copyright law.

To support what has been said above, it should be emphasized that the concept of art and the field to which it applies have been extended, for some time now, to include objects that would not have been considered art 50 years ago. For instance, the Museum of Modern Art of New York exhibits typewriters, pens, electric toasters, telephones, wireless sets, lamps, cash registers, meat slicers and electric razors as works of contemporary applied art.²

In any event, industrial designs are basically protected by industrial designs law.

The particularly valuable artistic aspects that are sometimes a feature of design are not neglected, however, since, even in the case of ornamental designs, the question arises whether they should fall under copyright law, which, in some cases, protects industrial forms that are particularly interesting from an artistic point of view.

Over the last two decades, both the industry of the developed countries and that of the developing countries have shown growing interest in such creations, and their economic importance has constantly increased. At the same time, the matter of their protection has taken on a new acuteness, with the result that the widespread view that designs are the "poor relations" of the industrial property family, and of only limited interest from a legal point of view, corresponds to an ever-smaller degree with reality, and is currently being called into question. It is an undeniable fact of our time that the appearance of industrial products constitutes a highly efficient tool for conquering the market, and that account must be taken of this fact. It would seem that manufacturers pay ever-increasing attention to this aspect, which they cannot ignore when choosing product development and fabrication options.

As a result of the technical progress that has been achieved, the goods available on the market possess technical qualities that are more or less identical at prices that are competitive and, if they are to be sold,

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¹ Davcy, "The Utilitarian Design. A Comparative Survey," *IIC*, 1984, pp. 455 *et seq.*; Reichman, "Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to the Copyright Act of 1976," *Duke Law Journal*, 1983, pp. 1143 *et seq.*; *idem*, "Design Protection After the Copyright Act of 1976: A Comparative View of the Emerging Interim Models," *Journal of the Copyright Society of the USA*, 1984, pp. 267 *et seq.*

² Benussi, F., *La tutela del disegno industriale: Problemi e prospettive*, Milan, 1975, pp. 16 *et seq.*

their appearance has to constitute an additional advantage.

In the same way as their technical features and qualities, the shape given to industrial products constitutes a powerful argument when selling them. In other words, the appearance of articles has become a market requirement.

This is not only the case in those sectors in which the shape of goods has traditionally played an important part, such as clothing, furnishing, watchmaking, chinaware, toys, sports equipment and packaging, but also in new sectors, such as electronics (wireless sets, television sets, domestic appliances), precision instruments, optical goods and the motor industry, in which there exists an ever-more pressing need to improve the appearance of products.

Consequently, it is increasingly frequent for industrial products to combine the two inseparable components of aesthetic form and functional nature, constituting a source of particularly complex problems for legal protection.

This twofold aspect of shape and function in industrially manufactured articles means that they constitute both artistic creations and industrial creations.

From the aesthetic point of view, industrial designs fall under copyright law.

However, in view of their utilitarian purpose and the fact that they are produced in quantity, they require specific protection to take into account the particular needs and aspects of industrial property creations and, more specifically, of patents.

Since they stand at the crossroads of art and industry, it is not possible to apply to them a single system of protection, whether that be through copyright or through patents.³

II. The Protection of Industrial Designs under Italian Law

Before looking at industrial designs from the viewpoint of possible protection at the international level, a subject to be covered in the second part of this study, I would like to deal with the specific aspects of the relevant Italian legislation and the problems that arise from it.

When analyzing the development of Italian legislation, it may be noted that Copyright Law No. 1950 of November 7, 1935, included creations of applied art in artistic works, in a similar way to French law, which had adopted the principle of the unity of art. They were subsequently excluded from such protection by Royal Decree No. 1602 of November 13, 1934, but which, in fact, failed to enter into force.

Specific provisions on industrial designs (Royal Decree No. 1411 of April 25, 1940, *Testo delle disposizioni legislative in materia di brevetti per modelli industriali*) were nevertheless promulgated, bringing together those two types of creations by reference to the Patent Law. Copyright Law No. 633 of April 22, 1941, once more accepted sculptured, painted or drawn creations for protection, even when applied to industry, but on condition that their artistic value be distinguishable from their industrial nature. It therefore excluded industrial designs.

Although the Italian lawmaker originally (1925) had a tendency to regard designs in the same way as copyrighted works, he changed his approach as from 1940 and moved towards industrial inventions.

(a) Ornamental Designs and Utility Models

I must first point out that, under the Italian legal system, designs cover two types of creation, utility models (*modelli di utilità*) and ornamental designs (*modelli e disegni ornamentali*), both of which represent products whose shape has been carefully designed, in one case to increase their utility and in the other case to improve their aesthetic appearance.

Utility models constitute shapes intended to make machines or parts of machines, instruments, utensils or other articles particularly efficient or particularly easy to use, and thereby differ from inventions.⁴

Ornamental designs differ from works protected under copyright insofar as they contribute an aesthetic element to industrial products, either by means of their shape or by means of a specific configuration of lines, colors or other elements. Indeed, a comparison made between utility models and inventions also helps to pinpoint those features that are common to ornamental designs and to utility models. That is to say, industrial designs may include the creations of new shapes that are functional, more practical, and therefore more useful, in other words, utility models and ornamental designs proper.

(b) Ornamental Designs and Works of Applied Art

The fact that industrial design creations may be classified both as ornamental designs and utility models does not cause any problems of legal protection since Italian Law No. 1411 on Industrial Designs, of August 25, 1940, expressly admits in Section 4 cumulative patent or utility model protection on simultaneous filing of two separate applications, the second of which is accepted in the event of the first one being refused or accepted in part only. Problems do arise, however, when a distinction has to be made between an ornamental design and a work of applied art since Section 5(2) of the Industrial Designs Law and Section 2(4) of Copyright Law No. 633, of April 22, 1941, expressly exclude cumulative protection as an ornamental design and

³ Péro-Morel, M.-A., "Les projets communautaires en matière de dessins et modèles industriels," *Rivista di diritto industriale*, 1981, I, p. 379; *idem*, *Les principes de protection des dessins et modèles dans les pays du Marché commun*, Paris, 1968, p. 16.

⁴ Franzosi, *La nozione di modello di utilità. Problemi attuali del diritto industriale: Volume celebrativo del XXV anno della Rivista di diritto industriale*, Milan, 1977, pp. 417 et seq.

protection under copyright. However, the difference between the two Laws is considerable, since the fact of making a distinction between the two categories of creations has very important practical implications when considering the differences between them as regards scope, term of protection and required formalities.

In the case of applied art creations, it is the well-known copyright principle of protection extending not only to the prohibition of imitation and reproduction, but also to the prohibition to modify works (Sections 4 and 18 of the Copyright Law) that applies. The scope of the protection afforded to creations of applied art is therefore much wider than that of ornamental designs.

As for the formalities for obtaining protection, in the case of creations of applied art, copyright is acquired by the creation of a work resulting from an intellectual effort (Section 6 of the Copyright Law); in the case of ornamental designs, the right is acquired by filing an application (Section 9 of the Industrial Designs Law).

The term of protection is 15 years for ornamental designs, whereas the Copyright Law protects the creator for the whole of his life plus 50 years after his death (Section 25 of the Copyright Law).

The Italian lawmaker helped to create difficulties in distinguishing between these two Laws by failing to define with any precision the boundaries between the two types of protection.

Section 2575 of the Civil Code stipulates that "there shall be copyright in intellectual works having a creative character and appertaining to science, literature, music, the graphic arts, architecture, the theater and cinematography, whatever their mode or form of expression."

Section 1 of Copyright Law No. 633, of April 22, 1941, uses the same formulation, meaning that the problem of demarcating the scope of copyright protection remains completely unresolved.

Of the various criteria available for distinguishing ornamental designs from works of applied art, such as quantity, reproducibility of designs or the lack of that quality for works of applied art, the purely aesthetic function of the latter and the practical utilization of designs, or again the aim pursued by the author at the time of creation, the Italian lawmaker has chosen the separable or inseparable nature of the artistic shape in relation to the industrial result of the products in which it is embodied. This subtle, and sometimes difficult, criterion nevertheless seemed the most effective to provide an abstract definition of the characteristics by which designs differed from works of applied art.

Nevertheless, it is necessary to specify the significance of this distinction, and particularly the meaning of the terms "indissociable character" and "dissociable."

Various Italian legal writers have held that the dissociability of artistic value and industrial character is to be understood in a physical sense.⁵ Consequently, a work

of applied art is one whose form or combination of lines or colors is conceivable, and aesthetically assessable, even without the industrial product to which it has been applied, that is to say, where it could have an artistic value, even if carried out in a different material from that chosen for the industrial product, or on some other object. On the other hand, an ornamental design is one where the shape or combination of lines and colors is only conceivable as an aesthetic value attached to a given industrial product, that is to say, where there is an indissociable link between the aesthetic value and the product.

This view means that the figures carved by Ghiberti on the bronze doors of the Baptistery in Florence would possess an aesthetic value, even if carved on some other object or in some other material. The pattern woven in a carpet could be appreciated on its own and possess the same artistic value, even if carried out on a tapestry or a canvas.

It has been rightly pointed out, however, that such a system is bound to the concept of an ornamental design being something added to a utilitarian article, and that the results to which it leads are not very satisfactory.

To use the examples quoted above, the definition of the Baptistery doors in Florence as a work of art is not bound to the technical possibilities of carrying out those same bas-reliefs on some other material or some other object, but indeed to their artistic value.

In that way, any stylized motif in relief applied, for example, to mass-produced doorframes or windowframes could be designated a work of art. It is hard to understand, however, why a tapestry should constitute a work of art just because it is not physically bound to the fabric, and why the same should not be applied to an interesting textile pattern, since that same pattern would be held to be a work of art if it were printed on the material, since the shapes and lines of color would then be applied on an already existing material, that is to say, on the product.⁶

Indeed, even the lawmaker did not himself adopt, in Section 2(4) of the Copyright Law, a physical interpretation of the concept of dissociable or indissociable character, since he made a distinction not between product and work of art, but between artistic value and industrial character of such a work. Dissociation has therefore to be understood in an abstract sense, meaning that the object must be capable of being perceived as an aesthetic reality, irrespective of its utilitarian function.

Where, as in the case of industrial designs, the article that possesses aesthetic value nevertheless remains a utilitarian object, insofar as its artistic value is inseparable from its industrial character, it is necessary to apply the Industrial Designs Law.

⁵ Greco and Vercellone, *Le invenzioni e i modelli industriali*, Turin, 1968, p. 402, n. 33.

⁶ Sena, *I diritti sulle invenzioni e sui modelli industriali*, Milan, 1984, p. 537; Troller, A., "Das Muster, das enfant terrible des Immaterialgüterrechts," *Dir. autore*, 1979, pp. 877 et seq.

If a distinction is to be made between artistic value and industrial character of a given work, it is obviously necessary to identify those elements that contribute to the artistic value. In order to dissociate the artistic value from the industrial character, it must be ensured that the aesthetic components can exist independently and that the object can therefore be designated a work of art.

In practice, it is first necessary, therefore, to dissociate the various elements that make up the object and then to assess the artistic components. This cannot be done, however, unless it is known what elements are to be dissociated, necessarily implying prior identification of the artistic elements and vice versa. Finally, therefore, at the roots of the distinction between artistic value and industrial character is to be found a value judgment which, by its very essence, is subjective, on the artistic merits of the object.

Further, since the separability of artistic value and industrial character implies that the object must attain at least a certain artistic level, it has been rightly commented that dissociation is only possible where that level has been attained and that, finally, the ideal separability theory is compatible with the quantitative theory of artistic level, which bases the distinction between ornamental designs and works of applied art on a difference in artistic level, lower for the first-mentioned category and much higher for the latter.⁷

Consequently, in the final analysis, a value judgment on industrial designs should not concern their aesthetic merits, but the independence of the aesthetic component, in order to determine the ideal separability enabling a given work to be understood as an expression of beauty, irrespective of those elements that designate it as an industrial product.

(c) *The Owners of the Rights*

The owner of the rights in an ornamental design is normally the one who has obtained the result constituting the subject matter of the patent rights.⁸

Section 7 of the Industrial Designs Law stipulates that the right to the patent for a design belongs to the creator of the ornamental design or to his successors in title.

However, an ornamental design may be the result of creative activities undertaken by the creator as part of an employment relationship.

The second paragraph of Section 7 of the Industrial Designs Law states that "unless otherwise agreed between the parties, a patent granted for an ornamental design which is the work of an employee shall belong to the employer, insofar as the work meets the needs of the undertaking, it being understood that the employee shall have the right to be acknowledged as the creator of the design, and to have his name entered in the Patent Register, and to have it mentioned in the patent."

⁷ Sena, *op. cit.*, pp. 539 *et seq.*

⁸ Fabiani, *Modelli e disegni industriali*, Padua, 1975, pp. 63 *et seq.*

Where the creation of an ornamental design does not meet the requirements of the undertaking, the employer is not entitled to the patent.

Where a design is created under a commission contract, the commissioner may not automatically and immediately acquire the right to the patent. Such right may be assigned to the commissioner if the person who has created the design informs him that it has been completed and that it is ready for deposit for the purpose of obtaining a patent. Supply of the design may also be held to constitute obvious transfer to the commissioner of the creator's rights in the design, even where the latter retains his right to authorship of the design.

(d) *Patentability Requirements*

Section 1 of the Italian Industrial Designs Law expressly stipulates that the provisions of the Law on Patents for Inventions⁹ are to apply to ornamental designs.

For the patentability requirements for ornamental designs, it is therefore necessary to refer to those laid down for inventions, although they would seem to differ depending on which of the categories of creations are concerned. Section 5 of the Industrial Designs Law specifies that "new" designs may constitute patentable subject matter.¹⁰

Since the shape of ornamental designs tends to take on an essentially decorative function, the absolute objective novelty required of utility models cannot apply in respect of aesthetic principles, which necessarily relate to aesthetic elements that already exist, and to the fashion and style of a given moment.

Relative novelty is adequate for aesthetic elements. The novelty of an ornamental design is not destroyed by possible prior use of the same shape in different sectors since, in such cases, the term "transfer novelty" is used.

Novelty has to be assessed not as a function of the individual components, but in respect of their relationship to the overall aesthetic effect given to the product by the specific shape.

In the case of ornamental designs that reproduce objects that exist in nature the end result of which is a slavish copy, novelty is not accepted, and such designs are not patentable. They could be patentable, however, where a form existing in nature has been adapted to the specific form of an industrial product and is therefore new.

There is no novelty in cases where the design possesses no attractiveness or aesthetic quality distinguishing it from an existing design, on the principle that insignificant differences are not sufficient to lend the product a different appearance.

⁹ See *Industrial Property Laws and Treaties, ITALY - Text 2-001.*

¹⁰ Sena, *op. cit.*, *loc. cit.*

It has been held, on the other hand, that an ornamental design already disclosed in the past may be new if it has fallen into disuse and subsequently used again in a different sector.

The intrinsic novelty or originality required for ornamental designs, as for inventions, has to be assessed in a specific way that differs from that practiced in respect of inventions.

The special ornament referred to in Section 2593 of the Civil Code and in Section 5 of the Industrial Designs Law, added to given industrial products by means of ornamental designs, is to be understood as a particular aesthetic quality given to an industrial product in relation to the usual appearance of products in the same sector. According to an interesting tendency of recent case law, the level of originality required for ornamental designs varies depending on the particularities of the sector to which the design belongs. The level of originality is therefore held to be relative, that is to say, fairly low in those sectors in which products of a comparable shape are numerous, and higher in those sectors where there is lesser variety of products (the crowded art theory).

This more flexible criterion of assessment would rightly appear to take into account both the fact that the originality demanded of ornamental designs essentially concerns their appearance and the objective conditions under which ornamental designs are created.

It is obvious, for example, that in the watchmaking, optical and footwear sectors, and generally in those sectors where the variations of shape already known are countless and the possibilities for making variations are necessarily limited in view of the reduced space available to decorate such objects, the level of originality will also be restricted.

This criterion takes into account the fact that the form of ornamental designs is deprived of an independent representative value and, consequently, cannot be assessed as a work if removed from the product to which it lends a more pleasing appearance, but must always be viewed in relation to that product and as a function of it.

The requirement of industrial result laid down by the Law on Patents (Section 12) is doubtlessly also applicable to the category of ornamental designs. From Section 2(4) of the Copyright Law, on which the distinction between a work of applied art and an ornamental design as regards the separability of artistic value and industrial character is based, it may also be indirectly deduced that creations of applied art, whether they enjoy protection under copyright or under industrial designs law, are characterized by the fact that they are capable of industrial application.

The possibility of carrying out an ornamental design on an industrial scale does not necessarily mean mass reproduction by mechanical means, but rather the possibility of adapting the design to an industrial product for decorative purposes.

(e) *Relationship Between the Provisions on Ornamental Designs and Protection Against Slavish Copies*

Under the Italian legal system, the shape of products is protected against unfair competition by slavish imitation. To this end, the first paragraph of Section 2598 of the Civil Code lays down that "having regard to the provisions on the protection of distinctive signs and of rights afforded by patent, an act of unlawful competition shall be committed by any person who: (1) uses names or distinctive signs liable to lead to confusion with names or distinctive signs lawfully used by other persons, or any person who slavishly imitates the products of a competitor or carries out by any other means acts liable to lead to confusion with the products and the activities of a competitor...."

The protection of industrial designs under the slavish imitation approach is notoriously disputed and uncertain.

Legal writers have examined whether it is admissible to separate the provisions on designs from those laid down by the aforementioned Section, and diverging tendencies have emerged in case law.

One of the approaches is that protection afforded against unfair competition would not be admissible after expiry of the patent for the ornamental design; according to another approach, however, protection against slavish imitation would subsist irrespective of the existence or expiry of a patent for an ornamental design.

The differing conclusions drawn from the two approaches mentioned above stem from a differing concept of the nature and function of the two types of protection involved. If one maintains that these two types of protection differ from that dual point of view, it will also have to be accepted that their application can in no way overlap. The protection against slavish imitation and that afforded by the Industrial Designs Law therefore compete, and protection against unfair competition would have to be given to ornamental designs even after expiry of the patent.

These two, diametrically opposed, case law approaches demonstrate perfectly how coordination between patent legislation and the repression of unfair competition by slavish imitation is fraught with uncertainty in Italy.

In view of the above, a solution could be found in the third paragraph of Section 2598 of the Civil Code, that is to say, the unlawful behavior of someone who slavishly copies a competitor's product.

This element would constitute the basis and the limit for applying the first paragraph of Section 2598 of the Civil Code to industrial design creations. Even in the case of slavish imitation of shapes protected by a design patent, the criterion of honesty means that some flexibility is available for interpreting and resolving the contradiction between the free use of shapes no longer covered by exclusive rights and the prohibition of acts liable to lead to confusion between competing products.

The necessary imitation of a shape in order to produce a non-patented article would therefore be lawful under the first paragraph of Section 2598 of the Civil Code, which prohibits slavish imitation.¹¹

As for the possibility of protecting ornamental designs under the regulations on trademarks (figurative marks), the corresponding Italian legislation (Royal Decree No. 939 of June 21, 1941) excludes from patentability "figures or emblems whose distinctive nature is indissociably linked to that of utility and form" in item 3 of Section 18. Legal writers have particularly dealt with this matter in the past and have frequently been divided.¹²

The Supreme Court as well as the most recent legal writings have held that a given shape could not be protected at the same time both as a figurative mark and as an ornamental design.

The distinction made between the protection of aesthetic forms and that of distinctive signs, even assuming that the nature of the former enables a product to be identified, is justified by the difference between the scope of protection for ornamental designs and the scope of that relating to marks.

The theoretically unlimited protection over time, which is a feature of trademarks, is not compatible with the temporary nature of the exclusive rights afforded in a given shape by a patent issued under the provisions on ornamental designs.

(f) The "De Jure Condendo" Situation in Italy

It would seem that no particular problems arise *de jure condendo* in Italy. The legal writings and the case law both reflect full awareness of the problem of distinguishing between the category of ornamental designs and that of works of applied art. They also know that this difficulty stems from the hybrid nature of ornamental designs and that, consequently, the lawmaker, whatever his skill and wisdom, cannot remove these obstacles nor clearly draw the line between designs, on the one hand, and works protected by copyright law, on the other. Since Law No. 265 of May 23, 1977, extended the term of protection for ornamental designs from four to 15 years computed from the filing date of the application, the implications of granting protection under the Industrial Designs Law rather than the Copyright Law have become less critical and those concerned have accepted the current solution, which they hold to be satisfactory.

In certain quarters,¹³ it has been felt that the drawbacks of ornamental designs could be remedied by transforming copyright and basing protection on prin-

ciples similar to those found in the Patent Law, thus also protecting ornamental designs.

It is my view that such a solution could give good results, but that it would be to the detriment of the creators of works of art.

Indeed, it should not be forgotten in this context that, although copyright law presents a form of protection against plagiarism, that is to say, that it protects a legal situation deriving from the creation of a given work, the Industrial Designs Law affords an exclusive right in a given shape, thus assuming the intention to work it.

III. The International Protection of Industrial Designs

The ambiguous nature of such creations, located half way between works protected by copyright and those falling under industrial property, means that the legislative solutions adopted by the various States to protect industrial designs lack uniformity.

Generally, it may be said that there are two main tendencies at international level. The international situation in respect of works of applied art is organized around the Paris Convention for the Protection of Industrial Property of March 20, 1883, on the one hand, and around the copyright conventions, i.e., the Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886, and the Universal Copyright Convention signed at Geneva on September 6, 1952, on the other.

Under the Paris Convention, industrial designs are covered by a most useful limited agreement, i.e., the Hague Agreement of November 6, 1925 (revised at London in 1934 and at The Hague in 1960, supplemented by an Additional Act signed at Monaco in 1961 and a Complementary Act signed at Stockholm in 1967, and amended in 1979) establishing the international deposit of industrial designs to enable designs deposited directly to have the same effects in the Contracting States as they would if directly deposited in those States on the date of the international deposit.¹⁴

(a) The Paris Convention

The three general principles laid down by the Paris Convention also apply to industrial designs:

(a) the principle of assimilation of nationals of the Union countries (national treatment) (Article 2(1); Article 1(2));

(b) the right of priority enabling a person who deposited an industrial design in a Union country to enjoy retroactive protection as from the date of initial deposit for all deposits subsequently made within six

¹¹ Di Cataldo, *L'imitazione servile*, Milan, 1979, pp. 117 et seq.

¹² Mangini, *Il marchio e gli altri segni distintivi*, Padua, 1982, pp. 176 et seq.

¹³ Franzosi, "Rapport sur le droit italien," International Symposium of the Centre national de recherches scientifiques (CNRS), Grenoble, December 12 and 13, 1977, Grenoble, 1978, pp. 112 et seq.

¹⁴ Pérot-Morel, M.-A., "La protection internationale des arts appliqués à l'industrie dans le double cadre des conventions relatives à la propriété industrielle et au droit d'auteur," *Riv. Dir. Autore. Volume in onore di Valerio de Sanctis*, Milan, 1979, p. 553; *idem*, "Prospects for Unification of the Laws on Designs and Models in the EEC," *European Intellectual Property Review*, 1984, pp. 129 et seq.

months in another Union country. The creator of the industrial design is thus protected against the deposit of the same design during such a period (Article 4);

(c) the principle of temporary protection of industrial designs exhibited at official or officially recognized international exhibitions (Article 11).

(b) *The Hague Agreement*

It is possible, under the Hague Agreement, to obtain protection in one or more Contracting States for one or more industrial designs, by means of a single deposit made with the International Bureau of WIPO.

Under this Agreement, any person entitled to make an international deposit may obtain, by means of a single deposit, protection for his industrial designs in a number of States with a minimum of formalities and expense. This results from the fact that the depositor is not required to make a national deposit in each of the States to which he wishes to obtain protection; therefore, he avoids the complications involved in separate national procedures. He is not even required to submit the documents in the varying languages nor to monitor the due dates of renewal for a whole series of national deposits. He is exempted from paying national fees in the corresponding currencies and does not have to bear the cost of a number of agents acting on his behalf before varying national deposit offices.

Thanks to the Hague Agreement, the same result can be obtained by means of a single deposit made with a single office and in a single language, the fees being paid in a single currency. An international deposit, which does not normally require any prior national deposit, may be made not only by nationals of the Contracting States of the Hague Agreement, but also by any natural person or legal entity having his place of residence or registered offices on the territory of one of those States or having a real and effective industrial or commercial establishment in such State.

The effects of an international deposit extend territorially to all the Contracting States, unless otherwise stipulated in the State of origin.

Under the 1934 Act, a deposit has automatic effect in all Contracting States; under the 1960 Act, an international deposit has effect only in the States explicitly designated by the depositor.

The simultaneous application of the two Acts (1934 and 1960) has given rise to a relatively complicated situation that has a direct effect on the nationals of States bound by only one of those Acts. Indeed, in order to make an international deposit that is valid in all the other Contracting States, it is necessary that the State of which the depositor is a national should be party to one or other of those Acts. The nationals of States bound by the 1934 Act, but not by the 1960 Act (Egypt, German Democratic Republic, Holy See, Indonesia, Morocco, Spain, Tunisia), cannot validly make a deposit in States bound solely by the 1960 Act (the Benelux States: Belgium, Luxembourg, Netherlands).

Likewise, nationals of the States bound solely by the 1960 Act (Benelux States) cannot validly make a deposit in the States bound solely by the 1934 Act (Egypt, German Democratic Republic, Holy See, Indonesia, Morocco, Spain, Tunisia).

Only the nationals of those States that are bound by both the 1934 Act and the 1960 Act (France, Germany (Federal Republic of), Hungary, Liechtenstein, Monaco, Senegal, Suriname, Switzerland) may obtain protection in all States party to the Hague Agreement, subject to the provisions on protection in the State of origin.

As far as protection in the State of origin is concerned, the 1934 Act stipulates that an international deposit will not have effect on the territory of that State, except where the domestic legislation explicitly permits (Liechtenstein, Switzerland).

The 1960 Act, for its part, stipulates that an international deposit shall have effect in the State of origin unless the laws of that State exclude such protection.

Under the 1934 Act (Article 4(2)) and the 1960 Act (Article 7(1)(a)), the international deposit has the same legal effect in each State concerned as a deposit made directly in each of those States.

The Hague Agreement does not concern itself with the substantive law of industrial designs, nor does it set up uniform legislation; it is limited to the establishment of a single deposit procedure.

The 1934 Act does not provide for the publication of a deposited design, and, consequently, does not contain a refusal procedure. The 1960 Act permits each Contracting State whose domestic legislation contains the possibility of refusing protection following an *ex-officio* examination or opposition filed by a third party to refuse protection for any design not meeting the requirements of its domestic law.

Under the 1934 Act, the duration of international protection is set at 15 years, divided into two terms, the first lasting for five years, and the second for 10 years (Article 7). During the first term, deposits may be made under open cover or sealed cover. During the second term, they are accepted only in an open form (Article 8).

An international deposit under the 1960 Act is made for a first period of five years, which may be renewed for a further five years, with effect in all or only some of the Contracting States. For some of the Contracting States, whose national legislation accepts a term of protection exceeding 10 years, the deposit may be renewed more than once, for a five-year period each time, having effect in each of those States until such time as the total duration accepted by national legislation in respect of international deposits has expired (Articles 10 and 11).

Although the 1934 Act laid down French to be the sole working language, international deposits under the 1960 Act, and any amendments to them, may be entered in the International Register or published in French or in English.

(c) *The Berne Convention*

Within the framework of copyright protection, the 1886 Berne Convention affords the Union countries full liberty to regulate the scope of the laws on works of applied art and on industrial designs, together with the conditions of such protection.

The international protection afforded by these two latter instruments leads to divergencies between national laws and to practical difficulties that are very serious for manufacturers wishing to protect their industrial designs outside the territory of the State in which they have their place of residence or registered offices.

Within the Member States of the European Communities, those difficulties take on such dimensions that it has become almost the general view that uniform legislation could prove of benefit.

The existence within Europe of industrial design protection based on copyright (Federal Republic of Germany and France) and based on specific legislation in the Benelux States, in Italy and in the United Kingdom, leads to both qualitative and quantitative differences.

As far as the qualitative differences are concerned, as I have already had occasion to emphasize, the arrangements under copyright law ensure protection solely against plagiarism, that is to say, they afford the right to prohibit the copying or reproduction of a given design. The system set up by specific legislation affords the owner of the rights in an industrial design the possibility of excluding other persons from all activity, such as the sale or exhibition of the design, that could impair the full enjoyment of the right.

As for the quantitative differences, copyright lays down a very long term of protection (generally the lifetime of the author, plus 50 years after his death), whereas specific legislation defines much shorter protection (generally 15 years as from the date of deposit). The resultant disparity in the protection afforded to authors of aesthetic creations is opposed to the very principle of the Common Market as an internal market.

The existence of two-way legislation also affects the freedom of competition which must be safeguarded within the European Communities.

Thus, an Italian creator of a work of applied art may obtain, if he so wishes, protection in France for the whole duration laid down by the French Copyright Law. A French national, on the other hand, who has created a work of applied art and who requests protection in Italy, will obtain a much shorter term in the second country. Additionally, as a result of the varying arrangements to which the creations of applied art are subject under the varying legal systems, a given product that has access to the market of one State may not be admitted to the market of another State. A product that is protected by copyright in a given country may be placed on the market in another country whose legislation affords

exclusive rights. This all inevitably leads to prejudicial consequences for the operation of the Common Market.

IV. The Differences in National Legislation

Before dealing with the prospects that are opening up for industrial designs at international level, particularly within the European Communities, I would first like to highlight, although only schematically, the essential aspects in which national laws differ from each other. These divergencies concern three different options in respect of principles, to which three differing systems of protection correspond.

(a) *The Principle of Absolute Separation of Protection*

This is the principle of compartmentalization between protection afforded under copyright and that provided by industrial design law. This is the system that is currently in force in Italy and that was in force in the United Kingdom until 1968.

In Italy, the two forms of protection are mutually exclusive, as we have seen and, therefore, to determine the type of protection for a given ornamental design, it is necessary to ask to what extent the artistic element of the work may be dissociated from the industrial product.

The problems met with in practice when determining the ideal level of separability, stemming principally from the difficulty of analyzing the components of the work's artistic value, frequently lead to uncertainty and may, in some cases, result in arbitrary decisions.

The system of separating copyright protection from design law protection was also adopted under United Kingdom law prior to 1968.

The Registered Designs Act clearly prohibited cumulative protection since, once a design had been registered, irrespective of its industrial or artistic nature, it could not be protected by copyright. It was held that the multiple reproducibility of designs excluded any protection under copyright law.

The Copyright Act of 1956 protected not only creations of shapes and works of applied art, but also paintings, sculptures, drawings and photographic works, irrespective of their artistic value. However, it explicitly mentioned the principle of cumulative protection being prohibited under the two systems.

(b) *The Principle of Unity of Art*

According to this principle, it is not possible to draw a line between works of pure art and works of applied art. Industrial designs must therefore be protected cumulatively by copyright law and by a specific design law.¹⁵

¹⁵ Plaisant, R., "La protection des oeuvres d'art appliqué à l'industrie," *Le Droit d'auteur*, 1964, pp. 96 et seq.

The principle of unity of art makes it easier to resolve the complex problems encountered in making a distinction between the two laws and precludes the risk of arbitrary solutions. As recently highlighted by French legal writers, this system, which is indeed that applied in France, presents the drawback of occasionally affording to works completely devoid of value or quite unambitious from an artistic point of view a much greater scope of protection than they deserve. It nevertheless offers considerable advantages with regard to the deposit of works, which is required solely by the Industrial Designs Law of July 14, 1909. Under copyright law, the possibility of cumulative protection means that works of applied art can be protected without any formality even where a possible deposit is irregular or invalid.¹⁶

The term of protection, that is to say, 50 years as from deposit under the Industrial Designs Law, and which extends for the whole lifetime of the author plus 50 years after his intestate death under copyright law, would seem excessive for creations of applied art in view of their value and their interest for society.

(c) *The Principle of Partial Cumulative Protection*

This principle, located halfway between the principle of unity of art and that of prohibition of cumulative protection, has been adopted in the legal systems of various European States.

Among those may be mentioned the arrangements adopted in the Federal Republic of Germany, where designs are protected under a specific law dating back to January 11, 1876 (Act Concerning Copyright in Designs or, in short: Designs Act (*Gesetz betreffend das Urheberrecht an Mustern und Modellen — Geschmacksmustergesetz*)), and may also be protected by the Copyright Law.

The protection based on design law and that based on copyright law are not mutually exclusive, but exist side by side. To obtain copyright protection, however, a work of applied art must show a degree of originality such that it is marked by the author's personality and its artistic content and aesthetic features must distinguish it clearly from ordinary creations.

The creativeness that must be expressed by the work, to comply with the Copyright Law, corresponds to the requirement that designs be original. Between the originality required for a work to fall under the Copyright Law and that required by the Designs Act, there is but a difference of degree.

Whereas, for the Copyright Law, the aesthetic element of the work must reach a level such that generally recognized opinion considers it a work of art, a lesser artistic level is sufficient for the Designs Act, but it must, nevertheless, be noticeably higher than that shown by an average work or a simple work of handicraft. The fact that protection may be partly cumulative does nothing to ease the solution to the numerous

problems that arise when determining the artistic level that justifies design protection under the Copyright Law. Nevertheless, the choice that is given between the two systems is of great interest from a practical point of view. Indeed:

(a) copyright protection is generated at the creation of the work; that afforded under the Designs Act requires a deposit to have been made;

(b) copyright protection extends throughout the lifetime of the creator plus 70 years after his death; that afforded by the Designs Act lasts for 15 years as from deposit;

(c) the requirements for obtaining protection vary under both systems depending on whether they apply to German nationals or foreigners;

(d) copyright protection is generated and subsists independently of any formalities; that provided by the Designs Act is granted following a deposit procedure for which the depositor has to pay;

(e) the Copyright Law protects non-economic rights generated by the creation of a work, such as the right of disclosure, the right of authorship of the work, the right of respect for the work, that is to say, the right to prohibit amendments that may impair the author's reputation. It also places certain restrictions on seizure of the work. The Designs Act contains comparable provisions. It further secures to an employer a direct right in the creations of his employees.

In German legal writings and case law, the distinction between objects that may be protected only as designs and those to which copyright law may also apply is based on their degree of artistic value. For copyright law to be applicable, case law requires that the artistic merits should reach a level such that the generally accepted opinion holds them to constitute a work of art proper.

In the Benelux States, the relationship between designs and copyrightable works has been regulated in a special way by the Uniform Benelux Designs Law of October 25, 1966, in force since January 1, 1974.¹⁷

Although the Uniform Law accepts in principle partial cumulative protection of those designs that have an artistic nature, the copyright acquired on deposit of the design expires at the latest after 15 years, that is to say, on expiry of the protection as a design, unless the owner makes an appropriate declaration, duly recorded and published, during the year preceding expiry. In that way, the owner maintains his right for the whole duration laid down by copyright law.

The Uniform Law states that designs may enjoy dual protection where the requirements of both Laws are met. It also stipulates that protection under copyright law is not afforded to designs lacking a marked artistic character.

The current legislation in the United Kingdom (Copyright Act 1968) has adopted the principle of cumulative protection, the sole restriction being the

¹⁶ Otero Lastres, *El modelo industrial*, Madrid, 1977, pp. 49 et seq.

¹⁷ See *Industrial Property*, 1974, p. 178.

term of protection deriving from copyright law. Thus, as from 1968, whether designs be registered with the Patent Office or not, their authors may take proceedings against infringers under copyright law. The term of protection is limited to 15 years as from the time the designs are put on the market, however.

V. The Impact of National Differences on the European Communities

The various arrangements for the protection of industrial designs introduced by the laws of the European Community Member States suggest that harmonization in this field will clearly meet with considerable obstacles.

In 1960, shortly after the signing of the Treaty of Rome, the Coordinating Committee on National Legislation set up a subcommittee to study problems of Community protection for designs. The ambiguous nature of such creations of form and the divergencies among the laws of the Community Member States led to the work of the subcommittee being suspended pending the emergence of new possible solutions, but it in fact represented an implied *sine die* suspension. To be sure, the differences in points of view, sometimes quite considerable, at national level, as regards the nature of designs and the statutes best able to protect them, have in the past, and still continue in the present, to prevent the harmonization of laws or the establishment of a new international instrument, despite the fact that the economic importance of designs is becoming increasingly obvious.

VI. Harmonization of National Laws

We must now set out the differences that exist between national laws in order to determine the feasible scope of any attempt at harmonization.¹⁸

A. The Specific Nature of National Laws

Let us take as an example the concept of *novelty*. Although novelty constitutes a requirement for the validity of a design under all laws, the criteria for the assessment of novelty is not uniform.

In France, Denmark and Italy, the criterion of absolute and objective novelty is generally admitted, that is to say, in order to be protected in those countries, a design must be new without restriction in respect of either time or place.¹⁹

¹⁸ Cohen Jehoram, "Protection of Industrial Designs Between Copyright and Design Laws: A Comparative Study," *Copyright*, 1983, pp. 317 et seq.

¹⁹ Dusolier, "Conditions intrinsèques, en droit français, de la validité des dessins et modèles industriels," *Problemi attuali del diritto industriale*, 1977, p. 303; Braun-Evrard, *Droit des dessins et modèles au Benelux*, Bruxelles, 1975, pp. 227 et seq.; Perret, "Formes techniquement indispensables et originalité selon la Loi uniforme Benelux sur les modèles," *Rev. droit intell. Ing. Conseil*, 1977, pp. 130 et seq.

In the Benelux States, on the other hand, account in determining novelty is taken only of anticipations deriving from a Benelux deposit and of anticipations that have been well known for over 50 years for those concerned on the Benelux territory.

In the Federal Republic of Germany, the novelty requirement, to be understood in an objective sense, of course, contains one limitation: only those anticipations in the same cultural environment known to the interested circles are taken into account.²⁰

Originality, for its part, is required in Italy but not in the Benelux States or the United Kingdom.

In Denmark, originality is not held to be an absolute requirement for obtaining design protection under the specific law, but some degree of originality, however modest, is required by the Copyright Law.

In the Federal Republic of Germany, originality is required to obtain protection for a design, which is deemed original if it may be considered to show original creative activity at a level higher than average and if it is distinct from a simple work of handicraft.

In the French legislation, originality is required only by Law No. 57-298 on Literary and Artistic Property of March 11, 1957, whereas the Industrial Designs Law of July 14, 1909, refers solely to novelty, and case law has shown some liberality as regards the requirement of originality.

The national laws also diverge as regards the *deposit formalities*.

In the Federal Republic of Germany, the deposit of an object or of one or more reproductions is required and it is possible to submit a description limiting the subject matter of the design. The Benelux legislation requires a deposit comprising a photographic or graphic reproduction of the shape of the product, notification of the product in which the design is to be embodied, and also the color or colors of the design. In Denmark, France, Italy and Switzerland, it is even possible directly to deposit the object or simply a photographic reproduction or drawings of the object.

Although no great differences are to be found in the various laws as regards the deposit of the object and of reproductions, the solutions adopted for *publication* of the deposit, on the other hand, lack uniformity.

Italy requires immediate publication of the deposit, whereas France gives the possibility of a secret deposit for a maximum of 25 years. The Federal Republic of Germany, which accepts secret deposit for a maximum of three years, and the Benelux States, which authorize deferment of publication for a maximum of 12 years as from the date of deposit, have adopted an intermediate solution.

A further difference concerns the *obligation to execute* the design. As a result of the parallel nature in Italy of the patent provisions and the designs provisions, Section 13 of the Italian Industrial Designs Act

²⁰ Reimer, "Rapport sur le droit allemand," *International Symposium at Grenoble*, cit., pp. 71 et seq.

stipulates that failure to execute effectively for one year as from granting of the patent leads to annulment of the patent and the case law requires the execution to be effective and relevant. Both the United Kingdom and Irish laws contain the possibility of compulsory licensing in the event of failure to utilize a design.

There exists, on the other hand, some degree of uniformity in the national laws as regards the *term of protection*, which is 15 years in the countries concerned, divided up into renewal for five-year periods, with the exception of France, where the term of protection is five years.

In view of these divergencies, which are now codified within the various legal systems, it is to be expected that harmonization of the laws will be extremely complex and arduous in view of their typical national characteristics. Moreover, there are serious problems, insurmountable according to some quarters, in accurately defining the subject matter and scope of protection to be afforded to industrial designs.

B. Possible Solutions

The various problems of international law for ornamental designs were extensively debated at an international symposium held in Grenoble.²¹

What was said at that time, eight years ago, still generally applies today.

The solutions, or at least the incipient solutions that were perceived, have not been translated into fact; nothing has happened at the legislative level. The main positive outcome so far has been the awareness gained by some of the interested circles of the economic importance assumed by industrial designs, and of the urgency of the statutory problems affecting them.

In terms of surveying the solutions that could be envisaged to harmonize the various national laws or establish a supra-national law, three possibilities arise:

- (a) the harmonization of the various design laws,
- (b) the unification of those laws,
- (c) establishment of an international convention on industrial designs.

(a) Harmonization of National Laws

The harmonization of national laws could be achieved, at least in respect of some principles, such as the deposit formalities or the term of protection,²² but would depend on the national lawmaker making a sovereign decision on the "copyright" nature or the industrial nature of designs or accepting or refusing the principle stemming from copyright law.

As was pointed out at the symposium in Grenoble, harmonization under which the national laws would

²¹ *Les perspectives d'un droit communautaire en matière de dessins et modèles industriels*, International Symposium at Grenoble.

²² Serio, "Harmonisation des dessins et modèles," *Rev. droit intell. Ing. Conseil*, 1983, pp. 225 et seq.; *idem*, "Suff'armonizzazione nella Comunità Europea delle leggi in materia di disegni e modelli," *Riv. dir. civile*, 1977, II, pp. 275 et seq.

more or less adopt as a whole a minimum number of common principles is not unattainable. The result, however, would not justify the efforts that would have to be deployed to achieve it. In fact, harmonization of national laws would bring fairly modest advantages. The sole result would be to reduce the most striking differences, but the practical problems would remain.

(b) Unification of National Laws

The unification of national design laws, on the other hand, implies the introduction of identical provisions in the States and, thus, the amendment of existing laws. As was emphasized at the symposium in Grenoble,²³ unification can take two forms: it could simply unify a number of fundamental elements of design law, thus having a limited scope; or it could indeed fully unify the relevant national laws.

At first view, it would seem easier to achieve a partial unification than one requiring the radical amendment of existing laws. Experience shows, however, that limited unification can be complicated and difficult to achieve successfully. We need only to look at what has happened in the neighboring area of patents. The Strasbourg Convention on the Unification of Certain Points of Substantive Law on Patents for Invention, signed on November 27, 1963, aiming at a partial unification of patent law, was not able to enter into force until August 1, 1980, following the deposit of the eighth instrument of ratification, that is to say, well after the introduction of the European patent (1973) and the Community patent (1975), as if the partial unification of the national patents laws originated in European patent law.

In fact, even if unification were carried out with a limited scope, it would nevertheless always be necessary to amend the national laws and, as a corollary, various statutory solutions would be amended for the sake of an abstract need for unification.

The unification of certain points of design law would probably have the same result as that obtained by the Strasbourg Convention in the field of inventions.

The marked differences that exist between the current legal systems of the European States would certainly prevent a full unification of national design laws, similar to that achieved in the Benelux States, or an extensive, though not full, unification of the type achieved by the Scandinavian countries.

The possibilities of achieving a full unification therefore seem extremely restricted and without the real prospect of practical results.

(c) An Industrial Designs Convention

A further solution for introducing design provisions at the international level would be to establish a designs convention that would not replace the national laws, but would cohabit with them.

²³ Haertel, K., "Harmonisation des législations ou relance d'un droit communautaire en matière de dessins et modèles," International Symposium at Grenoble, pp. 31 et seq.

As was noted²⁴ at the symposium in Grenoble, this type of solution is relatively straightforward and enables a large number of otherwise insoluble problems preventing the establishment of unified regulations to be overcome or bypassed. It provides all the advantages of unified legislation and leaves it to the national lawmakers to resolve the more complicated problems of harmonization. In addition, as was the case for inventions within the European context, such unification would indirectly lead to a harmonization of national laws, since they would naturally be adapted at some point in time.

When establishing uniform law for designs capable of satisfying the expectations of users, the nature of such creations should not be forgotten, nor the fact that they are intended for industry. It must therefore be acknowledged that industrial designs are part of the applied arts and that, consequently, they may be protected by copyright law. Further, the requirements of industry as regards certain essential aspects of designs mean that it is necessary to establish a specific system for the deposit and publication of designs, and to stipulate a term of protection shorter than that afforded to copyright.

C. Conclusion

One may well conceive of provisions that would refer basically to copyright, but at the same time taking the needs of industry into account, since the latter receives and sometimes inspires the creations that are to be counted among industrial designs. Indeed, such a solution would be fully justified within the system of intellectual property law (copyright and industrial property).

Although the distinction between industrial art and art in the traditional sense can be maintained as regards the artistic level of the creations (industrial designs), it is not possible, on the other hand, to make a distinction as regards the nature of protection. In both cases, the intention of the lawmaker is to reward a creative act that has produced a new aesthetic shape, whatever its artistic level.

A new design or a new shape for an industrial product differs entirely or in part only from the designs and shapes already known within the same industrial sector, as a result of a creative act on the part of the person who has conceived of it or carried it out, or both, and the protection that is afforded represents a fair reward for the efforts invested.

Although creations of pure art have an exclusively aesthetic purpose, the interests that are protected within creations of applied art are many and must be considered as a whole. Creations intended for industry must indeed take into account the interests of protection in general, of consumers and of progress linked to the

industrial activities as a function of which the designs are made.

An exclusive right secured to the creator for the whole of his lifetime and a further term of 50 or 70 years after his death, as afforded by national provisions on copyright, could therefore considerably hamper both technical progress and industrial production.

It would be desirable, in the interest of industry, to adopt at least an optional system of deposit and publication of industrial designs, and to limit the term of protection to 20 years.

Despite the fact that domestic laws do not provide any uniform solution to the basic questions (declaratory effect or constitutive effect of depositing a design, prior examination of novelty, term of protection, secret or published deposit), I believe that one may be generally optimistic about the prospects for uniform international protection of designs.

Indeed, it is not unlikely that the European States could reach agreement in the fairly near future on a number of principles and guidelines for the establishment of a designs convention that would give the national lawmaker sufficient room to regulate registered designs in accordance with the provisions of such a convention.

It has to be admitted, indeed, that the advantages of a convention cohabiting with national systems of law are quite considerable.

From the point of view of international law, a uniform system of law would be established, for the member States of the convention, and the uniform interpretation of the convention would be provided by an institution with supranational jurisdiction.

Domestically, the lawmakers could continue to regulate industrial designs without having to forego relevant national legislation.

The legislators in the convention member States would be progressively tempted to amend their respective domestic laws to harmonize them with international law, quite apart from the fact that a designs convention would probably exert an influence on the Hague Agreement.

An ongoing question of debate, on which opinions are divided in the interested circles, is whether it is advisable, in order to establish a convention, to harmonize the laws of the States in advance, or whether it would be better to make a direct approach to the creation of a uniform system of law.

Since there is no longer any question of holding back on national industrial design laws, there should also no longer be, in my view, any fear or hesitation on the part of the States in respect of creating a uniform international law to cohabit with national law. Any problems of harmonization would be overcome both as regards legal techniques and actual policy.

Such an outcome could but satisfy all the parties concerned.

²⁴ Haertel, K., *op. cit.*, pp. 31 *et seq.*

Principal Legislative Developments in the Field of Industrial Property and Related Rights in Spain between 1979 and 1984*

A. de ELZABURU and M.A. BAZ**

As before,¹ we propose to outline the principal legislative developments in the field of industrial property and related rights in our country in recent years, i.e., from 1979 to 1984.² We shall once more lay particular emphasis on provisions of interest to non-Spanish readers (given the widespread distribution of this publication) and, in general, we shall limit ourselves to brief explanations that permit an overall understanding, although we intend to provide sufficient detail to facilitate further study by those who are interested in the question.

The order in which the various sections are set out follows a similar schema to that used in our earlier article; our study concludes with the latest attempts to promulgate a new Patent Law³ and with the relevant Agreement between the EEC and Spain because it has a bearing on the scope of any future new Patent Law and other complementary provisions.

* This study was submitted for publication in September 1985.

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¹ See *Industrial Property*, 1979, pp. 179 *et seq.*, for the period 1971 to 1978.

² The dates of publication in the *Boletín Oficial del Estado* (hereinafter cited as "BOE") have been used as a reference since this publication governs entry into force; Articles 9(3), 91 and 96(1) of the Constitution and 1(5) and 2(1) of the Civil Code.

³ There have been continuous attempts to amend current patent legislation, at least since 1960. The Institute of Political Studies drew up a preliminary draft published in *Reforma del Derecho de Patentes Español*, Madrid, 1967. An Order of March 25, 1960, established an official commission on reform of the Industrial Property Code (version of April 30, 1930) and it concluded its work 10 years later with a preliminary draft which, although it was not published officially, was cited in *Industrial Property*, 1971, pp. 350 *et seq.* (For a concise analysis of the drafting, content and broad outlines of both, see Bercovitz, *Problemática actual y reforma del Derecho de Patentes español*, pp. 116 *et seq.*; the text has recently been published in *Actas de Derecho Industrial*, vol. 9, 1983, pp. 429 *et seq.*) The *Boletín Oficial de las Cortes Generales—Congreso de los Diputados* of April 5, 1982, published a draft Patent Law (which is mentioned in Part 2 of this document), but before it could be discussed in Parliament it was annulled as a result of the change in Government following the general elections in October of the same year (it was the subject of a critical study by Fernández-Novoa and Gómez Segade in *La Modernización del Derecho español de Patentes*, Madrid, 1984).

Although it does not come within the period of the publications considered in this document, it should also be mentioned that a new draft Patent Law has been submitted to Parliament by the Government and published in the *Boletín Oficial de las Cortes Generales—Congreso de los Diputados* of June 3, 1985. To a large extent it resembles the draft published in 1982; it is expected that it will be the last major draft and will lead to the promulgation of the corresponding law, given the exigencies arising from Spain's integration into the European Communities. For the text of the Industrial Property Code which is currently in force, see *Industrial Property Laws and Treaties*. SPAIN — Text 1-002.

1. Legislative Developments

In this section, reference is made to developments resulting from the signature and ratification of various international treaties⁴ and the adoption of new national legislative provisions.

1.1. International Agreements

1.1.1. Multilateral International Agreements

1.1.1.1. *In the industrial property field.* The following have been ratified:

— the Nice Agreement, of June 15, 1957, Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks as revised at Stockholm in 1967⁵ and at Geneva in 1977;⁶

— the Madrid Agreement, of April 14, 1891, Concerning the International Registration of Marks as revised at Stockholm in 1967;⁷ and

— the Budapest Treaty of April 28, 1977, on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, and the Regulations thereunder,⁸ although for the moment no complementary provision regarding implementation has been adopted by Spain so that, for example, there is no provision for the possible requirement of a copy of the receipt of the deposit of the microorganism permitted under Article 3(1)(b) of the Treaty.

1.1.1.2. *In other fields.* First of all, because of its close links with industrial property and the current importance of the question, emphasis should be laid on the ratification of the International Convention for the Protection of New Varieties of Plants (UPOV Convention) of 1961, and the Additional Act of Geneva of 1972.⁹ This has led to an improvement in the system of protection of new plant varieties initiated by promulgation of the Law of March 12, 1975,¹⁰ as nationals of

⁴ The importance of international treaties is obvious, not only because in general the signature and ratification of treaties correspond to the political orientation of a country's international relations in a particular area, but also because treaties are directly applicable as national law in the field to which they are related, in accordance with paragraph 1 of Article 96 of the Constitution of December 27, 1978, which states that "validly concluded treaties, once officially published in Spain, shall form part of the internal legal order" and that "their provisions may only be repealed, amended or suspended, in the manner provided in the treaties themselves or in accordance with the general rules of international law" (see *Industrial Property*, 1979, p. 181).

⁵ BOE of March 15, 1979.

⁶ BOE of March 16, 1979.

⁷ BOE of June 20, 1979.

⁸ BOE of April 13, 1981. In addition, the BOE of June 3, 1981, published the amendments introduced into the Regulations on January 20, 1981, by the Assembly of the Budapest Union.

⁹ BOE of June 9, 1980.

¹⁰ For a summary of its contents, see *Industrial Property*, 1979, pp. 186 *et seq.* An English version of the Law appeared in *Industrial Property*, 1975, pp. 289, and of the Regulations thereunder in *Industrial Property Laws and Treaties*, SPAIN — Text 1-001.

States party to the Convention may now use the system.

Spain has also ratified the European Convention signed in London in 1968 concerning the abolition of certification of documents issued by diplomatic or consular officials.¹¹

More concretely, it has also ratified the International Olive Oil Agreement of 1979;¹² in accordance with its Article 12, member States undertake to prohibit and punish the use of indications of source, appellations of origin and names of olive oil that are false or misleading.

In concluding this review of multilateral international treaties in areas related to industrial property that have been ratified by Spain during the period under consideration, mention should be made of the Rome Convention of 1950, as amended in 1963 and 1966, on the protection of human rights and fundamental freedoms,¹³ which is the logical complement to the provisions on fundamental rights and liberties¹⁴ contained in Title I of the 1978 Constitution.¹⁵

1.1.2. International Bilateral Treaties

1.1.2.1. Containing provisions on industrial property. In recent years, economic and trade cooperation agreements signed between Spain and other countries have often included provisions stipulating that both contracting parties undertake to adopt measures on protection against all forms of unfair competition in both countries in respect of natural or manufactured products originating in the other and, in particular, to prevent or punish the use of trademarks, appellations, etc., that constitute a false indication of origin or source, or of the type, kind or quality of the products. This was the case for the agreements signed with Mexico on October 14, 1977,¹⁶ Cuba on January 23, 1979,¹⁷ and Colombia on June 27, 1979.¹⁸

Furthermore, the Spanish Government has pursued its policy of bilateral agreements to protect indications of source, appellations of origin and appellations of certain products; in addition to those cited in our previous article,¹⁹ an agreement was signed with Italy on April 9, 1975,²⁰ and it contained a list of denominations reserved for products originating from each country in accordance with its own regulations.

Finally, although it is not strictly speaking an international bilateral treaty, because of its similar nature, mention should be made of the General Regulations of the Seville-Chicago Exhibition of 1992, sponsored jointly by the Governments of the United States and Spain, and endorsed by the General Assembly of the International Exhibition Bureau at its meeting on December 7, 1983.²¹ These Regulations govern the International Exhibition with worldwide participation to be held in 1992, in both Chicago and Seville, to commemorate the 500th anniversary of the discovery of the New World; for our purposes, Chapter V is the most interesting because it contains regulations on the protection of industrial property within the Exhibition site and states that it shall be in accordance with the provisions of both the Paris Convention and the specific regulations on protection of intellectual property rights to be formulated²² at least 18 months before the opening of the Exhibition.

1.1.2.2. Bilateral treaties in other fields. As we have already seen,²³ Spain's objective is to conclude bilateral treaties to avoid double taxation of income and royalties, which are particularly interesting because they concern, *inter alia*, income derived from fees or royalties due under agreements on industrial property licenses, technical assistance and similar areas. In this connection, the following should be mentioned:

- the Treaty with Canada of November 23, 1976;²⁴
- the Agreement of December 6, 1977, with France,²⁵ additional to the Treaty of June 27, 1973;²⁶
- the Treaty with Italy of September 8, 1977;²⁷
- the Treaty with Romania of May 24, 1979;²⁸
- the Treaty with Poland of November 15, 1979;²⁹ and
- the Treaty with Czechoslovakia of May 8, 1980.³⁰

Among the bilateral treaties concluded in fields other than industrial property, mention should be made of the "Friendship and Cooperation" Treaty signed with Equatorial Guinea on October 23, 1980.³¹ It is considered to be a basic element in cooperation between the two countries, but it makes no reference to industrial property rights acquired in due time in Spain and having effect in Equatorial Guinea when it was subject

¹¹ BOE of August 28, 1982.

¹² BOE of June 10, 1980.

¹³ BOE of October 10, 1979.

¹⁴ One of these is that which is recognized and protected in Section 20(1)(b) for "literary, artistic, scientific and technical production and creation."

¹⁵ See *Industrial Property*, 1979, p. 181.

¹⁶ BOE of April 30, 1980.

¹⁷ BOE of March 17, 1979. In this particular case, the Agreement includes a number of appellations that are specifically reserved.

¹⁸ BOE of March 9, 1981.

¹⁹ *Industrial Property*, 1979, p. 181.

²⁰ BOE of December 16, 1980.

²¹ BOE of February 9, 1984.

²² Article 34.

²³ See *Industrial Property* 1979, p. 181.

²⁴ BOE of February 6, 1981.

²⁵ BOE of April 30, 1979

²⁶ Noted in *Industrial Property*, 1979, p. 181.

²⁷ BOE of December 22, 1980.

²⁸ BOE of October 2, 1980.

²⁹ BOE of June 15, 1982

³⁰ BOE of July 14, 1981.

³¹ BOE of July 27, 1981.

to Spanish sovereignty; their future will be decided subsequently, but it is not specified in the Treaty.³²

1.2. National Legislation

1.2.1. Constitutional Developments

A constitution is the basic law defining the rights and freedoms of citizens, as well as the structure of the State and the competence of its organs; therefore, it requires appropriate legislative development. The Spanish Constitution is no exception and since its promulgation in 1978,³³ a number of laws have been adopted to regulate its application and the procedures for its implementation. Among these laws, the following are of special interest for our subject:

(a) Institutional Act No. 2/1979, of October 3, 1979,³⁴ which regulates the Constitutional Court and its hearings. It specifies that the Court is the supreme arbiter of the Constitution, independently of other constitutional bodies, and it regulates the proceedings for declaring the unconstitutionality of laws and other legal provisions, which can be done either through a petition on unconstitutionality directly addressed to the Court itself or through the raising of a question of unconstitutionality by judges or courts. In addition, it gives individuals the possibility of lodging appeals for constitutional protection with the said Court so as to ensure that the rights and liberties guaranteed in Articles 14 to 29 of the Constitution³⁵ have effect in cases of violation by a body belonging to a public authority. Up to the present, it does not appear that any of the numerous cases brought before the Court was directly related to industrial property rights.

(b) Institutional Act No. 3/1981, of April 6, 1981,³⁶ establishes an Ombudsman as a high parliamentary official responsible for the defense of the fundamental rights contained in Title I of the Constitution,³⁷ and authorizes him to control and investigate the Adminis-

tration's activity and to receive and deal with complaints against legal bodies.

(c) Institutional Act No. 1/1982, of May 5, 1982,³⁸ concerns civil protection of the right to honor, to personal and family privacy, and to personal reputation, and if it is integrated into the case law of the courts in what we consider to be the most appropriate way, some of its provisions may be decisive in the struggle against piracy committed by persons disrespectful of other people's rights. In addition to providing that "the fundamental right to honor, to personal and family privacy and to personal reputation, guaranteed in Article 18 of the Constitution, shall enjoy civil protection against any form of unlawful interference," and that "the civil protection of honor, privacy and reputation shall be subject to the laws and social customs," among other rights of lesser interest for our purposes, it states that "the use [without authorization, naturally] of the name, voice or image of a person for advertising, commercial or similar purposes" shall be considered unlawful interference in the scope of protection of the relevant right. In our view, it is possible to protect several types of "merchandising properties"—as this term is understood in principle³⁹—using this channel and following the relevant legal guidelines, so as to avoid the unauthorized use of a person's name or picture⁴⁰ when marketing or advertising certain products or services, for example, the name or photograph of a singer on a shirt.

(d) The Statutes of Autonomy of the various autonomous regions existing within the State specify the different competences of the respective autonomous bodies for the fields in which we are interested, for example:

— implementation of State industrial property legislation: Basque region,⁴¹ Catalonia,⁴² Galicia,⁴³ Anda-

³² *BOE* of May 14, 1982.

³³ See, for example, Vaver, David, "The Protection of Character Merchandising—A Survey of Some Common Law Jurisdictions," *IIC*, vol. 9, 1978, pp. 541 *et seq.* And also of interest as regards the protection of a person's name and reputation, Winner, Ellen P.: "Right of Identity: Right of Publicity and Protection for a Trademark's 'Persona'," in *The Trademark Reporter*, vol. 71, 1981, pp. 193 *et seq.*

³⁴ When the law speaks of a "person" in general, it is taken to mean both natural persons and legal entities; therefore, commercial enterprises can, at least for their names, claim the protection of the law.

⁴¹ Statute of Autonomy approved by Institutional Act No. 3/1979, of December 18, 1979 (*BOE* of December 22, 1979); and Royal Decree No. 1255/1981, of May 8, 1981 (*BOE* of June 25 and 26, 1981), on transfer of competences.

⁴² Statute of Autonomy approved by Institutional Act No. 4/1979, of December 18, 1979 (*BOE* of December 22, 1979); and Royal Decree No. 738/1981, of January 9 (*BOE* of April 25), on transfer of competences.

⁴³ Statute of Autonomy approved by Institutional Act No. 1/1981, of April 6, 1981 (*BOE* of April 28, 1981); and Royal Decree No. 2563/1982, of July 24, 1982 (*BOE* of October 14, 1982), on transfer of competences.

³² Undoubtedly, the problems of Spanish-Guinean relations are very important and the negotiating authorities preferred to postpone agreement on such rights until later or did not even consider the problem as such. This is usually the case in all decolonization processes, and it has been shown that, even when industrial property rights are established as an area for increased international relations and exchanges—as can be seen from the large number of countries members of WIPO—in practice, their regulation does not take place, except in rare cases, until the newly-independent country has reached a very advanced stage of institutional and legislative development.

³³ See *Industrial Property*, 1979, p. 181.

³⁴ *BOE* of October 5, 1979.

³⁵ These articles define, *inter alia*—and we only refer to articles that have direct relevance to the area under consideration—rights of equality before the law (Article 14), honor and reputation (Article 18), literary, artistic, scientific and technical production and creation (Article 20), obtaining the effective protection of judges and courts (Article 24) and petitions (Article 29).

³⁶ *BOE* of May 7, 1981.

³⁷ See footnote 35, above, for the enumeration of some of these rights.

lusia,⁴⁴ Valencia,⁴⁵ Castile-La Mancha,⁴⁶ Navarre,⁴⁷ Extremadura,⁴⁸ Castile-León,⁴⁹ and the Canaries;⁵⁰

— reports on contracts for the transfer of technology overseas that affect the respective territories: Catalonia, Galicia, the Canaries, for example;⁵¹

— appellations of origin: Basque region,⁵² Catalonia,⁵³ Galicia, Andalusia, the Asturias,⁵⁴ Cantabria,⁵⁵ Murcia,⁵⁶ La Rioja,⁵⁷ Valencia, Aragon,⁵⁸ Castile-La Mancha, the Canaries,⁵⁹ Navarre, Extremadura, the Balearics,⁶⁰ Madrid⁶¹ and Castile-León;⁶²

— advertising: Basque region, Catalonia, Galicia, Andalusia, Cantabria, Valencia, Aragon, Navarre, the Balearics and Castile-León;⁶³

— consumer protection: Basque region, Catalonia, Galicia, Andalusia, the Asturias, Cantabria, Murcia, La Rioja, Valencia, Aragon, Castile-La Mancha, the Canaries, Navarre, the Balearics, Madrid, and Castile-León.⁶⁴

⁴⁴ Statute of Autonomy approved by Institutional Act No. 6/1981, of December 30, 1981 (*BOE* of January 11, 1982).

⁴⁵ Statute of Autonomy approved by Institutional Act No. 5/1982, of July 1, 1982 (*BOE* of July 10, 1982).

⁴⁶ Statute of Autonomy approved by Institutional Act No. 9/1982, of August 10, 1982 (*BOE* of August 16, 1982).

⁴⁷ Institutional Act No. 13/1982, of August 10, 1982 (*BOE* of August 16, 1982), on reintegration and improvement of the statutory regime.

⁴⁸ Statute of Autonomy approved by Institutional Act No. 1/1983, of February 25, 1983 (*BOE* of February 26, 1983).

⁴⁹ Statute of Autonomy approved by Institutional Act No. 4/1983, of February 25, 1983 (*BOE* of March 2, 1983).

⁵⁰ Royal Decree No. 2091/1984, of September 26, 1984 (*BOE* of November 20, 1984), on the transfer of competences.

⁵¹ See the Royal Decrees mentioned in footnotes 42, 43 and 50, above.

⁵² See the Statute of Autonomy mentioned in footnote 41, above, and Royal Decree No. 2751/1980, of September 26, 1980 (*BOE* of December 22, 1980).

⁵³ See the Statute of Autonomy mentioned in footnote 42, above, and Royal Decree No. 479/1981, of February 27, 1981 (*BOE* of March 21, 1981).

⁵⁴ Statute of Autonomy approved by Institutional Act No. 7/1981, of December 30, 1981 (*BOE* of January 11, 1982).

⁵⁵ Statute of Autonomy approved by Institutional Act No. 8/1981, of December 30, 1981 (*BOE* of January 11, 1982).

⁵⁶ Statute of Autonomy approved by Institutional Act No. 4/1982, of June 9, 1982 (*BOE* of June 19, 1982).

⁵⁷ Statute of Autonomy approved by Institutional Act No. 3/1982, of June 9, 1982 (*BOE* of June 19, 1982).

⁵⁸ Statute of Autonomy approved by Institutional Act No. 8/1982, of August 10, 1982 (*BOE* of August 16, 1982).

⁵⁹ Statute of Autonomy approved by Institutional Act No. 10/1982, of August 10, 1982 (*BOE* of August 16, 1982).

⁶⁰ Statute of Autonomy approved by Institutional Act No. 2/1983, of February 25, 1983 (*BOE* of March 1, 1983).

⁶¹ Statute of Autonomy approved by Institutional Act No. 3/1983, of February 25, 1983 (*BOE* of March 1, 1983).

⁶² For regions not specifically mentioned in this section, refer to the Institutional Acts mentioned in footnotes 43 to 49, above.

⁶³ See the Institutional Acts mentioned in footnotes 41 to 44, 55, 45, 58, 47, 60 and 49, respectively.

⁶⁴ See the Institutional Acts mentioned in footnotes 41 to 44, 54 to 57, 45, 58, 46, 59, 47, 60, 61 and 49, respectively.

1.2.2. Civil Legislation

During the period under consideration, the reform of the old Civil Code, which started with the amendment of the Preliminary Parts in 1974,⁶⁵ continued. Nevertheless, it is not necessary to cite here the important reforms undertaken, since they only indirectly affect our field of interest (and, in general, the exercise of any natural or civil rights) inasmuch as they refer to filiation, custody, the system of matrimonial property, regulations concerning matrimony and its annulment, separation and divorce, nationality, guardianship, and the legal interest rate due when repayment of commitments is delayed.

1.2.3. Criminal Legislation

In this field, Institutional Act No. 8/1983, of June 25, 1983, on reform of the Criminal Code⁶⁶ should be highlighted. It introduces an extremely important and urgent reform of the Criminal Code while awaiting the elaboration of a new draft Code; it has affected a number of rules and regulations regarding offenses, including the actual definition of what constitutes an offense;⁶⁷ among the provisions amended is Section 534, which punishes violations of industrial property rights, increasing the sentence previously laid down into one of "arresto mayor" (from one month and one day up to six months of imprisonment) and a fine of 30,000 to 600,000 pesetas.

1.2.4. Procedural Legislation

The following new provisions are of particular interest to the area with which we are concerned:

(a) Decree No. 2244/1979, of September 7, 1979,⁶⁸ regulates appeals for recovery in economic-administrative matters (in the tax field), which may optionally be the subject of mediation within a period of 15 days from the date of notification of the act in question.

(b) Basic Law No. 39/1980, of July 5, 1980,⁶⁹ on the bases for economic-administrative procedure, authorizes the Government to publish a decree-law containing the detailed text setting up the Economic-Administrative Courts and regulating the procedure for relevant claims in accordance with the criteria laid down in the bases established by the law. This text was published in Decree No. 2795/1980, of December 12, 1980,⁷⁰ and was completed by the Regulations contained in Decree No. 1999/1981, of August 20, 1981.⁷¹

⁶⁵ See *Industrial Property*, 1979, pp. 181 and 182.

⁶⁶ *BOE* of June 27, 1983.

⁶⁷ Section 1.

⁶⁸ *BOE* of October 1, 1979.

⁶⁹ *BOE* of July 24, 1980.

⁷⁰ *BOE* of December 30, 1980.

⁷¹ *BOE* of September 9 and 10, 1981.

(c) Institutional Act No. 10/1980 of November 11, 1980,⁷² provides for oral proceedings for fraud and less serious cases, as well as for offenses *in flagrante delicto*. It introduces an "urgent" procedure distinct from that generally provided for in the Law on Criminal Proceedings for the judgment of *inter alia* offenses "punishable by imprisonment not exceeding six months or by any other punishment of a different nature, whether alone, jointly or as a substitute, provided that it does not exceed six years."⁷³ The aim is to facilitate and hasten the judgment of minor offenses—given the congestion of proceedings pending before the courts, due to the disastrous slowness of procedure—and it has occasionally been applied in cases of infringement of industrial property rights; apart from the reduction in the time limits and formalities, the main innovation is that responsibility for hearing and judging these cases lies with the examining magistrate of the territory in which the offense has been committed;⁷⁴ appeals against his judgment may only be lodged with the Provincial Court⁷⁵ and they are given priority.

(d) Decree No. 1094/1981, of May 22, 1981,⁷⁶ provides that the Higher Council of the Spanish Official Chambers of Commerce, Industry and Navigation, may arbitrate impartially through an international trade arbitration service. It is obviously helpful if the competent body is designated in the arbitration clauses frequently contained in license contracts for industrial property rights.

(e) Law No. 34/1984 of August 6, 1984,⁷⁷ contains an urgently needed reform of civil proceedings. It is of special importance for the exercise of any civil action (and consequently for those related to industrial property rights). Among the most significant amendments made are the following: (1) the placing of hearings of minor importance (*menor cuantía*) at the center of the system of litigation, with the ensuing savings in time and procedure in the majority of cases, given the advantages that this form of hearing has over those of major importance, since suits involving sums of between 500,000 and 100 million pesetas are assimilated to actions of inestimable importance (*cuantía inestimable*), which are the majority in the industrial property field; (2) reform of the appeals procedure, eliminating the duality of appeals related to the substance or to the form—with their different systems for preparing and lodging appeals and their different results—by regrouping both forms in one single appeal

(even though the effects differ since the appeal concerning the substance affects the decision and that concerning the form deals with the activity), and making it more flexible by abolishing the strict formalities that prevailed in the past; and (3) elimination of the need to hold an obligatory conciliation hearing before being able to take ordinary action; such a hearing has now become optional.

1.2.5. Legislation in the Industrial Property Field

Attention is drawn to the provisions for the restructuring of the bodies and services of the Registry of Industrial Property as a continuation of the modernization begun following promulgation of the Law of May 2, 1975, on the Registry's autonomy,⁷⁸ and in particular to:

(a) Registry Circular No. 1/1980, of May 22, 1980,⁷⁹ which lays down the forms to be adopted for publicizing registration and the means to be used, namely, publication in the *Boletín Oficial de la Propiedad Industrial*, written documents and the issue of registration certificates or certified copies of documents.

(b) The Order of October 18, 1980,⁸⁰ on the restructuring of the Registry of Industrial Property, establishing a General Archive Section directly responsible to the General Secretariat and specifying the sections responsible to the Appeals Department.

(c) The Resolution of April 27, 1984,⁸¹ establishing scholarships for postgraduates in patent classification and examination with the objective of training staff who could, in future,⁸² be responsible for the search for novelty and the state of the art.

In addition, two provisions directly affect the regulations concerning the profession of Official Industrial Property Agent, namely: Decree No. 698/1984 of February 29, 1984,⁸³ which partially repeals the Decree of October 30, 1953, and reinstates the system of appointment established in the Industrial Property Code (version of April 30, 1930); and the Order of July 27, 1984,⁸⁴ creating 120 new posts for such Agents.

Moreover, legislative activity aimed at protecting appellations of origin and types of products and regulating their use, has continued in view of the importance for our economy of the signs identifying the origin and quality of products,⁸⁵ particularly in the wine-growing and other agricultural sectors. In this connection:

⁷² See *Industrial Property*, 1979, pp. 182 *et seq.*

⁷³ *Boletín Oficial de la Propiedad Industrial* of June 1, 1980.

⁷⁴ *BOE* of October 31, 1980.

⁷⁵ *BOE* of May 8, 1984.

⁷⁶ When a new patent law is promulgated and a new system of granting patents comprising an examination for novelty is set up. See the references under footnote 3, above, to the draft Law recently published.

⁷⁷ *BOE* of April 7, 1984.

⁷⁸ *BOE* of August 1, 1984.

⁷⁹ In this connection, see *Industrial Property*, 1979, p. 184, footnote 40, and the references therein.

⁷² *BOE* of November 21, 1980.

⁷³ Section 1.

⁷⁴ Section 2. Under the normal procedure, the examining magistrate alone has competence in the investigatory proceeding, that is to say, the oral proceedings before the corresponding provincial court, where the sentence is also pronounced, appeals being heard before the Supreme Court.

⁷⁵ Section 11.

⁷⁶ *BOE* of June 12, 1981.

⁷⁷ *BOE* of August 7, 1984.

— a number of appellations of origin have been recognized, for example, Tierra de Barros, La Ribera, Somontano, Bullas and Manchuela for wine;⁸⁶ Sierra de Segura and Baena for oil;⁸⁷ Mahón and Cabañes for cheese;⁸⁸ Teruel and Guijuelo for ham;⁸⁹ Calasparra for rice;⁹⁰ and Albarino as a special appellation for a variety of wine;⁹¹

— other appellations of origin already recognized have been confirmed, in particular: Condado de Huelva, Rueda, Campo de Borja and Ribera del Duero for wine;⁹² Siurana for oil;⁹³ and Roncal and Manchego for cheese;⁹⁴ and

— the system of appellations of origin and special appellations established in Law No. 25/1970, of December 2, 1970,⁹⁵ has been extended⁹⁶ to dried French beans, lentils, chick-peas and rice.

1.2.6. Transfer of Technology

This sector is of importance for the exchange of patent licenses and other industrial property rights and the following provisions are of particular interest:

(a) The Order of September 14, 1979,⁹⁷ on the external liberalization of current invisible operations. This does away with the need to obtain prior authorization from the General Directorate of Foreign Transactions before making payments to non-residents for technical assistance, although a prior declaration is required for annual payments under one contract exceeding 10 million pesetas.⁹⁸

(b) Decree No. 2135/1980, of September 26, 1980,⁹⁹ on industrial liberalization. In accordance with its provisions, the installation, extension and transfer of industries may be carried out without prior administrative authorization, although the installation or

⁸⁶ Orders of July 28 and November 17, 1979 (BOE of July 30 and December 13, 1979), of April 30, 1980 (BOE of June 18, 1980), and of July 21, 1982 (BOE of September 21 and 23, 1982).

⁸⁷ Orders of November 9, 1979 (BOE of November 26, 1979) and of March 2, 1981 (BOE of April 1, 1981).

⁸⁸ Orders of November 12, 1980 (BOE of January 1, 1981) and of May 9, 1981 (BOE of June 25, 1981).

⁸⁹ Orders of June 17, 1981, (BOE of July 23, 1981) and of December 5, 1983 (BOE of January 2, 1984).

⁹⁰ Order of November 2, 1982 (BOE of November 12, 1982).

⁹¹ Order of September 20, 1980 (BOE of October 11, 1980).

⁹² Orders of August 1, 1979 (BOE of September 11, 1979), of January 12 and February 25, 1980 (BOE of February 22 and April 9, 1980), and of July 21, 1982 (BOE of August 10, 1982); the latter was amended by the Order of March 6, 1984 (BOE of March 15, 1984).

⁹³ Order of November 19, 1979 (BOE of December 13, 1979).

⁹⁴ Orders of March 2, 1981 (BOE of April 9, 1981), and of December 21, 1984 (BOE of January 5, 1985).

⁹⁵ Statute on Vinos, Wine and Alcohol.

⁹⁶ Decree No. 972/1982 of April 2, 1982 (BOE of May 18, 1982).

⁹⁷ BOE of September 27, 1979.

⁹⁸ This rule implies a *de facto* change in the mechanism provided for in the Decree of September 21, 1973; see *Industrial Property*, 1979, p. 183.

⁹⁹ BOE of October 14, 1980.

extension of industries using foreign technology require approval of the relevant contract through its registration in the Register of Contracts for the Transfer of Technology at the Ministry of Industry and Energy in accordance with the legislation in force.¹⁰⁰ The contract is considered to have been entered in the said Register if, within a period of three months from the date of application for registration, no contrary decision has been received.¹⁰¹

(c) The Order of July 30, 1981,¹⁰² amending the Order of December 5, 1973,¹⁰³ on discriminating clauses in transfer of technology contracts. That text introduced a much-needed reduction and simplification in the enumeration of such clauses.

(d) The Order of November 25, 1981,¹⁰⁴ concerning reports by the Ministry of Agriculture and Fisheries when applications are made for the registration—in the relevant Register of the Ministry of Industry and Energy—of contracts for the transfer of technology concerning plants.

(e) The Order of June 14, 1982,¹⁰⁵ concerning announcements of the granting of prizes and awards for industrial technological innovations. With the praiseworthy objective of encouraging national technological creation—an aim common to all countries without exception—it is specified that these awards shall be made annually and that their objective is to promote innovation in Spanish enterprises, both as regards technological development in the strict sense and also industrial design.

1.2.7. Consumer Protection

In this field, legislative and administrative amendments have become increasingly far-reaching and specific, particularly in areas of special importance for health, such as the food and pharmaceutical industries. This orientation is common to many countries and our country is no exception. Therefore, in implementation of Article 51 of the Constitution, Law No. 26/1984 of July 19, 1984,¹⁰⁶ has been promulgated for the protection of consumers (of products) and users (of services); it regulates the basic rights of consumers (Section 2), the protection of health and security (Chapter II), indicating the limits to be respected in regulations concerning products, activities or services (Section 4), the protection of economic and social

¹⁰⁰ Decree of September 21, 1973, commented on in *Industrial Property*, 1979, p. 183.

¹⁰¹ A method of positive administrative silence of a general nature is regulated in Section 95 of the Law on Administrative Procedure of July 17, 1958.

¹⁰² BOE of August 13, 1981.

¹⁰³ Mentioned in *Industrial Property*, 1979, p. 184.

¹⁰⁴ BOE of December 5, 1981.

¹⁰⁵ BOE of June 22, 1982.

¹⁰⁶ BOE of July 24, 1984. Prior to this, Decree No. 1945/1983, of June 22, 1983 (BOE of July 15, 1983) regulated offenses and penalties in the field of consumer protection and in food production industries.

interests (Chapter III), prohibiting the inclusion in contracts of clauses contrary to good faith and the just equilibrium of the responsibilities of both parties (Section 10(1)(c)), the right to information (Chapter IV), with the requirement to provide information on products (Section 13), and infringements in the field that are liable to penalties (Section 34).

In addition to the above-mentioned Law, and in many cases prior to it, various aspects of the trade in consumer goods that must be respected by manufacturers or importers before those goods can be marketed¹⁰⁷ have been regulated. We would draw attention, *inter alia*, to the following provisions:

— Decree No. 2825/1981, of November 27, 1981,¹⁰⁸ on the health registration of foodstuffs, provides for compulsory registration of industries, establishments and installations for the production, transformation or processing, storage, deposit, distribution, import or packaging of foodstuffs, food products and equipment, whose labels and containers must show the number given by the General Health Register for Foodstuffs;

— regulations concerning the labelling of products, such as Decree No. 2058/1982, of August 12, 1982,¹⁰⁹ on general standards for labelling, presenting and advertising packaged food products and specifying that, even in the case of imported products, the label must always show the name of the product, the ingredients, the freshness date-limit and the identification of the manufacturer; the Order of June 21, 1983,¹¹⁰ on the specifications and format for containers for tinned vegetables, vegetable juices and sterilized cooked meals, applicable both to national and imported products;

— regulations regarding standards of quality for specific products, for example, meat products,¹¹¹ tinned vegetables,¹¹² certain wines,¹¹³ as well as standards for the "quality mark" for certain wood manufactures,¹¹⁴ standards guaranteeing certain services of particular

significance,¹¹⁵ or concerned with standardization and approval;¹¹⁶ and

— various regulations for particular products, either food products or related to food products for some reason, which lay down standards for labelling and specify prohibitions on the use and dissemination of indications, appellations, designs, labels or expressions that are misleading or liable to lead to confusion for the consumer with regard to the type and origin of the product, the awards obtained, etc; as well as the standards to be respected for the various articles—including imported articles—both before and during their commercialization; for example, those concerning cider and other drinks derived from apples,¹¹⁷ beer,¹¹⁸ bottled table water,¹¹⁹ gin,¹²⁰ anisette,¹²¹ biscuits,¹²² nougat and marzipan,¹²³ composed brandies, liqueurs, non-wine-based aperitifs and other drinks derived from natural alcohols,¹²⁴ milk and milk products¹²⁵, edible

¹⁰⁷ For example, Decree No. 401/1979, of February 13, 1979 (*BOE* of March 8, 1979), which regulates the names and publicity for non-State-run educational establishments, prohibiting the use and publicity of names that might lead to confusion concerning the establishment's nationality, the teaching given or the academic diplomas that correspond to or are the property of a third party in accordance with the right recognized by the competent State bodies.

¹¹⁶ See Decree No. 2584/1981, of September 18, 1981 (*BOE* of November 3, 1981), which endorses the General Regulations regarding action by the Ministry of Industry and Energy in the field of standardization and approval, regulating the mark adopted to show the product's conformity with the prototype (according to the design in Section 6 of the Order of May 31, 1982, published in the *BOE* of June 21, 1982, and the registration of the said mark in the name of the Ministry, which then authorizes its use), and also regulating the recognition of bodies which might be granted the right to use quality marks, setting up a supervisory and certification commission (whose composition is established in the above-mentioned Order of May 31, 1982, which also gives it responsibility for supervising and following up the approval of product models and certification of conformity of production with the model certified).

¹¹⁷ Order of August 1, 1979 (*BOE* of August 28, 1979), repealing the Order of July 15, 1974 (mentioned in *Industrial Property*, 1979, p. 184).

¹¹⁸ Decree of April 10, 1981 (*BOE* of July 20, 1981), repealing the Decree of September 12, 1975 (mentioned in *Industrial Property*, 1979, p. 184), and amended by Decree No. 865/1984, of March 28, 1984 (*BOE* of May 11, 1984).

¹¹⁹ Decree No. 2119/1981, of July 24, 1981 (*BOE* of September 21, 1981).

¹²⁰ Decree No. 2297/1981, of August 20, 1981 (*BOE* of October 9, 1981).

¹²¹ Decree No. 644/1982, of March 5, 1982 (*BOE* of April 2, 1982).

¹²² Decree No. 1124/1982, of April 30, 1982 (*BOE* of June 4, 1982).

¹²³ Decree No. 1787/1982, of May 14, 1982 (*BOE* of August 2, 1982).

¹²⁴ Decree No. 1416/1982, of May 28, Decree No. 644/1982, of March 5, 1982 (*BOE* of April 2, 1982).

¹²⁵ Decree No. 1124/1982, of April 30, 1982 (*BOE* of June 4, 1982).

¹²⁶ Decree No. 1787/1982, of May 14, 1982 (*BOE* of August 2, 1982).

¹²⁷ Decree No. 1416/1982, of May 28, 1982 (*BOE* of June 28, 1982).

¹²⁸ Decree No. 2561/1982, of September 24, 1982 (*BOE* of October 13, 1982).

¹⁰⁷ To a large extent, many of these regulations were the result of the work originally carried out by the State Secretariat for Consumers, attached to the Ministry of the Presidency, and secondly by the General Secretariat for Consumers, attached to the Ministry of Health and Consumption. This was set up by Decree No. 1808/1981, of August 20, 1981 (*BOE* of August 21, 1981) and, among other tasks, it was given competence for directing activity in the field of investigation, inspection and penalties related to possible violations of the administrative rules in force with regard to the elaboration, transformation, marketing and sale of goods and the provision of services.

¹⁰⁸ *BOE* of December 2, 1981.

¹⁰⁹ *BOE* of August 30, 1982.

¹¹⁰ *BOE* of June 30, 1983.

¹¹¹ Order of February 7, 1980 (*BOE* of March 21, 1980).

¹¹² Order of November 21, 1984 (*BOE* of November 30 and of December 1 and 3, 1984, and, with the complete corrected texts, those of January 10, 11 and 12, 1985), which deals with 42 variants in 42 annexes.

¹¹³ See the Order of August 1, 1979 (*BOE* of August 31, 1979), on the use of indications concerning quality, age and provenance of wines, such as "Reserva" or "Gran Reserva."

¹¹⁴ For example, Decrees Nos. 1848/1979, 1932/1979 and 1951/1979, the three of May 18, 1979 (*BOE* of July 30, August 8 and 11, 1979, respectively), regarding plywood and fiber boards, and wooden parquet.

vegetable oils,¹²⁶ coffee,¹²⁷ fruit juices,¹²⁸ ice cream,¹²⁹ olives for consumption as such,¹³⁰ tea,¹³¹ salt and brine,¹³² game products,¹³³ plant species to be used in infusions for food use,¹³⁴ syrups,¹³⁵ sauces,¹³⁶ flours,¹³⁷ condiments and spices;¹³⁸ as well as other regulations on products related to food, such as food additives¹³⁹—or others whose household use may be dangerous so that there must be no confusion with food products, such as detergents,¹⁴⁰ insecticides¹⁴¹ and bleaches.¹⁴²

In the field of pharmaceutical products, the following should be noted:

— the Order of March 5, 1979,¹⁴³ regulates annulment of the authorization to market or manufacture pharmaceutical products and the transfer of ownership (for example, because the proprietary laboratory has been taken over or the license or representation contract has been terminated, etc.);

— Decree No. 380/1980, of February 22, 1980,¹⁴⁴ on regulation of the pharmaceutical industry, which provides that industries in this sector must fulfill the technical requirements laid down by the Ministry of Industry and Energy for satisfactory industrial manufacturing in installations manufacturing products for pharmaceutical use, and authorizes the free establishment of industries manufacturing pharmaceutical

products; it also liberalizes the establishment of industries manufacturing materials for pharmaceutical use; this Decree partially repeals Decree No. 1418/1973, of May 10, 1973, without prejudice to the continuation of the Register of Pharmaceutical Industries¹⁴⁵ and Decree No. 3406/1977, of December 16, 1977;¹⁴⁶

— the Order of May 30, 1980,¹⁴⁷ additional to Decree No. 3451/1977, of December 1, 1977,¹⁴⁸ on the promotion, dissemination and publicizing of medicines and pharmaceutical products, lays down the strict rules that those activities must follow;

— Decree No. 726/1982, of March 17, 1982,¹⁴⁹ lays down the obligation to indicate the expiry date on the containers of pharmaceutical products; and

— the Order of July 15, 1982,¹⁵⁰ regulates packaging material (boxes, labels and brochures) for pharmaceutical products for use by persons, stating that they should show the name of the product, that the name should not lead to confusion concerning the composition or properties of the product, and that the product's name may not be transferred to another product until five years have elapsed after the marketing of the original product has ceased or it has been withdrawn.

Finally, another form of consumer protection—although it has more far-reaching objectives—is constituted by the provisions concerning energy saving, in particular, Law No. 82/1980, of December 30, 1980,¹⁵¹ which grants specific tax advantages and facilities for obtaining public grants and preferential official credit to persons who, among other activities aimed at making the maximum use of various energy sources, carry out research and studies so as to improve technological development in the field.

1.2.8. Economic and Tax Legislation

In this sector, attention is drawn to the following provisions:

(a) Law No. 40/1979, of December 10, 1979,¹⁵² on the legal system for foreign exchange governs acts, business, transactions and operations of all types between residents and non-residents that suppose, or whose execution involves or might involve, foreign exchange receipts or payments. It deals with all problems in the field, including administrative viola-

¹²⁶ Decree No. 308/1983, of January 25, 1983 (*BOE* of February 21, 1983).

¹²⁷ Decree No. 664/1983, of March 2, 1983 (*BOE* of March 30, 1983).

¹²⁸ Decree No. 667/1983, of March 2, 1983 (*BOE* of March 31, 1983).

¹²⁹ Decree No. 670/1983, of March 2, 1983 (*BOE* of April 1, 1983).

¹³⁰ Decree No. 1074/1983, of March 25, 1983 (*BOE* of May 6, 1983).

¹³¹ Decree No. 1354/1983, of April 27, 1983 (*BOE* of May 27, 1983).

¹³² Decree of April 27, 1983 (*BOE* of June 1, 1983).

¹³³ Decree No. 2815/1983, of October 13, 1983 (*BOE* of November 11, 1983).

¹³⁴ Decree No. 3176/1983, of November 16, 1983 (*BOE* of December 28, 1983).

¹³⁵ Decree No. 380/1984, of January 25, 1984 (*BOE* of February 27, 1984).

¹³⁶ Decree No. 858/1984, of March 28, 1984 (*BOE* of May 10, 1984).

¹³⁷ Decree No. 1286/1984, of May 23, 1984 (*BOE* of July 6, 1984).

¹³⁸ Decree No. 2242/1984, of September 26, 1984 (*BOE* of December 22, 1984).

¹³⁹ Decree No. 3177/1983, of November 16, 1983 (*BOE* of December 28, 1983).

¹⁴⁰ Decree No. 2816/1983, of October 13, 1983 (*BOE* of November 11, 1983).

¹⁴¹ Decree No. 3349/1983, of November 30, 1983 (*BOE* of January 24, 1984).

¹⁴² Decree No. 3360/1983, of November 30, 1983 (*BOE* of January 28, 1984).

¹⁴³ *BOE* of March 22, 1979.

¹⁴⁴ *BOE* of March 3, 1980.

¹⁴⁵ The Order of April 30, 1980 (*BOE* of May 14, 1980), amended by a further Order of June 14, 1982 (*BOE* of June 17, 1982), regulates the registration of enterprises in the pharmaceutical industry and establishes the information and documents that must be provided with applications for registration.

¹⁴⁶ We refer to the said two repealed Decrees in *Industrial Property*, 1979, p. 185.

¹⁴⁷ *BOE* of June 16, 1980.

¹⁴⁸ We refer to this in *Industrial Property*, 1979, p. 185.

¹⁴⁹ *BOE* of April 17, 1982.

¹⁵⁰ *BOE* of August 5, 1982.

¹⁵¹ *BOE* of January 27, 1981.

¹⁵² *BOE* of December 13, 1979.

tions and monetary offenses, one of which is the export of coins or bank notes or any other form of payment in an amount exceeding 2,000,000 pesetas, without having obtained the prior express authorization; when the amount exported is less than 2,000,000 pesetas but exceeds 20,000 pesetas, it is considered an administrative violation.¹⁵³

(b) Law No. 32/1980, of June 21, 1980,¹⁵⁴ regulates the tax on inheritance and certified legal acts.¹⁵⁵ This tax applies to non-gratuitous transfers of industrial property rights recognized in Spain insofar as these rights can be exercised on Spanish territory (Section 6(1)(A)), and amounts to 2% of the actual value of the right (Section 11(1)(b), together with Section 10(1)) declared by the parties to the transfer or as defined by the Administration in accordance with the procedure laid down in Sections 49 *et seq.*¹⁵⁶

1.2.9. Plant Varieties

In this section we should mention the following important provisions adopted during the period under consideration:

(a) Decree No. 2154/1979, of August 3, 1979,¹⁵⁷ on the denominations of commercial varieties of seeds and nursery plants. It provides that the varieties registered in the Register of Commercial Varieties of the National Institute of Seeds and Nursery Plants shall be considered to be generic names and not registrable as trademarks to distinguish them from identical or similar products; therefore, it is not possible to register as the name of a commercial variety a name constituted by a registered trademark or likely to be confused with it.

(b) The Order of September 28, 1979,¹⁵⁸ which amends Sections 3, 26, 28 and 29 of the General Rules of the Register of Commercial Varieties established by the Order of November 30, 1973.¹⁵⁹

¹⁵³ Decree No. 622/1981, of March 27, 1981 (*BOE* of April 6, 1981), adapts the foreign investment regime to this Law and establishes the responsibility for authorizing foreign investment, entrusting it to the Council of Ministers when it exceeds 500 million pesetas. Another Decree (No. 623/1981), of the same date and published in the same *BOE*, gives a general authorization for specific foreign investment, for example, the establishment of a Spanish company, branch or establishment whose registered capital and assets do not exceed 25 million pesetas, although this must be communicated to the General Directorate for Foreign Transactions in the form provided for in the Order of April 28, 1981 (*BOE* of May 11, 1981), which implements the latter Decree.

¹⁵⁴ *BOE* of June 27, 1980.

¹⁵⁵ The text applicable is that contained in Decree-Law No. 3050/1980, of December 30, 1980 (*BOE* of February 3, 1981).

¹⁵⁶ Decree No. 1008/1981, of February 5, 1981 (*BOE* of May 30, 1981) regulates the automatic abolition of this tax, and the relevant regulations were published in Decree No. 3494/1981, of December 29, 1981 (*BOE* of February 11, 1982).

¹⁵⁷ *BOE* of September 12, 1979.

¹⁵⁸ *BOE* of November 1, 1979.

¹⁵⁹ Referred to in *Industrial Property*, 1979, p. 185, footnote 46.

(c) An Order of May 26, 1982,¹⁶⁰ provides for the possibility of protection through new plant variety titles, regulated by the Law on the Protection of New Plant Varieties of March 12, 1975,¹⁶¹ for varieties of peach, nectarine, orange, mandarine, grapefruit and lemon (which have a period of protection of 20 years) and for broad beans, French beans, peas, common vetch and sunflower—with a period of protection of only 16 years. This extension of varieties protected was communicated in Note Verbale No. 31 of July 12, 1982,¹⁶² by the Spanish Embassy in Berne to the Federal Department of Foreign Affairs of the Swiss Confederation, depositary of the UPOV Convention of 1961.¹⁶³

(d) Another Order of May 26, 1982,¹⁶⁴ provides that foreign applicants for a new plant variety title who are nationals of a country with which Spain has not signed any agreement, and to whom the principle of reciprocity therefore applies in conformity with the provisions of the above-mentioned Law of March 12, 1975, must submit with their applications certified copies of the protection legislation in their respective countries (and an official translation in Spanish) so as to show that a Spanish citizen could obtain appropriate protection in that country for the same species that is to be protected in Spain.

(e) The Resolution of the National Institute of Seeds and Nursery Plants of July 29, 1982,¹⁶⁵ is also important since it concerns exploitation licenses for self-fertilizing cereal varieties that are the subject of a new plant variety title. It lays down the conditions to be fulfilled in license contracts for varieties of self-fertilizing cereals that have been the subject of protection since they came on the market in accordance with the transitional provision of the General Rules on the Protection of New Plant Varieties approved by Decree on June 10, 1977,¹⁶⁶ and which are mandatory for persons who have produced seed or reproduction material under official control in accordance with transitional provision 3(a) of the said Rules. Licenses that were not implemented before September 15, 1982, are non-exclusive, and their duration is the same as that of the new plant variety title; they cannot be the subject of sub-licenses and they must fulfill the requirements laid down in the relevant Resolution.

¹⁶⁰ *BOE* of June 12, 1982.

¹⁶¹ See footnote 10, above.

¹⁶² *BOE* of August 28, 1982.

¹⁶³ Previously protection under the said Law of March 12, 1975, was applicable only to wheat, barley, oats, rice, potatoes, roses and carnations; see the Order of November 16, 1978, mentioned in *Industrial Property*, 1979, p. 187.

¹⁶⁴ *BOE* of June 14, 1982.

¹⁶⁵ *BOE* of August 9, 1982.

¹⁶⁶ Regulations of the above-mentioned Law of March 12, 1975. See footnote 10, above.

(f) Finally, it should be mentioned that the Provisional Register of Commercial Varieties of Plants includes new varieties of plants such as sunflower,¹⁶⁷ hybrid ray grass,¹⁶⁸ maize,¹⁶⁹ Italian ray grass,¹⁷⁰ English ray grass,¹⁷¹ cotton,¹⁷² arundinaceous fescue,¹⁷³ meadow fescue,¹⁷⁴ sorghum,¹⁷⁵ alfalfa,¹⁷⁶ peas,¹⁷⁷ rye,¹⁷⁸ barley,¹⁷⁹ colza,¹⁸⁰ sugar beet,¹⁸¹ dates,¹⁸² oats,¹⁸³ broad beans,¹⁸⁴ French beans,¹⁸⁵ common vetch,¹⁸⁶ wheat,¹⁸⁷ triticale,¹⁸⁸ potatoes¹⁸⁹ and safflower.¹⁹⁰

¹⁶⁷ Resolutions of January 30, 1979 (BOE of March 1, 1979), May 14, 1980 (BOE of July 16, 1980), February 10, 1981 (BOE of March 18, 1981), May 26, 1981 (BOE of July 1, 1981), and March 31, 1982 (BOE of May 12, 1982).

¹⁶⁸ Resolution of September 30, 1980 (BOE of October 27, 1980).

¹⁶⁹ Resolutions of March 26, 1979 (BOE of June 27, 1979), May 5, 1980 (BOE of August 6, 1980), September 30, 1980 (BOE of October 27, 1980), May 26, 1981 (BOE of June 27, 1981), October 16, 1981 (BOE of November 19, 1981), March 31, 1982 (BOE of May 12, 1982), May 5, 1982 (BOE of June 23, 1982), and June 7, 1982 (BOE of August 5, 1982).

¹⁷⁰ Resolutions of September 30, 1980 (BOE of October 27, 1980), and February 4, 1982 (BOE of March 16, 1982).

¹⁷¹ Resolutions of January 26 and February 4, 1982 (BOE of March 2 and 23, 1982).

¹⁷² Resolutions of April 3, 1979 (BOE of February 9, 1980), May 14, 1980 (BOE of July 3, 1980), and March 22, 1982 (BOE of March 25, 1982).

¹⁷³ Resolutions of September 30, 1980 (BOE of October 27, 1980) and January 26, 1982 (BOE of March 2, 1982).

¹⁷⁴ Resolution of January 26, 1982 (BOE of March 2, 1982).

¹⁷⁵ Resolutions of May 10, 1979 (BOE of June 30, 1979), June 30, 1980 (BOE of September 24, 1980), October 16, 1981 (BOE of November 18, 1981), and June 7, 1982 (BOE of August 5, 1982).

¹⁷⁶ Resolution of September 30, 1980 (BOE of October 27, 1980).

¹⁷⁷ Resolution of March 31, 1980 (BOE of June 13, 1980).

¹⁷⁸ Resolution of May 26, 1981 (BOE of July 23, 1981).

¹⁷⁹ Resolutions of May 5 and September 30, 1980 (BOE of August 6 and October 27, 1980) and May 29, October 16 and December 22, 1981 (BOE of June 27 and November 2, 1981, and February 3, 1982).

¹⁸⁰ Resolution of May 26, 1981 (BOE of July 22, 1981).

¹⁸¹ Resolutions of May 5, 1980 (BOE of August 6, 1980), and March 31 and May 5, 1982 (BOE of May 12 and June 18, 1982).

¹⁸² Resolutions of February 4, March 12 and May 5, 1982 (BOE of March 23, April 1 and June 23, 1982).

¹⁸³ Resolutions of May 5, 1980 (BOE of August 6, 1980), and May 26 and December 22, 1981 (BOE of July 23, 1981 and February 3, 1982).

¹⁸⁴ Resolutions of May 20 and July 1, 1982 (BOE of May 27 and August 19, 1982).

¹⁸⁵ Resolutions of May 5, 1980 (BOE of August 6, 1980), and March 31 and June 7, 1982 (BOE of May 12 and August 16, 1982).

¹⁸⁶ Resolution of May 20, 1982 (BOE of May 27, 1982).

¹⁸⁷ Resolutions of May 5, 1980 (BOE of August 6, 1980), and February 10, May 26, October 16, and December 22, 1981 (BOE of March 11, July 1, November 2, 1981, and February 3, 1982).

¹⁸⁸ Resolution of May 29, 1981 (BOE of July 22, 1981).

¹⁸⁹ Resolutions of May 14, 1980 (BOE of June 27, 1980), February 10, 1981 (BOE of March 11, 1981), and May 5, 1982 (BOE of June 22, 1982).

¹⁹⁰ Resolution of June 7, 1980 (BOE of August 30, 1980).

2. Draft Patent Law of 1982

As mentioned in footnote 3, above, although this draft was presented to Parliament, it was not debated before being withdrawn. However, it would undoubtedly be useful to study it, even briefly, not only because an analysis of the precedents and historical developments of the proposed reforms of a law leads to better understanding of its implications when it is promulgated, but also because many of the trends in this draft, which have also been incorporated in the 1985 draft, show the authorities' firm determination to harmonize Spanish patent legislation with that prevailing in other European countries.

This brief analysis deals with the following points of interest:

2.1. The Aim of the Law

The draft provided for the possibility of granting patents, patents of introduction and certificates for utility models, in order to protect industrial inventions.

2.2. Patentability

This part of the draft almost literally followed the wording of the European Patent Convention, stating that patents could be granted for inventions which involve an inventive step and are susceptible of industrial application; discoveries, scientific theories and mathematical methods, aesthetic creations, schemes, rules and methods for performing mental acts, playing games or doing business, programs for computers and presentations of information were not regarded as inventions. It also excluded inventions the publication or exploitation of which would be contrary to *public order* or morality, plant varieties, which come under the provisions of the Law of March 12, 1975, on the protection of new varieties of plants, and inventions of chemical, pharmaceutical and food products (although the processes and equipment for obtaining them could be patented).

The criteria used to define novelty were unambiguous and are used worldwide, namely, an invention is new if it does not form part of the state of the art.

2.3. Entitlement to a Patent and Mention of the Inventor

The draft law stated that the right to a patent belonged to the inventor or his successor in title, and that it might be transferred by any of the means recognized in law. It regulated the procedure to be followed when an application was submitted by a person not owning the right to the patent, claims regarding this right, as well as the effects of changing ownership of the patent and the right of the inventor to be mentioned.

2.4. *Inventions by Employees*

The draft contained a whole section regulating inventions by workers and employees in an enterprise in the course of their contract, work or services, defining whether inventions should be considered to be the property of the employer or the worker, and laying down the compensation to be paid by the employer to the inventor for inventions of importance.

2.5. *Grant of the Patent*

According to the draft law, the following had to have been submitted with the patent application: a description of the invention, one or several claims, the relevant drawings, and an abstract of the invention; and the legally-established fees had to have been paid.

A patent application had to have related to one invention only or to a group of inventions so linked as to form a single general inventive concept; separate applications could be submitted if so required by the Registry of Industrial Property.

The draft law also regulated the minimum contents of the invention's description and the nature of the claims as definitions of the subject of protection, as well as regulating the priority claim within the Union.

It provided for a brief examination of the documents submitted before allowing the application procedure to continue, and this was to be followed by a more detailed examination as a result of which any defects to be corrected could be communicated to the applicant.

Eighteen months after the date of filing the application or the date of the priority claimed, and once the examination had been made and the applicant had requested a state-of-the-art search within 15 months of filing the application, the Registry would order the latter's publication.

The report on the state of the art was to have shown the elements to be taken into consideration when appraising the novelty and inventive step in respect of the invention that was the subject of the application. This report had to be transmitted to the applicant and also published so that any interested person might make comments, which in their turn could be the subject of comments by the applicant himself. The last procedural formality was the granting or rejection of the application.

The formality regarding the report on the state of the art and the comments thereon could not take place until so determined by the Government, which also decided whether the entry into force should concern all sectors of the art at once or should be staggered, according to the Registry's possibilities.

A special procedure was provided in the form of a grant procedure with prior examination to be implemented as a result of the Government's decision after having established the report on the state of the art for all the patent applications submitted. This prior exam-

ination procedure envisaged two parallel formalities, namely, opposition by third parties and examination.

2.6. *Effects of the Patent and the Patent Application*

A patent could be granted for a period of 20 years from the date of filing the application. The exclusive right granted in the draft law concerned the manufacture, marketing and use of the product that was the subject of the patent, as well as offers for such use; it also provided that protection of the process should extend to the product directly obtained thereby.

It regulated the right based on prior use and established the concept of exemption of ownership of a patent in actions for infringement of a previous patent, thus eliminating the effects of purely defensive patents.

It also regulated the question of a dependent patent, and its implications for the procedure of granting compulsory licenses.

2.7. *Action for Infringement of a Patent*

Such actions would be heard before the ordinary courts and the owner of an infringed patent might request not only the cessation of the acts that violated his rights, but also compensation for the damage and prejudice suffered, the seizure of the goods produced or imported in infringement of the patent, the attribution of the goods or means seized, the adoption of the necessary measures to halt the infringement, including publication of the judgment against the offender.

Legal criteria are laid down in the draft law concerning calculation of the compensation for damage and prejudice and the time limit for action for infringement of a patent, which must take place within five years from the date of the offense.

2.8. *Patent Applications and Patents as Subjects of Industrial Property Rights*

The draft law regulated co-ownership of patents and the rights of both parties, the expropriation of rights in the public or social interest subject to fair compensation, the transfer of patents and the granting of contractual licenses, as well as the patent's inclusion in the regime of *ex-officio* licenses.

This latter mechanism, which involves expressing the desire or willingness to grant licenses to any persons interested, would allow reduced fees to be paid in order to keep the patent in force, and it was the subject of special regulations on the procedure to be followed to obtain such licenses.

2.9. *The Obligation to Work the Patent and Compulsory Licenses*

The draft law also provided for the obligation to work the patent and to justify its working to the Registry of Industrial Property within a period of four years from the date of filing the patent application or three years from the date on which the patent was granted (the latest date automatically being applied). It specifically stated that importing the subject of the patent alone was not considered to be working it, and it specified the legitimate reasons that owners of patents could invoke to explain why the patents were not being worked, as well as the mechanism for providing the Registry with proof of the patent's working or proof of the existence of legitimate reasons for not working it.

In cases where the patented invention was either not sufficiently worked or was not worked at all, where there were export requirements, dependence among patents, or reasons of public interest, the draft law provided for the possibility of granting compulsory licenses, through a detailed procedure of communications among the parties, with the Registry of Industrial Property acting as mediator, resolving any disagreements between the owner of the patent and the applicant for the compulsory license, defining the latter's content and, in particular, its scope, the royalties to be paid, the period of validity, the guarantees to be provided by the licensee, the date of commencement of working, and a number of other provisions to ensure the serious and effective working of the patented invention.

2.10. *Additions*

The draft law also provided for the possibility of applying for patents of addition and their transformation into principal patents (with simultaneous renunciation of the principal patent granted).

2.11. *Nullity and Forfeiture of Patents*

Patents were to be declared null if the requirements for patentability were not fulfilled, if the description of the invention was not sufficiently clear and comprehensive for it to be made by an expert in the field in Spain, when the subject of the patent exceeded that indicated in the application, or when the owner was not entitled to obtain a patent. Nullity could be requested by those who considered that they had suffered prejudice or by the public administration itself.

The grounds for forfeiture were also regulated, namely, following expiry of the period of validity, renunciation by the owner, failure to pay the fees within a period of two years following the granting of the first compulsory license without proof being given to the Registry of Industrial Property that the patent was being worked, and failure to comply with the obligation to work in cases where the owner could not benefit from the relevant provisions of the Paris Convention.

2.12. *Secret Patents*

It also regulated so-called "secret patents," and fixed the relevant compensation to owners.

2.13. *Fees and Annual Fees*

The draft regulated payment, stipulating that failure to pay meant that the act for which payment was due had no effect; it also provided for payment of annual fees in order to maintain the validity of the patent, to be paid in advance, with the possibility of paying the fee up to six months later if payment of additional amounts were made.

2.14. *Patents of Introduction*

The draft law of 1982 provided for the granting of patents for new inventions involving an inventive step and susceptible of industrial application, provided that, before the date of application, they had not been disclosed in Spain either in a written or oral description, by use or by any other means. The presentation of a certificate proving that the invention was already being exploited was a condition *sine qua non* for granting such patents.

The rights of the owner of a patent of introduction were the same as those derived from a patent for an invention, except for preventing the introduction into Spain of what had been invented or products directly derived from the patented procedure, and their period of validity was 12 years from the date of filing the application.

2.15. *Utility Models*

Inventions that were new and involved an inventive step could be protected as utility models if they gave an object a form, structure or constitution that resulted in a considerable advantage for its use or manufacture. The relevant state of the art for utility models was considered to be that which had been disclosed in Spain before the date of filing the application by a written or oral description, use or any other means.

The draft law regulated examination of the application and the procedure for opposition by third parties.

With regard to rights, it provided for their assimilation to those derived from patents, with a period of validity of 10 years from the date of filing the application.

2.16. *Transitional and Final Provisions*

The draft law concluded with a comprehensive series of transitional provisions which, on the one hand, facil-

itated the transition from the legislation previously in force to the new legislation and, on the other hand, assisted the staggered installation of the procedures for reports on the state of the art and examination.

It also had a number of final provisions, including the partial repeal of previous patent legislation.

3. Agreement Between Spain and the European Communities in the Patent Field

In February 1977, the Spanish Government formally requested Spain's admission to the European Communities. Negotiations commenced two years later and they proved to be long and complex both for political and economic reasons and because of the complexity of the accession and the mechanisms that had to be set up in order to make it possible.¹⁹¹

From the beginning, the various areas of negotiation were grouped together in "chapters." One of these areas concerned patents and it was finally circumscribed on April 10, 1984, following intensive discussions among the participating delegations. The points of agreements reached¹⁹² were the following:

3.1. Amendment of Internal Spanish Legislation

Spain has undertaken¹⁹³ to ensure that at the time of its accession internal legislation in the patent field will be compatible with the principle of free circulation of goods and with the level of industrial property protection in the Community, in particular, with regard to:

- contractual licenses,
 - exclusive compulsory licenses,
 - obligation to work the subject of the patent,
- and
- patents of introduction.

¹⁹¹ The negotiations concluded with the signature of the Treaty of June 12, 1985, on the accession of Spain and Portugal to the European Economic Community, the European Atomic Energy Community, and the Coal and Steel Community. The full text of the Treaty and the various annexes has been published in the *Boletín Oficial de las Cortes Generales—Congreso de los Diputados—II Legislatura*, series A, No. 156-I, and it was ratified by Institutional Act No. 10/1985, of August 2, 1985, published in the *BOE* of August 8, 1985. The accession became effective on January 1, 1986.

¹⁹² The Agreement is incorporated in the Treaty on Accession referred to in footnote 191, above, as "Protocol No. 8 on Spanish Patents."

¹⁹³ Compliance with this undertaking clearly requires amendment of the current Industrial Property Code by the drawing up of a new patent law to terminate the work carried out on its drafting for over 20 years. As indicated in footnote 3, above, a draft Patent Law has been submitted to Parliament and it will probably become Law within the next few months.

3.2. Inversion of the Burden of Proof

3.2.1. Spain will have to introduce into its national legislation inversion of the burden of proof provided for in Article 75 of the Community Patent Convention of 1975, for patents for processes used to obtain a new product, according to which it is presumed, in the absence of proof to the contrary, that the same product produced by any other party has been obtained by the patented process. This inversion of responsibility for proof will have to be applied:

- as from the date of accession for patents of this type that were requested after this date; and
- as from October 7, 1992, at the latest, for those that were requested previously.

3.2.2. Nevertheless, inversion of the burden of proof cannot be required if action for infringement is directed against a person owning a patent for a process used to obtain the same product as that resulting from the process that is the subject of the plaintiff's patent if the latter were granted to him before the date of accession.

3.2.3. With effect from the date of the entry into the Community, Spain will have to abolish Section 273 of the Industrial Property Code currently in force since, provided that the patent has not been declared null, it allows the owner to avoid seizure of the results or means of its working in the case of action for presumed infringement of a previous patent.

3.2.4. Where inversion of the burden of proof is not applicable, proof of infringement lies with the applicant; however, Spanish legislation will have to be amended so that, as from October 7, 1992, at the latest, patent owners may have recourse to legal action, including proceedings destined to prove the acts.¹⁹⁴ This means a procedure according to which the person instigating an action against a presumed infringer can seek from the judge hearing the case the adoption of the necessary measures, including entry to the place where the presumed infringement is taking place, so that a detailed description of the procedures that are the subject of dispute, including photocopies of technical documents, can be made by a legal officer assisted by experts; the judge may order the payment of a deposit in order to assure that the presumed infringer can be reimbursed for damage or prejudice caused by this method.

3.3. Accession to the European Patent Convention

3.3.1. If Spain accedes to the European Patent Convention before October 7, 1986, it may enter the

¹⁹⁴ This procedure is similar to that known in French Law as "*saisie-description*."

reservation that it does not recognize protection of patents for chemical and pharmaceutical products provided for in Article 167(2)(a) and request the extension of this reservation until October 7, 1992.

3.3.2. For their part, the States members of the European Economic Community which are contracting parties to the Convention have undertaken to do everything possible—provided that Spain has fulfilled the obligations set out in section 3.1., above—to ensure that the Spanish request for extension of this reservation will be accepted; if this were not the case, Spain could renounce the Convention, although it would be expected to re-accede to it, at the latest, by October 7, 1992.

3.4. Accession to the Convention on the Community Patent

At the expiry of the extended reservation on protection of patents for chemical and pharmaceutical products—at the latest on October 7, 1992—Spain will have to accede to the Community Patent Convention of December 15, 1975.

3.5. Exception to the Principle of Enjoyment of Patent Rights

The instruments of accession include a provision¹⁹⁵ stating that, as a temporary departure from the principles of the Treaty setting up the European Economic Community, the owner—or his successor in title—of a patent for a chemical or pharmaceutical product requested in a Member State, when it is not possible to obtain a patent for the same product in Spain, can invoke the right derived from such a patent to prevent the importation and marketing of the product, even though it might have been marketed in Spain for the first time by the patent owner himself or with his consent, in the Member State or States in which it is protected by a patent. This right may be exercised for chemical, pharmaceutical and phyto-sanitary products, for three years following the introduction into Spain of patentability for such products; that is to say, at the latest until October 7, 1995.

¹⁹⁵ Article 47 of the Act concerning the conditions of accession and adaptation of the Treaties, which forms part of the Treaty of June 12, 1985, on accession to the European Communities mentioned in footnote 191, above.

Calendar of Meetings

WIPO Meetings

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

1986

- April 8 to 11 (Geneva) — Permanent Committee for Development Cooperation Related to Industrial Property
- April 14 to 18 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Group on General Information
- May 5 to 7 (Geneva) — Paris Union: Committee of Experts on Protection Against Counterfeiting
- May 12 to 14 (Geneva) — WIPO International Forum on Collective Administration of Copyrights and Neighboring Rights
- May 26 to 30 (Geneva) — Paris Union: Committee of Experts on the Harmonization of Certain Provisions in Laws for the Protection of Inventions
- May 22 to June 6 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Group on Search Information
- June 2 to 6 (Paris) — Committee of Governmental Experts on Audiovisual Works and Phonograms (convened jointly with Unesco)
- June 4 to 6 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Group on Patent Information for Developing Countries
- June 9 to 13 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Groups on Special Questions and on Planning
- June 23 to 27 (Geneva) — Committee of Experts on Intellectual Property in Respect of Integrated Circuits
- September 1 to 5 (Geneva) — Permanent Committee on Patent Information (PCPI) and PCT Committee for Technical Cooperation (PCT/CTC)
- September 8 to 10 (Geneva) — WIPO Patent and Trademark Information Fair
- September 8 to 12 (Geneva) — Governing Bodies (WIPO Coordination Committee, Executive Committees of the Paris and Berne Unions, Assembly of the Berne Union)
- October 13 to 17 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Group on General Information
- November 24 to December 5 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Group on Search Information
- December 8 to 12 (Geneva) — Permanent Committee on Patent Information (PCPI): Working Groups on Special Questions and on Planning

UPOV Meetings

1986

- April 15 (Geneva) — Consultative Committee
- April 16 and 17 (Geneva) — Administrative and Legal Committee
- May 21 to 23 (Hanover) — Technical Working Party on Automation and Computer Programs
- May 26 to 29 (Pontecagnano-Salerno) — Technical Working Party for Vegetables, and Subgroup
- June 3 to 6 (Dublin) — Technical Working Party for Agricultural Crops, and Subgroup
- July 15 to 18 (Wageningen) — Technical Working Party for Ornamental Plants and Forest Trees, and Subgroup
- September 15 to 19 (Wädenswil) — Technical Working Party for Fruit Crops, and Subgroup
- November 18 and 19 (Geneva) — Administrative and Legal Committee
- November 20 and 21 (Geneva) — Technical Committee
- December 1 (Paris) — Consultative Committee
- December 2 and 3 (Paris) — Council

Other Meetings Concerned with Industrial Property

1986

- March 14 (London) — Pharmaceutical Trade Marks Group: 32nd General Assembly
- June 1 to 4 (San Diego) — The United States Trademark Association: Annual Meeting
- June 8 to 13 (London) — International Association for the Protection of Industrial Property: XXXIII Congress
- September 13 to 17 (Lucerne) — International League for Competition Law: XXIXth Congress

News from Industrial Property Offices

PERU

*Director General,
Institute for Industrial Technological Research
and Technical Standards (ITINTEC)*

(Corrigendum)

We have been informed that Mr. Jorge Succar Rahme has been appointed Director General of the Institute for Industrial Technological Research and Technical Standards (ITINTEC) and that Mrs. Quim. Olga Combe de Vertiz has been appointed Director of Industrial Property, Industrial Property Directorate.