

# Industrial Property

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## Notifications Concerning Treaties

### Patent Cooperation Treaty (PCT)

#### Withdrawal of Declaration Made under Article 64(1)(a) Concerning Chapter II; Declaration under Article 64(2)(a)(ii)

#### NORWAY

The Government of Norway has notified, in its notification received on October 1, 1988, the withdrawal of the declaration contained in its instrument of ratification of the Patent Cooperation Treaty (PCT) done at Washington on June 19, 1970, to the effect that Norway is not bound by the provisions of Chapter II of the said Treaty (see PCT Notification No. 28, of October 4, 1979<sup>1</sup>), and also makes a declaration under Article 64(2)(a)(ii) of that Treaty.

In accordance with Article 64(6)(b) of the PCT, the withdrawal of the said declaration concerning Chapter

II of the said Treaty will take effect on January 1, 1989. Consequently, from the said date, Norway will be bound also by the provisions of Chapter II of the PCT.

The said notification dated October 1, 1988, contains, in addition, the following declaration:

“Norway also declares, pursuant to Article 64, paragraph 2), *litra a), ii)* of the said Treaty that the obligation to delay national processing as provided for under Article 40 shall not prevent publication, by or through Norway’s national office, of the international application or a translation thereof, it being understood, however, that Norway is not exempted from the limitations provided for in Articles 30 and 38.”

In accordance with Article 64(6)(a) of the PCT, the said declaration will take effect six months after the day on which the notification of the said declaration was received, that is, on April 1, 1989, and shall not affect international applications filed prior to the expiration of the said six-month period.

*PCT Notification No. 53, of October 7, 1988.*

<sup>1</sup> See *Industrial Property*, 1979, p. 242.

## WIPO Meetings

### WIPO Permanent Program for Development Cooperation Related to Industrial Property

#### Permanent Committee

Twelfth Session  
(Geneva, May 16 to 20, 1988)

#### NOTE\*

The WIPO Permanent Committee for Development Cooperation Related to Industrial Property held its twelfth session in Geneva from May 16 to 20, 1988.<sup>1</sup>

The following seventy-one member States of the Permanent Committee were represented: Angola, Argentina, Australia, Austria, Bangladesh, Benin, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Central African Republic, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Egypt, El Salvador, France, Gambia, German Democratic Republic, Germany (Federal Republic of), Ghana, Guatemala, Guinea, Guinea-Bissau, Haiti, Honduras, India, Indonesia, Iraq, Jamaica, Japan, Jordan, Kenya, Lesotho, Mauritania, Mexico, Mongolia, Morocco, Netherlands, Niger, Pakistan, Panama, Paraguay, Peru, Philippines, Republic of Korea, Rwanda, Soviet Union, Spain, Sweden, Switzerland, Tunisia, Turkey, Uganda, United Kingdom, United Republic of Tanzania, United States of America, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zambia. Two non-member States (Ecuador, Trinidad and Tobago) were also represented. In addition, eight intergovernmental organizations (General Agreement on Tariffs and Trade (GATT), United Nations Development Programme (UNDP), African Intellectual Property Organization (OAPI), African Regional Industrial Property Organization (ARIPO), European Patent Organisation (EPO), Latin American Economic System (SELA), League of Arab States (LAS), Organization of African Unity (OAU)) and three international non-governmental organizations (Center for the International Study of Industrial Property (CEIPI), International Association for the Protection of Industrial Property (AIPPI), International Chamber of Commerce (ICC)) were also represented. The list of participants follows this Note.

The Permanent Committee reviewed the development cooperation activities undertaken as part of the WIPO Permanent Program for Development Cooperation Related to Industrial Property since its last session in May 1987 and, in re-affirming the importance of industrial property as a dynamic instrument for technological and economic development, (i) noted with satisfaction the activities carried out under the Permanent Program since its previous session; (ii) expressed its support of the orientations for the development of activities under the Permanent Program as outlined in the documentation prepared by the International Bureau for the session, and invited the International Bureau to pursue the expansion of the Permanent Program along those lines, with special emphasis on training, advice on legislation and support for the strengthening of national and regional institutions, including patent documentation services; and (iii) expressed its gratitude to the numerous governments and organizations, and, among the latter, in particular the UNDP, which made contributions to the Permanent Program, and noted with appreciation the statements made by the representatives of several of those governments and organizations that they intended to continue or, as the case might be, increase such contributions.

As regards the development of human resources in the field of industrial property, the wish was expressed that, in addition to training provided for the traditional circle of officials of industrial property administrations, increasing attention should continue to be given to such programs for the training of, in particular, the judiciary, industrial property lawyers and agents and university professors, and to the teaching of industrial property in universities. The wish was also expressed that increasing emphasis should continue to be attached to training in specialized areas such as patent information and documentation, the transfer of patented technology, patent drafting and patent agency work.

With respect to activities for the promotion of

\* Prepared by the International Bureau.

<sup>1</sup> For a Note on the preceding session, see *Industrial Property*, 1987, p. 252.

inventive and innovative activity in developing countries, particular attention was paid to the WIPO Award program, to the desirability of assisting developing countries in organizing exhibitions and competitions for inventions as a useful means of upgrading the public image of national inventors, and to the need for continued assistance on the part of the International Bureau in organizing inventors from developing countries into national or regional inventors' associations.

Attention was also drawn to the various modalities of technical cooperation between developing countries which were taking place under the Permanent Program, including the expanding utilization of experts and lecturers from developing countries.

As it had decided at its eleventh session, the Permanent Committee devoted one day of its twelfth session to the examination of patent information and documentation matters in the framework of a "Symposium on Patent Information and Documentation: Perspectives and Realities." Lectures were delivered by speakers from Brazil, China, the Netherlands, the United States of America and the African Regional Industrial Property Organization (ARIPO) and a WIPO official. On the basis of the discussions that took place in the Symposium, the Permanent Committee requested the International Bureau to undertake a study of the technically and economically most relevant solutions for patent information activities in developing countries, in the light of the present and expected evolution of electronic data processing (EDP) technology.

The Permanent Committee also agreed, as invited by the Permanent Committee on Industrial Property Information (PCIPI), to the priority of certain tasks of special relevance to developing countries on the work program of the PCIPI, subject, as regards one of those tasks, to the conduct of a survey to determine the actual use being made by developing countries of the *Journal of Patent Associated Literature* (JOPAL).

## LIST OF PARTICIPANTS\*\*

### I. States

**Angola:** A.C. Simoes da Silva Bandeira. **Argentina:** A.G. Trombetta. **Australia:** I.W. McCay. **Austria:** C. Thun-Hohenstein. **Bangladesh:** M.I. Talukdar. **Benin:** J. Ayite. **Brazil:** M.E. do Nascimento; P.R. de Almeida. **Bulgaria:** O. Delev. **Burkina Faso:** M.B. Bado. **Burundi:** S. Ndikuriyo. **Cameroon:** F.-X. Ngoubeyou; W. Eyambe. **Canada:** J. Gariépy. **Central African Republic:** M. Lamine. **China:** Ge Bo. **Colombia:** G. Valderrama de Prieto; A. Gamboa Alder. **Costa Rica:** R. Chacon-Murillo; R.A. Chacon Hernandez. **Côte d'Ivoire:** M. A. Traore; F.K. Ekra. **Cuba:** M. Jiménez Aday. **Cyprus:** T.L. Christodoulides. **Czechoslovakia:** S. Kracmar; V. Benisko. **Democratic People's Republic of Korea:** Chang Guk Kim;

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## II. United Nations Organizations

**General Agreement on Tariffs and Trade (GATT):** A. Otten. **United Nations Development Program (UNDP):** E. Bonev; G. Perez-Arguello.

## III. Other Intergovernmental Organizations

**African Intellectual Property Organization (OAPI):** V. Efon. **African Regional Industrial Property Organization (ARIPO):** F.M. Chimulu. **European Patent Organisation (EPO):** M. Hidalgo. **Latin American Economic System (SELA):** L. Herrera Marcano. **League of Arab States (LAS):** M. Triki; M. Oreibi; O. El Hajje. **Organization of African Unity (OAU):** M.H. Tunis.

## IV. International Non-Governmental Organizations

**Center for the International Study of Industrial Property (CEIPI):** B. de Passemar. **International Association for the Protection of Industrial Property (AIPPI):** G.E. Kirker. **International Chamber of Commerce (CCI):** J.M.W. Buraas.

## V. Officers

**Chairman:** J. de Villafranca Andrade (Mexico). **Vice-Chairmen:** I.W. McCay (Australia); V. Benisko (Czechoslovakia). **Secretary:** B. Machado (WIPO).

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

<sup>2</sup> State not member of the Permanent Committee.

## VI. International Bureau of WIPO

A. Bogsch (*Director General*); S. Alikhan (*Deputy Director General*); K. Idris (*Director, Development Cooperation and External Relations Bureau for Arab Countries*); I. Thiam (*Director, Development Cooperation and External Relations Bureau for Africa*); R. Beltran (*Director a.i., Development Cooperation and External Relations Bureau for*

*Latin America and the Caribbean*); R. Andary (*Head, Special Projects and Developing Countries Section, Classifications and Patent Information Division*); B. Machado (*Head, Development Cooperation Program Support Unit*); F. Moussa (*Head, Section for Relations with International Organizations and Promotion of Innovation in Developing Countries*); J. Quashie-Idun (*Head, Developing Countries Section, Industrial Property Division*); G. Yu (*Special Assistant, Office of the Director General*).

## Studies

### Recent Changes in Mexican Industrial Property Legislation

J. DE VILLAFRANCA ANDRADE\*

#### 1. Background

Mexico's industrial property legislation has a long and eventful history, and the first records are to be found in the colonial era. In 1820, the Spanish Parliament enacted a "Decree to Ensure the Property Rights of Those Who Invent, Improve or Introduce Any Kind of Industry."

Another legislative antecedent worth mentioning, which came after the consummation of Mexico's independence, is Title III, Section V of Article 50 of the 1824 Constitution, according to which the exclusive powers of the Congress included that of "promoting illustration, by assuring authors during a limited time of exclusive rights in relation to their works."

By 1832, the regime governing this subject matter had acquired a more structured form, as in May 7 of that year the "Law on the Exclusive Privileges Accorded to the Inventors or Improvers of Any Kind of Industry" was promulgated.

It should be pointed out that after that Law, namely on September 28, 1843, a decree was enacted in which for the first time provision was made for the lapse of the patent for failure to work the invention.

The earlier legislation mentioned above referred to inventions in general terms, but on November 28, 1889, a specific law on trademarks was enacted, later to be replaced by the Law of 1897.

More than half a century after the 1832 Patent Law, on July 7, 1890, the "Law on Privilege Patents for Inventors and Improvers" was promulgated.

In 1903, on Mexico's accession to the Paris Convention for the Protection of Industrial Property, and with a view to having national legislation in accord with the international provisions introduced by that Convention, the Law on Invention Patents (which included patents for industrial designs) and the Law on Trade Patents (which in addition included trade names and commercial announcements) were published in the Official Journal [*Diario Oficial*] of the Federation on September 1 and 2, respectively, of that same year.

The main provisions introduced by those Laws were the following: the inventor's right to obtain a patent, the requirement that the invention be new and of industrial character, the exclusive right to work the invention, the mention of certain subject matter that was not patentable (such as chemical compounds), the requirement that the application be accompanied by the description, the claims and (if necessary) the drawings, and that the application be subjected to administrative examination; the life of the patent was set at 20 years with the possibility of prolongation for five further years, licensing was introduced for cases of non-working, a clearer definition was given of what constituted a trademark, limitations were placed on the registration of certain signs as trademarks, the life of a trademark was set at 20 years with the possibility of renewal of the registration for equal periods, and the right of priority was introduced for both patents and trademarks.

The legislation on patents and trademarks underwent further amendment in 1928 with the promulgation of the "Law on Patents," which added new provisions on the examination of the invention for novelty and defined the right of priority more clearly; it left the life of the patent at 20 years but reduced its validity from 20 to 15 years following the grant of the patent if, during those 15 years, the invention was not worked, and introduced the grant of licenses for working where the invention was not worked for three years following the grant of the patent.

The new "Law on Trademarks and Trade Notices and Names" defined the mark as a distinctive sign, provided for the possibility of mandatory use of the mark, introduced the novelty examination and the system of publication for opposition purposes, and left the duration of registration at 20 years with the possibility of indefinite renewal for periods of 10 years.

With the consolidation of the political and economic system in Mexico, a further legislative revision occurred in 1942; on December 31 of that year a single patent and trademark ordinance was enacted, known as the "Law on Industrial Property," which was more technical in content and introduced certain changes such as the following: clearer definition of what could be patented,

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and also of non-patentable subject matter, simplification of administrative procedures, shortening of the life of the patent to a non-renewable period of 15 years, introduction of patents for independent improvements, more detailed rules on the consequences of non-working of the patent and on the means of obtaining a compulsory license for working, definition of the signs or denominations that were registrable as trademarks and those that were not, stricter rules to prevent the registration of trademarks that deceived the public as to the origin of the product, shortening of the period of validity of the mark to 10 years with the possibility of indefinite renewal for equal periods, and control over the use of trademarks by registered users.

Then, after the 1942 Law had been in force for 34 years, and in accordance with a Government policy to legislate more broadly in the field of technology and investment, the "Law on Inventions and Marks" was enacted on February 10, 1976. The new Law introduced provisions on the following: grant of compulsory licenses where working is insufficient to meet domestic demand, or for working to meet export demand that is not met by the owner of the invention; grant of licenses of public utility; introduction of limitations on the patenting of inventions concerned with health, food, agricultural production, the environment and nuclear power and safety; creation of the inventor's certificate concept, whereby protection is granted without exclusive exploitation rights in respect of certain unpatentable inventions; shortening of the period of validity of the patent to a non-renewable 10 years; introduction of the obligation to couple a national mark to a mark originally registered abroad or owned by a foreigner; introduction of compulsory licenses for marks in cases of public utility; introduction of mandatory effective use of the mark; empowerment of the competent Government authority to impose the use of a single mark for all the goods or services of one and the same owner that are intended for the same purpose or substantially similar purposes, and also, in the public interest, to prohibit the use of marks on specific products and require that they be sold under their generic names in order to avoid confusing the public.

The "Law on the Control and Registration of the Transfer of Technology and the Use and Working of Patents and Trademarks" was also enacted in connection with the Law on Inventions and Marks.<sup>1</sup>

As we can see, the legislation on the subject has evolved in a very dynamic way, which has enabled it to adapt to the changing economic, political and social circumstances of the country, and in turn has permitted the industrial property system to function better and operate effectively as an instrument of support for the technological and economic development of the country.

It was precisely for the above reason that the 1976 Law on Inventions and Marks (LIM)<sup>2</sup> was revised and supplemented by a decree published in the *Diario Oficial* on January 16, 1987.

The factors that precipitated the amendment of the Law can be looked at from two directions, the convergence of which brought about the revision.

First, it had to be brought into line with the macro-economic decisions that Mexico had recently adopted. For instance, after amendment it is now more consistent with our economic policy in the light of the program and the plan that Mexico has outlined with respect to foreign investment, technological development, foreign trade and industrial reconversion.

Secondly, those aspects had to be revised that had been overtaken by national realities and international trends, as did those that had proved inappropriate and ineffectual.

One of the main objectives of the amendments is the modernization of the industrial property system so that it may contribute to the development of Mexico and be a factor of support for national and foreign investors.

It should be pointed out that the progress made by current industrial property legislation is significant in view of the fact that the amendments have brought about a structural change that has not been appreciated by all. That change called for an enormous effort as the process of implementing it involved dealing with internal opinions that were categorically opposed to it.

Perhaps the bad reception given to the reforms is due to ignorance of the provisions of the Law, and also to the domestic circumstances of our country.

Before the draft Law was presented to Congress, broad consultations were had with various sectors, including groups of companies established in Mexico, Mexican industrialists, chambers of industry, trade associations, research promoters and representatives of the scientific community. This exercise enabled many of the matters that were being pursued by various interest groups to be reconciled in a manner consistent with the economic policy of the present administration as reflected in the national development plan and sectoral programs.

The main amendments to the LIM were in the following areas: patentability, validity of patents, working of patents, novelty examination, coupled marks, prohibition of the use of marks, compulsory licenses for marks, unfair competition and promotion of inventive activity.

## 2. Main Changes and Additions to the Law on Inventions and Marks

### *Patents*

*Patentability.* The subject of patentability is at present one of the most widely discussed at the interna-

<sup>1</sup> See *Industrial Property Laws and Treaties, MEXICO* - Text 6-001.

<sup>2</sup> *Ibid.*, MEXICO - Text 1-001.

tional level and one on which, in the main, positions contrast sharply. On the one hand, there is the position of the countries at a high level of technological development, which advocates indiscriminate broadening of patentability; on the other hand, there is a position that consists in ruling out patentability in certain areas with a view to permitting the development of local industries in the national interest. Mexico's legislation continues to consider unpatentable those areas that by their nature do not contain the necessary elements of novelty and inventive step or presuppose the kind of industrial and administrative infrastructure that Mexico lacks at the present time. Nevertheless, there has been a substantial broadening to accommodate inventions that were not patentable under the previous legislation.

Even though in many cases it has been decided to align this broadening of patentability on other measures designed to stimulate the national economy, it has been considered appropriate to act immediately in some sectors and in others within 10 years of the date of publication of the reforms. Such a staggered method will allow certain industrial sectors sufficient time to take the action required by the new protection scheme, without which the national industrial base might in certain areas be adversely affected. The fields to which patentability has been opened up are the following:

(A) immediately:

- processes for obtaining alloys;
- processes for obtaining chemical and pharmaceutical products, pesticides, fungicides, fertilizers and foods and drinks for animal consumption;
- anti-pollution devices;
- nuclear energy, provided that it does not affect national security;

(B) within 10 years from the date of publication of the reforms and additions, namely, January 17, 1997:

- biotechnological processes for the production of the following pharmaceutical chemicals: medicines in general, drinks and foods for animal consumption, fertilizers, pesticides, weedkillers, fungicides or products with a biological action;
- genetic processes for the production of plant or animal species or varieties thereof;
- chemico-pharmaceutical products, medicines in general, foods and drinks for animal consumption, fertilizers, pesticides, weedkillers, fungicides and products with a biological action.

The legal basis for the extension of patentability to the above-mentioned products after 10 years is the Second Transitional Provision of the Decree that reformed and supplemented the Law of 1976.

It was considered that the 10-year period was the necessary minimum for the introduction in the country of an industrial and administrative infrastructure that would place Mexican industry in a better position in that respect as compared with developed countries. The

gradual nature of the change and the length of the period are also in keeping with international practice in this field, and correspond more or less to the safeguard periods that Mexico has specified in its multilateral trade negotiations for the achievement of its overall conversion effort, and also for the provision of the industrial and commercial capability with which to effect the extension expected of our country within the framework of the General Agreement on Tariffs and Trade (GATT).

The following are still considered unpatentable:

- plant species, animal species and varieties thereof or essentially biological processes for producing them;
- alloys (being products);
- foods and beverages for human consumption and processes for producing or processing them;
- inventions relating to nuclear energy and safety;
- the juxtaposition of known inventions or mixtures of known products, and variations in their form, dimensions or materials;
- the application or use, in an industry, of an invention already known or used in another industry and processes consisting simply of the use of a device, machine or appliance that functions in accordance with principles already known, even where the use is new;
- inventions the publication or exploitation of which would be contrary to law, public policy, health, the preservation of the environment, public security, morality or proper practice.

With regard to processes for the production of foods for human consumption and also biotechnological processes, the Law provides for their protection by means of inventors' certificates.

In the above areas, patentability is restricted on the basis of a number of important considerations:

- (1) the country's efforts to develop technology in these areas would be adversely affected;
- (2) in the specific case of biotechnological products, there is as yet no consensus, even in developed countries, on whether or not they are patentable;
- (3) in the case of alloys, novel processes for making alloys are patentable under LIM Sections 9 and 10 and its Second Transitional Provision.

*Novelty Examination.* One of the main concerns of the patent and trademark offices of various countries is the time lost in complying with formalities, which is a factor that can lessen the attractiveness of certain corporate investment programs. New machinery is therefore being introduced which will enable the novelty examination of patents to be speeded up. In view of the fact that in Mexico about 90% of all patents applied for originate abroad and a large proportion of them have been processed by industrial property offices (which under the Patent Cooperation Treaty have the

status of Examining Authorities), Section 20 of the Law was added to provide that novelty examinations undertaken by industrial property offices other than the national office are acceptable, provided that those offices have the status of Examining Authorities or that the examinations have been carried out by the European Patent Office (LIM Section 20).

*Administrative Review.* If the Secretariat for Trade and Industrial Development rejects a patent application, the person concerned may file an appeal for administrative review within two months following the date on which he was notified of the decision. This is broader than the previous provision, which allowed a period of one month for the filing of an appeal for administrative review. A period of two months was considered more suitable because other periods have also been extended, which will make it possible to speed up decisions and improve other services (LIM Section 30).

*Right of Priority.* The requirements concerning the right of priority of a patent have been supplemented in the sense that, if greater rights are claimed than those deriving from an application filed abroad, the priority is only partial and is related to the latter application, as a new right of priority can be claimed for the additional subject matter (LIM Section 36).

*Validity of Patents and Inventors' Certificates.* The period of validity of patents has been extended from 10 to 14 years with a view to promoting inventive activity in Mexico and bringing it into line with international standards. The 14-year period of protection is non-renewable and is calculated from the date of grant of the title; however, the legal date of the patent or inventor's certificate will be the date and hour of filing of the application, which, in view of the average time taken to process an application, gives us an effective period of protection of approximately 17 years (LIM Sections 40 and 67).

*Working of Patents.* The grant of patent rights is accompanied by the obligation on the owner to work the invention effectively on the national territory.

The 1976 Law had been criticized for being at variance in this respect with the Paris Convention, to which Mexico has been party since 1903.

Under the 1976 Law, patents lapsed if their owners failed to start working them within four years and also if no compulsory licenses were applied for within the same period.

Now, as a result of the reforms, the Law is consistent with the Paris Convention in that it provides that the patent lapses within a period of two years from the date of grant of the first compulsory license, except where the owner provides satisfactory proof of working (LIM Section 48).

*Protection of the Patent During Processing.* The earlier Law did not provide any protection for the patent while it was pending. A paragraph has now been added by virtue of which the applicant for a patent has the right to proceed against third parties who work the invention in respect of which a patent has been applied for, provided that the applicant has made use of the "patent applied for" or "patent pending" notice. Such actions may be brought once the patent in question has been granted. This addition gives much broader protection to the owner of the patent, in view of the fact that the period of effective protection would be from its legal date until the expiry of 14 years from the date of grant (LIM Section 49).

*Importation of Patented Products.* The patent gives its owner the exclusive right to work the invention.

Working is taken to mean the permanent use of the patented processes or manufacture of the product covered by the patent, such use being made by the owner of the patent, his successors in title or licensees on a scale amounting to effective industrial exploitation and on satisfactory conditions of quality and price.

The importation of the product covered by a patent or of the product manufactured according to the patented process is not regarded as working.

Likewise, the patent does not confer the right to import the patented product or the product manufactured by means of the patented process.

Importation remains subject to the relevant provisions on foreign trade.

The purpose of this distinction between working and importation is to impose an obligation to work the patents effectively in the country and to ensure that the needs of the national market are fully met (LIM Sections 37 and 43).

### *Inventors' Certificates*

In 1976 the legal concept of the inventor's certificate was introduced in Mexico.

The inventor's certificate protects the invention against appropriation by third parties, recognizes its owner as such and authorizes him to engage in lawful working of the invention.

It does not confer an exclusive right to work the subject matter, but rather the right to receive payment of royalties for working by third parties.

Any person may engage in the working of the invention, subject to agreement with the owner regarding payment of royalties and conditions of working. In the event of disagreement between the parties, the State intervenes to arbitrate or to specify the payment of royalties and conditions of working.

Working can be engaged in by the owner and by third parties at the same time.

The period of validity of an inventor's certificate is the same as that of a patent (14 years from the grant of the certificate).

The fees payable for an inventor's certificate are considerably lower than for a patent.

An inventor's certificate may be granted for any invention susceptible of patent protection and, in addition, for the following inventions:

- processes for the production of beverages and foods for human consumption;
- biotechnological processes for the production of the following: pharmaceutical chemicals, medicines in general, foods and drinks for animal consumption, fertilizers, pesticides, weedkillers, fungicides and products with a biological action.

The requirements for the grant of the inventor's certificate are the same as for the grant of patents.

By introducing this legal concept, the State intends to stimulate inventive activity in certain areas that do not lend themselves to patenting but nevertheless relate to social priority areas of the country (such as public health, agricultural production and food).

At the same time it is seeking to make it easier for the inventor of limited means to secure protection for his inventions (LIM Sections 65 to 80).

### *Industrial Designs*

The only substantial change regarding industrial designs has been the lengthening of the period of validity from five to seven years. This period was considered more suitable owing to the fact that, apart from the administrative simplification that it achieves, it is more in line with relevant international trends.

### *Promotion of Industrially Applicable Inventions*

It has been traditional in Mexico to consider industrial property legislation in terms of its registration aspect, without specifically considering the great importance of using and taking advantage of the industrial property system as a strategic instrument available to Mexican enterprise for its industrial and commercial activities. The new Law has therefore been given a chapter with new provisions designed to promote inventive activity by means of two main mechanisms:

(a) dissemination of the technological information contained in patent documents among suitable recipients, especially smaller industries, research centers and universities;

(b) introduction of education and training schemes for sectors of the population that could benefit substantially if they were made aware of the nature of patents, marks and the other forms of industrial property and their function in relation to national economic activity.

Provision is also made in the new chapter for the coordination, organization and promotion of action to

stimulate national inventive activity, essentially through the following:

(a) competitions and contests, seminars and promotional publications;

(b) grant of facilities for the development of prototypes of inventions resulting from inventive effort on the part of natural persons in small and medium-sized industries;

(c) introduction of a six-month deposit for those applications that relate to inventions made by workers employed in small and medium-sized industries, with the safeguarding of the rights in the invention with respect to its novelty and legal date, during which period the inventor is provided with whatever support and guidance he needs for the due completion of his application;

(d) support for the creation and strengthening of groups of inventors (LIM Section 86A, B, C and D).

With a view to the systematic organization of the technological information contained in patent documents, the Law has set up the National Patent Bank (BANAPA) with a view on the one hand to facilitating the conduct of the technical novelty examinations undertaken by the Office, and on the other hand to disseminating the accumulated technology among users, namely, corporations, associations, chambers of industry and research centers.

BANAPA will afford access to all registrations of patents and inventors' certificates granted by the industrial property office from 1988 onwards. Each registration will be arranged and classified according to the International Patent Classification.

Thus the proposed additions to the Law on Inventions and Marks involve the introduction of machinery for the promotion of inventive activity and support for industrial technology, as they relate to all the elements capable of contributing to it, including for instance the dissemination of the technology content of patents, the promotion of the working of patents that have become public property, and also the promotion of awareness and use of the national system for inventions and marks.

### *Marks*

*Registration of Marks in Foreign Languages.* The 1976 Law introduced a prohibition on the registration of marks containing text matter in modern foreign languages, and also marks artificially devised to give the impression, through their graphic appearance or sound, of being foreign. This was subject to the proviso that registration of the mark was sought for use in connection with articles manufactured or services rendered by the applicant solely within the country or in any other Spanish-speaking country. The provision put Mexicans at a disadvantage in relation to foreigners from non-Spanish-speaking countries, who could, under that legislation, register marks with wording in

modern foreign languages. Consequently, with a view to achieving equality before the Law between nationals and foreigners, the offending provision has been repealed (LIM Section 91(xii)).

*Prohibition of the Use of Marks.* This heading refers to the inclusion in the Law of a section that entitles the Secretariat for Trade and Industrial Development, in the public interest, to declare the registration and use of marks compulsory, or alternatively to prohibit the use of registered marks, the latter in the following cases:

- where the use of the mark is a factor associated with monopolistic or oligopolistic practices or unfair competition causing a serious impairment of the production, distribution or marketing of specific products or services;
- where the use of the mark prevents effective distribution, production or marketing of goods or services;
- where the use of marks prevents, hampers or increases the cost of the production, provision or distribution of goods to meet the staple needs of the people in cases of national emergency and for the duration of such emergencies.

This amendment to the Law is the response to a need for more ethical trade practices and at the same time for machinery for avoiding obstacles to the efficient production or distribution of goods and services that could, at a given time, be in the national interest.

Even though the cases of prohibition are clearly specified in the Law, the application of the latter is a discretionary power in the hands of the authorities (LIM Section 125).

*Coupling of Marks.* The 1976 Law contained a provision on the mandatory coupling of national marks to foreign marks. Nevertheless, in order to make the provision more manageable, it has been changed into an optional system whereby coupling is freely negotiable by the owners of marks.

Even though this provision has become more flexible, it does not rule out the possibility of coupling completely, leaving the national entrepreneur the alternative of deriving some advantages from the use of the foreign mark in terms of the advertising costs and the corporate effort made to enhance the commercial appeal of the mark.

At the same time this measure is intended to bring about improved protection for the mark and to create the possibility of preventing counterfeiting by imitation as, instead of this imitation, the coupling of two marks can be used.

#### *Appellations of Origin*

At present, Mexico has only one appellation of origin registered at the national and international level. That

appellation is the one that goes by the name of "Tequila," for an alcoholic beverage.

With a view to securing better protection for this product with respect to its quality and origin, a provision has been added that prohibits the use of the "Tequila" name when the product is bottled by persons who lack the raw material for which the appellation of origin has been authorized.

As further appellations of origin are registered, the provision will be extended to other names and the products to which they relate (LIM Section 165(ii)).

#### *Trade Names*

Another important change is the possibility of allowing a six-month period of grace for the filing of applications for the renewal of trade names (LIM Section 184).

#### *Unfair Competition*

The practice of unfair competition is a matter of serious concern to the Mexican Government, as it has been becoming more and more prevalent internationally, and it is bound to have repercussions in our own country.

*New Offenses.* The changes to the Law have concentrated on strengthening the measures to guarantee the rights of owners of marks and patents on the one hand, and to protect the consuming public against confusion, error or deception on the other. In this connection two new types of offense have been defined, namely:

- the recurrent use of marks that are confusingly similar to other, registered marks;
- the use with gainful intent of an industrial secret or invention whose registration is pending (LIM Section 211(viii) and (ix)).

*Sanctions.* The new penalties for the above offenses and others have been substantially increased, and now range from two to six years of imprisonment, depending on the seriousness of the offense.

It should be pointed out that the economic sanctions have been substantially increased, with the maximum sanction increasing from 100,000 pesos to 10,000 times the minimum general daily wage of the Federal District.

It is also worth mentioning that the sanction of temporary closure has been increased from 60 to 90 days (LIM Section 212).

*Prior Verification by the Public Prosecutor.* With a view to streamlining criminal proceedings, prior verification in relation to offenses may be initiated by the Public Prosecutor as soon as he has knowledge of circumstances that could constitute offenses, without any prior ruling on the part of the Directorate General of

Inventions, Marks and Technological Development. Nevertheless, it should be made clear that such a technical ruling is necessary for the actual institution of criminal proceedings (LIM Sections 211 and 213).

*Seizure of Goods.* A Section 223bis has been added to the Law which provides that if, in the course of a proceeding, authentic evidence is provided of any act of unfair competition, the inspector conducting the proceeding may seize the merchandise or products in connection with which the infringements or offenses have been committed, make an inventory thereof and appoint the manager or owner of the establishment as depositary. If the infringements or offenses are committed in the establishment in respect of more than 30% of the merchandise sold, the establishment may be temporarily closed (LIM Section 223bis).

### **3. Draft Regulations under the Law on Inventions and Marks**

As has been mentioned in detail, the 1976 Law on Inventions and Marks was reformed and supplemented in January 1987, as a result of which it is essential to revise the Regulations under it in order to bring them up to date and into line with the new provisions, and thereby achieve the necessary concordance between the two legal instruments. The draft Regulations refer strictly to what is laid down in the Law, and are made to go no further than the provisions contained in it.

At present these draft Regulations are in the final stages of revision, and are expected to be published in the very near future.

## Calendar of Meetings

### WIPO Meetings

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

#### 1988

- November 28 to December 2 (Geneva)** **Committee of Experts for the Preparation of the Diplomatic Conference for the Conclusion of a Treaty on the International Registration of Audiovisual Works**  
 The Committee will examine a revised version of the draft Treaty on the International Registration of Audiovisual Works. The Committee will decide what substantive documents should be submitted to the Diplomatic Conference and establish the draft agenda and the draft Rules of Procedure of that Conference.  
*Invitations:* States members of WIPO or the Berne Union and, as observers, States members of the United Nations and certain organizations.
- December 5 to 7 (Geneva)** **Madrid Union: Preparatory Committee for the Diplomatic Conference for the Conclusion of Two Protocols Relating to the Madrid Agreement Concerning the International Registration of Marks**  
 This Committee will make preparations for the Diplomatic Conference scheduled for 1989 (establishment of the list of States and organizations to be invited, the draft agenda, the draft rules of procedure, etc.).  
*Invitations:* States members of the Madrid Union and Denmark, Greece, Ireland and the United Kingdom.
- December 9 (Geneva)** **Information Meeting for Non-Governmental Organizations on Intellectual Property**  
 Participants in this informal meeting will be informed about the recent activities and future plans of WIPO in the fields of industrial property and copyright and their comments on the same will be invited and heard.  
*Invitations:* International non-governmental organizations having observer status with WIPO.
- December 12 to 16 (Geneva)** **Committee of Experts on the Harmonization of Certain Provisions in Laws for the Protection of Inventions (Fifth Session; Second Part)**  
 The Committee will continue to examine a draft treaty on the harmonization of certain provisions in laws for the protection of inventions.  
*Invitations:* States members of the Paris Union and, as observers, States members of WIPO not members of the Paris Union and certain organizations.
- December 12 to 16 (Geneva)** **Executive Coordination Committee of the PCIPI (Permanent Committee on Industrial Property Information) (Third Session)**  
 The Committee will review the progress made in carrying out tasks of the Permanent Program on Industrial Property Information for the 1988-89 biennium. It will consider the recommendations of the PCIPI Working Groups and review their mandates.  
*Invitations:* States and organizations members of the Executive Coordination Committee and, as observers, certain organizations.

#### 1989

- February 20 to March 3 (Geneva)** **Committee of Experts on Model Provisions for Legislations in the Field of Copyright (First Session)**  
 The Committee will work out standards in the field of literary and artistic works for the purposes of national legislation on the basis of the Berne Convention for the Protection of Literary and Artistic Works.  
*Invitations:* States members of the Berne Union or WIPO and, as observers, certain organizations.
- April 3 to 7 (Geneva)** **WIPO Permanent Committee for Development Cooperation Related to Copyright and Neighboring Rights (Eighth Session)**  
 The Committee will review and evaluate the activities undertaken under the WIPO Permanent Program for Development Cooperation Related to Copyright and Neighboring Rights since the Committee's last session (March 1987) and make recommendations on the future orientation of the said Program.

*Invitations:* States members of the Committee and, as observers, States members of the United Nations not members of the Committee and certain organizations.

May 8 to 26 (Washington, D.C.)

**Diplomatic Conference for the Conclusion of a Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits**

The Diplomatic Conference will negotiate and adopt a Treaty on the protection of layout-designs of integrated circuits. The negotiations will be based on a draft Treaty prepared by the International Bureau. The Treaty is intended to provide for national treatment and to establish certain standards in respect of the protection of layout-designs of integrated circuits.

*Invitations:* States members of WIPO or the Paris Union and certain organizations.

May 29 to June 2 (Geneva)

**WIPO Permanent Committee for Development Cooperation Related to Industrial Property (Thirteenth Session)**

The Committee will review and evaluate the activities undertaken under the WIPO Permanent Program for Development Cooperation Related to Industrial Property since the Committee's last session (May 1988) and make recommendations on the future orientation of the said Program.

*Invitations:* States members of the Committee and, as observers, States members of the United Nations not members of the Committee and certain organizations.

June 12 to 28 (Madrid)

**Diplomatic Conference for the Conclusion of Two Protocols Relating to the Madrid Agreement Concerning the International Registration of Marks**

The Diplomatic Conference will negotiate and adopt two Protocols Relating to the Madrid Agreement Concerning the International Registration of Marks. One of the Protocols is intended to make applicable, with certain changes, the Madrid Agreement in respect of countries not yet party to that Agreement; the other Protocol concerns the complementary use of the Madrid Agreement and the (future) Regulation on the Community Trade Mark.

*Invitations:* To be announced in December 1988.

## UPOV Meetings

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

### 1989

April 14 (Geneva)

**Consultative Committee (Thirty-ninth Session)**

The Committee will mainly discuss the outcome of the twenty-fourth session (April 10 to 13) of the Administrative and Legal Committee and prepare the meeting with international organizations.

*Invitations:* Member States of UPOV.

October 16 (Geneva)

**Consultative Committee (Fortieth Session)**

The Committee will prepare the twenty-third ordinary session of the Council.

*Invitations:* Member States of UPOV.

October 17 and 18 (Geneva)

**Council (Twenty-third Ordinary Session)**

The Council will examine the program and budget for the 1990-91 biennium, the reports on the activities of UPOV in 1988 and the first part of 1989.

*Invitations:* Member States of UPOV and, as observers, certain non-member States and intergovernmental organizations.

## Other Meetings Concerned with Industrial Property

### 1988

November 28 to December 2 (Strasbourg) Center for the International Study of Industrial Property (CEIPI): The European Patent—Seminar on Practical Aspects of Drafting Claims and Oppositions

December 5 and 6 (Ithaca, New York) Cornell University, Department of Agricultural Economics: Animal Patent Conference (Consideration of Applicable United States and International Law, Technicalities of Deposit Requirements, Status of Animal Science Research into Potentially Patentable Animal Types, Anticipated Impact of Patents on Livestock Breeding Sector and Production Agriculture, and Perspectives of Farmers and Those Concerned About Ethical Issues Involved)

December 5 to 9 (Munich) European Patent Organisation (EPO): Administrative Council

## **1989**

January 23 to 27 (Strasbourg) Center for the International Study of Industrial Property (CEIPI): The European Patent—Seminar on Legal Problems