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NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
THE UNIVERSITY OF STRASBOURG

TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with:

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 7 to 25, 1992

PROVISIONAL PROGRAM

prepared by the International Bureau

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ORGANISATION MONDIALE DE
LA PROPRIÉTÉ INTELLECTUELLE

OMPI

BIBLIOTHÈQUE

Thursday, September 10

Morning Organization and management of an industrial property office:
the example of the National Institute of Industrial Property
(INPI)

[Mrs. Christine Perrot, Attachée, Economic
and Financial Affairs Division (INPI) (Paris)]

Afternoon Regional Patent Cooperation: the example of the European
Patent Office (EPO)

[Mr. Johan Amand, Head, Cooperation with
Developing Countries, International Technical
Cooperation, European Patent Office (EPO)
(Munich)]

Friday, September 11

Morning Patent documents as a source of technological information:
structure of patent documents; establishment of patent
documentation; equipment and methods for patent documentation
searching

[Mr. André Roussel, Examiner, General
Directorate 1, European Patent Office (EPO)
(Berlin)]

Afternoon New methods of patent information storage and access: CD-ROMs

[Mr. Johan Amand]

Visit to the INPI Regional Office in Strasbourg: services to
the public; dialogue with users

Monday, September 14

Morning The role of industrial property in technology transfer,
particularly to developing countries

[Mr. Claude Pascaud, Professional
Representative before the European Patent
Office (EPO), former Chief Engineer at the
Industrial Property Department of the
Pechiney Group]

Afternoon The role of an industrial property service in industry, its
relation with the research and development service, the
manufacturing service and the legal and commercial service

[Mr. Claude Pascaud]

Tuesday, September 15

Visit of the Sandoz Factory

Wednesday, September 16

Morning Multilateral treaties in the field of trademark and industrial design registration: The Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989; and The Hague Agreement Concerning the International Deposit of Industrial Designs

[Mr. Salvatore Di Palma, Head, International Trademark and Industrial Design Registries, (WIPO)]

Afternoon The international classification in the field of marks and industrial designs: The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks; The Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks; and The Locarno Agreement Establishing an International Classification of Industrial Designs

[Mr. Salvatore Di Palma]

Thursday, September 17

Morning Trademarks: general theory of trademark law (comparative law); choice of trademarks; counterfeiting and defense of trademarks

[Mr. Florent Gevers, Patent Attorney (Antwerp, Belgium)]

Afternoon The role of industrial property agents; working of an industrial property agent's office; structure of the profession

[Mr. Florent Gevers]

Friday, September 18

Morning Computer management of a trademark registration service

[Mrs. Kerstin Sundström, Head of Department, Swedish Patent and Registration Office (Stockholm)]

Friday, September 18 (cont'd)

Afternoon Promotion of inventive and innovative activities

[Mrs. Geneviève Gelly, Regional Delegate,
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Research (ANVAR) (Strasbourg)]

Monday, September 21

Morning Industrial designs: the major systems of protection for
industrial designs; specific protection and copyright
protection; cumulative protection

[Mr. Jean-Luc Piotraut, CEIPI (Strasbourg)]

Afternoon The Protection of French Appellations of Origin for Wines
throughout the World and the Role of the National Institute of
Appellations of Origin (INAO).

[Mrs. Valérie Game, Legal and Foreign
Division, National Institute of Appellations
of Origin for Wines and Spirits (INAO)
(Paris)]

Tuesday, September 22

All day Study of clauses in licensing contracts

[Mr. Jean-Luc Piotraut]

18:00 p.m. Reception at the "Hotel de Ville".

Wednesday, September 23

Morning Technology transfer and restrictive trade practices

[Mr. Jean-Luc Piotraut]

Afternoon Franchising

[Mr. Pierre Nuss, Industrial Property Agent,
Professor at CEIPI and CETIF (Strasbourg)]

Thursday, September 24

Morning Industrial property, enterprises and development

[Mr. Bernard de Passemar, former Director of
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Aluminium Pechiney and former Director of
Industrial Property and Technical Agreements
with the Pechiney-Ugine-Kuhlmann Group
(Paris)]

Thursday, September 24 (cont'd)

Afternoon The obstacles to, and conditions to be created for, more
efficient transfer of technology to developing countries

[Mr. Christoph Kamm, President, ABB Project
and Trade Finance Ltd. (Baden)]

Friday, September 25

Morning Closing of the seminar

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**CENTRE D'ETUDES INTERNATIONALES
DE LA PROPRIETE INDUSTRIELLE
DE L'UNIVERSITE DE STRASBOURG**



**ORGANISATION MONDIALE
DE LA
PROPRIETE INTELLECTUELLE**



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PROPRIETE INDUSTRIELLE
DE LA FRANCE**

**COURS DE FORMATION SUR
LES ASPECTS JURIDIQUES, ADMINISTRATIFS ET ECONOMIQUES
DE LA PROPRIETE INDUSTRIELLE**

organisé par l'Organisation Mondiale de la Propriété Intellectuelle (OMPI)

en coopération avec

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de l'Université de Strasbourg (France) et**

l'Institut national de la propriété industrielle (INPI) de la France

Strasbourg, 7 - 25 septembre 1992

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Strasbourg, September 7 to 25, 1992

THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

Document prepared by the International Bureau of WIPO

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ANNEX

I. INTRODUCTION

History of the Paris Convention

1. During the last century, before the existence of any international convention in the field of industrial property, it was rather difficult to obtain protection for industrial property rights in the various countries of the world because the laws were very different. Moreover, patent applications had to be made roughly at the same time in all countries in order to avoid that a publication in one country destroyed the novelty of the invention in the other countries. These practical problems created a strong desire to overcome such difficulties.
2. In addition to those practical considerations, there was, as more and more countries developed a system for the protection of inventions during the second half of the last century, a general desire, as with other fields of law, for the harmonization of the laws of industrial property on an international and even worldwide basis. This was due to the development of a more internationally oriented flow of technology and to the increase of international trade, which made such harmonization urgent in both the patent and the trademark field.
3. The lack of adequate protection of foreign inventions became particularly apparent when the Government of the Empire of Austria-Hungary invited the other countries to participate in an international exhibition of inventions held in 1873 at Vienna. Participation was hampered by the fact that many foreign visitors were not willing to exhibit their inventions at that exhibition in view of the inadequate legal protection offered to exhibited inventions.
4. This led to two developments: firstly, a special Austrian law secured temporary protection to all foreigners participating in the exhibition for their inventions, trademarks and industrial designs. Secondly, the Congress of Vienna for Patent Reform was convened during the same year 1873. The Congress for Patent Reform passed several resolutions, setting forth a number of principles on which an effective and useful patent system should be based, and urging governments "to bring about an international understanding upon patent protection as soon as possible."
5. As a follow-up to the Vienna Congress, an International Congress on Industrial Property was convened at Paris in 1878. The main result of that second Congress was a decision that one of the governments should be asked to convene an international (diplomatic) conference "with the task of determining the basis of uniform legislation" in the field of industrial property.
6. Following that Congress, a final draft proposing an international "union" for the protection of industrial property was prepared in France. That draft was sent by the French Government to a number of other countries, together with an invitation to attend the International Conference in Paris of 1880. That Conference adopted a draft convention which contained in essence those of substantive provisions which are still today the main features of the Paris Convention.

7. A new Diplomatic Conference was convened in Paris in 1883, which ended with final approval and signature of the Paris Convention for the Protection of Industrial Property. The Paris Convention was signed by 11 States: Belgium, Brazil, El Salvador, France, Guatemala, Italy, the Netherlands, Portugal, Serbia, Spain and Switzerland. When the Paris Convention came into effect on July 7, 1884, Great Britain, Tunis and Ecuador had adhered as well, bringing the initial number of member countries to 14. At the end of the nineteenth century, the number of member countries had risen to 19. It was only during the first quarter of this century and then in particular after World War II that the Paris Convention increased its membership more significantly. Today, the Paris Convention comprises 105 member countries, listed in the Annex of this document.

8. The Paris Convention has been revised from time to time after its signature in 1883. Revision Conferences were held in Rome in 1886, in Madrid in 1890 and 1891, in Brussels in 1897 and 1900, in Washington in 1911, in The Hague in 1925, in London in 1934, in Lisbon in 1958 and in Stockholm in 1967.

9. Each of the revision conferences, starting with the Brussels Conference in 1900, ended with the adoption of a revised Act of the Paris Convention. With the exception of the Acts concluded at the revision conferences of Brussels and Washington, which are no longer in force, all those earlier Acts are still of significance, although the great majority of the member countries is now a party to the latest Act, that of Stockholm of 1967. A new process to revise the Paris Convention (Stockholm Act) was started in 1974. This is discussed further in part III of this document.

II. THE MAIN FEATURES OF THE PARIS CONVENTION (STOCKHOLM ACT)

(1) General

10. When one examines the evolution of the Paris Convention since its conclusion in 1883, it becomes plain that the Convention developed not as a structured framework for the harmonization of industrial property laws in its member countries, but rather in response to more or less specific issues which were brought up from time to time by the member states and which had a bearing on the protection of industrial property rights across country borders, i.e. protecting industrial property in foreign countries.

11. The Paris Convention (Stockholm Act) contains some 46 articles the first 27 of which (numbered as Articles 1 through 11) deal with matters of substantive law. The remaining articles (numbered as Articles 12 through 30) contain the so-called "administrative" provisions, which deal with the internal structure of the Paris Union and the links between the Paris Union and its member States, including accession to the Convention. The 27 articles which deal with matters of substantive law establish general principles and special rights aiming at facilitating the protection of industrial property rights among the member countries. Many of these provisions are either broad and general, laying down obligations of principle in connection with the protection of the various institutions of industrial property or, to the contrary, quite specific in establishing special rights for the benefit of industrial property owners, or setting down rules which the authorities of the members countries are required to apply. Some of the provisions contained in these provisions are of a general nature in the sense that they apply to various industrial property rights. Other provisions refer specifically to one or the other of such rights, for example, to patents of invention or to marks.

12. The substantive provisions contained in the Paris Convention may be grouped under three broad categories depending on their impact on the national laws of member States. A first category comprises those provisions which either require or allow a Member State to legislate in connection with certain aspects of industrial property. Such is the case, for example, of the provisions contained in Article 4D(1), (3), (4) and (5), which require or allow a member State to regulate certain matters relating to the right of priority established by the Convention. Another example is the provision in Article 5A(2) which expressly gives member States freedom to provide measures against abuses which may result from the exercise of the exclusive rights conferred by a patent.

13. A second category includes those provisions which regulate rights or obligations of persons under private law by requiring that the member States apply the provisions contained in their national laws. Such is the case, for example with respect to Articles 2 and 3, which refer to the national treatment to be accorded to persons who are nationals or are domiciled in other countries of the Paris Union; or Article 5quater which requires that national law be applied in connection with the importation of products manufactured in a foreign country using a process which is patented in the country of importation; or Article 9(3) and (6) which requires measures to be taken under national law to seize counterfeit goods brought into a member country.

14. A third category would include provisions which establish or regulate rights and obligations of persons under private law and which could be directly applicable to a given situation by an administrative or judicial authority of a member country. Examples in this category are the provisions in Article 4A(1) which establishes a right of priority; Article 4bis which provides for the independence of patents obtained in the various member countries; Article 4ter which provides for the right of an inventor to be mentioned as such in a patent; Article 5 (except for its section A(2)) which deals with measures relating to the exploitation of industrial property rights; Articles 6sexies and 8 which require that member countries protect service marks and trade names, respectively; and Article 10bis which defines and prohibits acts of unfair competition.

(2) National Treatment Principle

15. The provisions concerning national treatment are contained in Articles 2 and 3 of the Convention.

16. National treatment means that, as regards the protection of industrial property, each country party to the Paris Convention must grant the same protection to nationals of the other member countries as it grants to its own nationals.

17. The same national treatment must be granted to nationals of countries which are not party to the Paris Convention, if they are domiciled in a member country or if they have a "real and effective" industrial or commercial establishment in such a country. However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of member countries as a condition for benefitting from an industrial property right.

18. This national treatment rule is one of the cornerstones of the system of international protection established under the Paris Convention. It guarantees not only that foreigners will be protected, but also that they will not be discriminated against in any way. Without that rule, it would frequently be very difficult and sometimes even impossible to obtain adequate protection in foreign countries for inventions, trademarks and other subjects of industrial property.

19. The national treatment rule applies first of all to the "nationals" of the member countries. The term "national" includes both natural persons and legal entities. With respect to legal entities, the quality of being a national of a particular country may be difficult to determine. Generally, no nationality as such is granted to legal entities by the various national laws. There is of course no doubt that State owned enterprises of a member country or other entities created under the public law of such country are to be considered as nationals of the member country concerned. Legal entities created under the private law of a member country will usually be considered a national of that country. If they have their actual headquarters in another member country, they may also be considered a national of the headquarters country.

20. According to Article 2(1), the national treatment rule applies to all advantages that the various national laws grant to nationals. This means that the national law, as it is applied to the nationals of a particular member country, must also be applied to the nationals of other member countries. In this respect, the national treatment rule excludes any possibility of discrimination to the detriment of nationals of other member countries.

21. This means furthermore, that any requirement of reciprocity of protection is excluded. Suppose that a given member country has a longer term of patent protection than another member country: the former country will not have the right to provide that nationals of the latter country will enjoy a term of protection of the same length as the term of protection is in the law of the latter country. This principle applies not only to codified law, but also to the practice of the courts (jurisprudence) and to the practice of the Patent Office or other administrative governmental institutions, as it is applied to the nationals of the country.

22. The application of the national law to the national of another member country does not, however, prevent him from invoking more beneficial rights specially provided in the Paris Convention. These rights are expressly reserved. The national treatment principle must be applied without prejudice to such rights.

23. Article 2(3) states an exception to the national treatment rule. The national law relating to judicial and administrative procedure, to jurisdiction and to requirements of representation is expressly "reserved." This means that certain requirements of a mere procedural nature which impose special conditions on foreigners for purposes of judicial and administrative procedure, may also validly be invoked against foreigners who are nationals of member countries. An example is a requirement for foreigners to deposit a certain sum as security or bail for the costs of litigation. Another example is expressly stated: the requirement on foreigners to either designate an address for service or to appoint an agent in the country in which protection is requested. This latter is perhaps the most common special requirement imposed on foreigners, and is a permitted exception from the national treatment rule:

24. As indicated initially, the application of the national treatment rule extends also to nationals of non-member countries, provided they are domiciled or have an industrial or commercial establishment in a member country. This provision is contained in Article 3.

25. The term "domiciled" is generally interpreted not to require a domicile in the strict legal sense of the term. A person is also "domiciled" in the sense of Article 3 if he lives more or less permanently in a particular place, without having his legal residence there. In other words, a mere residence, as distinct from a legal domicile, is sufficient. Legal entities are domiciled at the place of their actual headquarters.

26. If there is no domicile, there may still be an industrial or commercial establishment which gives a person the right to national treatment. The notion of the industrial or commercial establishment in a member country of a national of a non-member country is further qualified by the text of the Convention itself. It requires that the establishment be real and effective. This means that there must be actual industrial or commercial activity. A mere letter box or the renting of a small office with no real activity is not sufficient.

(3) The Right of Priority

27. The provisions concerning the right of priority are contained in Article 4 of the Convention.

28. The right of priority means that, on the basis of a regular application for an industrial property right filed by a given applicant in one of the member countries, the same applicant (or its or his successor in title) may, within a specified period of time (6 or 12 months), apply for protection in all the other member countries. These later applications will then be regarded as if they had been filed on the same day as the first (or earlier) application. In other words, these later applications enjoy a priority status with respect to all applications relating to the same invention filed after the date of the first application. They also enjoy a priority status with respect to all acts accomplished after that date which would normally be apt to destroy the rights of the applicant or the patentability of his invention.

29. The right of priority offers great practical advantages to the applicant desiring protection in several countries. The applicant is not required to present all applications at home and in foreign countries at the same time, since he has 6 or 12 months at his disposal to decide in which countries to request protection. The applicant can use that period to organize with due care the steps to be taken to secure protection in the various countries of interest in this case.

30. The beneficiary of the right of priority is any person entitled to benefit from the national treatment rule who has duly filed an application for a patent for invention or another industrial property right in one of the member countries.

31. The right of priority can be based only on the first application for the same industrial property right which must have been filed in a member country. It is therefore not possible to follow a first application by a second, possibly improved application and then to use that second application

as a basis of priority. The reason for this rule is obvious: one cannot permit an endless chain of successive claims of priority for the same subject, as this could, in fact, considerably prolong the term of protection for that subject.

32. Article 4A(1) of the Paris Convention recognizes expressly that the right of priority may also be invoked by the successor in title of the first applicant. The right of priority may be transferred to a successor in title without transferring at the same time the first application itself. This allows in particular also the transfer of the right of priority to different persons for different countries, a practice which is quite common.

33. The later application must concern the same subject as the first application the priority of which is claimed. In other words, the same invention, utility model, trademark or industrial design must be the subject of both applications. It is, however, possible to use a first application for a patent for invention as priority basis for a registration of a utility model and vice versa.

34. The first application must be "duly filed" in order to give rise to the right of priority. Any filing, which is equivalent to a regular national filing, is a valid basis for the right of priority. A regular national filing means any filing that is adequate to establish the date on which the application was filed in the country concerned. The notion of "national" filing is qualified by including also applications filed under bilateral or multilateral treaties concluded between member countries.

35. Withdrawal, abandonment or rejection of the first application does not destroy its capacity to serve as a priority basis. The right of priority subsists even where the first application generating that right is no longer existent.

36. The effect of the right of priority is regulated in Article 4B. One can summarize this effect by saying that, as a consequence of the priority claim, the later application must be treated as if it had been filed already at the time of the filing, in another member country, of the first application the priority of which is claimed. By virtue of the right of priority, all the acts accomplished during the time between the filing dates of the first and the later applications, the so-called priority period, cannot destroy the rights which are the subject of the later application.

37. In terms of concrete examples, this means that a patent application for the same invention filed by a third party during the priority period will not give a prior right, although it was filed before the later application. Likewise, a publication or public use of the invention, which is the subject of the later application, during the priority period would not destroy the novelty or inventive character of that invention. It is insignificant for that purpose whether that publication is made by the applicant or the inventor himself or by a third party.

38. The length of the priority period is different according to the various kinds of industrial property rights. For patents for invention and utility models the priority period is 12 months, for industrial designs and trademarks it is six months. In determining the length of the priority period, the Paris Convention had to take into account the conflicting interests of the applicant and of third parties. The priority periods now prescribed by the Paris Convention seem to strike an adequate balance between these conflicting interests.

39. The right of priority as recognized by the Convention permits the claiming of "multiple priorities" and of "partial priorities." Therefore, the later application may not only claim the priority of one earlier application, but it may also combine the priority of several earlier applications, each of which pertaining to different features of the subject matter of the later application. Furthermore, in the later application, elements for which priority is claimed may be combined with elements for which no priority is claimed. In all these cases, the later application must of course comply with the requirement of unity of invention.

40. These possibilities correspond to a practical need. Frequently after a first filing further improvements and additions to the invention are the subject of further applications in the country of origin. In such cases, it is very practical to be able to combine these various earlier applications into one later application, when filing before the end of the priority year in another member country. This combination is even possible if the multiple priorities come from different member countries.

(4) Provisions Concerning Patents

(a) Independence of Patents

41. The rule concerning the "independence" of patents for invention is contained in Article 4bis. This rule means that patents for invention granted in member countries to nationals or residents of member countries must be treated as independent of patents for invention obtained for the same invention in other countries, including non-member countries.

42. This principle is to be understood in its broadest sense. It means that the grant of a patent for invention in one country for a given invention does not oblige any other member country to grant a patent for invention for the same invention. Furthermore, the principle means that a patent for invention cannot be refused, invalidated or otherwise terminated in any member country on the ground that a patent for invention for the same invention has been refused or invalidated, or that it is no longer maintained or has terminated, in any other country. In this respect, the fate of a particular patent for invention in any given country has no influence whatsoever on the fate of a patent for the same invention in any of the other countries.

43. The underlying reason and main argument in favor of the principle of independence of patents for invention is that the national laws and administrative practices are usually quite different from country to country. A decision not to grant or to invalidate a patent for invention in a particular country on the basis of its law will frequently not have any bearing on the different legal situation in the other countries. It would not be justified to make the owner lose the patent for invention in other countries on the ground that it or he lost a patent in a given country as a consequence of not having paid an annual fee in that country or as a consequence of the patent's invalidation in that country on a ground which does not exist in the laws of the other countries. Moreover, a system where patents are dependent from foreign patents might not be in conformity with the national treatment rule.

44. A special feature of the principle of independence of patents for invention is contained in Article 4bis(5). This provision requires that a patent granted on an application which claimed the priority of one or more foreign applications must be given the same duration which it would have according to the national law if no priority had been claimed. In other words, it is not permitted to deduct the priority period from the term of a patent invoking the priority of a first application. For instance, a provision in a national law starting the term of the patent for invention from the (foreign) priority date, and not from the filing date of the application in the country, would be in violation of this rule.

(b) The Right of the Inventor to be Mentioned

45. Another important common rule is Article 4ter which deals with the mentioning of the inventor. The Paris Convention provides for this question only a general rule. It states that the inventor must have the right to be mentioned as such in the patent for invention.

46. National laws have implemented this provision in several ways. Some give the inventor only the right for civil action against the applicant or owner in order to obtain the inclusion of his name in the patent for invention. Others--and that tendency seems to be increasing--enforce the naming of the inventor during the procedure for the grant of a patent for invention on an ex officio basis. In some countries, for instance the United States of America, it is even required that the applicant for a patent be the inventor himself.

(c) Importation; Failure to Work and Compulsory Licenses

47. The Convention deals in Article 5A with the questions of failure to work the patented invention, of importation of articles covered by patents, and of compulsory licenses. In Article 5quater it deals with the importation of products manufactured by a process which is patented in the importing country.

(i) Importation

48. With respect to importation the provision states that importation by the patentee, into the country where the patent has been granted, of articles covered by the patent and manufactured in any of the countries of the Union will not entail forfeiture of the patent. This provision is quite narrowly worded, and hence only applies when several conditions are met. Consequently the countries of the Union have considerable leeway to legislate with respect to importation of patented goods under any of the circumstances which are different to those foreseen in this provision.

49. This Article applies to patentees who are entitled to benefit from the Paris Convention and who, having a patent in one of the countries of the Paris Union, import to this country goods (covered by the patent) which were manufactured in another country of the Union. In such a case, the patent granted in the country of importation may not be forfeited as a sanction for such importation.

50. In this context, the term "patentee" would also cover the representative of the patentee, or any person who effects the importation in the name of such patentee.

51. With respect to the goods that are imported, it suffices that they be manufactured in a country of the Union. The fact that the goods, having been manufactured in a country of the Union, are thereafter circulated through other countries and eventually imported from a country which is not a member of the Union, would not prevent this Article from being applicable.

52. Finally, it may be mentioned that the term "forfeiture" in Article 5A(1) includes any measure which has the effect of definitively terminating the patent. Therefore it would cover the concepts of invalidation, revocation, annulment, repeal, etc. Whether "forfeiture" may, in the light of the purpose of this Article or the spirit of the Paris Convention, be construed as covering also other measures that would have the effect of preventing importation (fines, suspension of rights, etc.) is left for the national legislation and courts to decide.

(ii) Importation of products manufactured by a process patented in the importing country

53. Article 5quater of the Paris Convention provides that, when a product is imported into a country of the Union where there exists a patent protecting a process of manufacture of the said product, the patentee will have all the rights with regard to the imported product that would normally be accorded to him on the basis of his process patent under the law of the country of importation.

54. This provision aims at giving the holder of a process patent the possibility of prohibiting the importation or distribution of articles or products which have been manufactured by using the patented process outside the country where the process patent was granted. The rationale for this is that the holder of a process patent should be protected against any circumvention of his exclusive rights by simply transferring abroad the use of the patented process and then importing into the country the finished product, relying on the fact that only the process (but not the product resulting from that process) is protected in the country of importation.

55. An example may help to illustrate this provision. If a patent were granted in country A covering a process for the manufacture of a product, and a person used that process for the manufacture of the said product within country A, that person would be liable for patent infringement, because unauthorized use of the patented process within country A is an infringement under its patent law. If, however, that person transferred his manufacturing operation to country B, and used in that country the process which is patented in country A (but not patented in country B), the act of using the process, having occurred outside the territory of country A, might not be considered as patent infringement in country A. The person using the process in country B could then take the products manufactured by using that process and import them into country A. The patentee in country A would find that goods manufactured by his patented process are being brought onto the market of that country by a third person who does not have his authorization, and yet would be unable to interdict such importation and distribution because (i) the use of the process did not take place in country A, so direct infringement of the patented process has not occurred within that country; and (ii) the product which is being imported and distributed is not covered by the patent granted in country A (which claims only the process).

56. Certain patent laws, however, provide that where a patent is granted only for a process, the patent holder may nevertheless prevent, on the basis of his process patent the unauthorized performance by third parties of acts relating to the commercialization or use of products directly obtained by the patented process. In practical terms, this means that not only the unauthorized use of the process but also, and independently, the commercialization or use of products directly obtained from that process will constitute patent infringement.

57. Article 5quater therefore relies on such provisions as may exist in the patent laws of the member countries in respect of the "extension" of the rights in a process patent to the resulting products obtained by such process. It provides that, to the extent that a country has implemented in its patent law such "extension" of protection, it should apply to any product obtained by using the process regardless of where the use of the process actually took place. Under this provision, if a product which has been manufactured using a patented process is put on the market in the territory of the country where the process patent was granted, the extended rights under this patent must apply regardless of whether the product was put on the market by importation from abroad or by local manufacture and distribution.

58. It is to be noted, however, that Article 5quater is only applicable if the following conditions are met, namely:

(a) the patent law of the country of importation provides that exclusive rights in a process patent extend to products directly obtained by the use of the patented process (the Paris Convention does not require that member States have such provision in their patent laws);

(b) the patented process is a process for the manufacture of a product; Article 5quater is not relevant in respect of patented processes the application or use of which does not result in a product (for example, processes for subsoil prospecting, or for quality control); and

(c) the products imported into the country have been manufactured by using the patented process, i.e. actually obtained by the process.

(iii) Failure to work and compulsory licenses

59. With respect to the working of patents and compulsory licenses, the essence of the provisions contained in Article 5A is that each country may take legislative measures providing for the grant of compulsory licenses. These compulsory licenses are intended to prevent the abuses which might result from the exclusive rights conferred by a patent for invention, for example failure to work or insufficient working.

60. Compulsory licenses on the ground of failure to work or insufficient working are the most common kind of coercive measure against the patent owner to prevent abuses of the rights conferred by the patent for invention. They are expressly dealt with by Article 5A.

61. Traditionally, the main argument underlying the provisions requiring the working of an invention in the country where the patent was issued has been the consideration that, in order to promote the industrialization of that country, patents for invention should not be used merely to block the working

of the invention in the country or to control importation of the patented article by the patent owner. They should rather be used to introduce the use of the new technology into the country. Whether the patent owner can really be expected to do so, is first of all an economic consideration and then also a question of time. Working in all countries is generally not economical. Moreover, it is generally recognized that immediate working in all countries is impossible. Article 5A therefore tries to strike a balance between these conflicting interests.

62. Compulsory licenses for failure to work or insufficient working of the invention may not be requested before a certain period of time of non-working or insufficient working has elapsed. This time limit expires either four years from the date of filing of the patent application or three years from the date of the grant of the patent for invention. The applicable time is the one which, in the individual case, expires last.

63. The time limit of three or four years is a minimum time limit. The patent owner must be given a longer time limit, if he can give legitimate reasons for his inaction. In other words, the patent owner can produce evidence that legal, economic or technical obstacles prevent working, or working more intensively, the invention in the country. If that is proven, the request for a compulsory license must be rejected, at least for the time being. The time limit of three or four years is a minimum time limit also in that sense that national law can provide for a longer time limit.

64. The compulsory license for non-working or insufficient working must be a non-exclusive license and can only be transferred together with the part of the enterprise benefitting from the compulsory license. The patent owner must retain the right to grant other non-exclusive licenses and to work the invention himself. Moreover, as the compulsory license has been granted to a particular enterprise on the basis of its known capacities, it is bound to that enterprise and cannot be transferred separately from that enterprise. These limitations are intended to prevent that a compulsory licensee obtains a stronger position on the market than is warranted by the purpose of the compulsory license, namely, to ensure sufficient working of the invention in the country.

65. All these special provisions for compulsory licenses in Article 5A(4) are only applicable to compulsory licenses for non-working or insufficient working. They are not applicable to the other types of compulsory licenses which the national law is free to provide for. Such other types of compulsory licenses may be granted to prevent abuses other than non-working or insufficient working. Such abuses may be, for example, excessive prices or unreasonable terms for contractual licenses or other restrictive measures which hamper industrial development.

66. Compulsory licenses may also be granted, by considerations of public interest, in cases where there is no abuse by the patent owner of his rights. These are in particular cases where a patent for invention affects a vital public interest, for example, in the fields of military security or public health.

67. There are also cases where a compulsory license is provided for to protect the public interest in unhampered technological progress. This is the case of the compulsory license in favor of the so-called dependent patents. If a patented invention cannot be worked without using an invention covered by

an earlier patent granted to another person, then the owner of the dependent patent, under certain circumstances, may have the right to request a compulsory license to enable the use of that invention. If the owner of the dependent patent for invention obtains the compulsory license, he may in turn be obliged to grant a license to the owner of the earlier patent for invention.

68. All these other types of compulsory licenses can be grouped together under the general heading of compulsory licenses in the public interest. The national laws are not prevented by the Paris Convention to provide for such compulsory licenses, and they are not subject to the restrictions provided for in Article 5A. This means in particular that compulsory licenses in the public interest can be granted without waiting for the expiration of the time limits provided for compulsory licenses that relate to failure to work or insufficient working.

(d) Grace Period for the Payment of Maintenance Fees

69. Article 5bis provides for a grace period for the payment of maintenance fees for industrial property rights and deals with the restoration of patents for invention in case of non-payment of fees.

70. In most countries the maintenance of certain industrial property rights, mainly the rights in patents for invention and trademarks, is subject to the periodic payment of fees. For patents, the maintenance fees must generally be paid annually, and in that case are also called annuities. Immediate loss of the patent for invention in the event that one annuity is not paid at the due date would be too harsh a sanction. Therefore, the Paris Convention provides for a period of grace, during which the payment can still be made after the due date with the effect to maintain the patent. That period is six months, and is established as a minimum period so that countries are free to accord a longer period.

71. The delayed payment of the annuity may be subjected to the payment of a surcharge. In that case, both the delayed fee and the surcharge must be paid within the grace period. During the grace period, the patent for invention remains provisionally in force. If the payment is not made during the grace period, the patent for invention will lapse retroactively, that is, as of the original due date of the annuity.

(e) Patents in International Traffic

72. Another common rule of substantive importance, containing a limitation of the rights of the patent owner under special circumstances, is contained in Article 5ter. It deals with the transit of devices on ships, aircraft or land vehicles through a member country in which such device is patented.

73. The effect of this provision is essentially the following. Where ships, aircraft or land vehicles of other member countries enter temporarily or accidentally a given member country and have on board devices patented in that country, the owner of the means of transportation is not required to obtain prior approval or a license from the patent owner. Temporary or accidental entry of the patented device into the country in such cases constitutes no infringement of the patent for invention.

74. The device on board the ship, aircraft or vehicle must be in the body, in the machinery, tackle, gear or other accessories of the conveyance, and must be used exclusively for operational needs.

75. The provision covers only the use of patented devices. It does not allow the making of patented devices on board a means of transportation, nor the sale to the public of patented products or of products obtained under a patented process.

(f) Inventions Shown at International Exhibitions

76. A further common rule of a substantive nature is the provision concerning the temporary protection in respect of goods exhibited at international exhibitions, contained in Article 11 of the Convention.

77. The principle stated in Article 11 is that the member countries are obliged to grant, in conformity with their domestic legislation, temporary protection to patentable inventions, utility models, industrial designs and trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any member country.

78. The temporary protection may be provided by various means. One is to grant a special right of priority, similar to that provided for in Article 4. This priority right would start from the date of the opening of the exhibition or from the date of the introduction of the object at the exhibition. It would be maintained for a certain period, say twelve months, from that date, and would expire if the application for protection does not follow the exhibition within that period.

79. Another means of temporary protection, which is found in a number of national laws, in particular with respect to patents for invention, is that of prescribing that, during a certain period of, say, twelve months before the filing or priority date of a patent application, a display of the invention at an international exhibition will not destroy the novelty of the invention. When choosing that solution, it is important to protect the inventor or other owner of the invention during the same period also against abusive acts of third parties. This means in particular that the person exhibiting the invention must be protected against any copying or usurpation of the invention for purposes of a patent application by a third party. The owner of the invention must also be protected against disclosure by third parties based on the exhibition.

80. Article 11 applies only to official or officially recognized exhibitions. The interpretation of that term is left to the member country where protection is sought. An interpretation corresponding to the spirit of Article 11 is to consider an exhibition as "official," if it is organized by a State or other public authority, to consider it as "officially recognized," if it is not official but has at least been recognized as official by a State or other public authority, and to consider it as "international," if goods from various countries are exhibited.

(5) Provisions Concerning Trademarks

(a) Use of Trademarks

81. The Convention touches on the issue of the use of marks in Article 5C(1), (2) and (3).

82. Article 5C(1) relates to the compulsory use of registered trademarks. Some of the countries which provide for the registration of trademarks also require that the trademark, once registered, be used within a certain period. If this use is not complied with, the trademark may be expunged from the register. For this purpose, "use" is generally understood as meaning the sale of goods bearing the trademark, although national legislation may regulate more broadly the manner in which use of the trademark is to be complied with. The said Article states that where compulsory use is required, the trademark's registration may be cancelled for failure to use the trademark only after a reasonable period has elapsed, and then only if the owner does not justify such failure.

83. The definition of what is meant by "reasonable period" is left to the national legislation of the countries concerned, or otherwise to the authorities competent for resolving such cases. This reasonable period is intended to permit the owner of the mark enough time and opportunity to arrange for its proper use, considering that in many cases the owner has to use his mark in several countries.

84. Cancellation of a mark's registration may only be decided if the owner does not justify the failure to use his trademark. Such justification would be acceptable if it were based on legal or economic circumstances beyond the owner's control, for example if importation of the marked goods had been prohibited or delayed by governmental regulations.

85. The Convention also establishes in Article 5C(2) that the use of a trademark by its proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union shall not entail invalidation of the registration nor diminish the protection granted to the mark. The purpose of this provision is to allow for unessential differences between the form of the mark as it is registered and the form in which it is used, for example in cases of adaptation or translation of certain elements for such use. This rule applies also to similar differences in the form of the mark as used in the country of its original registration.

86. Whether in a given case the differences between the mark as registered and the mark as actually used alter the distinctive character is a matter to be decided by the competent national authorities.

(b) Concurrent Use of the Same Trademark by Different Enterprises

87. Article 5C(3) of the Convention deals with the case where the same mark is used for identical or similar goods by two or more establishments considered as co-proprietors of the trademark. It is provided that such concurrent use will not impede the registration of the trademark nor diminish the protection in any country of the Union, except where the said use results in misleading the public or is contrary to the public interest. Such cases could occur if the concurrent use misleads the public as to the origin or source of the goods sold under the same trademark, or if the quality of such goods differs to the point where it may be contrary to the public interest to allow the continuation of such inconsistency.

88. This provision does not, however, cover the case of concurrent use of the mark by enterprises which are not co-proprietors of the mark, for instance when use is made concurrently by the owner and a licensee or a franchisee. These cases are left for the national legislation of the various countries to regulate.

(c) Grace Period for the Payment of Renewal Fees

89. Article 5bis requires that a period of grace be allowed for the payment of fees due for the maintenance of industrial property rights. In the case of trademarks this provision concerns primarily the payment of renewal fees, since it is by renewal that trademark registrations (and hence the rights that depend on such registrations) may be maintained. A failure to renew the registration will normally entail the lapse of the registration, and in some cases the expiration of the right to the mark. The period of grace provided by the Convention is intended to diminish the risks of a mark being lost by an involuntary delay in the payment of the renewal fees.

90. The countries of the Paris Union are obliged to accord a period of grace of at least six months for the payment of the renewal fees, but are free to provide for the payment of a surcharge when such renewal fees are payed within the period of grace. Moreover, the countries are free to provide for a period of grace longer than the minimum six months prescribed by the Convention.

91. During the period of grace, the registration remains provisionally in force. If the payment of the renewal fees (and surcharge where appropriate) is not made during the period of grace, the registration will lapse retroactively as of the original date of expiration.

(d) Independence of Trademarks

92. Article 6 of the Convention establishes the important principle of the independence of trademarks in the different countries of the Union, and in particular the independence of trademarks filed or registered in the country of origin from those filed or registered in other countries of the Union.

93. The first part of Article 6 states the application of the basic principle of national treatment to the filing and registration of marks in the countries of the Union. Regardless of the origin of the mark whose registration is sought, a country of the Union may apply only its domestic legislation when determining the conditions for the filing and registration of the mark. The application of the principle of national treatment asserts the rule of independence of marks, since their registration and maintenance will depend only on each domestic law.

94. This Article also provides that an application for the registration of a mark, filed in any country of the Union by a person who is entitled to the benefits of the Convention, may not be refused, nor may a registration be cancelled, on the ground that filing, registration or renewal of the mark has not been effected in the country of origin. This provision lays down the express rule that obtaining and maintaining a trademark registration in any country of the Union may not be made dependent on the application, registration or renewal of the same mark in the country of origin of the mark. Therefore no action with respect to the mark in the country of origin may be required as a prerequisite for obtaining a registration of the mark in that country.

95. Finally, Article 6 states that a mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin. This means that a mark once registered will not be automatically affected by any decision taken with respect to similar registrations for the same marks in other countries. In this respect, the fact that one or more such similar registrations are, for example, renounced, cancelled or abandoned, will not eo ipso affect the registrations of the mark in other countries. The validity of these registrations will depend only on the provisions applicable in accordance with the legislation of each of the countries concerned.

(e) Well-known Trademarks

96. The Convention deals with well-known trademarks in Article 6bis. This Article obliges a member country to refuse or cancel the registration and to prohibit the use of a trademark that is liable to create confusion with another trademark already well-known in that member country. The effect of this Article is to extend protection to a trademark that is well-known in a member country even though it is not registered or used in that country. The protection of the well-known trademark results not from its registration, which prevents the registration or use of a conflicting trademark, but from the mere fact of its reputation.

97. The protection of well-known trademarks is deemed justified on the grounds that a trademark that has acquired goodwill and a reputation in a member country ought to give rise to a right for its owner and because the registration or use of a confusingly similar trademark would, in most cases, amount to an act of unfair competition and be prejudicial to the interests of the public who would be misled by the use of a conflicting trademark for the same or identical goods than those in connection with which the well-known trademark is registered.

98. The trademark that is protected by Article 6bis must be a "well-known" trademark. Whether a trademark is well known in a member country will be determined by its competent administrative or judicial authorities. A trademark may not have been used in a country, in the sense that goods bearing that trademark have not been sold there, yet that trademark may be well-known in the country because of publicity there or the repercussions in that country of advertising in other countries.

99. The protection of a well-known trademark under Article 6bis exists only where the conflicting trademark has been filed, registered or used for identical or similar goods. Whether the condition is fulfilled will be determined by the administrative or judicial authorities of the country in which protection is claimed.

100. The protection of a well-known trademark under Article 6bis results from the obligation of a member country to take ex officio where its legislation so permits, or at the request of an interested party, the following type of action:

First, a member country must refuse the application for registration of the conflicting trademark.

Second, the member country must cancel the registration of a conflicting trademark. A member country is required to allow at least a period of five years from the date of registration within which a request for cancellation of the conflicting trademark may be made, unless that trademark was registered in bad faith, in which event no time limit may be fixed.

Third, the member country must prohibit the use of the conflicting trademark. A member country is free to prescribe a period within which that request must be made; however, no time limit may be fixed for such a request in the case of a conflicting trademark used in bad faith.

(f) State Emblems, Official Hallmarks and Emblems of International Organizations

101. The Convention deals with distinctive signs of States and international intergovernmental organizations in Article 6ter. This Article obliges a member country, in certain circumstances, to refuse or invalidate the registration and to prohibit the use, either as trademarks or as elements of trademarks, of the distinctive signs specified in that Article of member countries and certain international intergovernmental organizations.

102. The purpose of Article 6ter is not to create an industrial property right in favor of the State or the intergovernmental organization in respect of the distinctive signs concerned, but simply to prevent the use of those signs as trademarks in industrial or commercial activities.

103. The provisions of Article 6ter do not apply if the competent authorities of the member country allow the use of its distinctive signs as trademarks. Similarly, the competent authorities of an intergovernmental organization may allow others to use its distinctive signs as trademarks. Moreover, in the case of the distinctive signs of a member country, nationals of any member country that are authorized to use the distinctive signs of their country may do so even if those signs are similar to those of another member country.

104. The distinctive signs of States that are referred to in Article 6bis are the following: armorial bearings, flags and other emblems, official signs and hallmarks indicating control and warranty and any imitation of those signs from a heraldic point of view.

105. The objective of the provisions of Article 6ter, insofar as the distinctive signs of States are concerned, is to exclude the registration and use of trademarks that are identical or present a certain similarity to the armorial bearings, flags or other emblems of States. The reasons for this are that such registration would violate the right of the State to control distinctive signs of its sovereignty and, further, might mislead the public with respect to the origin of the goods to which such marks would be applied.

106. To give effect to the provisions of Article 6ter, a procedure is established pursuant to that Article whereby the distinctive signs of the member countries and intergovernmental organizations concerned are communicated to the International Bureau of WIPO, which in turn transmits those communications to all the member countries.

(g) Assignment of Trademarks

107. Article 6quater of the Convention deals with the assignment of trademarks. The rule of Article 6quater arises because of the situation where a trademark is used by an enterprise in various countries and it is desired to make a transfer of the right to the trademark in one or more of those countries.

108. Some national legislations allow an assignment without a simultaneous or corresponding transfer of the enterprise to which the trademark belongs. Others make the validity of the assignment depend on the simultaneous or corresponding transfer of the enterprise.

109. Article 6quater states that it shall suffice for the recognition of the validity of the assignment of a trademark in a member country that the portion of the business or goodwill located in that country be transferred to the assignee, together with the exclusive right to manufacture in the said country, or to sell therein, the goods bearing the trademark assigned. Thus, a member country is free to require, for the validity of the assignment of the trademark, the simultaneous transfer of the enterprise to which the trademark belongs, but such a requirement must not extend to parts of the enterprise that are located in other countries.

110. It should be noted that Article 6quater leaves a member country free not to regard as valid the assignment of a trademark with the relevant part of the enterprise, if the use of that trademark by the assignee would be of such a nature as to mislead the public, particularly as regards important features of the goods to which the trademark is applied. This freedom may be exercised, for example, if a trademark is assigned for part only of the goods to which it is applied, and if these goods are similar to other goods for which the trademark is not assigned. In such cases, the public may be misled as to the origin or essential qualities of similar goods to which the assignor and assignee will apply the same trademark independently.

(h) Protection of Trademarks Registered in One Country of the Union
in Other Countries of the Union

111. Parallel to the principle of independence of marks which is embodied in the provisions of Article 6, the Convention establishes a special rule for the benefit of owners of trademarks registered in their country of origin. This exceptional rule is governed by Article 6quinquies of the Convention.

112. The provisions of Article 6quinquies come into operation in the case where a registration in the country of origin is invoked in the country where protection is sought. Whereas the principle of national treatment of applications calls for the normal rule of complete independence of trademarks (as recognized in Article 6), in the exceptional situation regulated by Article 6quinquies the opposite rule prevails, providing for extraterritorial effects of the registration in the country of origin.

113. There are two main reasons for this special rule. On the one hand, it is in the interest of both owners of trademarks and the public to have the same trademark apply to the same goods in various countries. On the other hand, there are some important differences in the domestic legislation of the member countries regarding the registration of trademarks. As a consequence, the differences in domestic legislation could prevent this uniform use of the same trademark.

114. In order to diminish the impact of those differences on the registration of trademarks in respect of goods in international trade, Article 6quinquies of the Paris Convention establishes certain effects where registration in the country of origin has taken place and is invoked in another member country where registration and protection is sought. This provision has the effect of bringing about certain uniformity of the law of the various countries as to the concept of trademarks.

115. For Article 6quinquies to apply it is necessary that the trademark concerned should be duly registered in the country of origin. A mere filing or use of the trademark in that country is not sufficient. Moreover, the country of origin must be a country of the Union in which the applicant has a real and effective industrial or commercial establishment or, alternatively, in which he has his domicile, or otherwise, the country of the Union of which he is a national.

116. The rule established by Article 6quinquies provides that a trademark which fulfills the required conditions must be accepted for filing and protected--as is (to use the expression found in the English version) or telle quelle (to use the expression adopted in the authentic French text)--in the other member countries, subject to certain exceptions. This rule is often called the "telle quelle" principle.

117. It is to be noted that the rule only concerns the form of the trademark. In this respect, the rule in this Article does not affect the questions relating to the nature or the function of the trademarks as conceived in the countries where protection is sought. Thus a member country is not obliged to register and extend protection to a subject that does not fall within the meaning of a trademark as defined in the law of that country. If, for example, under the law of a member country, a three-dimensional object or musical notes indicating tunes is not considered a "trademark" in that country, it is not obliged to accept that subject matter for registration and protection.

118. Article 6quinquies, Section B, contains certain exceptions to the obligation of accepting a registered trademark "as is" for registration in the other countries of the Union. That list of exceptions is exhaustive so that no other grounds may be invoked to refuse or invalidate the registration of the trademark. However, the list does not exclude any ground for refusal of protection for which there is a need in national legislation.

119. The first permitted ground for refusal or invalidation of a trademark exists where the trademark infringes rights of third parties acquired in the country where protection is claimed. These rights can be either rights in trademarks already protected in the country concerned or other rights, such as the right to a trade name or a copyright.

120. The second permitted ground for refusal or invalidation is when the trademark is devoid of distinctive character, or is purely descriptive, or consists of a generic name.

121. The third permissible ground for refusal or invalidation exists where the trademark is contrary to morality or public order, as considered in the country where protection is claimed. This ground includes, as a special category, trademarks which are of such a nature as to deceive the public.

122. A fourth permissible ground for refusal or invalidation exists if the registration of the trademark would constitute an act of unfair competition.

123. A fifth and last permissible ground for refusal or invalidation exists where the trademark is used by the owner in a form which is essentially different from that in which it has been registered in the country of origin. Unessential differences may not be used as grounds for refusal or invalidation.

(i) Service Marks

124. A service mark is a sign used by enterprises offering services, for example, hotels, restaurants, airlines, tourist agencies, car-rental agencies, employment agencies, laundries and cleaners, etc., in order to distinguish their services from those of other enterprises. Thus service marks have the same function as trademarks, the only difference being that they apply to services instead of products (or goods).

125. Article 6sexies was introduced into the Paris Convention in 1958 to deal specifically with service marks, but the revision Conference did not accept a more ambitious proposal to entirely assimilate service marks to trademarks. However, a member country is free to apply the same rules it applies for trademarks also to service marks in analogous situations or circumstances.

126. By virtue of Article 6sexies, member countries undertake to protect service marks, but are not required to provide for the registration of such marks. This provision does not oblige a member country to legislate expressly on the subject of service marks. A member country may comply with the provision not only by introducing special legislation for the protection of service marks, but also by granting such protection by other means, for example, in its laws against unfair competition.

(j) Registration in the Name of the Agent Without the Proprietor's Authorization

127. Article 6septies of the Convention deals with the relationship between the owner of a trademark and his agent or representative regarding registration or use of the trademark by the latter.

128. This Article regulates those cases where the agent or representative of the person who is the owner of a trademark applies for or obtains the registration of a trademark in his own name or uses a trademark without the owner's authorization.

129. In such cases, Article 6septies confers upon the owner of the trademark the right to oppose the registration or to demand cancellation of the registration or, if the national law so allows, to demand an assignment of the registration in his favor. In addition, Article 6septies confers upon the owner of a trademark the right to oppose the unauthorized use of the trademark by his agent or representative, whether or not application for registration of the trademark has been made or its registration has been granted.

(k) Nature of the Goods to Which a Trademark is Applied

130. Article 7 of the Convention stipulates that the nature of the goods to which a trademark is to be applied shall in no case be an obstacle to the registration of the mark.

131. The purpose of this rule, and also the comparable rule in Article 4^{quater} regarding patents for invention, is to make the protection of industrial property independent of the question whether goods in respect of which such protection would apply may or may not be sold in the country concerned.

132. It sometimes occurs that a trademark concerns goods which, for example, do not conform to the safety requirements of the law of a particular country. For instance, the food and drug laws of a country may prescribe requirements concerning the ingredients of a food product or the effects of a pharmaceutical product and allow its sale only after approval of the competent authorities on the basis of an examination of the food product or of clinical trials as to the effect of the use of the pharmaceutical product on human beings or animals.

133. In all such cases, it would be unjust to refuse registration of a trademark concerning such goods. The safety or quality regulations may change and the product may be permitted for sale later on. In those cases where no such change is contemplated but the approval of the competent authorities of the country concerned is still pending, such approval, if imposed as a condition to filing or registration in that country, may be prejudicial to an applicant who wishes to make a timely filing for protection in another member country.

(1) Collective Marks

134. A collective mark may be defined as a sign which serves to distinguish the geographical origin, material, mode of manufacture, quality or other common characteristics of goods or services of different enterprises that simultaneously use the collective mark under the control of its owner. The owner may be either an association of which those enterprises are members or any other entity, including a public body.

135. Article 7^{bis} of the Convention deals with collective marks. It obliges a member country to accept for filing and to protect, in accordance with the particular conditions set by that country, collective marks belonging to "associations." These will generally be associations of producers, manufacturers, distributors, sellers or other merchants, of goods that are produced or manufactured in a certain country, region or locality or that have other common characteristics. Collective marks of States or other public bodies are not covered by the provision.

136. In order that Article 7^{bis} be applicable, the existence of the association to which the collective mark belongs must not be contrary to the law of the country of origin. The association does not have to prove that it conforms to the legislation of its country of origin, but registration and protection of its collective mark may be refused if the existence of that association is found to be contrary to that legislation.

137. Refusal of registration and protection of the collective mark is not possible on the ground that the association is not established in the country where protection is sought, or is not constituted according to the law of that country. Article 7^{bis} adds a further stipulation that the association may not even be required to possess an industrial or commercial establishment anywhere. In other words, an association, without possessing any industrial or commercial establishment itself, may be one that simply controls the use of a collective mark by others.

(m) Trademarks Shown at International Exhibitions

138. The provision concerning marks shown at international exhibitions is contained in Article 11 of the Convention, which also applies to other titles of industrial property.

139. The principle stated in Article 11 is that the member countries are obliged to grant, in conformity with their domestic legislation, temporary protection to trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any member country.

140. The temporary protection may be provided by various means. One is to grant a special right of priority, similar to that provided for in Article 4. Another possibility for protection, which is found in certain national laws, consists in the recognition of a right of prior use in favor of the exhibitor of the goods bearing the trademark as against possible rights acquired by third parties.

141. In order to apply its national legislation regarding temporary protection, the competent authorities of the country may require proof, both as to the identity of the goods exhibited and as to the date of their introduction at the exhibition, in whatever form of documentary evidence they consider necessary.

(6) Provisions Concerning Industrial Designs, Trade Names, Appellations of Origin and Indications of Source, and Unfair Competition

(a) Industrial Designs

142. The Paris Convention deals with industrial designs in Article 5quinquies.

143. This provision merely states the obligation of all member countries to protect industrial designs. Nothing is said about the way in which this protection must be provided.

144. Member countries can therefore comply with this obligation through the enactment of special legislation for the protection of industrial designs. They can, however, also comply with this obligation through the grant of such protection under the law on copyright or the law against unfair competition.

145. The normal solution, chosen by a great number of countries for compliance with the obligations under Article 5quinquies is, however, to provide for a special system of protection of industrial designs by registration or by the grant of patents for industrial designs.

146. There is a special provision dealing with forfeiture in the case of industrial designs. It is contained in Article 5B, and states that the protection of industrial designs may not under any circumstance be subject to any measure of forfeiture as sanction in cases of failure to work or where articles corresponding to those protected are imported. "Forfeiture" in this provision includes equivalent measures, such as cancellation, invalidation or revocation. Member countries could, however, provide other sanctions for those cases, such as compulsory licenses in order to ensure working in case of non-working or insufficient working. "Working" means here the manufacture of products representing or incorporating the industrial design.

(b) Trade Names

147. Trade names are dealt with by the Convention in Article 8. This Article states that trade names shall be protected in all the countries of the Union without the obligation of filing or of registration, whether or not they form part of a trademark.

148. The definition of a trade name for the purposes of protection, and the manner in which such protection is to be afforded, are both matters left to the national legislation of the countries concerned. Therefore, protection may result from special legislation on trade names or from more general legislation on unfair competition or the rights of personality.

149. In no case can protection be made conditional upon filing or registration of the trade name. However, if in a member country protection of trade names were dependent on the use of the name and to the extent that another trade name may cause confusion or prejudice with respect to the first trade name, such requirement and criterion could be applied by that member country.

(c) Appellations of Origin and Indications of Source

150. Appellations of origin and indications of source are included among the various objects of protection of industrial property under the Paris Convention (Article 1(2)).

151. Both these objects can be referred to under the broader concept of geographical indications, although traditionally, and for the purposes of certain special treaties (e.g., the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration), both concepts have been distinguished.

152. Indications of source include any name, designation, sign or other indication which refers to a given country or to a place located therein, which has the effect of conveying the notion that the goods bearing the indication originate in that country or place. Examples of indications of source are the names of countries (e.g., Germany, Japan, etc.) or of cities (e.g., Hong Kong, Paris, etc.) when used on or in connection with goods in order to indicate their place of manufacture or their provenance.

153. Appellations of origin have a more limited meaning, and may be considered a special type of indication of source. An appellation of origin is the geographical name of a country, region or locality which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

154. The Paris Convention contains in Articles 10 and 10bis provisions on the protection of indications of source. These provisions cover in general any direct or indirect use of a false indication of the source (including, where applicable, the appellation of origin) of the goods or the identity of the producer, manufacturer or merchant, as well as any act of unfair competition by the use of indications or allegations which are liable to mislead the public as to the nature or the characteristics of the goods for which they are applied.

155. The Convention requires the countries to seize the goods bearing false indications or, to prohibit their importation, or otherwise to apply any other measures that may be available in order to prevent or stop the use of such indications. However, the obligation to seize goods on importation only applies to the extent that such a sanction is provided for under the national law.

156. The Convention provides that action may be taken not only by the public prosecutor but also by any interested party. In this connection, Article 10(2) provides that any producer, manufacturer or merchant, whether a natural person or a legal entity, engaged in the production, manufacture or trade in such goods established in the locality, region or country falsely indicated as the source or in the country where such false indications used, is in any case deemed to be an interested party. Moreover, in accordance with Article 10~~ter~~, the countries of the Union are required to provide measures to permit federations and associations representing interested industrialists, producers and merchants to take action before the competent authorities with a view to the repression of the acts referred to above.

(d) Unfair Competition

157. The Convention provides in Article 10~~bis~~ that the countries of the Union are bound to assure to persons entitled to benefit from the Convention effective protection against unfair competition. The Convention does not specify the manner in which such protection should be granted, leaving this to the laws existing in each of the member countries.

158. Article 10~~bis~~ defines acts of unfair competition as those acts of competition which are contrary to honest practices in industrial or commercial matters. Further, the Article gives some typical examples of acts of unfair competition which should be prohibited in particular.

159. The first example refers to all acts of such a nature as to create confusion by any means whatever with the establishment, the goods or the industrial or commercial activities of a competitor. These acts cover not only the use of identical or similar marks or names, which could be attacked as an infringement of proprietary rights, but also the use of other means which can create confusion. Such could be the form of packages, the getup or style used on products and on their corresponding outlets or points of distribution, titles of publicity, etc.

160. The second example relates to false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor. It has been left to the domestic legislation or case law of each country to decide whether, and under what circumstances, discrediting allegations which are not strictly untrue may also be considered acts of unfair competition.

161. The third example of acts of unfair competition concerns indications and allegations which are liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quality of their goods. This provision may be distinguished from the previous cases to the extent that it is concerned with the interests and well-being of the public and is one of the provisions in the Convention that is more directly related to the consumer protection role of industrial property.

(7) Provisions Concerning Industrial Property Offices

162. The Paris Convention deals with the national industrial property services of its member countries in Article 12.

163. Each member country has the obligation to establish a special central industrial property service or office, which will be responsible for the registration, administration and communication to the public of patents for invention, utility models, industrial designs, and trademarks. For that purpose, it must publish an official periodical journal.

164. The obligation to establish a national office can also be satisfied under a regional scheme, if several member countries establish a common office which assumes the functions of national offices. For example, the African Intellectual Property Organization (OAPI) located at Yaoundé, Cameroon, constitutes the regional office for 14 African countries; the Benelux Trademark Office at The Hague, Netherlands, acts as regional office for Belgium, Luxembourg and the Netherlands.

(8) Administrative and Financial Provisions

(a) Organs of the Paris Union

165. The countries party to the Paris Convention constitute a "Union" for the Protection of Industrial Property. In creating a Union, the Paris Convention goes beyond a mere treaty establishing rights and obligations. It also establishes a legal entity in international law with the necessary organs to carry out certain tasks. The Union forms a single administrative entity, and an administrative link among the various Acts of the Paris Convention.

166. Under this concept of the Union, a state which becomes a member of the Union by acceding to the most recent (the Stockholm) Act of the Paris Convention becomes bound with respect to all member countries, even those not yet party to the Stockholm Act. Article 27(3) of the Convention says that such a country must apply the Stockholm Act also to member countries of the Union not yet party to that Act, and must recognize that member countries not yet bound by the substantive provisions of the Stockholm Act may apply, in their relations with it, that earlier Act which is the most recent of the Acts to which they are party.

167. The Union has three administrative organs, the Assembly, the Executive Committee and the International Bureau, headed by the Director General of the World Intellectual Property Organization (WIPO).

168. The Assembly is dealt with in Article 13. It consists of all member countries bound at least by the administrative provisions of the Stockholm Act. The Assembly is the chief governing body of the Union in which all policy-making and controlling powers are vested. It deals with all matters concerning the maintenance and development of the Union and the implementation of the Paris Convention. In particular, it gives directions for the preparation of conferences of revision of the Convention. It reviews and approves the reports and activities of the Director General of WIPO concerning the Union and gives him instructions concerning matters within the competence of the Union. It determines the program, adopts the biennial budget of the Union, and approves its final accounts. The Assembly meets once in every second calendar year in ordinary session, together with the General Assembly of WIPO.

169. The Assembly has an Executive Committee, which is dealt with in Article 14. It consists of one-fourth of the countries members of the Assembly, and is elected by the Assembly for the period between two ordinary sessions with due regard to an equitable geographical distribution. The Executive Committee meets once a year in ordinary session, together with the Coordination Committee of WIPO.

170. The Executive Committee is the smaller governing body of the Union. It deals with all the functions which have to be carried out during the period between the ordinary sessions of the Assembly and for which the Assembly is too big a body. It prepares the meetings of the Assembly and takes all necessary measures to ensure the execution of the program.

171. The provisions concerning the International Bureau are contained in Article 15. The International Bureau is the administrative organ of the Union. It performs all administrative tasks concerning the Union. It provides the secretariat of the various organs of the Union. Its head, the Director General of WIPO, is the chief executive of the Union.

(b) Finances

172. The financial provisions are contained in Article 16. The Union has its own budget which is mainly financed by mandatory contributions from member countries. The contributions are calculated in applying a class and unit system to the total sum of contributions needed for a given budgetary year. There are ten classes for these purposes, going from class I to class IX, plus a special class "S". The highest class is class I, which corresponds to a share of 25 units. The lowest class is class S, which corresponds to a share of one-eighth of a unit. For 1992, one unit of contribution was fixed at S.Fr. 27,673. Each member country determines freely the class to which it wishes to belong, if it chooses a class between I and VII; and it may also change class afterwards. Classes VIII, IX and S were established in 1989 and 1990 by decisions of the Assembly of the Paris Union, and only developing countries and least developed countries are eligible for them. These countries are placed automatically in one of those classes upon accession, unless they chose a higher class. Class VIII applies to developing countries whose contribution in the scale of contributions to the United Nations is between 0.02% and 0.1%. Class IX applies to developing countries whose contribution in the said scale is 0.01%. Class "S" applies only to countries which have the status of least developed countries under the relevant rules of the United Nations.

173. The amount of the total contributions to be paid is determined by the Assembly once every two years, and is expressed in Swiss Francs. For 1992, the contribution corresponding to each of the countries in class I is S.Fr. 691,840, in class VII it is S.Fr. 27,673, in class VIII it is S.Fr. 13,836, in class IX it is S.Fr. 6,919, and that of the countries in class S, S.Fr. 3,459.

(c) Amendments and Revision

174. Article 18 contains the principle of periodic revision of the Paris Convention. The Convention must be submitted to revision with a view to the introduction of amendments designed to improve the system of the Union. These revisions are dealt with by diplomatic conferences of revision in which delegations appointed by the governments of the member countries participate. According to Article 18(2), such conferences must be held successively in one of the member countries.

175. The preparations for the conferences of revision of the Paris Convention are carried out by the International Bureau in accordance with the directions of the Assembly and in cooperation with the Executive Committee. In performing it, the International Bureau may also consult with other intergovernmental and with international non-governmental organizations.

(d) Special Agreements

176. An important provision among the administrative clauses of the Paris Convention is Article 19, dealing with special agreements.

177. According to that provision, the member countries have the right to make separately among themselves special agreements for the protection of industrial property. These agreements must, however, comply with the condition that they do not contravene the provisions of the Paris Convention.

178. Such special agreements may take the form of bilateral agreements or multilateral treaties. Special agreements in the form of multilateral treaties may be agreements prepared and administered by the International Bureau, or agreements prepared and administered by other intergovernmental organizations. Examples of such special agreements are the Madrid Agreement Concerning the International Registration of Marks and the Patent Cooperation Treaty (PCT). The process to conclude a new special agreement to be called the "Patent Law Treaty," aimed at harmonizing several provisions of substantive patent law, has been under way since 1984. The first part of the Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Convention as far as Patents are Concerned (Patent Law Treaty) took place in The Hague (Netherlands) in June, 1991.

(e) Becoming Party to the Convention; Entry Into Force

179. Accession to the Paris Convention is effected by the deposit of an instrument of accession with the Director General of WIPO, as provided in Article 21. The Convention enters into force, with respect to a country so adhering, three months after the accession has been notified by the Director General of WIPO to all Governments of the member countries. Accession therefore needs only unilateral action by the interested country and does not require any decision by the competent bodies of the Union.

180. Accession to the Convention automatically entails acceptance of all the clauses in the Convention, as well as admission to all the advantages thereof, as is indicated in Article 22.

(f) Denunciation

181. Provisions concerning denunciation are contained in Article 26 of the Convention.

182. Any member country may denounce the Convention by addressing a notification to the Director General of WIPO. In that case, the denunciation takes effect one year after the day on which the Director General receives the notification to that effect. It is provided, however, that the right of denunciation may not be exercised by any country before the expiration of five years from the date on which it became a member of the Union.

(g) Disputes

183. The matter of disputes is dealt with in Article 28 of the Convention. Any dispute between two or more countries of the Union concerning the interpretation or application of the Convention, which has not been settled by negotiation, may be brought, by any of the countries concerned, before the International Court of Justice. However, the countries concerned may agree on any other method for settling their dispute, for example, by international arbitration. In any case, it should be noted that the International Bureau may not take a position in controversies concerning the interpretation or application of the Paris Convention among member countries.

184. Any country acceding to the Convention may declare upon accession that it does not consider itself bound by the preceding provisions concerning the solving of disputes before the International Court of Justice.

(h) Languages; Depositary Functions

185. The Stockholm Act of the Paris Convention was signed in a single copy in the French language, and has been deposited with the Government of Sweden. The Director General of WIPO, after consultations with the interested governments, established official texts of the Convention in various other languages, in particular English, Russian and Spanish.

186. In the event that any difference should arise regarding the interpretation of the various texts, the original French text will prevail.

III. REVISION OF THE PARIS CONVENTION

187. The idea of a further revision of the Paris Convention was put forward by the WIPO Coordination Committee in 1974. The proposal was taken up by the governing bodies of WIPO and the Paris Union at their meeting in that same year, and they instructed the Director General of WIPO to create and convene an Ad Hoc Group of Experts to study the matter.

188. The preparatory work for the revision of the Paris Convention was undertaken by different committees and working groups between 1975 and 1979. The First Session of the Diplomatic Conference on the Revision of the Paris Convention took place in 1980. The Second, Third and Fourth sessions of the Diplomatic Conference took place in 1981, 1982 and 1984, respectively, but no agreement was reached on the main substantive points of the revision. At the Fourth Session, the Diplomatic Conference decided to recommend to the Assembly of the Paris Union to convene the next session of the Diplomatic Conference

"as soon as it finds prospects for positive results." It was also decided that consultations were to be undertaken in order to prepare, on substance, the next session of the Diplomatic Conference. It was later agreed by the Assembly that such consultations would take place through "Consultative Meetings".

189. Six Consultative Meetings on the Revision of the Paris Convention took place between 1985 and 1989. The last of these Meetings adopted a recommendation which called, among other things, for the preparation by the Director General of WIPO of new proposals for amending the articles of the Paris Convention under consideration for revision. The decision on the future steps to be taken with a view to reconvene the Diplomatic Conference rests with the Assembly of the Paris Union.

190. At its meeting in September/October 1991, the Assembly of the Paris Union considered the question of the revision of the Paris Convention taking into account the status of the Uruguay Round of multilateral trade negotiations at the GATT, and the Diplomatic Conference for the adoption of a Treaty Supplementing the Paris Convention as far as Patents are Concerned ("Patent Law Treaty" - PLT), the first part of which took place in June, 1991. The Assembly decided that, rather than taking a decision at that session (September/October 1991) on the work to be done for the revision of the Paris Convention, this matter should be placed on the agenda of the Assembly of the Paris Union once the outcome and the acceptance of the results of the Uruguay Round of GATT in respect of intellectual property and of the Diplomatic Conference for the adoption of the Patent Law Treaty are known.

[Annex follows]

Paris Convention for the Protection of Industrial Property

Paris Convention (1883), revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958) and Stockholm (1967), and amended in 1979

(Paris Union)

State	Contribution class*	Date on which State became party to the Convention	Latest Act ¹ of the Convention to which State is party and date on which State became party to that Act
Algeria	VI	March 1, 1966	Stockholm: April 20, 1975 ²
Argentina	VI	February 10, 1967	<i>Lisbon:</i> February 10, 1967 Stockholm, Articles 13 to 30: October 8, 1980
Australia	III	October 10, 1925	Stockholm, Articles 1 to 12: September 27, 1975 Stockholm, Articles 13 to 30: August 25, 1972
Austria	IV	January 1, 1909	Stockholm: August 18, 1973
Bahamas	VIII	July 10, 1973	<i>Lisbon:</i> July 10, 1973 Stockholm, Articles 13 to 30: March 10, 1977
Bangladesh	S	March 3, 1991	Stockholm: March 3, 1991 ²
Barbados	IX	March 12, 1985	Stockholm: March 12, 1985
Belgium	III	July 7, 1884	Stockholm: February 12, 1975
Benin	S	January 10, 1967	Stockholm: March 12, 1975
Brazil	VI	July 7, 1884	<i>The Hague:</i> October 26, 1929 Stockholm, Articles 13 to 30: March 24, 1975 ²
Bulgaria	VI	June 13, 1921	Stockholm, Articles 1 to 12: May 19 or 27, 1970 ³ Stockholm, Articles 13 to 30: May 27, 1970 ²
Burkina Faso	S	November 19, 1963	Stockholm: September 2, 1975
Burundi	S	September 3, 1977	Stockholm: September 3, 1977
Cameroon	IX	May 10, 1964	Stockholm: April 20, 1975
Canada	III	June 12, 1925	<i>London:</i> July 30, 1951 Stockholm, Articles 13 to 30: July 7, 1970
Central African Republic	S	November 19, 1963	Stockholm: September 5, 1978
Chad	S	November 19, 1963	Stockholm: September 26, 1970
Chile	VIII	June 14, 1991	Stockholm: June 14, 1991
China	III	March 19, 1985	Stockholm: March 19, 1985 ²
Congo	IX	September 2, 1963	Stockholm: December 5, 1975
Côte d'Ivoire	VIII	October 23, 1963	Stockholm: May 4, 1974
Croatia	VII	October 8, 1991	Stockholm: October 8, 1991
Cuba	VIII	November 17, 1904	Stockholm: April 8, 1975 ²
Cyprus	VIII	January 17, 1966	Stockholm: April 3, 1984
Czechoslovakia	IV	October 5, 1919	Stockholm: December 29, 1970
Democratic People's Republic of Korea	VIII	June 10, 1980	Stockholm: June 10, 1980
Denmark ⁴	IV	October 1, 1894	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970
<i>Dominican Republic</i>	VIII	<i>July 11, 1890</i>	<i>The Hague: April 6, 1951</i>
Egypt	VIII	July 1, 1951	Stockholm: March 6, 1975 ²
Finland	IV	September 20, 1921	Stockholm, Articles 1 to 12: October 21, 1975 Stockholm, Articles 13 to 30: September 15, 1970
France ⁵	I	July 7, 1884	Stockholm: August 12, 1975
Gabon	VIII	February 29, 1964	Stockholm: June 10, 1975
Gambia	S	January 21, 1992	Stockholm: January 21, 1992
Germany	I	May 1, 1903	Stockholm: September 19, 1970
Ghana	IX	September 28, 1976	Stockholm: September 28, 1976
Greece	V	October 2, 1924	Stockholm: July 15, 1976
Guinea	S	February 5, 1982	Stockholm: February 5, 1982
Guinea-Bissau	S	June 28, 1988	Stockholm: June 28, 1988
Haiti	S	July 1, 1958	Stockholm: November 3, 1983
Holy See	VII	September 29, 1960	Stockholm: April 24, 1975

State	Contribution class*	Date on which State became party to the Convention	Latest Act ¹ of the Convention to which State is party and date on which State became party to that Act
Hungary	V	January 1, 1909	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970 ²
Iceland	VII	May 5, 1962	<i>London: May 5, 1962</i> Stockholm, Articles 13 to 30: December 28, 1984
Indonesia	VI	December 24, 1950	<i>London: December 24, 1950</i> Stockholm, Articles 13 to 30: December 20, 1979 ²
<i>Iran (Islamic Republic of)</i>	VI	<i>December 16, 1959</i>	<i>Lisbon: January 4, 1962</i>
Iraq	VII	January 24, 1976	Stockholm: January 24, 1976 ²
Ireland	IV	December 4, 1925	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970
Israel	VI	March 24, 1950	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970
Italy	III	July 7, 1884	Stockholm: April 24, 1977
Japan	I	July 15, 1899	Stockholm, Articles 1 to 12: October 1, 1975 Stockholm, Articles 13 to 30: April 24, 1975
Jordan	IX	July 17, 1972	Stockholm: July 17, 1972
Kenya	IX	June 14, 1965	Stockholm: October 26, 1971
Lebanon	IX	September 1, 1924	<i>London: September 30, 1947</i> Stockholm, Articles 13 to 30: December 30, 1986 ²
Lesotho	S	September 28, 1989	Stockholm: September 28, 1989 ²
Libya	VI	September 28, 1976	Stockholm: September 28, 1976 ²
Liechtenstein	VII	July 14, 1933	Stockholm: May 25, 1972
Luxembourg	VII	June 30, 1922	Stockholm: March 24, 1975
Madagascar	S	December 21, 1963	Stockholm: April 10, 1972
Malawi	S	July 6, 1964	Stockholm: June 25, 1970
Malaysia	VII	January 1, 1989	Stockholm: January 1, 1989
Mali	S	March 1, 1983	Stockholm: March 1, 1983
Malta	IX	October 20, 1967	<i>Lisbon: October 20, 1967</i> Stockholm, Articles 13 to 30: December 12, 1977 ²
Mauritania	S	April 11, 1965	Stockholm: September 21, 1976
Mauritius	IX	September 24, 1976	Stockholm: September 24, 1976
Mexico	IV	September 7, 1903	Stockholm: July 26, 1976
Monaco	VII	April 29, 1956	Stockholm: October 4, 1975
Mongolia	IX	April 21, 1985	Stockholm: April 21, 1985 ²
Morocco	VIII	July 30, 1917	Stockholm: August 6, 1971
Netherlands ⁶	III	July 7, 1884	Stockholm: January 10, 1975
New Zealand ⁷	V	July 29, 1931	<i>London: July 14, 1946</i> Stockholm, Articles 13 to 30: June 20, 1984
Niger	S	July 5, 1964	Stockholm: March 6, 1975
Nigeria	VI	<i>September 2, 1963</i>	<i>Lisbon: September 2, 1963</i>
Norway	IV	July 1, 1885	Stockholm: June 13, 1974
Philippines	VIII	September 27, 1965	<i>Lisbon: September 27, 1965</i> Stockholm, Articles 13 to 30: July 16, 1980
Poland	V	November 10, 1919	Stockholm: March 24, 1975 ²
Portugal	IV	July 7, 1884	Stockholm: April 30, 1975
Republic of Korea	VI	May 4, 1980	Stockholm: May 4, 1980
Romania	VI	October 6, 1920	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970 ²
Russian Federation...	I	July 1, 1965	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970 ²
Rwanda	S	March 1, 1984	Stockholm: March 1, 1984
San Marino	VII	March 4, 1960	Stockholm: June 26, 1991
Senegal	IX	December 21, 1963	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970
Slovenia	VII	June 25, 1991	Stockholm: June 25, 1991
South Africa	IV	December 1, 1947	Stockholm: March 24, 1975 ²

State	Contribution class*	Date on which State became party to the Convention	Latest Act ¹ of the Convention to which State is party and date on which State became party to that Act
Spain	IV	July 7, 1884	Stockholm: April 14, 1972
Sri Lanka	IX	December 29, 1952	London: December 29, 1952 Stockholm, Articles 13 to 30: September 23, 1978
Sudan	S	April 16, 1984	Stockholm: April 16, 1984
Suriname	IX	November 25, 1975	Stockholm: November 25, 1975
Swaziland	IX	May 12, 1991	Stockholm: May 12, 1991
Sweden	III	July 1, 1885	Stockholm, Articles 1 to 12: October 9, 1970 Stockholm, Articles 13 to 30: April 26, 1970
Switzerland	III	July 7, 1884	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970
Syria	VIII	September 1, 1924	London: September 30, 1947
Togo	S	September 10, 1967	Stockholm: April 30, 1975
Trinidad and Tobago	VIII	August 1, 1964	Stockholm: August 16, 1988
Tunisia	VIII	July 7, 1884	Stockholm: April 12, 1976 ²
Turkey	VI	October 10, 1925	London: June 27, 1957 Stockholm, Articles 13 to 30: May 16, 1976
Uganda	S	June 14, 1965	Stockholm: October 20, 1973
United Kingdom ⁹	I	July 7, 1884	Stockholm, Articles 1 to 12: April 26 or May 19, 1970 ³ Stockholm, Articles 13 to 30: April 26, 1970
United Republic of Tanzania.	S	June 16, 1963	Lisbon: June 16, 1963 Stockholm, Articles 13 to 30: December 30, 1983
United States of America ¹⁰ ..	I	May 30, 1887	Stockholm, Articles 1 to 12: August 25, 1973 Stockholm, Articles 13 to 30: September 5, 1970
Uruguay	VIII	March 18, 1967	Stockholm: December 28, 1979
Viet Nam	IX	March 8, 1949	Stockholm: July 2, 1976 ²
Yugoslavia	VI	February 26, 1921	Stockholm: October 16, 1973
Zaire	S	January 31, 1975	Stockholm: January 31, 1975
Zambia	S	April 6, 1965	Lisbon: April 6, 1965 Stockholm, Articles 13 to 30: May 14, 1977
Zimbabwe	IX	April 18, 1980	Stockholm: December 30, 1981

(Total: 105 States)

* Contributions in classes I to IX correspond to 25, 20, 15, 10, 5, 3, 1/2 and 1/4 units, respectively. In class S, they correspond to 1/8 of one unit.

¹ "Stockholm" means the Paris Convention for the Protection of Industrial Property as revised at Stockholm on July 14, 1967 (Stockholm Act); "Lisbon" means the Paris Convention as revised at Lisbon on October 31, 1958 (Lisbon Act); "London" means the Paris Convention as revised at London on June 2, 1934 (London Act); "The Hague" means the Paris Convention as revised at The Hague on November 6, 1925 (Hague Act).

² With the declaration provided for in Article 28(2) of the Stockholm Act relating to the International Court of Justice.

³ These are the alternative dates of entry into force which the Director General of WIPO communicated to the States concerned.

⁴ Denmark extended the application of the Stockholm Act to the Faroe Islands with effect from August 6, 1971.

⁵ Including all Overseas Departments and Territories.

⁶ Ratification for the Kingdom in Europe, the Netherlands Antilles and Aruba.

⁷ The accession of New Zealand to the Stockholm Act, with the exception of Articles 1 to 12, extends to the Cook Islands, Niue and Tokelau.

⁹ The United Kingdom extended the application of the Stockholm Act to the territory of Hong Kong with effect from November 16, 1977, and to the Isle of Man with effect from October 29, 1983.

¹⁰ The United States of America extended the application of the Stockholm Act to all territories and possessions of the United States of America, including the Commonwealth of Puerto Rico, as from August 25, 1973.

[End of annex and of document]



CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



WORLD
INTELLECTUAL PROPERTY
ORGANIZATION



NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and
the National Institute of Industrial Property (INPI) of France

Strasbourg, September 7 to 25, 1992

RECENT DEVELOPMENT IN THE INTERNATIONAL COOPERATION

IN THE FIELD OF INDUSTRIAL PROPERTY:

HARMONIZATION OF LEGISLATION ON PATENTS .

Document prepared by the International Bureau of WIPO

INTRODUCTION

1. International harmonization of legislation on patents started, at least to a certain extent, more than a 100 years ago with the adoption of the Paris Convention for the Protection of Industrial Property. While stressing the independence of national patent systems and the territorial limitations of rights granted under those national systems, the Paris Convention nevertheless contains some basic norms, such as the principle of national treatment, the right of priority, the prohibition of the forfeiture of a patent by reason of importation of the patented product, the time limits and the requirement of non-exclusivity in respect for compulsory licenses for non-working and the temporary protection of inventions disclosed during exhibitions. These norms were extended during the various revisions of the Convention but they still cover only some aspects of patent protection.

2. In the 1950s, discussions started within the Council of Europe concerning the creation of a European patent system and the harmonization of patent laws. This led to the adoption of the Convention on the Unification of Certain Points of Substantive Law on Patents for Inventions of November 27, 1963. This Convention represented the achievement of a high degree of unification of substantive law on patents in Europe. Several of its provisions served as a basis for the European Patent Convention (EPC) of 1973, which entered into force on October 7, 1977, and established a unified procedure of a grant of European Patents, and for the Luxembourg Convention on the European Patent for the Common Market of 1975 aimed at the grant of European Patents for the European Community in its entirety.

3. Other examples of regional agreements which have achieved harmonization or unification of substantive and procedural patent law, or cooperation on patent granting procedures, can be found in Africa and Latin America. The Agreement on the establishment of an African Intellectual Property Organization (OAPI), concluded in Libreville in 1962 and revised in Bangui in 1977, and the Harare Protocol adopted in 1982 in the framework of the African Regional Industrial Property Organization (ARIPO) unify a number of points of substantive patent law and provide for the centralized grant of patents by regional patent offices. In Latin America, the Andean Group countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela) adopted Decision 313 which contains, inter alia, uniform substantive and procedural patent provisions.

4. The harmonization of patent laws was an aim frequently mentioned by delegations in the negotiations which led to the adoption of the Patent Cooperation Treaty (PCT) in 1970. The Patent Cooperation Treaty contains elements in respect of which there is worldwide consensus. Such elements include the definitions of novelty, state-of-the-art, inventive step and industrial applicability.

5. Harmonization of patent laws worldwide and in the form of an international treaty became a specific topic on the agenda of WIPO in 1985. The successful implementation of the PCT on the one hand and some possible disadvantages of legislative changes required by the Strasbourg Convention on the Unification of Certain Points of Substantive Law on Patents for Inventions, for example, a very limited grace period, gave rise to new efforts aimed at the international harmonization of patent laws. In the course of the discussions held in sessions of the WIPO Committee of Experts the scope of the envisaged treaty was constantly extended to cover many important provisions of patent law.

THE PATENT LAW TREATY

Background

6. The history of the Treaty supplementing the Paris Convention as far as Patents are concerned (hereinafter called "the Patent Law Treaty") started with a proposal, made in June 1983 by the Director General of the World Intellectual Property Organization (WIPO) to the Governing Bodies of WIPO (and, in particular, the Assembly of the Paris Union), for a study on the legal effects of public disclosure of an invention by its inventor prior to filing an application (see WIPO document AB/XIV/2, Annex A, item PRG.03(4)). The proposal was adopted and the question was considered in May 1984 by the WIPO "Committee of Experts on the Grace Period for Public Disclosure of an Invention Before Filing an Application." The "grace period," as it is popularly called, has the effect that certain disclosures, made during a specified period prior to the filing or priority date of an application, do not affect the patentability of the invention claimed in the application. Provisions on the grace period are found in Article 12 of the Basic Proposal for the Treaty.
7. It was soon realized that the question of a grace period could not be dealt with in isolation, since it necessarily involved other issues that would have to be agreed upon at the same time as agreeing on the grace period. In particular, such issues were the identification of the inventor (since the grace period is a period primarily covering publication of the invention by the inventor) and the requirements of a filing date of the application (since the grace period has to be counted back from that date, it being understood that this is either the domestic filing date or the priority date). These issues were considered for the first time in the second meeting of the Committee, held in July 1985, and are addressed in Articles 6 and 8, respectively, of the present draft.
8. In recognition of this expanded scope of its task, the name of the Committee was changed to "Committee of Experts on the Harmonization of Certain Provisions in Laws for the Protection of Inventions." That name was retained throughout the preparatory work for the proposed Patent Law Treaty, which ended in November 1990. The Committee continued to meet during the six years between 1984 and 1991: once in 1985, once in 1986 and twice in each of the subsequent four years (1987 to 1990). In other words, there have been a total of 11 preparatory meetings. At each of those meetings, except those held in 1988 and the second meeting held in 1989, the scope of the proposed Patent Law Treaty grew as the Committee considered additional substantive subject matter for inclusion in it.
9. Through this gradual process of growth of its scope, the proposed Patent Law Treaty came to address many important issues in the field of patents upon which there is great divergence in treatment among national and regional laws, but for which harmonization is desired. It is intended that the Treaty achieve a legally more secure patent system, a system which is easier to apply by patent offices and easier to use by inventors, industry and their professional representatives.

Provisions in the Basic Proposal for the Treaty

10. The substantive provisions of the Basic Proposal for the Treaty, which is reproduced in the Annex (WIPO document PLT/DC/3), deal with the following subjects:

- disclosure and description
- claims
- unity of invention
- identification and mention of inventor; declaration concerning the entitlement of the applicant
- belated claiming of priority
- filing date
- right to a patent
- fields of technology
- conditions of patentability
- disclosures not affecting patentability (grace period)
- prior art effect of certain applications
- amendment or correction of application
- publication of application
- time limits for search and substantive examination
- changes in patents
- administrative revocation
- rights conferred by the patent
- prior user
- extent of protection and interpretation of claims
- term of patent
- enforcement of rights
- reversal of burden of proof
- obligations of the right holder
- remedial measures under national legislation

11. Thus, along with an article establishing a new Union (Article 1) and an article containing 14 definitions (Article 2), the Basic Proposal includes 26 substantive articles covering the above-mentioned subjects. Twelve of them are accompanied by draft Rules, which form part of the Basic Proposal.

12. The Basic Proposal also contains 13 articles dealing with administrative and other miscellaneous matters, as well as the final clauses. They are: Articles 27 (the Assembly of the Union, including the question of voting), 28 (the International Bureau), 29 (reference to the Regulations to be adopted together with the Treaty), 30 (settlement of disputes among Contracting Parties), 31 (possibility of revising the Treaty), 32 (possibility of concluding protocols to supplement the Treaty), 33 (becoming party to the Treaty by States and by certain intergovernmental organizations), 34 (effective date of ratifications and accessions), 35 (reservations to certain provisions of the Treaty), 36 (special notifications, particularly by intergovernmental organizations party to the Treaty), 37 (denunciation of the Treaty), 38 (languages and signature of the Treaty) and 39 (depository functions).

13. The 13 articles referred to in the preceding paragraph are similar to those in other treaties administered by WIPO, with the exception of Articles 30, 32 and 33. Article 30, proposed to the Committee by the International Bureau, contains detailed provisions on the settlement of

disputes. Article 33 addresses the question of who may become party to the treaty: as proposed to the Committee by the International Bureau, this article would allow not only States, but also certain intergovernmental organizations, such as the European Communities, the European Patent Organisation and the Organisation africaine de la propriété intellectuelle, to become party to the Treaty. Article 32, also based upon a proposal by the International Bureau, is inspired by the evolutionary nature of the process of harmonization manifested by the history of the preparations of the Treaty. It envisages the possibility of the Contracting Parties adopting one or more protocols to the Patent Law Treaty.

14. This document can only give a general overview of the provisions contained in the Basic Proposal for the Patent Law Treaty. Full details and explanations may be found in WIPO documents PLT/DC/3 and 4. The following explanations refer to the Basic Proposal for the Patent Law Treaty as it was presented to the first part of the Diplomatic Conference held in The Hague, in June 1991.

15. Articles 1 and 2, respectively, provide for the establishment of a Union for the purpose of the Treaty and some introductory definitions. According to Article 3(1), the application must disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art. Provision is made for the deposit of biological material where required for the purposes of disclosure of the invention. While this provision is generally accepted, Article 3(2) in conjunction with Rule 2(1)(vi) permits a Contracting Party interested in doing so to provide that the description should set forth the best mode for carrying out the invention known to the inventor at the filing date or, if applicable, priority date of the application.

16. Article 4, in conjunction with Rule 3, deals with the claims in the application. The claims can either be written in the more traditional way in two parts including the so-called characterizing portion or in a single statement containing a recitation of a combination of several elements or steps defining the matter for which protection is sought.

17. Article 5, concerning the unity of invention, requires that the application must relate to one invention only or to a group of inventions linked in such a way as to form a single general inventive concept. Rule 4 specifies that the requirement of unity of invention shall be regarded as fulfilled only when there is a technical relationship among those inventions involving one or more of the same or corresponding special technical features, i.e. technical features which define a contribution which each of those inventions, considered as a whole, makes over the prior art. Rule 5 deals with divisional applications filed where lack of unity of invention is found.

18. Article 6 contains provisions on the identification and mention of the inventor and the declaration concerning the entitlement of the applicant and thus supplements Article 4^{ter} of the Paris Convention. Whereas Article 4^{ter} requires mentioning of the inventor in the patent, Article 6 of the Patent Law Treaty would require that the inventor or the inventors be identified in the application, and be mentioned in any publication of the Patent Office containing the application or a patent granted thereon. However, any Contracting Party may allow an inventor to request not to be mentioned. Moreover, any Contracting Party may require that the applicant (who is not the inventor) indicate the legal grounds of this entitlement to file the application.

19. Article 7 permits, subject to specified time limits, the delayed submission of a separate declaration of the priority claim and the delayed filing of an application containing a priority claim.
20. Article 8 sets out the standard requirements which have to be fulfilled for a filing date to be accorded. The standard requirements include an express or implicit indication that the granting of a patent is sought and indications allowing to establish the identity of the applicant and a part which, on the face of it, appears to be a description of an invention. Furthermore, Article 8 allows Contracting Parties to provide that the filing date may be withheld if, after expiration of a prescribed time limit, the application does not contain a part which appears to be a claim or claims, or if the required fee has not been paid; however, this possibility only exists if the Contracting Party already applied the relevant provisions when joining the Treaty. Article 8(3) also contains a provision permitting the replacement of the description, claims and drawings by reference to another application; and provisions relating to the filing of any required translations for the purposes of obtaining a filing date.
21. Article 9 deals with the right to a patent, establishing the principle that the right to obtain a patent belongs to the inventor. Where two or more inventors have independently made the same invention, the Article requires the application of the first-to-file principle.
22. Article 10 is presented in two alternatives. In its Alternative A, certain inventions and certain subject matter would be excluded from patentability, mandatorily or, on certain grounds, optionally. According to Alternative B, patent protection must be available for inventions, whether they concern products or processes, in all fields of technology. This provision has to be read in the light of Article 35, which in its Alternative B allows the possibility of making a reservation which, however, loses its effect within a certain time limit (15 years after the adoption of the Treaty for developing countries).
23. Article 11 defines novelty and inventive step as conditions of patentability. As a third condition, the invention has to be "industrially applicable" or "useful." In this context, industrial applicability has to be considered not only relating to products of industry, but also to agricultural and mineral products, and usefulness is to be understood as meaning capable of being used.
24. Article 12 deals with certain disclosures which do not affect novelty and inventive step (grace period). The Article would replace the strict limitations deriving from the absolute novelty requirement contained in the patent laws of many countries and in the European Patent Convention, by a broad grace period of twelve months.
25. Article 13 deals with the prior art effect of certain applications and follows the "whole-contents approach." It establishes the principle that Contracting Parties must recognize, in the circumstances defined in the Article, the prior art effect, of all other applications that have an earlier filing date (or, where applicable, priority date) and that are subsequently published. The addition to the prior art of the contents of certain applications is made for the purpose of the assessment of the novelty of an invention claimed in later applications. It is provided, however, that any Contracting Party may consider the whole contents of the earlier application also for the purposes of evaluating the inventive step of the invention.

26. Article 14 concerns the amendment of an application following a finding by the Office of non-compliance with certain requirements, and permits the amendment of an application on the applicant's own initiative. It also establishes the basic principle that an amendment (whether made following a finding of non-compliance by the Office or on the applicant's own initiative) may not go beyond that which has been disclosed in the application as filed. However, the prohibition on amendments which introduce new matter applies only where the applicant wishes to retain the same filing date of the application after the amendment.

27. According to Article 15, a patent application has, in principle, to be published without delay after the expiration of 18 months of the filing or, if applicable, priority date. Applicants may request earlier publication. A Contracting Party may, however, reserve the right to publish applications after 24 months from the filing or priority date if, at the time of ratifying or acceding to the Treaty, it does not provide for the publication of applications after 18 months.

28. Article 16 provides for time limits applicable in Contracting Parties which require substantive examination as to patentability, for the publication of search reports and for the commencement and completion of substantive examination. The search report has to be published within 18 months --24 months under exceptional circumstances--from the filing date or, where applicable, priority date. Substantive examination has to start within three years from the filing date, and a final decision must normally be reached not later than two years thereafter.

29. Article 17 establishes the right of the owner of a patent to request that changes be made in the patent in two situations: in order to limit the extent of protection conferred by the patent, and in order to correct obvious mistakes or clerical errors. The type of change that may be effected in either of those two situations, however, is limited by the rule that no change is allowable where it would result in a disclosure contained in the patent going beyond the disclosure contained in the application as filed. Contracting Parties may also provide that changes can be made in a patent to correct other mistakes, but if such correction were to broaden the extent of protection of the patent, the correction may not be requested after two years from the grant of the patent. In any case, a correction must not affect third party rights.

30. Article 18 obliges Contracting Parties whose Offices conduct substantive examination to maintain an administrative system of post-grant revocation of patents, and prohibits systems of pre-grant opposition. Any person, including the patent holder himself, may initiate revocation proceedings. No request for revocation may be based on grounds of non-compliance with formal or procedural requirements.

31. Article 19 refers to the minimum rights that Contracting Parties must recognize as being conferred by a patent. Three alternatives are presented. Under Alternative A, no provision would be included in the Treaty on this subject. Therefore, the rights conferred by a patent would be determined by each Contracting Party. Under Alternatives B and C, the Treaty would establish minimum rights conferred by a patent. Alternative B provides for a broader scope of protection than Alternative C, in respect of process patents

and contributory infringement. Exceptions to the patent rights are contemplated in both Alternatives B and C. The exceptions relate, in particular, to the exhaustion of rights, private non-commercial acts, and experimental use of an invention.

32. Article 20 concerns the rights of a prior user of an invention. It is provided that a patent will have no effect against any person who, in good faith before the filing or priority date of the application on which the patent is granted and within the territory where the patent produces its effects, was using the invention or was making effective and serious preparations for such use. Two alternatives are contemplated. Under Alternative A, this provision would be optional for Contracting Parties. Under Alternative B, the prior user exception would be mandatory.

33. Article 21 establishes the principles for determining the extent of protection that is conferred by a patent. It contains, among other things, the basic rule that the extent of protection conferred by a patent is determined by the claims, which must be interpreted in the light of the description and drawings, and the so-called "doctrine of equivalents." Besides that, it sets out the guiding principles for the interpretation of the claims and, thus, for the determination of the extent of protection.

34. Article 22 deals with the term of patents. Alternative A of Article 22 proposes that there be no provision in the Treaty dealing with the term of patent, so this matter would be determined by each Contracting Party. Alternative B provides that the term of a patent shall be at least of 20 years from the filing date. This provision, however, has to be read in connection with Article 35 which provides for the possibility of making a reservation (for a maximum of ten years--15 years for developing countries--from the adoption of the Treaty) relating to the term of a patent.

35. Article 23 sets out the minimum measures for which each Contracting Party is obliged to provide to enforce the rights conferred by the patent and the rights conferred by the publication of the application.

36. Article 24 deals with the reversal of burden of proof in infringement proceedings. Alternative A proposes that there be no provision in the Treaty dealing with this matter, which would be left to the individual Contracting Parties. According to Alternative B, where the subject matter of the patent is a process for obtaining a product, any identical product shall, in the absence of proof to the contrary and at least in the case where the product is new, be deemed to have been obtained by the patented process.

37. Article 25 deals with obligations of the right holder. Under proposed Alternative A, the Treaty would not contain a provision on this matter, whereby this would be left to the individual Contracting Parties to regulate. Alternative B provides for certain minimum obligations which patent holders should comply with. They include full disclosure of the patented invention, working the patented invention within prescribed time limits, and abstention from abusive, restrictive or anticompetitive practices in connection with the patent.

38. Article 26 deals with remedial measures for ensuring compliance with the obligations set out in Article 25. Alternative A proposes that the Treaty not include provisions on this subject. Alternative B stipulates that Contracting States are free to provide for certain measures in cases of non-compliance with the said obligations, including non-voluntary licenses and revocation or forfeiture of the patent.

The draft TRIPS Agreement at the GATT

39. At the time of writing this document, the Uruguay Round of the GATT (General Agreement on Tariffs and Trade) had not yet concluded. It seems, however, that in all likelihood those negotiations will result in the adoption of norms in the field of intellectual property (TRIPS Agreement). The latest draft TRIPS Agreement * (24 June 1992) covers the following subjects also covered by the Basic Proposal for the Patent Law Treaty : exclusions from patent protection, rights of the owner of the patent, term of the patent, enforcement of patent rights and reversal of the burden of proof in the case of certain process patents, obligations of the right holder and remedial measures under national legislation. These are dealt with in the Basic Proposal in Articles 10, 19, 22, 23, 24, 25 and 26, respectively. The subject matter covered by the remaining 18 substantive articles of the Basic Proposal does not seem to be covered, or is covered only marginally, by the GATT draft agreement.

The Diplomatic Conference on the Patent Law Treaty

40. From June 3 to 28, 1991, the first part of a Diplomatic Conference for the Conclusion of the Patent Law Treaty was held in The Hague (Netherlands). The Diplomatic Conference examined the "Basic Proposal" for a Patent Law Treaty and its Regulations (document PLT/DC/3), prepared by the Director General of WIPO, which is reproduced in the Annex. The date of the second part of the Diplomatic Conference will be considered at the next meeting of the Assembly of the Paris Union, in September 1992.

41. The Director General of WIPO has prepared a Memorandum on the continuation of the Diplomatic Conference started in 1991, for consideration by the Assembly of the Paris Union at its next meeting. In that Memorandum it is proposed to hold the second part of the Diplomatic Conference in Geneva, in July 1993. It is also proposed that six Articles be removed from the Basic Proposal before the Diplomatic Conference, namely :

- Article 10: Fields of Technology,
- Article 19: Rights Conferred by the Patent,
- Article 22: Term of Patents,
- Article 24: Reversal of Burden of Proof,
- Article 25: Obligations of the Right Holder,
- Article 26: Remedial Measures Under National Legislation.

* Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (see GATT document MTN.TNC/W/FA, page 57 et seq.), and document 1105 of the Legal Drafting Group (June 24, 1992) "Review of Individual Texts in the Draft Final Act".

The reasons for this proposal is that the issues dealt with in those Articles have been given comprehensive solutions in the draft TRIPS Agreement, and those issues were found to be particularly controversial during the preparation of the draft Patent Law Treaty.

[Annex follows]

WIPO



PLT/DC/3

ORIGINAL: English

DATE: December 21, 1990

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

**DIPLOMATIC CONFERENCE
FOR THE CONCLUSION OF A TREATY
SUPPLEMENTING THE PARIS CONVENTION
AS FAR AS PATENTS ARE CONCERNED**

The Hague, June 3 to 28, 1991

**THE
"BASIC PROPOSAL"
FOR THE TREATY AND THE REGULATIONS**

submitted, under Rule 29(1) of the Draft Rules of Procedure,
by the Director General of WIPO

DRAFT

TREATY SUPPLEMENTING THE PARIS CONVENTION FOR THE PROTECTION
OF INDUSTRIAL PROPERTY AS FAR AS PATENTS ARE CONCERNED
(PATENT LAW TREATY)

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The Contracting Parties,

Alternative A

DESIRING to strengthen international cooperation in respect of the protection of inventions,

CONSIDERING that such protection is facilitated by a harmonization of patent law,

RECOGNIZING the need to take into consideration the public policy objectives underlying national patent law,

TAKING INTO ACCOUNT development, technological and public interest objectives of the Contracting Parties,

HAVE CONCLUDED the present Treaty, which constitutes a special agreement within the meaning of Article 19 of the Paris Convention for the Protection of Industrial Property.

Alternative B

Note: Same text as Alternative A, without the third and fourth paragraphs.

Article 1

Establishment of a Union

The States and intergovernmental organizations party to this Treaty (hereinafter called "the Contracting Parties") constitute a Union for the purposes of this Treaty.

Article 2
Definitions

For the purposes of this Treaty, unless expressly stated otherwise:

(i) references to an "application" or "application for a patent" shall be construed as references to an application for a patent for invention;

(ii) "priority date" means the filing date of the application for a patent, utility model or other title protecting an invention which has been filed with another or, where the Contracting Party so provides, the same Office and the priority of which is claimed; where the priorities of two or more such applications are claimed, the priority date,

(a) for the purposes of computing time limits, shall be the filing date of the earliest-filed of those applications,

(b) for any other purpose, shall be, for each element of the invention, the filing date of the earliest-filed of those applications which contains that element;

(iii) "prescribed" means prescribed in the Regulations under this Treaty that are referred to in Article 29;

(iv) references to a "patent" shall be construed as references to a patent for invention;

(v) "Office" means the governmental or intergovernmental agency entrusted with the granting of patents by a Contracting Party;

[Article 2, continued]

(vi) references to a "person" shall be construed as references to both a natural person and a legal entity;

(vii) "Director General" means the Director General of the World Intellectual Property Organization;

(viii) "published" means made accessible to the public;

(ix) "substantive examination" means the examination of an application by an Office to determine whether the invention claimed in the application satisfies the conditions of patentability referred to in Article 11(2) and (3);

(x) references to an "instrument of ratification" shall be construed as including references to instruments of acceptance and approval;

(xi) "Assembly" means the Assembly of the Union;

(xii) "Union" means the Union referred to in Article 1;

(xiii) "Organization" means the World Intellectual Property Organization;

(xiv) "Regulations" means the Regulations under this Treaty that are referred to in Article 29.

Article 3

Disclosure and Description

(1) [Disclosure] (a) The application shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art.

(b) Where the application refers to biologically reproducible material which cannot be disclosed in the application in such a way as to enable the invention to be carried out by a person skilled in the art and such material is not available to the public, the application shall be supplemented by a deposit of such material with a depository institution. Any Contracting Party may require that the deposit be made on or before the filing date or, where priority is claimed, the priority date of the application.

(2) [Description] (a) The application shall contain a description.

(b) The description shall have the prescribed contents, and such contents shall be presented in the prescribed order.

(3) [Prohibition of Other Requirements] In respect of the disclosure or the description, no requirement additional to or different from those provided for in this Article and in the relevant provisions of the Regulations may be imposed.

Article 4

Claims

(1) [Requirement of Claims in the Application] The application shall contain one or more claims.

(2) [Contents of the Claims] The claims shall define the matter for which protection is sought.

(3) [Style of the Claims] Each claim shall be clear and concise.

(4) [Relation of the Claims with the Description] The claims shall be supported by the description.

(5) [Manner of Presentation of the Claims] (a) The claims shall be presented in the prescribed manner.

(b) A Contracting Party shall be free not to require compliance with all of the requirements prescribed under subparagraph (a).

(6) [Prohibition of Other Requirements] In respect of the claims, no requirement additional to or different from those provided for in paragraphs (1) to (4) and (5)(a) may be imposed.

Article 5

Unity of Invention

(1) [Requirement of Unity of Invention] The application shall relate to one invention only or to a group of inventions so linked as to form a single general inventive concept ("requirement of unity of invention").

(2) [Validity of Patent Not Affected by Lack of Unity of Invention]
The fact that a patent has been granted on an application that did not comply with the requirement of unity of invention shall not be a ground for the invalidation or revocation of the patent.

Article 6

Identification and Mention of Inventor; Declaration Concerning the
Entitlement of the Applicant

(1) [Identification of the Inventor in the Application] (a) The application shall, as prescribed, identify the inventor or, where there are several inventors, all of them.

(b) No patent may be granted on an application that does not identify an inventor.

(2) [Mention of the Inventor in Publications of the Office] Any publication of the Office, containing the application or the patent granted thereon, shall mention the inventor or inventors as such, provided that any inventor may request, in a declaration signed by him and filed with the Office, that such publications should not mention him as inventor, in which case the Office shall proceed accordingly.

(3) [Indication of the Applicant's Entitlement] Any Contracting Party may require that the applicant indicate the legal grounds of his entitlement to file the application.

(4) [Prohibition of Other Requirements] In respect of the identification or mention of the inventor or in respect of the indication of the applicant's entitlement, no requirement additional to or different from those provided for in the preceding paragraphs may be imposed.

Article 7

Related Claiming of Priority

(1) [Delayed Submission of Priority Claim] Where the application ("the subsequent application") could have claimed the priority of an earlier application but, when filed, did not contain such priority claim, the applicant shall have the right to claim such priority in a separate declaration submitted to the Office within a period to be fixed by the Contracting Party which shall be at least two months from the filing date of the subsequent application and not more than four months from the date on which a period of 12 months from the filing date of the earlier application expired.

[(2) [Delayed Filing of the Subsequent Application] Where the application ("the subsequent application") which claims or could have claimed the priority of an earlier application is filed after the date on which a period of 12 months from the filing date of the earlier application expired but before the expiration of a period of two months from the date on which that 12-month period expired, the Office shall restore the right of priority upon an express request submitted to the Office before the expiration of the said two-month period, if the request states and the Office finds that, in spite of all due care required by the circumstances, the subsequent application could not have been filed within the said 12-month period. The request for restoration shall state the grounds on which it is based, and the Office may require the production of corresponding evidence.]

Article 8

Filing Date

(1) [Absolute Requirements] The filing date of the application shall be the date of receipt by the Office of at least the following elements:

(i) an express or implicit indication that the granting of a patent is sought;

(ii) indications allowing the identity of the applicant to be established;

(iii) a part which, on the face of it, appears to be a description of an invention.

(2) [Permitted Additional Requirements] (a) A Contracting Party may provide that the filing date may be refused if either of the following requirements is not satisfied within the prescribed time limit:

(i) the application contains a part which, on the face of it, appears to be a claim or claims;

(ii) the required fee is paid.

Where a Contracting Party provides for any of the foregoing requirements and the requirements are complied with later than the date of receipt by the Office of the elements referred to in paragraph (1), but within the prescribed time limit, the filing date of the application shall be the date of receipt by the Office of the said elements.

[Article 8(2), continued]

(b) A Contracting Party may apply a requirement referred to in subparagraph (a) only if

(i) it applied such requirement at the time of becoming party to this Treaty, or

(ii) it has, after having become party to this Treaty, to apply such requirement in order to comply with an obligation under a treaty concluded before the date of entry into force of this Treaty.

(3) [Drawings] If the application refers to drawings but such drawings are not received by the Office at the date of receipt of the elements referred to in paragraph (1), at the option of the applicant either any reference to the drawings shall be deemed to be deleted or the filing date of the application shall be the date on which the drawings are received by the Office.

[Article 8, continued]

(4) [Replacing Description, Claims and Drawings by Reference to Another Application] Notwithstanding paragraphs (1), (2) and (3),

Alternative A: each Contracting Party shall

Alternative B: any Contracting Party may

provide that a reference in the application to another previously filed application for the same invention by the same applicant or his predecessor in title may, for the purposes of the filing date of the application, replace any of the following elements:

- (i) the part which, on the face of it, appears to be a description of an invention,
- (ii) the part which, on the face of it, appears to be a claim or claims, or
- (iii) any drawings,

provided that the said parts and drawings and, where the other application was not filed with the same Office, a certified copy of the other application are received by the Office within the prescribed time limit. If the said parts and drawings, and, where required, the certified copy, are received by the Office within the said time limit, the filing date of the application shall, provided that the other requirements concerning the filing date are fulfilled, be the date on which the application containing the reference to the previously filed application was received by the Office.

[Article 8, continued]

(5) [Language] (a) Any Contracting Party may require that the indications referred to in paragraph (1)(i) and (ii) be in the official language.

(b) Any Contracting Party may, if any of the parts referred to in paragraph (1)(iii) and paragraph (2)(a)(i) or any text matter contained in any drawings is in a language other than the official language, require that a translation thereof in the official language be received by its Office within the prescribed time limit. If the translation is so received, the filing date of the application shall be the date of receipt by the Office of the elements referred to in paragraph (1) in the language in which they were first received.

(c) Any Contracting Party may require that the parts referred to in paragraph (4)(i) and (ii) and any text matter contained in drawings referred to in paragraph (4)(iii) be furnished in the official language within the time limit referred to in paragraph (4).

(d) For the purposes of this paragraph, "official language" means the official language of the Office or, if there are several such languages, any of them.

[Article 8, continued]

(6) [Prohibition of Other Requirements] (a) In respect of the filing date, no requirement additional to or different from those provided for in the preceding paragraphs may be imposed.

(b) Notwithstanding subparagraph (a), a Contracting Party may, for the purposes of any treaty providing for the grant of regional patents, require that an application for a regional patent contain the designation of at least one State party to that treaty.

Article 9

Right to a Patent

(1) [Right of Inventor] The right to a patent shall belong to the inventor. Any Contracting Party shall be free to determine the circumstances under which the right to the patent shall belong to the employer of the inventor or to the person who commissioned the work of the inventor which resulted in the invention.

(2) [Right Where Several Inventors Independently Made the Same Invention] Where two or more inventors independently have made the same invention, the right to a patent for that invention shall belong,

(i) where only one application is filed in respect of that invention, to the applicant, as long as the application is not withdrawn or abandoned, is not considered withdrawn or abandoned, or is not rejected, or

(ii) where two or more applications are filed in respect of that invention, to the applicant whose application has the earliest filing date or, where priority is claimed, the earliest priority date, as long as the said application is not withdrawn or abandoned, is not considered withdrawn or abandoned, or is not rejected.

Article 10

Fields of Technology

Alternative A

(1) Patent protection shall be available for inventions in all fields of technology which are new, which involve an inventive step and which are industrially applicable, except for:

(i) inventions whose use would be contrary to public order, law or morality or injurious to public health;

(ii) plant or animal varieties or essentially biological processes for the production of plants or animals;

(iii) discoveries and materials or substances already existing in nature;

(iv) methods of medical treatment for humans or animals;

(v) nuclear and fissionable material.

(2) Contracting States may, on grounds of public interest, national security, public health, nutrition, national development and social security, exclude from patent protection, either in respect of products or processes for the manufacture of those products, certain fields of technology, by national law.

[Article 10, Alternative A, continued]

(3) Contracting States shall notify the Director General of such exclusions by a written declaration. Any such declaration may be withdrawn at any time totally or partially by notification addressed to the Director General.

Alternative B

Patent protection shall be available for inventions, whether they concern products or processes, in all fields of technology.

Article 11

Conditions of Patentability

(1) [Patentability] In order to be patentable, an invention shall be novel, shall involve an inventive step (shall be non-obvious) and shall be, at the option of the Contracting Party, either useful or industrially applicable.

(2) [Novelty] (a) An invention shall be considered novel if it does not form part of the prior art. For the determination of novelty, items of prior art may only be taken into account individually.

(b) The prior art shall consist of everything which, before the filing date or, where priority is claimed, the priority date of the application claiming the invention, has been made available to the public anywhere in the world.

[(c) Notwithstanding subparagraph (b), any Contracting Party shall be free to exclude from the prior art matter made available to the public, by oral communication, by display or through use, in a place or space which is not under its sovereignty or, in the case of an intergovernmental organization, under the sovereignty of one of its member States.]

(3) [Inventive Step (Non-Obviousness)] An invention shall be considered to involve an inventive step (be non-obvious) if, having regard to the prior art as defined in paragraph (2), it would not have been obvious to a person skilled in the art at the filing date or, where priority is claimed, the priority date of the application claiming the invention.

Article 12

Disclosures Not Affecting Patentability (Grace Period)

(1) [Circumstances of Disclosure Not Affecting Patentability]

Disclosure of information which otherwise would affect the patentability of an invention claimed in the application shall not affect the patentability of that invention where the information was disclosed, during the 12 months preceding the filing date or, where priority is claimed, the priority date of the application,

(i) by the inventor,

(ii) by an Office and the information was contained

(a) in another application filed by the inventor and should not have been disclosed by the Office, or

(b) in an application filed without the knowledge or consent of the inventor by a third party which obtained the information direct or indirectly from the inventor,

or

(iii) by a third party which obtained the information direct or indirectly from the inventor.

[Article 12, continued]

(2) ["Inventor"] For the purposes of paragraph (1), "inventor" also means any person who, at the filing date of the application, had the right to the patent.

(3) [No Time Limit for Invoking Grace Period] The effects of paragraph (1) may be invoked at any time.

(4) [Evidence] Where the applicability of paragraph (1) is contested, the party invoking the effects of that paragraph shall have the burden of proving, or of making the conclusion likely, that the conditions of that paragraph are fulfilled.

Article 13

Prior Art Effect of Certain Applications

(1) [Principle of "Whole Contents"] (a) Subject to subparagraph (b), the whole contents of an application ("the former application") as filed in, or with effect for, a Contracting Party shall, for the purpose of determining the novelty of an invention claimed in another application filed in, or with effect for, that Contracting Party, be considered as prior art from the filing date of the former application on condition that the former application or the patent granted thereon is published subsequently by the authority competent for the publication of that application or patent. Any Contracting Party may consider the whole contents of the former application to be prior art also for the purpose of determining whether the invention satisfies the requirement of inventive step (non-obviousness).

(b) Where the former application referred to in subparagraph (a) claims the priority of an earlier application for a patent, utility model or other title protecting an invention, matter that is contained in both the former application and such earlier application shall be considered as prior art in accordance with subparagraph (a) from the priority date of the former application.

(c) For the purposes of subparagraph (a), the "whole contents" of an application consists of the description and any drawings, as well as the claims, but not the abstract.

[Article 13, continued]

(2) [Applications No Longer Pending] Where the former application referred to in paragraph (1)(a) has been published in spite of the fact that, before the date of its publication, it was withdrawn or abandoned, was considered withdrawn or abandoned, or was rejected, it shall not be considered as prior art for the purposes of paragraph (1)(a).

(3) [International Applications Under the PCT] As regards international applications filed under the Patent Cooperation Treaty, any Contracting Party may provide that paragraph (1) shall apply only if the acts referred to in Article 22 or, where applicable, Article 39(1) of that Treaty have been performed.

(4) [Self-Collision] [(a)] Paragraph (1) shall not apply when the applicant of, or the inventor identified in, the former application, and the applicant of, or the inventor identified in, the application under examination, is one and the same person.

[(b) Any Contracting Party that considers the whole contents of the former application to be prior art only for the purpose of determining the novelty of the invention shall be free not to apply subparagraph (a).]

Article 14

Amendment or Correction of Application

(1) [Amendments or Corrections Following Office Findings] Wherever the Office finds that the application does not comply with any requirements applicable to it, it shall give the applicant at least one opportunity to amend or correct the application or to comply with the said requirements. Such an opportunity need not be given before the application has a filing date.

(2) [Amendments or Corrections on Applicant's Initiative] The applicant shall have the right, on his own initiative, to amend or correct the application or to comply with a requirement applicable to the application up to the time when the application is in order for grant; however, any Contracting Party which provides for substantive examination may provide that the applicant shall have the right to amend or correct, on his own initiative, the description, the claims and any drawings, only up to the time allowed for the reply to the first substantive communication from the Office.

(3) [Limitation of Amendments or Corrections] No amendment or correction of the application may go beyond what has been disclosed in the application as filed.

Article 15

Publication of Application

(1) [Requirement to Publish the Application] (a) Subject to paragraphs (2) to (4), the Office shall publish the application as soon as possible after the expiration of 18 months from the filing date or, where priority is claimed, the priority date.

(b) Notwithstanding subparagraph (a), any Contracting Party that, at the time of depositing its instrument of ratification of, or accession to, this Treaty, does not provide for the publication of applications as provided in subparagraph (a) may notify the Director General at the said time that it reserves the right to publish applications as soon as possible after the expiration of 24 months, rather than 18 months, from the filing date or, where priority is claimed, the priority date.

(2) [Earlier Publication at Applicant's Request] If, before the expiration of the time limit referred to in paragraph (1), the applicant requests that the application be published, the Office shall, without delay after the receipt of the request, publish the application.

(3) [National Security] Any Contracting Party shall be free not to publish an application for reasons of national security.

[Article 15, continued]

(4) [Circumstances in Which Publication May Not Take Place] (a) No application may be published if it is withdrawn or abandoned or is considered withdrawn or abandoned

(i) earlier than two months before the expiration of the time limit applicable under paragraph (1) or,

(ii) where the Office completes the technical preparations for publication later than two months before the expiration of the time limit applicable under paragraph (1), prior to the completion of such preparations.

(b) No application may be published if it has been rejected.

Article 16

Time Limits for Search and Substantive Examination

(1) [Time Limits for Search] (a) If a Contracting Party provides for substantive examination, its Office shall publish, at the same time as the application is published under Article 15, a report, established by or on behalf of that Office, citing any documents that reflect the prior art relevant to the invention claimed in the application (hereinafter referred to as "the search report").

(b) Notwithstanding subparagraph (a), where Article 15(2) applies, the search report need not be published at the same time as the application, provided that it shall be published as soon as possible, but not later than the expiration of the time limit applicable under Article 15(1).

(c) If, notwithstanding subparagraphs (a) and (b), for any exceptional reason, the search report cannot be published as provided for in those subparagraphs, it shall be published as soon as possible and in no case later than six months after the expiration of the time limit applicable under Article 15(1).

[Article 16, continued]

(2) [Time Limits for Substantive Examination] (a) If a Contracting Party provides for substantive examination, its Office shall start the substantive examination of the application not later than three years from the filing date of the application.

(b) Notwithstanding subparagraph (a), a Contracting Party shall be free to provide that no substantive examination shall be carried out and the application shall be considered withdrawn or abandoned, or shall be rejected, if a request is not made, within three years from the filing date of the application, to its Office by the applicant or any third party that substantive examination should start. Where such a request is made, the Office shall start the substantive examination promptly after receipt of the request.

(c) The Office shall, wherever possible, reach a final decision on the application not later than two years after the start of substantive examination.

Article 17

Changes in Patents

(1) [Limitation of Extent of Protection] The owner of a patent shall have the right to request the competent Office to make changes in the patent in order to limit the extent of the protection conferred by it.

(2) [Obvious Mistakes and Clerical Errors] The owner of a patent shall have the right to request the competent Office to make changes in the patent in order to correct obvious mistakes or to correct clerical errors.

(3) [Additional Changes That May Be Allowed] Each Contracting Party may provide that the owner of a patent shall have the right to request the competent Office to make changes in the patent in order to correct mistakes or errors, other than those referred to in paragraph (2), made in good faith, provided that, where the change would result in a broadening of the extent of protection conferred by the patent, no request may be made after the expiration of two years from the grant of the patent and the change shall not affect the rights of any third party which has relied on the patent as published.

(4) [Changes Affecting the Disclosure] No change in the patent shall be permitted under paragraphs (1) or (3) where the change would result in the disclosure contained in the patent going beyond the disclosure contained in the application as filed.

[Article 17, continued]

(5) [Decision in Respect of the Request and Publication of the Changes] If, and to the extent to which, the competent Office changes the patent according to paragraphs (1), (2) or (3), it shall publish the changes.

Article 18

Administrative Revocation

(1) [Administrative Revocation] (a) Where a patent was granted after substantive examination, any person shall have the right to request the competent Office to revoke the patent, in whole or in part, at least on the ground that, because of one or several documents available to the public, the conditions of novelty or inventive step are not satisfied.

(b) The request for revocation may be presented during a period to be fixed by the Contracting Party which shall commence from the announcement in the official gazette of the grant of the patent and shall not be less than six months.

(c) No request for revocation may be based on grounds of non-compliance with formal or procedural requirements.

(d) No decision may be made by the Office departing from the request unless the person having made the request has had at least one opportunity to present his arguments on the grounds on which the Office intends to depart from the request.

(e) The Office may not revoke the patent, in whole or in part, at the request of a third party, unless the owner of the patent has had at least one opportunity to present his arguments on the grounds on which the Office intends to revoke the patent.

[Article 18, continued]

(2) [Prohibition of Pre-grant Opposition] (a) No Contracting Party may allow any party to oppose, before its Office, the grant of patents ("pre-grant opposition").

(b) Notwithstanding subparagraph (a), any Contracting Party which, at the time of becoming party to this Treaty, provides for the possibility of pre-grant opposition may, for a period not exceeding the expiration of the tenth calendar year after the year in which this Treaty was adopted, continue to do so and, for the same period, it shall not be obliged to apply paragraph (1).

(c) Any Contracting Party that wishes to avail itself of the faculty provided for in subparagraph (b) shall address a corresponding notification to the Director General. As long as the notification has effect, any reference in this Treaty or in the Regulations to the time when the application is in order for grant shall be replaced, with respect to that Contracting Party, by a reference to the time when the application is in order for publication for the purposes of pre-grant opposition.

Article 19

Rights Conferred by the Patent

Alternative A

Note: No article on the rights conferred by the patent.

Alternative B

(1) [Products] Where the subject matter of the patent concerns a product, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, at least the following acts:

(i) the making of the product,

(ii) the offering or the putting on the market of the product, the using of the product, or the importing or stocking of the product for such offering or putting on the market or for such use.

(2) [Processes] Where the subject matter of the patent concerns a process, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, at least the following acts:

(i) the using of the process,

(ii) in respect of any product directly resulting from the use of the process, any of the acts referred to in paragraph (1)(ii), even where a patent cannot be obtained for the said product.

[Article 19, Alternative B, continued]

(3) [Exceptions to Paragraphs (1) and (2)] (a) Notwithstanding paragraphs (1) and (2), any Contracting Party may provide that the owner of a patent has no right to prevent third parties from performing, without his authorization, the acts referred to in paragraphs (1) and (2) in the following circumstances:

(i) where the act concerns a product which has been put on the market by the owner of the patent, or with his express consent, insofar as such act is performed after that product has been so put on the market in the territory of that Contracting Party or, where the Contracting Party is a member of a group of States constituting a regional market, in the territory of one of the member States of such group;

(ii) where the act is done privately and on a non-commercial scale or for a non-commercial purpose, provided that it does not significantly prejudice the economic interests of the owner of the patent;

(iii) where the act consists of making or using exclusively for the purpose of experiments that relate to the subject matter of the patented invention [or for the purpose of seeking regulatory approval for marketing];

(iv) where the act consists of the preparation for individual cases, in a pharmacy or by a medical doctor, of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared.

[Article 19(3), Alternative B, continued]

(b) The provisions of paragraphs (1) and (2) shall not be interpreted as affecting the freedom that Contracting Parties have under the Paris Convention for the Protection of Industrial Property to allow, under certain circumstances, the performance of acts without the authorization of the owner of the patent.

(4) [Contributory Infringement] (a) Subject to subparagraph (b), a patent shall also confer on its owner [at least] the right to prevent a third party from supplying or offering to supply a person, other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for carrying out the invention, when the third party knows, or it is obvious in the circumstances, that those means are suitable and intended for carrying out that invention. This provision shall not apply when the means are staple commercial products and the circumstances of the supply of such products do not constitute inducement to infringe the patent.

(b) Persons performing the acts referred to in paragraph (3)(a)(ii), (iii) and (iv) shall not be considered to be parties entitled to exploit the invention within the meaning of subparagraph (a).

[Article 19, continued]

Alternative C

(1) [Products] Where the subject matter of the patent concerns a product, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, at least the following acts:

(i) the making of the product,

(ii) the offering for sale of the product, and the using of the product.

(2) [Processes] Where the subject matter of the patent concerns a process, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, the using of the process.

[Article 19, Alternative C, continued]

(3) [Exceptions to Paragraphs (1) and (2)] (a) Notwithstanding paragraphs (1) and (2), any Contracting State shall be free to provide that the owner of a patent has no right to prevent third parties from performing, without his authorization, the acts referred to in paragraphs (1) and (2) in the following circumstances:

(i) where the act concerns the offer for sale or the use of a product which has been offered for sale by the owner of the patent, or with his express consent, insofar as such an act is performed after the product has been so offered for sale in the territory of that Contracting State;

(ii) where the act is done privately and on a non-commercial scale;

(iii) where the act consists of making or using for exclusively experimental, academic or scientific research purposes;

(iv) where the act consists of the preparation for individual cases, in a pharmacy or by a medical doctor, of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared.

[Article 19(3), Alternative C, continued]

(b) The provisions of paragraphs (1) and (2) shall not be interpreted as affecting the freedom that Contracting States have under the Paris Convention for the Protection of Industrial Property, to allow, under certain circumstances, the performance of acts without the authorization of the owner of the patent.

(c) Persons performing the acts referred to in paragraph (3)(a)(ii), (iii) and (iv) shall not be considered to be parties entitled to exploit the invention within the meaning of subparagraph (a).

Article 20

Prior User

(1) [Right of Prior User]

Alternative A

Alternative B

Any Contracting Party may provide
that, notwithstanding Article 19,

Notwithstanding
Article 19,

a patent shall have no effect against any person (hereinafter referred to as "the prior user") who, in good faith, for the purposes of his enterprise or business, before the filing date or, where priority is claimed, the priority date of the application on which the patent is granted, and within the territory where the patent produces its effect, was using the invention or was making effective and serious preparations for such use; any such person shall have the right, for the purposes of his enterprise or business, to continue such use or to use the invention as envisaged in such preparations.

(2) [Successor-in-Title of the Prior User] The right of the prior user may only be transferred or devolve together with his enterprise or business, or with that part of his enterprise or business in which the use or preparations for use have been made.

Article 21

Extent of Protection and Interpretation of Claims

(1) [Determination of the Extent of Protection] (a) The extent of protection conferred by the patent shall be determined by the claims, which are to be interpreted in the light of the description and drawings.

(b) For the purposes of subparagraph (a), the claims shall be so interpreted as to combine fair protection for the owner of the patent with a reasonable degree of certainty for third parties. In particular, the claims shall not be interpreted as being confined to their strict literal wording. Neither shall the claims be considered as mere guidelines allowing that the protection conferred by the patent extends to what, from a consideration of the description and drawings by a person skilled in the art, the owner has contemplated, but has not claimed.

(2) [Equivalents] (a) Notwithstanding paragraph (1)(b), a claim shall be considered to cover not only all the elements as expressed in the claim but also equivalents.

[Article 21(2), continued]

(b) An element ("the equivalent element") shall generally be considered as being equivalent to an element as expressed in a claim if, at the time of any alleged infringement, either of the following conditions is fulfilled in regard to the invention as claimed:

(i) the equivalent element performs substantially the same function in substantially the same way and produces substantially the same result as the element as expressed in the claim, or

(ii) it is obvious to a person skilled in the art that the same result as that achieved by means of the element as expressed in the claim can be achieved by means of the equivalent element.

(c) Any Contracting Party shall be free to determine whether an element is equivalent to an element as expressed in a claim by reference to only the condition referred to in subparagraph (b)(i) or to only the condition referred to in subparagraph (b)(ii), provided that, at the time of depositing its instrument of ratification of or accession to this Treaty, it so notifies the Director General.

(3) [Prior Statements] In determining the extent of protection, due account shall be taken of any statement limiting the scope of the claims made by the applicant or the owner of the patent during procedures concerning the grant or the validity of the patent.

[Article 21, continued]

(4) [Examples] If the patent contains examples of the embodiment of the invention or examples of the functions or results of the invention, the claims shall not be interpreted as limited to those examples; in particular, the mere fact that a product or process includes additional features not found in the examples disclosed in the patent, lacks features found in such examples or does not achieve every objective or possess every advantage cited or inherent in such examples shall not remove the product or process from the extent of protection conferred by the claims.

(5) [Abstract] The abstract of a patent shall not be taken into account for the purpose of determining the protection conferred by the patent.

Article 22
Term of Patents

Alternative A

Note: No article on the term of patents.

Alternative B

(1) [Minimum Duration of Protection] The term of a patent shall be at least 20 years.

(2) [Starting Date of Term] (a) The starting date of the term of a patent shall be the filing date of the application on which the patent is granted, whether or not the application claims the priority of another application.

(b) Notwithstanding subparagraph (a), where an application ("the subsequent application") invokes one or more earlier applications without claiming the priority of any of those earlier applications, the starting date of the term of the patent granted on the subsequent application shall be the filing date of the earliest-filed application invoked in the subsequent application.

Article 23

Enforcement of Rights

(1) [Enforcement Based on Patents] The owner of the patent shall have at least the right

(i) to obtain an injunction to restrain the performance or the likely performance, by any person without his authorization, of any of the acts referred to in Article 19(1), (2) and (4);

(ii) to obtain damages, adequate under the circumstances, from any person who, without his authorization, performed any of the acts referred to in Article 19(1), (2) and (4), where the said person was or should have been aware of the patent.

(2) [Enforcement Based on Published Applications] (a) The applicant shall at least have the right to obtain reasonable compensation from any person who, without his authorization, performed any of the acts referred to in Article 19(1), (2) and (4) in relation to any invention, claimed in the published application, as if a patent had been granted for that invention, provided that the said person, at the time of the performance of the act, had

(i) actual knowledge that the invention that he was using was the subject matter of a published application, or

(ii) received written notice that the invention that he was using was the subject matter of a published application, such application being identified in the said notice by its serial number.

[Article 23(2), continued]

(b) Any Contracting Party may provide that, with respect to the compensation referred to in subparagraph (a), an action may not be initiated or a decision may not be made until after the grant of a patent on the published application, provided that, if an action may be initiated only after the grant of the patent, the owner of the patent shall have reasonable time to initiate such action.

(c) For the purposes of subparagraphs (a) and (b), the extent of the protection shall be determined by the claims as appearing in the published application. However, if the claims are amended after the initial publication of the application, the extent of the protection shall be determined by the amended claims in respect of the period following their publication. Furthermore, if the claims of the patent as granted or as changed after its grant have a narrower scope than the claims in the application, the extent of the protection shall be determined by the claims with the narrower scope.

Article 24

Reversal of Burden of Proof

Alternative A

Note: No article on the reversal of the burden of proof.

Alternative B

(1) [Conditions for the Reversal of the Burden of Proof] (a) For the purposes of proceedings, other than criminal proceedings, in respect of the violation of the rights of the owner of the patent referred to in Article 19(2), where the subject matter of the patent is a process for obtaining a product, the burden of establishing that a product was not made by the process shall be on the alleged infringer if either of the following conditions is fulfilled:

(i) the product is new, or

(ii) a substantial likelihood exists that the product was made by the process and the owner of the patent has been unable through reasonable efforts to determine the process actually used.

(b) Any Contracting Party shall be free to provide that the burden of proof indicated in subparagraph (a) shall be on the alleged infringer only if the condition referred to in subparagraph (a)(i) is fulfilled or only if the condition referred to in subparagraph (a)(ii) is fulfilled, provided that, at the time of depositing its instrument of ratification of or accession to this Treaty, it so notifies the Director General.

[Article 24, Alternative B, continued]

(2) [Manufacturing and Business Secrets] In requiring the production of evidence, the authority before which the proceedings referred to in paragraph (1) take place shall take into account the legitimate interests of the alleged infringer in not disclosing his manufacturing and business secrets.

Article 25

Obligations of the Right Holder

Alternative A

Note: No article on obligations of the right holder.

Alternative B

(1) The owner of a patent shall have at least the following obligations in addition to any other provided for in this Treaty:

(i) to disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art; the description shall set forth at least one mode for carrying out the invention claimed; this shall be done in terms of examples, where appropriate, and with reference to the drawings, if any; however, any Contracting Party may provide that the description set forth the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, priority date of the application;

(ii) to provide such information and supporting documents in his possession as is requested by the competent Office concerning corresponding foreign applications and grants;

(iii) to work the patented invention in the territory of the Contracting State for which it is granted within the time limits as provided by national law;

[Article 25(1), Alternative B, continued]

(iv) to pay, or cause to be paid, such fees as prescribed by national law in relation to the application and the maintenance of the patent granted on it;

(v) in respect of license contracts and contracts assigning patents, to refrain from engaging in abusive, restrictive or anticompetitive practices adversely affecting the transfer of technology.

(2) The applicant or holder of a patent shall comply with any other obligations established in the national law of the State in which the patent was granted in connection with the acquisition and the exercise of the rights conferred by the patent and with the exploitation of the patented invention.

Article 26

Remedial Measures Under National Legislation

Alternative A

Note: No article on remedial measures under national legislation.

Alternative B

(1) Any Contracting State is free to provide appropriate measures to ensure compliance with the obligations referred to in the Article entitled "Obligations of the Right Holder," and for measures to remedy non-compliance with such obligations, including the grant of non-voluntary licenses and the revocation or forfeiture of the patent.

(2) A non-voluntary license under paragraph (1) shall be refused if the owner of the patent proves, to the satisfaction of the national authorities competent to grant non-voluntary licenses, that there are circumstances which justify the non-working or insufficient working of the patented invention.

(3) Any Contracting State is free to provide, at any time, on grounds of public interest, national security, nutrition, health, or the development of other vital sectors of national economy, for the grant of non-voluntary licenses or for the exploitation of the patented invention by the government of that country or by third persons authorized by it.

Article 27

Assembly

(1) [Composition] (a) The Union shall have an Assembly consisting of the Contracting Parties.

(b) Each Contracting Party shall be represented by one delegate, who may be assisted by alternate delegates, advisors and experts.

(c) The Union shall not bear the expenses of the participation of any delegation in any session of the Assembly.

(2) [Tasks] (a) The Assembly shall:

(i) deal with all matters concerning the maintenance and development of the Union and the implementation of this Treaty;

(ii) modify, where it considers it desirable, any time limit provided for in Articles 3 to 26 of this Treaty and make any consequential amendments necessitated by any such modification; the adoption of any such modification shall require unanimous consent;

(iii) adopt, where it considers it desirable, guidelines for the implementation of provisions of this Treaty or the Regulations under this Treaty;

(iv) exercise such rights and perform such tasks as are specifically conferred upon it or assigned to it under this Treaty;

[Article 27(2)(a), continued]

(v) give directions to the Director General concerning the preparations for any conference referred to in Article 31 or Article 32 and decide the convocation of any such conference;

(vi) review and approve the reports and activities of the Director General concerning the Union, and give him all necessary instructions concerning matters within the competence of the Union;

(vii) establish such committees and working groups as it deems appropriate to achieve the objectives of the Union;

(viii) determine which States and intergovernmental organizations, other than Contracting Parties, and which non-governmental organizations shall be admitted to its meetings as observers;

(ix) take any other appropriate action designed to further the objectives of the Union and perform such other functions as are appropriate under this Treaty.

(b) With respect to matters which are of interest also to other Unions administered by the Organization, the Assembly shall make its decisions after having heard the advice of the Coordination Committee of the Organization.

(3) [Representation] A delegate may represent one Contracting Party only.

[Article 27, continued]

(4) [Voting] (a) Subject to subparagraph (e), each Contracting Party that is a State shall have one vote and shall vote only in its own name.

(b) Any intergovernmental organization referred to in Article 33(1)(ii) that is a Contracting Party may exercise the right to vote of its member States that are Contracting Parties, [whether] present [or absent] at the time of voting. The intergovernmental organization may not, in a given vote, exercise the right to vote if any of its member States participates in the vote or expressly abstains.

(c) Provided that all its member States that are Contracting Parties have notified the Director General that their right to vote may be exercised by it, any intergovernmental organization referred to in Article 33(1)(iii) that is a Contracting Party may so exercise the right to vote of its member States that are Contracting Parties, [whether] present [or absent] at the time of voting. The intergovernmental organization may not, in a given vote, exercise the right to vote of any of its member States if any of them participates in the vote or expressly abstains.

(d) The right to vote of a State that is a Contracting Party may not, in a given vote, be exercised by more than one intergovernmental organization.

(e) No Contracting Party shall have the right to vote on questions concerning matters in respect of which it has made a declaration under Article 35.

[Article 27, continued] .

(5) [Quorum] (a) One-half of the Contracting Parties that have the right to vote shall constitute a quorum, provided that, for the purposes of determining whether there is a quorum in respect of any question concerning any matter on which a declaration under Article 35 has been made, any Contracting Party not having the right to vote on that question shall not be counted.

(b) In the absence of the quorum, the Assembly may make decisions but, with the exception of decisions concerning its own procedure, all such decisions shall take effect only if the quorum and the required majority are attained through voting by correspondence.

(6) [Majorities] (a) Subject to paragraphs (2)(a)(ii) and (9)(b) of this Article and to Articles 29(2) and (3) and 30(4), the decisions of the Assembly shall require a majority of the votes cast.

(b) Abstentions shall not be considered as votes.

(7) [Sessions] (a) The Assembly shall meet once in every second calendar year in ordinary session upon convocation by the Director General and, in the absence of exceptional circumstances, during the same period and at the same place as the General Assembly of the Organization.

(b) The Assembly shall meet in extraordinary session upon convocation by the Director General, either at the request of one-fourth of the Contracting Parties or on the Director General's own initiative.

[Article 27, continued]

(8) [Rules of Procedure] The Assembly shall adopt its own rules of procedure.

(9) [Guidelines] (a) In the case of conflict between the guidelines referred to in paragraph (2)(a)(iii) and the provisions of this Treaty or the Regulations, the latter shall prevail.

(b) The adoption by the Assembly of the said guidelines shall require three-fourths of the votes cast.

Article 28

International Bureau

(1) [Tasks] The International Bureau of the Organization shall: .

(i) perform the administrative tasks concerning the Union, as well as any tasks specifically assigned to it by the Assembly;

(ii) provide the secretariat of the conferences referred to in Articles 31 and 32, of the Assembly, of the committees and working groups established by the Assembly, and of any other meeting convened by the Director General under the aegis of the Union.

(2) [Director General] The Director General shall be the chief executive of the Union and shall represent the Union.

(3) [Meetings Other than Sessions of the Assembly] The Director General shall convene any committee and working group established by the Assembly and all other meetings dealing with matters of concern to the Union.

(4) [Role of the International Bureau in the Assembly and Other Meetings] (a) The Director General and any staff member designated by him shall participate, without the right to vote, in all meetings of the Assembly, the committees and working groups established by the Assembly, and any other meetings convened by the Director General under the aegis of the Union.

[Article 28(4), continued]

(b) The Director General or a staff member designated by him shall be ex officio secretary of the Assembly, and of the committees, working groups and other meetings referred to in subparagraph (a).

(5) [Conferences] (a) The Director General shall, in accordance with the directions of the Assembly, make the preparations for any conference referred to in Article 31 or Article 32.

(b) The Director General may consult with intergovernmental and international and national non-governmental organizations concerning the said Preparations.

(c) The Director General and staff members designated by him shall take part, without the right to vote, in the discussions at any conference referred to in subparagraph (a).

(d) The Director General or a staff member designated by him shall be ex officio secretary of any conference referred to in subparagraph (a).

Article 29

Regulations

(1) [Content] The Regulations annexed to this Treaty provide rules concerning

(i) matters which this Treaty expressly provides are to be "prescribed";

(ii) any details useful in the implementation of the provisions of this Treaty;

(iii) any administrative requirements, matters or procedures.

(2) [Amending the Regulations] (a) The Assembly may amend the Regulations and shall determine the conditions for the entry into force of each amendment.

(b) Subject to paragraph (3), any amendment of the Regulations shall require three-fourths of the votes cast.

[Article 29, continued]

(3) [Requirement of Unanimity] (a) The Regulations may specify rules which may be amended only by unanimous consent.

(b) Exclusion, for the future, of any rule designated as requiring unanimous consent for amendment from such requirement shall require unanimous consent.

(c) Inclusion, for the future, of the requirement of unanimous consent for the amendment of any rule shall require unanimous consent.

(4) [Conflict Between the Treaty and the Regulations] In the case of conflict between the provisions of this Treaty and those of the Regulations, the former shall prevail.

Article 30

Settlement of Disputes

(1) [Consultations] (a) Where any dispute arises concerning the interpretation or implementation of this Treaty, a Contracting Party may bring the matter to the attention of another Contracting Party and request the latter to enter into consultations with it.

(b) The Contracting Party so requested shall provide, within the prescribed time limit, an adequate opportunity for the requested consultations.

(c) The Contracting Parties engaged in consultations shall attempt to reach, within a reasonable period of time, a mutually satisfactory solution of the dispute.

(2) [Other Means of Settlement] If a mutually satisfactory solution is not reached within a reasonable period of time through the consultations referred to in paragraph (1), the parties to the dispute may agree to resort to other means designed to lead to an amicable settlement of their dispute, such as good offices, conciliation, mediation and arbitration.

[Article 30, continued]

(3) [Panel] (a) The Assembly shall adopt rules for the establishment of a body of experts, any candidate having to be presented by a Contracting Party. It shall adopt rules concerning the manner of selecting the members of each panel, each panel having three members, none of which shall, unless the parties to the dispute agree otherwise, be from either party to the dispute. The Assembly shall also adopt rules for the conduct of the panel proceedings, including provisions to safeguard the confidentiality of the proceedings and of any material designated as confidential by any participant in the proceedings. Each panel shall give full opportunity to the parties to the dispute and any other interested Contracting Parties to present to it their views.

(b) If the dispute is not satisfactorily settled through the consultations referred to in paragraph (1), or if the means referred to in paragraph (2) are not resorted to, or do not lead to an amicable settlement within a reasonable period of time, the Director General, at the written request of either of the parties to the dispute, shall appoint members of a panel to examine the matter.

(c) The terms of reference of the panel shall be agreed upon by the parties to the dispute. However, if such agreement is not achieved within the prescribed time limit, the Director General shall set the terms of reference of the panel after having consulted the parties to the dispute and the members of the panel.

[Article 30(3), continued]

(d) If both parties to the dispute so request, the panel shall stop its proceedings.

(e) Unless the parties to the dispute reach an agreement between themselves prior to the panel's concluding its proceedings, the panel shall promptly prepare the draft of a written report containing a statement of the facts of the case and containing recommendations for the resolution of the dispute and provide it to the parties to the dispute for their review. The parties to the dispute shall have a reasonable period of time, the length of which shall be fixed by the panel, to submit any comments on the report to the panel, unless they agree to a longer time in their attempts to reach a mutually satisfactory resolution to their dispute.

(f) The panel shall take into account the comments and shall promptly transmit its final report to the Assembly, which report shall be accompanied by the written comments, if any, of the parties to the dispute.

(4) [Recommendation by the Assembly] The Assembly shall give the report of the panel prompt consideration. The Assembly shall make recommendations to the parties to the dispute, based upon its interpretation of this Treaty and the report of the panel. Any recommendation by the Assembly shall require consensus among the members of the Assembly other than the parties to the dispute.

Article 31

Revision of the Treaty

This Treaty may be revised by a conference of the Contracting Parties.

Article 32

Protocols

For the purposes of further developing the harmonization of patent law, protocols may be adopted by a conference of the Contracting Parties, provided that the provisions of any such protocol shall not contravene the provisions of this Treaty. Only Contracting Parties may become party to any such protocol.

Article 33

Becoming Party to the Treaty

(1) [Eligibility] The following may become party to this Treaty:

(i) any State which is a party to the Paris Convention for the Protection of Industrial Property and in respect of which patents may be obtained either through the State's own Office or through the Office of another Contracting Party;

(ii) any intergovernmental organization which is competent in matters governed by this Treaty and which has established, on such matters, norms that are binding on all its member States, provided that all those States are party to the Paris Convention for the Protection of Industrial Property;

(iii) any intergovernmental organization which maintains an Office granting patents with effect in more than one State, provided that all of its member States are party to the Paris Convention for the Protection of Industrial Property.

(2) [Signature; Deposit of Instrument] To become party to this Treaty, the State or the intergovernmental organization shall:

(i) sign this Treaty and deposit an instrument of ratification, or

(ii) deposit an instrument of accession.

[Article 33, continued]

(3) [Condition as to Effect of Instrument] (a) Any instrument of ratification or accession (hereinafter referred to as "instrument") may be accompanied by a declaration making it a condition to its being considered as deposited that the instrument of one State or one intergovernmental organization, or the instruments of two States, or the instruments of one State and one intergovernmental organization, specified by name and eligible to become party to this Treaty according to paragraph (1)(i) or (iii), is or are also deposited. The instrument containing such a declaration shall be considered to have been deposited on the day on which the condition indicated in the declaration is fulfilled. However, when the deposit of an instrument specified in the declaration is, itself, accompanied by a declaration of the said kind, that instrument shall be considered as deposited on the day on which the condition specified in the latter declaration is fulfilled.

(b) Any declaration made under paragraph (a) may be withdrawn, in its entirety or in part, at any time. Any such withdrawal shall become effective on the date on which the notification of withdrawal is received by the Director General.

Article 34

Effective Date of Ratifications and Accessions

(1) [Entry Into Force of the Treaty] This Treaty shall enter into force three months after eight States or intergovernmental organizations have deposited their instruments of ratification or accession.

(2) [Ratifications and Accessions Subsequent to the Entry Into Force of the Treaty] Any State or intergovernmental organization not covered by paragraph (1) shall become bound by this Treaty three months after the date on which it has deposited its instrument of ratification or accession, unless a later date has been indicated in the instrument. In the latter case, the said State or intergovernmental organization shall become bound by this Treaty on the date thus indicated.

Article 35
Reservations

Alternative A

Note: No article on reservations.

Alternative B

(1) [Possibility of Making Reservations] (a) Any instrument of ratification of, or accession to, this Treaty that is deposited not later than the end of the eighth calendar year after the year in which this Treaty has been adopted may be accompanied by a declaration making reservations to this Treaty as provided for in paragraphs (2) to (5).

(b) No reservations to this Treaty other than the reservations allowed under paragraphs (2) to (5) are permitted.

(2) [Fields of Technology] (a) Any State or intergovernmental organization may declare that, notwithstanding the provisions of Article 10, patents will not be granted by the competent Office in the fields of technology specified in its declaration, provided that such a declaration may only specify those fields of technology which, at the time of making the declaration, are fields for which that State or intergovernmental organization provides for the exclusion of the grant of patents.

[Article 35(2), Alternative B, continued]

(b) Any declaration made under subparagraph (a) by a developing country or by an intergovernmental organization all the members of which are developing countries shall lose its effect at the end of the fifteenth calendar year after the year in which this Treaty has been adopted. Any declaration made under subparagraph (a) by any other State or intergovernmental organization shall lose its effect at the end of the tenth calendar year after the year in which this Treaty has been adopted.

(3) [Certain Rights Conferred by Process Patents] (a) Any State which is a developing country or any intergovernmental organization all the members of which are developing countries and which, at the time of making the declaration, does not provide for the right referred to in Article 19(2)(ii) may declare that it will not apply that provision.

(b) Any declaration made under subparagraph (a) shall lose its effect at the end of the fifteenth calendar year after the year in which the Treaty has been adopted.

(4) [Term of Patent] (a) Any State or intergovernmental organization which, at the time of making the declaration, provides for a term of the patent other than that referred to in Article 22 may declare that it will not apply that provision.

[Article 35(4), Alternative B, continued]

(b) Any declaration made under subparagraph (a) by a developing country or by an intergovernmental organization all the members of which are developing countries shall lose its effect at the end of the fifteenth calendar year after the year in which the Treaty has been adopted. Any declaration made under subparagraph (a) by any other State or intergovernmental organization shall lose its effect at the end of the tenth calendar year after the year in which the Treaty has been adopted.

(5) [Reversal of Burden of Proof] (a) Any State which is a developing country or any intergovernmental organization all the members of which are developing countries and which, at the time of making the declaration, does not provide for the reversal of the burden of proof referred to in Article 24 may declare that it will not apply that provision.

(b) Any declaration made under subparagraph (a) shall lose its effect at the end of the fifteenth calendar year after the year in which the Treaty has been adopted.

Article 36

Special Notifications

(1) [States] (a) Any State in respect of which patents may be obtained only through the Office of another Contracting Party shall notify this fact and shall identify such Contracting Party.

(b) Any change in the fact notified by a State under subparagraph (a) shall be promptly notified by such State.

(2) [Intergovernmental Organizations Referred to in Article 33(1)(ii)] (a) Any intergovernmental organization referred to in Article 33(1)(ii) shall notify the list of its member States and, if its norms deal with only some of the matters covered by Articles 3 to 26, shall notify this fact and shall, among the provisions of the said Articles, identify those provisions with which its norms deal. The other provisions of the said Articles shall not bind the intergovernmental organization.

(b) If the norms of any intergovernmental organization referred to in subparagraph (a) later deal with any matter covered by Articles 3 to 26 concerning which the intergovernmental organization has not made a notification under subparagraph (a), the intergovernmental organization shall be bound by the corresponding provisions of this Treaty and shall promptly notify the relevant changes in its norms.

[Article 36, continued].

(3) [Intergovernmental Organizations Referred to in Article 33(1)(iii)] (a) Any intergovernmental organization referred to in Article 33(1)(iii) shall notify the list of its member States and, if its norms do not deal with any of the matters covered by Articles 19 to 26, shall notify this fact and shall, among the provisions of the said Articles, identify those provisions with which its norms do not deal. The latter provisions shall not bind the intergovernmental organization.

(b) If the norms of any intergovernmental organization referred to in subparagraph (a) later deal with any matter concerning which the intergovernmental organization has made a notification under subparagraph (a), the intergovernmental organization shall be bound by the corresponding provisions of this Treaty and shall promptly notify the relevant changes in its norms.

(4) [Time of Notification] (a) Any notification under paragraphs (1)(a), (2)(a) or (3)(a) shall accompany the instrument of ratification or accession.

(b) Any change under paragraphs (1)(b), (2)(b) or (3)(b) shall be notified promptly in a declaration addressed to the Director General.

Article 37

Denunciation of the Treaty

(1) [Notification] Any Contracting Party may denounce this Treaty by notification addressed to the Director General.

(2) [Effective Date] Denunciation shall take effect one year from the date on which the Director General has received the notification. It shall not affect the application of this Treaty to any application pending or any patent in force in respect of the denouncing Contracting Party at the time of the expiration of the said one-year period.

Article 38

Languages of the Treaty; Signature

(1) [Original Texts; Official Texts] (a) This Treaty shall be signed in a single original in the English, Arabic, Chinese, French, Russian and Spanish languages, all texts being equally authentic.

(b) Official texts shall be established by the Director General, after consultation with the interested Governments, in such other languages as the Assembly may designate.

(2) [Time Limit for Signature] This Treaty shall remain open for signature at the headquarters of the Organization for one year after its adoption.

Article 39

Depositary

The Director General shall be the depositary of this Treaty.

DRAFT REGULATIONS
UNDER THE TREATY SUPPLEMENTING THE PARIS CONVENTION FOR THE
PROTECTION OF INDUSTRIAL PROPERTY AS FAR AS PATENTS ARE CONCERNED
(PATENT LAW TREATY)

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Rule 1

Definitions
(ad Article 2)

(1) ["Treaty"; "Article"] (a) In these Regulations, the word "Treaty" means the Treaty Supplementing the Paris Convention for the Protection of Industrial Property as far as Patents Are Concerned (Patent Law Treaty).

(b) In these Regulations, the word "Article" refers to the specified Article of the Treaty.

(2) [Expressions Defined in the Treaty] The expressions defined in Article 2 for the purposes of the Treaty shall have the same meaning for the purposes of these Regulations.

[Rule 1, continued]

(3) Means of Publication For the purposes of Article 2(viii), an application, a search report, a patent or any change in a patent shall be deemed to be "accessible to the public" if any person so wishing, against payment or free of charge, can

(i) obtain from the Office paper copies of the application, the search report, the patent or the document reflecting the change,

(ii) inspect, at the Office, the application, the search report, the patent or the document reflecting the change and, on request, obtain from the Office paper copies thereof, or

(iii) take cognizance, by means of electronic communication, of the application, the search report, the patent or the change and make, if he so wishes, paper copies thereof.

Rule 2

Contents and Order of Description
(ad Article 3(2)).

(1) [Contents of Description] The description shall, after stating the title of the invention,

(i) specify the technical field or fields to which the invention relates;

(ii) indicate the background art which, as far as known to the applicant, can be regarded as useful for the understanding, searching and examination of the invention, and, preferably, cite the documents reflecting such background art;

(iii) describe the invention, as claimed, in such terms that the technical problem (even if not expressly stated as such) and its solution can be understood, and state the advantageous effects, if any, of the invention with reference to the background art;

(iv) where a deposit of biologically reproducible material is required under Article 3(1)(b), indicate the fact that the deposit has been made and identify at least the name and address of the depositary institution, the date of the deposit and the accession number given to the deposit by that institution, as well as describe, to the extent possible, the nature and the characteristics of such material, relevant to the requirement of disclosure of the invention;

[Rule 2(1), continued]

(v) briefly describe the figures in the drawings, if any;

(vi) set forth at least one mode for carrying out the invention claimed; this shall be done in terms of examples, where appropriate, and with reference to the drawings, if any; however, any Contracting Party may provide that the description set forth the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, priority date of the application;

(vii) indicate explicitly, when it is not otherwise obvious from the description or nature of the invention, the way or ways in which the invention satisfies the requirement of being useful or industrially applicable.

Alternative A

(2) [Manner and Order of Presentation of Contents] (a) The contents of the description shall be presented in the order specified in paragraph (1), unless, because of the nature of the invention, a different order would afford a better understanding or a more economical presentation.

Alternative B

(2) [Manner and Order of Presentation of Contents] The contents of the description shall be presented in the manner and order specified in paragraph (1), unless, because of the nature of the invention, a different manner or a different order would afford a better understanding or a more economical presentation.

[Rule 2(2), Alternative A, continued]

(b) Any Contracting Party may accept a description which does not contain the matters specified in paragraph (1)(i), (ii) and (v), or which contains, in lieu of the matter specified in paragraph (1)(iii), a description of the invention in any terms that satisfy the requirement of a disclosure of the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art.

(3) [Nucleotides and Amino Acid Sequences] Any Contracting Party may, where the application contains disclosure of a nucleotide or amino acid sequence, provide for special requirements concerning the place, mode and format of such disclosure.

Rule 3

Manner of Claiming
(ad Article 4(5))

(1) [Consecutive Numbering] Where the application contains several claims, they shall be numbered consecutively in arabic numerals.

(2) [Method of Definition of Invention] The definition of the matter for which protection is sought shall be in terms of the technical features of the invention.

(3) [Form of Claim] Claims shall be written either

(i) in two parts, the first part consisting of a statement indicating those technical features of the invention which are necessary in connection with the definition of the claimed subject matter and which, in combination, appear to be part of the prior art, the second part ("the characterizing portion"), introduced by the words "characterized in that," "characterized by," "wherein the improvement comprises," or other words to the same effect, consisting of a statement indicating those technical features which, in combination with the features stated in the first part, define the matter for which protection is sought; or

(ii) in a single statement containing a recitation of a combination of several elements or steps, or a single element or step, which defines the matter for which protection is sought.

[Rule 3, continued]

(4) [References in the Claims to the Description and Drawings] (a)

No claim may contain, in respect of the technical features of the invention, a reference to the description or any drawings, for example, such references as: "as described in part ... of the description," or "as illustrated in figure ... of the drawings," unless such a reference is necessary for the understanding of the claim or enhances the clarity or the conciseness of the claim.

(b) No claim may contain any drawing or graph. Any claim may contain tables and chemical or mathematical formulas.

(c) Where the application contains a drawing, the mention of any technical feature in a claim may, if the intelligibility of that claim can thereby be enhanced, include a reference sign to that drawing or to the applicable part of that drawing; such a reference sign shall be placed between square brackets or parentheses; it shall not be construed as limiting the claim.

(5) [Dependent and Multiple Dependent Claims] (a) Any claim which includes all the features of another claim of the same category or several other claims of the same category (hereinafter referred to as "dependent claim" and "multiple dependent claim," respectively) shall, preferably in the beginning, refer to the other claim or the other claims, as the case may be, by indicating the number of the other claim or the numbers of the other claims and shall then state those features claimed that are additional to the features claimed in the other claim or the other claims.

[Rule 3(5), continued]

(b) A dependent claim may depend on another dependent claim or on a multiple dependent claim. A multiple dependent claim may depend on a dependent claim or another multiple dependent claim. Multiple dependent claims may refer in the alternative or in the cumulative to the claims on which they depend.

(c) All dependent claims referring back to the same claim, and all multiple dependent claims referring back to the same claims, shall be grouped together in the most practical way possible.

Rule 4

Details Concerning the Requirement
of Unity of Invention
(ad Article 5(1))

(1) [Circumstances in Which the Requirement of Unity of Invention Is to Be Considered Fulfilled] Where a group of inventions is claimed, the requirement of unity of invention shall be fulfilled only when there is a technical relationship among those inventions involving one or more of the same or corresponding special technical features. The expression "special technical features" shall mean those technical features that define a contribution which each of those inventions, considered as a whole, makes over the prior art.

(2) [Determination of Unity of Invention Not Affected by Manner of Claiming] The determination whether a group of inventions is so linked as to form a single general inventive concept shall be made without regard to whether the inventions are claimed in separate claims or as alternatives within a single claim.

Rule 5

Divisional Applications
(ad Article 5(1))

(1) [Time Limit] (a) The applicant may file one or more divisional applications at any time up to at least the time when the initial application is in order for grant.

(b) Notwithstanding subparagraph (a), any Contracting Party which establishes a time limit for compliance by the applicant with all requirements for the grant of a patent may provide that no divisional application may be filed during the six months preceding the expiration of that time limit.

(2) [Priority Documents] Priority documents and any translations thereof that are submitted to the Office in respect of the initial application shall be considered as having been submitted also in respect of the divisional application or applications.

Rule 6

Manner of Identification and Mention of Inventor
(ad Article 6)

(1) [Manner of Identification and Mention] (a) The identification of the inventor referred to in Article 6(1)(a) shall consist of the indication of the inventor's name and address.

(b) The mention of the inventor referred to in Article 6(2) shall consist of at least the indication of the inventor's name.

(2) [Procedure in Case of Non-Compliance with Requirements] (a) If the application and the documents accompanying it do not comply with the requirements provided for under Article 6(1)(a) and, where applicable, Article 6(3), the Office shall invite the applicant to comply with the said requirements within a reasonable time limit.

(b) The application may not be rejected for failure to comply with the said requirements where such an invitation has not been extended to the applicant.

(3) [Corrections] The applicant may correct, at any time, the identification of the inventor given in accordance with Article 6(1)(a). Any Contracting Party may require the consent of any previously identified inventor before accepting such a correction.

Rule 7

Details Concerning the Filing Date Requirements
(ad Article 8)

(1) [Time Limits] (a) The time limit referred to in Article 8(2)(a) shall be at least two months from the date on which the elements referred to in Article 8(1) have been received by the Office.

(b) The time limit referred to in Article 8(4) shall be at least two months from the date on which the application containing the reference to the previously filed application has been received by the Office.

(c) The time limit referred to in Article 8(5)(b) shall be at least two months from the date on which the item requiring translation has been received by the Office.

(2) [Procedure in Case of Non-Compliance with Requirements] If the application does not, at the time of its receipt by the Office, comply with any of the requirements of Article 8(1) or the applicable requirements, if any, of Article 8(2)(a), Article 8(4) or Article 8(5)(b) that the application must satisfy either on receipt or within the time limit applicable under paragraph (1), the Office shall promptly invite the applicant to comply with such requirement within a time limit fixed in the invitation, which time limit shall be at least one month from the date of the invitation or, where the non-compliance relates to a matter for which a time limit for compliance is established by paragraph (1), the time limit referred to in paragraph (1), whichever expires later. Compliance with the invitation may be subject to the payment of a special fee. Failure to send an invitation shall not alter the said requirements.

[Rule 7, continued]

(3) [Filing Date in Case of Correction] If, within the time limit fixed in the invitation referred to in paragraph (2), the applicant complies with the invitation and pays the required special fee, if any, the filing date shall be the date on which the elements referred to in Article 8(1) have been received by the Office. Otherwise, the application shall be treated as if it had not been filed.

(4) [Date of Receipt] Each Contracting Party shall be free to determine the circumstances in which the receipt of a document by a branch or sub-office of an Office, by a national Office on behalf of an intergovernmental organization having the power to grant regional patents, or by an official postal service, shall be deemed to constitute receipt of the document by the Office concerned.

(5) [Correction of Translations] Any translation of the parts of the application, or of the text matter, referred to in Article 8(5)(b) and (c) may be corrected at any time up to the time when the application is in order for grant in order to conform to the wording of those parts or that text matter furnished in a language other than the official language.

Rule 8

Announcement in the Gazette of the
Publication of an Application
(ad Article 15(1))

The publication of an application shall be announced in the official gazette with an indication of at least the following data:

- (i) the name of the applicant,
- (ii) the title of the invention,
- (iii) the filing date and the serial number of the application,
- (iv) where priority is claimed, the filing date and the serial number of the application the priority of which is claimed and the name of the Office with which that application was filed,
- (v) if available, the symbols of the International Patent Classification.

Rule 9

Announcement in the Gazette of the
Publication of a Change in a Patent
(ad Article 17(5))

The publication of a change in a patent shall be announced in the official gazette with an indication of at least the following data:

- (i) the name of the owner of the patent,
- (ii) the serial number of the patent,
- (iii) the date of the change,
- (iv) the nature of the change.

Rule 10

Announcement in the Gazette of the
Grant of a Patent
(ad Article 18(1)(b)).

The grant of a patent shall be announced in the official gazette with an indication of at least the following data:

- (i) the name of the owner of the patent,
- (ii) the title of the invention,
- (iii) the filing date and the serial number of the application,
- (iv) where priority is claimed, the filing date and the serial number of the application the priority of which is claimed and the name of the Office with which that application was filed,
- (v) the serial number of the patent,
- (vi) if available, the symbols of the International Patent Classification.

Rule 11

Absence of Quorum in the Assembly
(ad Article 27)

In the case provided for in Article 27(5)(b), the International Bureau shall communicate the decisions of the Assembly (other than those concerning the Assembly's own procedure) to the Contracting Parties having the right to vote which were not represented and shall invite them to express in writing their vote or abstention within a period of three months from the date of the communication. If, at the expiration of that period, the number of Contracting Parties having thus expressed their vote or abstentions attains the number of Contracting Parties which was lacking for attaining the quorum in the session itself, such decisions shall take effect provided that at the same time the required majority still obtains.

Rule 12

Requirement of Unanimity for Amending Certain Rules
(ad Article 29(3))

Amendment of Rule 2(1)(vi) or Rule 3(3) of these Regulations shall require that no Contracting Party having the right to vote in the Assembly vote against the proposed amendment.

Rule 13

Settlement of Disputes
(ad Article 30)

(1) [Time Limit for Consultations] The time limit referred to in Article 30(1)(b) shall be two months from the date of the request to enter into consultations.

(2) [Time Limit for Reaching Agreement on the Terms of Reference of the Panel] The time limit referred to in Article 30(3)(c) shall be three months from the date on which the Director General appointed the members of the panel.

[End of document]



CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



WORLD
INTELLECTUAL PROPERTY
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NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

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RECENT DEVELOPMENTS IN INTERNATIONAL COOPERATION
IN THE FIELD OF INDUSTRIAL PROPERTY:
HARMONIZATION OF LEGISLATION ON MARKS

Document prepared by the International Bureau of WIPO

INTRODUCTION

1. The international harmonization of legislation on marks started, to some extent, more than a hundred years ago with the adoption of the Paris Convention for the Protection of Industrial Property. While stressing the independence of the national systems for the protection of marks and the territorial limitations of the rights granted under those national systems, the Paris Convention nevertheless contains some basic provisions, for example the principle of national treatment and the right of priority, which concern, inter alia, the acquisition of rights in marks. The Paris Convention also contains provisions dealing with specific matters which in turn are taken up in the national laws on marks of the member countries of the Paris Union. That is the case in connexion with the provisions of the Paris Convention relating, for example, to the protection of well-known marks, the prohibition to register marks consisting of State emblems, official hallmarks and emblems of intergovernmental organizations, the limitations relating to the cancellation of a registration on grounds of failure to use a mark, the recognition and protection of service marks and collective marks, and the limits on the grounds for refusal of a mark already registered in a country of the Union. These provisions have developed over the years through the various revisions of the Convention, but they still cover only some aspects of the protection of marks.

2. Examples of regional agreements which have achieved a degree of harmonization of the substantive or procedural law on marks, or have established systems to cooperate in the procedure for the registration of marks, can be found in Africa, Europe and the Americas. In Africa, the Agreement on the Establishment of an African Intellectual Property Organization (OAPI) was concluded in Libreville, in 1962, and revised in Bangui, in 1967. It provides, inter alia, for the centralized registration of marks with effect in 14 countries, and the unified application of substantive law on marks in those countries.

3. In the Americas, three examples may be mentioned. The General Inter-American Convention for Trademarks and Commercial Protection, signed in Washington, in 1929, was modelled on the Paris Convention and provides for a number of rights to facilitate the recognition and protection of trademarks and trade names in the member countries. In Central America, the Central American Convention for the Protection of Industrial Property (marks, trade names and commercial slogans), concluded in 1968, establishes a unified code of substantive and procedural law for the protection of marks, trade names, commercial slogans and geographical indications, and presently binds four of the five countries members of the Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua). The Andean Group countries (Bolivia, Colombia, Ecuador, Peru and Venezuela) adopted Decision 313 which provides, inter alia, for common basic substantive and procedural norms for the protection of marks and trade names.

4. In Europe, the Benelux countries (Belgium, the Netherlands and Luxemburg) concluded a Convention on Marks setting up a system which includes a Uniform Benelux Law on Marks containing substantive and procedural provisions, and a centralized trademark office. The Benelux countries thus established a unified trademark system for the three countries. In the framework of the European Community, the Council of the European Communities adopted, in 1988, a Council Directive to approximate the laws of the member states relating to trademarks. This Directive establishes basic principles of substantive law on marks which the member countries of the European Community are required to implement in their national legislation. It is also noteworthy that, in the framework of the European Community, a Regulation for a Community Trademark is being negotiated. The regulation, when adopted, will establish a system for the registration of community trademarks affording rights which will have a unitary character with effects in the whole of the territory of the European Community. European marks will be registered by a central European Trademark Office.

5. Worldwide harmonization of the laws on marks, under the aegis of WIPO, has two important precedents, both concerning the registration of marks with effect in a number of countries: the Madrid Agreement Concerning the International Registration of Marks, concluded in 1891 and last revised in 1967; and the Protocol relating to the Madrid Agreement adopted in 1989. The Madrid Agreement, which currently binds 29 States, provides for the international registration of marks at an International Registry in WIPO, Geneva. Registration of a mark in the International Registry has the same effect as if the mark had been deposited direct with the office of the contracting parties designated by the applicant. If a designated State does not refuse protection within a period of 12 months after the date of registration, the international registration has in the designated State the same effect as if the mark had been registered in that State.

6. The Protocol relating to the Madrid Agreement introduces a number of changes in the Madrid Agreement aimed at making this Agreement more attractive to certain countries which have not yet acceded to it. Those changes include the following: the possibility of applying for an international registration on the basis of either a national registration of the mark or of an application for such registration (under the Madrid Agreement only a registration in the country of origin may support an international registration application); the possibility of refusing protection within a period of 18 months (instead of 12 months); establishing the period of validity of international registrations at ten years (instead of 20 years); the possibility of a member State opting for an "individual fee" (instead of a participation in the distribution of fees collected by the International Registry); and the possibility of transforming an international registration which has been cancelled or revoked into national or regional applications for the registration of the relevant mark. The Protocol has already been signed by a number of countries, but has not yet come into force.

THE TREATY ON THE SIMPLIFICATION OF
ADMINISTRATIVE PROCEDURES CONCERNING MARKS

Background

7. The activities aiming at establishing a Treaty on the Simplification of the Administrative Procedures Concerning Marks have been undertaken by a Committee of Experts on the Harmonization of Laws for the Protection of Marks (hereinafter referred to as the "Committee of Experts"). The Committee of Experts has held three sessions so far, the first in November/December 1989, the second in June 1990, and the third in June 1992. The next meeting of the Committee of Experts is planned for November 1992.

8. The first two meetings were convened pursuant to WIPO's program for the 1990/91 biennium. According to that program the draft treaty to be prepared was expected to deal in particular with the following topics: definition of "trademark" and "service mark"; formalities of the applications for registration; registration of service marks; protection, without registration, of well-known marks; duration of the validity of the initial registration and the renewals of the registration; use of the international classifications of Nice and Vienna (see document AB/XX/2, Annex A, Item PRG.02(5), page 18).

9. The provisions in the draft Treaty prepared by WIPO for the first two sessions of the Committee of Experts (see documents HM/CE/I/2 and HM/CE/II/2) dealt with the following matters: registrable signs; absolute grounds for refusal of registration; conflicts with prior rights; conditions and effects of registration of marks for goods and marks for services; international classification; filing date; certain requirements concerning registration; use as a condition of registration; notification of grounds for refusal and observations; expeditious processing of the application; publication of applications and registrations; changes in registrations.

10. The program for the 1992-93 biennium, which was approved by WIPO's Governing Bodies in September/October 1991, provides for the continuation of this work, stating that "the International Bureau will prepare, convene and service two or three more sessions of the Committee of Experts on the Harmonization of Laws for the Protection of Marks in order to prepare the draft of a new Treaty that would supplement the Paris Convention as far as trademarks are concerned. If progress is encouraging, a diplomatic conference for the conclusion of the proposed treaty would be convened after 1993" (see document AB/XXII/2, Item 03(4), page 19).

11. When approving this program, the Governing Bodies of WIPO took note of a resolution adopted by the Council of Presidents of the International Association for the Protection of Industrial Property (AIPPI) at its meeting in Lucerne (Switzerland) on September 20, 1991. According to that resolution, harmonization and, to some extent, standardization of the formalities of trademark registration, assignment and other changes are urgently required (see document AB/XXII/22, paragraphs 180 and 181). The text of the said resolution is reproduced in Annex II.

12. Following the second session of the Committee of Experts and the meeting of the Governing Bodies in 1991 it became clear that a number of matters of substantive law on marks could not be agreed upon generally, in particular those relating to the concept of "mark," the scope of protection for well-known and famous marks, and the registration of marks before they are actually used. Therefore, it was agreed that, at least for the time being, the draft treaty would be limited to the simplification of administrative procedures. As far as other questions are concerned, the Director General of WIPO may make proposals to the Assembly of the Paris Union for its session in 1993 or later.

13. The latest draft of the abovementioned treaty, reproduced in Annex I, is consequently entitled "Draft Treaty on the Simplification of Administrative Procedures concerning Marks" (hereinafter referred to as "the draft Treaty"). This draft was discussed at the third meeting of the Committee of Experts in June 1992.

Summary of Proposed Provisions

14. The draft Treaty deals with several important aspects of the administrative procedures concerning marks, which it intends to simplify.

15. The "administrative procedures" addressed are the procedures before a national or regional office dealing with the registration of marks other than any procedure concerning the examination of the marks. Those procedures mainly relate to

- the form and contents of an application for registration (Article 2),
- the appointment, or the termination of the appointment, of the same representative in respect of several applications or registrations (Article 8), and
- the form and content of requests for the recording of a change in names or addresses (Article 6) or in ownership (Article 7) or for the correction of the same mistake relating to several applications or registrations (Article 9).

16. The simplification of procedures would be enhanced by several of the proposed provisions. First, the elements which an application or a request for recording changes may be required to contain would be specified, and additional or different elements could not be required. In the draft Treaty,

(i) it is prohibited to require that separate applications be filed for each class of goods or services (Article 2(2)),

(ii) it is prohibited to require that signatures be certified (authenticated or legalized) by an Office, or by a notary public, or by consular authorities or by anyone else (Article 3(2)),

(iii) it is prohibited to require the furnishing of any certificate or extract from a register of commerce (Articles 2(3)(i), 6(2), 7(2)(i)),

(iv) it is prohibited to require an indication that the applicant or holder carry on an industrial or commercial activity in general or one corresponding to the goods or services (Article 2(3)(ii) and (iii) and Article 7(2)(ii) and (iii)),

(v) it is prohibited to require, in the case of a change in the ownership, evidence that the relevant business or goodwill were transferred (Article 7(2)(iv)),

(vi) it is prohibited to require, where a change or correction concerns several applications or registrations, that a separate request be made for each of them; each Office will be required to accept a single request in such a case, irrespective of whether the change is a change in the name or address of the applicant, the holder or the representative (Article 6(1)(c)) or in the identity of the applicant or holder (Article 7(1)(b)) or the change consists of the correction of a mistake (Article 9(1)); the same will apply in respect of the appointment, or termination of appointment, of a representative where the power of attorney covers several applications or registrations (Article 8(1) and (2)).

17. The draft Treaty requires that an Office accept that one and the same application cover goods or services belonging to several classes (Article 2(2)) and that there also be only one corresponding registration (Article 4). In other words, the Office may not split up into several registrations an application which covers goods or services belonging to several classes.

18. Finally, simplification would be achieved by requiring that goods and services be grouped according to the classes of the International (Nice) Classification (Article 5).

19. There is one provision of procedural nature intended to give certain guarantees for the applicant and the holder. According to that provision, the Office, before refusing a request, must give an opportunity to the requesting party to make observations on the intended refusal (Article 10).

20. Article 11 allows the Assembly of the Contracting Parties (whose establishment will be proposed at a later stage together with the administrative and final clauses of the draft Treaty) to modify any of the foregoing provisions by unanimous decision. The objective is to allow modification of the provisions if experience with the Treaty shows that it is desirable. The required unanimity guarantees that any such modification can be effected only if none of the Contracting Parties is opposed.

21. Finally, it was found necessary that the Treaty provide that the provisions of the Paris Convention relevant to the Treaty and which relate to trademarks apply also to service marks. Such a provision was found necessary since the terminology of the Paris Convention is not consistent: some provisions speak of "marks" (and one might interpret them as applying both to trademarks and service marks) whereas others speak of "trademarks" (and they might be interpreted as not applying to service marks). Contracting Parties of the proposed treaty would be obliged, under the proposed Article 12, to register also service marks and to apply to them all the provisions that the Treaty would contain.

22. The Assembly of the Contracting Parties would, inter alia, have the task of adopting Regulations under the Treaty. The Regulations would, in particular, fix the details of the contents of an application (for example, how the name and address of the applicant and the representation of the mark referred to in Article 2(1)(a)(i) and (ii) are to be presented) and the contents of the register; moreover, they could provide for the preparation of a standard application form by the International Bureau.

[Annex I follows]

ANNEX I

DRAFT TREATY ON THE SIMPLIFICATION OF
ADMINISTRATIVE PROCEDURES CONCERNING MARKS *

LIST OF ARTICLES

- Article 1: Abbreviated Expressions
- Article 2: Application
- Article 3: Signature
- Article 4: Single Registration for Goods or Services in Several Classes
- Article 5: Classification of Goods and Services
- Article 6: Changes in Names or Addresses
- Article 7: Change in Ownership
- Article 8: Same Representative in Respect of Several Applications or Registrations
- Article 9: Correction of Same Mistake in Several Applications or Registrations
- Article 10: Opportunity to Make Observations in Case of Refusal
- Article 11: Modification of Articles 1 to 10
- Article 12: Service Marks

* Taken from WIPO document HM/CE/III/2.

Article 1

Abbreviated Expressions

For the purpose of this Treaty, unless expressly stated otherwise:

(i) "mark" means a mark relating to goods (trademark), to services (service mark) or to both goods and services;

(ii) "Office" means the governmental or intergovernmental agency entrusted by a Contracting Party with the registration of marks;

(iii) "registration" means the registration of a mark by an Office;

(iv) "application" means an application for registration;

(v) references to a "person" shall be construed as references to both a natural person and a legal entity;

(vi) "applicant" means the person in whose name the application is filed and shall be construed as including the successor in title of that person;

(vii) "holder" means the person in whose name the registration is recorded in the register of marks;

(viii) "register of marks" means the collection of data maintained by an Office, which includes the contents of registrations and all data recorded in respect of registrations, as well as the contents of pending applications, irrespective of the medium in which such data are stored;

[Article 1, continued]

(ix) "Paris Convention" means the Paris Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883, and last revised at Stockholm on July 14, 1967, and as amended on October 2, 1979;

(x) "priority date" means the filing date of the application or applications whose priority is claimed in accordance with Article 4 of the Paris Convention;

(xi) "International Classification of Goods and Services" means the classification established by 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, and at Geneva on May 13, 1977;

(xii) "Assembly" means the Assembly of the Contracting Parties referred to in Article ... *.

[End of Article]

* The administrative provisions of the treaty will contain an Article establishing an Assembly of the Contracting Parties to this Treaty.

Article 2

Application

(1) [Indications or Elements Contained in an Application] (a) No Office may require that an application contain indications or elements other than the following and that these indications or elements be presented in an order different from the following:

(i) the name and address of the applicant;

(ii) the representation of the mark;

(iii) the names of the goods and services for which the registration is sought, grouped according to the classes of the International Classification of Goods and Services and using, wherever possible, terms of the Alphabetical List of Goods and Services established in respect of the said Classification;

(iv) where priority is claimed in the application, words to that effect, together with the identification of the Office with which the application whose priority is claimed ("the priority application") was filed, the filing date of the priority application and, if available, the number of the priority application;

(v) where the mark contains a color or colors which is or are claimed as features of the mark, a statement to that effect;

[Article 2(1), continued]

(vi) the signature of the applicant; however, where a representative has been appointed in a document other than the application which was filed, at the latest, at the same time as the application, the said application may be signed by the representative.

(b) If the law of the Contracting Party so provides, compliance with the following requirements in, or in connection with, the application may be demanded:

(i) the furnishing of evidence that the applicant is a national of a State party to the Paris Convention or is domiciled or has a real and effective industrial or commercial establishment in the territory of a State party to the Paris Convention;

(ii) where the mark is three-dimensional, a statement to that effect;

(iii) where the mark is a sound mark or an olfactory mark, a statement to that effect;

(iv) the furnishing of a copy of the priority application, of a certificate showing the date of filing of that application and of a translation of the said application, and the specifying of the number of the said application, according to Article 4D(3) to (5) of the Paris Convention;

[Article 2(1)(b), continued]

(v) the designation of an address for service or of the appointment of a representative;

(vi) where Article 6quinquiesA(1) of the Paris Convention applies, the furnishing of a certificate of registration in the country of origin according to that Article;

(vii) the furnishing of a declaration of bona fide intention to use the mark in commerce in the territory of the Contracting Party with whose Office the application has been filed;

(viii) the furnishing of a declaration alleging that the mark is used by or on behalf of the applicant in commerce in the territory of the Contracting Party with whose Office the application has been filed, specifying the date on which such use started, the goods and services in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods and services, and the furnishing of specimens or facsimiles of the mark as used;

(ix) the requirement that the declarations referred to in items (vii) and (viii), above, be signed by the applicant himself even if he has a representative;

[Article 2(1)(b), continued]

(x) the furnishing of evidence to prove that the mark has started to be used on the date relevant under item (viii), above;

(xi) the payment of a fee to the Office for the application or its publication.

(c) Notwithstanding subparagraph (a)(iii), any Contracting Party shall be free not to require that the names of the goods and services for which the registration is sought be grouped in the application according to the International Classification of Goods and Services.

(2) [Single Application for Goods or Services in Several Classes] Goods and services may be included in one and the same application, irrespective of whether they belong to one class or to several classes of the International Classification of Goods and Services.

[Article 2, continued]

(3) [Prohibition of Other Requirements] No Contracting Party may require in, or in connection with, the application that indications or elements other than those referred to in paragraph (1) be furnished. In particular, the following may not be required:

(i) the furnishing of any certificate of, or extract from, a register of commerce concerning the applicant;

(ii) an indication of the applicant's carrying on of an industrial or commercial activity, as well as the furnishing of evidence to that effect;

(iii) an indication of the applicant's carrying on of an activity corresponding to the goods or services listed in the application, as well as the furnishing of evidence to that effect.

[End of Article]

Article 3

Signature

(1) [Form of Signature] Where a signature is required, it may consist of a handwritten, printed or stamped signature, or, if the Contracting Party requiring the signature so provides, it may be replaced by the affixing of a seal.

(2) [Prohibition of Certification] No authentication, legalization or other certification of any signature may be required.

[End of Article]

Article 4

Single Registration for Goods or Services in Several Classes

Where goods or services belonging to several classes of the International Classification of Goods and Services have been included in one and the same application, such an application shall result in one and the same registration.

[End of Article]

Article 5

Classification of Goods and Services

Each registration, publication or other action of an Office which concerns an application or registration and which indicates the goods and services to which the mark relates shall indicate those goods and services by their names and shall group them according to the classes of the International Classification of Goods and Services.

[End of Article]

Article 6

Changes in Names or Addresses

(1) [Changes in the Name or Address of the Holder] (a) Where the holder has changed his name or address, the request for recording of the change by the Office in its register of marks may be made in a simple letter, or in another written communication, signed by the holder.

(b) The Office may require that a fee be paid to it for any request referred to in subparagraph (a).

(c) A single request shall be sufficient even where the change of name or address relates to more than one registration, provided that the serial numbers of all registrations concerned are indicated in the request.

(2) [Prohibition of Other Requirements] No Contracting Party may demand that requirements other than those referred to in paragraph (1) be complied with in respect of a request for recording of a change in the name or address of the holder. In particular, the furnishing of any certificate concerning the change may not be required.

(3) [Change in the Name or Address of the Applicant or the Representative] Paragraphs (1) and (2) shall apply, mutatis mutandis, to any change in the name or address of the applicant or the representative.

[End of Article]

Article 7

Change in Ownership

(1) [Change in the Ownership of the Registration] (a) Where the ownership of a registration has changed, the request for recordal of the change by the Office in its register of marks may be made in a simple letter, or in another written communication, signed by the holder (the "previous holder") or by the person who acquired the ownership (the "new holder"). Where the request is made by the new holder, the Office may require written evidence of his entitlement.

(b) A single request shall be sufficient even where the change in ownership relates to more than one registration, provided that the previous holder and the new holder are the same for each registration and that the serial numbers of all registrations concerned are indicated in the request.

(c) Where the change in ownership concerns only some of the goods and services covered by the registration, the new holder's part of the registration shall be recorded as a separate registration and shall bear the number of the previous holder's registration supplemented by a capital letter of the Latin alphabet.

(d) If the law of the Contracting Party so provides, compliance with the following requirements in, or in connection with, the request for recordal of the change in ownership may be demanded:

(i) the designation of an address for service or of the appointment of a representative;

[Article 7(1)(d), continued]

(ii) the furnishing of evidence that the holder is a national of a State party to the Paris Convention or is domiciled or has a real and effective industrial or commercial establishment in the territory of a State party to the Paris Convention;

(iii) the payment of a fee to the Office.

(2) [Prohibition of Other Requirements] No Contracting Party may demand that requirements other than those referred to in paragraph (1) be complied with in respect of a request for recordal of a change in the ownership of the registration. In particular, the following may not be required:

(i) the furnishing of any certificate of, or extract from, a register of commerce, concerning the change in ownership;

(ii) an indication of the new holder's carrying on of an industrial or commercial activity, as well as the furnishing of evidence to that effect;

(iii) an indication of the new holder's carrying on of an activity corresponding to the goods or services listed in the registration or, in the case referred to in paragraph (1)(c), in the new holder's part of the registration, as well as the furnishing of evidence to either effect;

[Article 7(2), continued]

(iv) an indication that the previous holder transferred, entirely or in part, his business or the goodwill attached to the mark to the new holder, as well as the furnishing of evidence to either effect.

(3) [Change in the Ownership of the Application] Paragraphs (1) and (2) shall, mutatis mutandis, apply to any change in the ownership of the application.

[End of Article]

Article 8

Same Representative

in Respect of Several Applications or Registrations

(1) [Appointment] Where a representative is appointed in respect of several applications of the same applicant or in respect of several registrations of the same holder, such appointment may be made in one and the same document, signed by the applicant or the holder, provided that the said document indicates the serial numbers of the applications or registrations concerned.

(2) [Termination of Appointment] Where, in respect of several applications or registrations of the same applicant or holder, the representative is the same, the appointment of that representative may be terminated in one and the same document, signed by the applicant or the holder or by the representative, provided that the said document indicates the serial numbers of the applications or registrations concerned.

(3) [General Power of Attorney] In the case of a general power of attorney, it shall not be required to indicate, for the purposes of paragraphs (1) and (2), the serial numbers of the applications or registrations concerned.

[End of Article]

Article 9

Correction of Same Mistake
in Several Applications or Registrations

(1) [Conditions for Correction] A single request for the correction of a mistake shall be sufficient even where the correction of that mistake is requested in respect of more than one application or registration, provided that all applications and registrations referred to in the request are owned by the same person, that the mistake and the requested correction are the same for each of them and that the serial numbers of all applications and registrations concerned are indicated in the request.

(2) [Prohibition of Other Requirements] No Contracting Party may demand that requirements other than those referred to in paragraph (1) be complied with in respect of a request for the correction of a same mistake in several applications or registrations.

[End of Article]

Article 10

Opportunity to Make Observations in Case of Refusal

No application or request relating to an application or a registration shall be refused by an Office without giving the applicant or the party making the request an opportunity to make observations.

[End of Article]

Article 11

Modification of Articles 1 to 10

Articles 1 to 10 may be modified by a unanimous decision by the Assembly.

[End of Article]

Article 12

Service Marks

The provisions of the Paris Convention which relate to trademarks and which are relevant to this Treaty shall apply to service marks.

[End of Article]

[Annex II follows]

ANNEX II

Resolution Adopted by the Council of Presidents of
the International Association for the Protection
of Industrial Property (AIPPI) at its meeting in
Lucerne (Switzerland) on September 20, 1991

1. The AIPPI

- a) notes the extreme diversity among countries concerning the formalities for filing, transfer of trademarks and any later modification thereof, in particular, change of name and address.
- b) notes that this diversity constitutes a serious obstacle for the acquisition, the maintaining and even the exercise of the trademark right.
- c) notes that practitioners of industrialized and developing countries agree that a solution of this problem should be found by the international harmonization and standardization of certain formalities and documents.
- d) expresses the wish that trademark offices should be obliged to accept an universal and standard form both for the application of a trademark and the power of attorney without being excluded, however, to accept the applications and powers of attorney in a different form.
- e) considers that an international agreement could be possible on the following points:
 - 31.1 Goods and services (where applicable) should be classified in accordance with the international classification of Nice.
 - 32.1 The application should be filed by using a standard form.
 - 32.2 The application should be signed by the applicant or his duly authorized representative (at his option).
 - 32.3 Foreign applicants should be represented by a person permitted to practice before the office or have an address for service in the territory of the contracting party.
 - 32.4 No authentication of signature (by a notary public or even signature before a notary public or legalization with a consulate, etc.) should be required.
 - 32.5 No certificate or extract from a Register of Commerce should be required.
 - 32.8 No evidence should be required that the trademark applied for is registered in another country.
 - 33.1 The office can be informed about a change of name or address by simple written communication of the owner, signed by him or his duly authorized representative.
 - 33.2 The information about change of name or address can be made by the owner in one single communication for all trademarks which are registered in his name in the office.

- 34.3 The assignee can ask for registration of the assigned marks in his name submitting written evidence of the assignment, duly signed by the assignor or his legal representative.
 - 34.4 The demand of the assignee must be signed by himself or his representative.
2. For these reasons the AIPPI strongly recommends the wish that the member states of the Paris Convention for the Protection of Industrial Property initiate appropriate procedures to arrive as soon as practicable at an international harmonization of formalities in the field of trademarks.
- It considers that this harmonization of formalities might constitute the first part of the trademark harmonization project presently studied by WIPO.
3. The AIPPI decides to continue its studies concerning the harmonization of formalities concerning the following points:
- 31.2 Goods and services belonging to any number of classes of the international classification may be covered by one and the same application and shall be covered by one and the same registration on such an application.
 - 32.6 The carrying on of an industrial or commercial activity by the applicant should be no requirement for trademark registration.
 - 32.7 The carrying on of an activity by the applicant corresponding to the goods or services listed in the application should be no requirement for registration.
 - 34.1 Assignments can be made without goodwill and without transferring a business to which the trademarks are related.
 - 34.2 The assignment must be made in writing.
 - 34.5 No authentication of any of the documents of assignment is required.
 - 34.6 No certificate or extract from a Register of Commerce should be required.
 - 34.7 The carrying on of an industrial or commercial activity by the assignee should be no requirement for his registration as new owner of the registered trademark.
 - 34.8 The carrying on of an activity by the assignee corresponding to the goods or services listed in the registrations should be no requirement for registration of the assignee as new owner of the registered trademark.

[End of Annex and of document]

WIPO-CEIPI/IP/SB/92/4

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CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



WORLD
INTELLECTUAL PROPERTY
ORGANIZATION



NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

**TRAINING COURSE ON
THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF
INDUSTRIAL PROPERTY**

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and
the National Institute of Industrial Property (INPI) of France

Strasbourg, September 7 to 25, 1992

**THE PATENT COOPERATION TREATY (PCT)
AND ITS IMPORTANCE TO DEVELOPING COUNTRIES**

Document prepared by the International Bureau of WIPO

INTRODUCTION

The Traditional Patent System

1. The traditional patent system requires the filing of individual patent applications for each country for which patent protection is sought, with the exception of the regional patent systems such as the African Intellectual Property Organization (OAPI) system, the Harare Protocol system established in the framework of the African Regional Industrial Property Organization (ARIPO) and the European patent system. Under the traditional Paris Convention route, the priority of an earlier application can be claimed for applications filed subsequently in foreign countries but such later applications must be filed within 12 months of the filing date of the earlier application. This involves for the applicant the preparation and filing of patent applications for all countries in which he is seeking protection for his invention within one year of the filing of the first application. This means expenses for translation, patent attorneys in the various countries and payment of fees to the patent Offices, all at a time at which the applicant often does not know whether he is likely to obtain a patent or whether his invention is really new compared with the state of the art.

2. Filing of patent applications under the traditional system means that every single patent Office with which an application is filed has to carry out a formal examination of every single application filed with it. Where patent Offices examine patent applications as to substance, each of these Offices has to make a search to determine the state of the art in the technical field of the invention and has to carry out an examination as to patentability.

3. The principal difference between the traditional national patent system as just described and the regional patent systems such as those mentioned above is that a regional patent is granted by one patent Office for several States. Otherwise, the procedure is the same, and the explanations given in the preceding two paragraphs are equally valid.

History of the PCT

4. In order to overcome some of the problems involved in the traditional system, the Executive Committee of the International (Paris) Union for the Protection of Industrial Property invited, in September 1966, BIRPI (the predecessor of WIPO) to undertake urgently a study of solutions to reduce the duplication of the effort both for applicants and national patent Offices. In 1967, a draft of an international treaty was prepared by BIRPI and presented to a Committee of Experts. In the following years, a number of meetings prepared revised drafts and a Diplomatic Conference held in

Washington in June 1970, adopted a treaty called the Patent Cooperation Treaty. The Patent Cooperation Treaty or "PCT" entered into force on January 24, 1978, and became operational on June 1, 1978, with an initial eighteen Contracting States. Today, PCT membership stands at 50 Contracting States*, a significant increase indicative of interest in the implementation of the Treaty.

5. The filing of international applications under the PCT commenced on June 1, 1978. Up to the end of 1991, the record copies of 119,118 international applications were received by the International Bureau of WIPO. Over 22,000 international applications were filed in 1991, replacing approximately 500,000 national filings.

6. These brief indications of the progress of the PCT merely demonstrate the certainty that many more countries, developing as well as developed, will become party to the PCT in the years ahead and that its use, evidenced by the number of applications filed, will continue to increase significantly.

WHAT IS THE PCT?

7. As its name suggests, the Patent Cooperation Treaty is an agreement for international cooperation in the field of patents. It is often spoken of as being the most significant advance in international cooperation in this field since the adoption of the Paris Convention itself. It is, however, largely a treaty for rationalization and cooperation with regard to the filing, searching and examination of patent applications and the dissemination of the technical information contained therein. The PCT does not provide for the grant of "international patents": the task and responsibility to grant patents remains exclusively in the hands of the patent Offices of, or acting for, the countries where protection is sought (the "designated Offices"). The PCT does not compete with but, in fact, complements the Paris Convention. Indeed, it is a special agreement under the Paris Convention open only to States which are also party to the Paris Convention.

Principal Objectives of the PCT

8. The principal objective of the PCT is to simplify and to render more effective and more economical--in the interests of the users of the patent system and the Offices which have responsibility for administering it--the previously established means of applying for patent protection for inventions where such protection is required in several countries.

9. Before the introduction of the PCT system, virtually the only means by which protection of the same invention could be obtained in several countries was by filing a separate application in each country; these applications, each being dealt with in isolation, involved a repetition of the work of filing and examination in each country. To achieve its objective mentioned, the PCT:

* For the list of Contracting States, see the Annex.

--establishes an international system for the filing, with a single patent Office (the "receiving Office"), of a single application (the "international application") in one language having effect in each of the countries party to the PCT which the applicant names ("designates") in his application;

--provides for the formal examination of the international application by a single patent Office, the receiving Office;

--subjects each international application to an international search which results in a report citing the relevant prior art (mainly published patent documents relating to previous inventions) which may have to be taken into account in deciding whether the invention is patentable; that report is made available first to the applicant and, later, to other interested parties;

--provides for a centralized international publication of the international applications with the international search reports, as well as their communication to the designated Offices; and

--provides an option for an international preliminary examination of the international application which gives the Offices that have to decide whether or not to grant a patent, and the applicant, a report containing an opinion as to whether the claimed invention meets certain international criteria for patentability.

10. The procedure described in the preceding paragraph is commonly called the "international phase" of the PCT procedure, whereas one speaks of the "national phase" to describe the last part of the patent granting procedure which, as explained in paragraph 7, above, is the task of the designated Offices, i.e., the national* Offices of, or acting for, the countries which have been designated in the international application.

11. Even in the most favorably placed countries, patent Offices have been faced for years with problems of unduly high workload (leading to delays) and how to allocate resources to ensure that the patent system yields the greatest return from the available manpower. An important potential benefit of the PCT system is the rationalization of the work of the national patent Offices which it permits since much of their work is concerned with applications in respect of inventions for which protection is also sought in other countries or regions.

12. Further main objectives of the PCT are to ensure that only strong patents are granted by the patent Offices of the PCT Contracting States, to facilitate and accelerate access by industries and other interested sectors to technical information related to inventions and to assist developing countries in gaining access to technology.

HOW DOES THE PCT SYSTEM FUNCTION?

Who May File an International Application?

13. Any national or resident of a PCT Contracting State can file an international application. International applications can be filed in most cases with the national Office, which will act as a PCT receiving Office

* In PCT terminology, a reference to "national" Office, "national" phase and "national" fees, includes the reference to the procedure before a regional patent Office.

(or in Western Europe also with the European Patent Office). Nationals and residents of the OAPI countries and of some other developing countries can file international applications with the International Bureau of WIPO, which acts as receiving Office for them.

What Is the Effect of an International Application?

14. An international application has the effect, as of the international filing date, of a national application in those PCT Contracting States which the applicant designates in his application (or as a European application if the applicant wants a European patent with effect in a designated State which is party to the European Patent Convention, or as an application for an OAPI patent if the applicant so desires).

Standardization of International Applications

15. The PCT prescribes certain standards for international applications. The application which is prepared in accordance with these standards, which are effective in all the PCT Contracting States, will be accepted by those States and no subsequent modifications because of varying national or regional requirements (and the cost associated therewith) will become necessary.

Costs of an International Application

16. Only a single set of fees is incurred for the preparation and filing of the international application and they are payable in one currency and at one Office (the receiving Office). Payment of national fees to the designated Offices is delayed. The national fees become payable much later than for a filing by the traditional Paris Convention route.

17. The fees payable to the receiving Office for an international application consist of three main elements:

- the transmittal fee--to cover the work of the receiving Office;
- the search fee--to cover the work of the International Searching Authority; and
- the international fee--to cover the work of the International Bureau.

In What Language Is the International Application Filed?

18. The language in which an international application can be filed depends upon the requirements of the receiving Office with which the application is filed. It is usually the national language. The main languages in which international applications may be filed are English, French, German, Japanese, Russian and Spanish; other languages are also accepted, so far: Danish, Dutch, Finnish, Norwegian and Swedish.

The Function of the Receiving Office

19. The receiving Office, after having made a formal check and accorded an international filing date, sends a copy of the international application to the International Bureau of WIPO (the "record copy") and another copy (the "search copy") to the International Searching Authority. It keeps a third copy (the "home copy"). The receiving Office also collects all the PCT fees and transfers the search fee to the International Searching Authority and the international fee to the International Bureau.

The International Search

20. Every international application is subjected to an international search, that is, a high quality search of the patent documents and patent related literature in those languages in which most patent applications are filed (English, French, German, Japanese, Russian and Spanish). The high quality of search is assured by the international standards prescribed in the PCT for the documentation, qualified staff and search methods of the International Searching Authorities, which are experienced patent Offices that have been specially appointed to carry out international searches by the Assembly of the PCT Union (the highest administrative body created under the PCT) on the basis of an agreement to observe PCT standards and time limits.

Who Carries Out the International Search?

21. The following Offices have been appointed to act as International Searching Authorities: the Australian Patent Office, the Austrian Patent Office, the European Patent Office, the Japanese Patent Office, the Russian Patent Office, the Swedish Patent Office, the United States Patent and Trademark Office.

What Documentation Is Consulted?

22. The International Searching Authorities are required to have at least the prescribed PCT minimum documentation, properly arranged for search purposes, which can be described in general as comprising the patent documents, as from 1920, of the major industrialized countries, together with agreed items of non-patent literature. The International Searching Authority, in making the search, must make use of its full facilities, i.e., the minimum documentation and any additional documentation it may possess. The obligation to consult at least the PCT minimum documentation guarantees a high level of international searching.

The International Search Report

23. The results of the international search are given in an international search report, which is made available to the applicant by the fourth or fifth month after the application is filed. The citations of relevant prior art in the international search report enable the applicant to calculate his chances of obtaining a patent in or for the countries designated in the international application.

Usefulness of the International Search Report

24. A search report which is favorable, that is to say, in which the citations of prior art would not prevent the grant of a patent, assists the applicant in the subsequent prosecution of the application before the designated Offices. The high quality of the international search assures the applicant that any patent granted is a "strong" patent, one which is unlikely to be successfully challenged, and thus provides a sound basis for investment or licensing actions.

25. The international search report assists designated Offices, in particular Offices which do not have technically qualified staff and an extensive collection of patent documents arranged in a manner suitable for search purposes, in examining a patent and otherwise evaluating the invention described in the application.

26. The international search report enables the applicant to decide whether it is worthwhile, in the light of the state of the art contained in the documents cited in the search report, to continue to seek protection for his invention in the designated States or to continue only after the claims in his international application have been amended to better delimitate the invention from the state of the art.

The International-Type Search

27. For applications not filed under the PCT system, the PCT also provides a feature to strengthen national patent systems and to assist national Offices in the processing and granting of national patents. The national patent law can include provisions for an "international-type search" (provided for in Article 15(5) of the PCT) of purely national applications. This search is the same as an international search and is carried out by the International Searching Authority which the national Office appoints for carrying out international searches. Adoption of an international-type search mechanism has a two-fold benefit for the country. Firstly, it means that all patents would have been subjected to the same kind of search whether or not the corresponding applications took the PCT route. Secondly, national enterprises and inventors could have the benefits of an international-type search report even without filing an application under the PCT.

Who Receives the International Search Report?

28. The International Searching Authority sends the international search report to the applicant and to the International Bureau. The International Bureau includes the search report in the international publication of the international application and sends a copy to each designated Office.

International Publication

29. International publication serves two main purposes: to disclose to the public the invention, i.e., in general, the technological advance made by the inventor, and to set out the scope of the protection the inventor may ultimately obtain.

30. What is published? The International Bureau publishes a (PCT) pamphlet which contains, broadly, a front page setting out bibliographic data furnished by the applicant, together with data such as the International Patent Classification (IPC) symbol assigned by the International Searching Authority, the abstract and the drawings, the description, the claims and the international search report. If the claims of the international application have been amended, the claims are published both as filed and as amended.
31. When does publication take place? This occurs, in general, 18 months after the priority date of the international application.
32. In what language is the pamphlet published? The pamphlet is published in the language of the international application as filed, if that language is English, French, German, Japanese, Russian or Spanish (if, however, the international application is published in French, German, Japanese, Russian or Spanish, the title of the invention, the abstract and the international search report are also published in English). If the international application has been filed in another language, it is translated and published in English.
33. How does one select the pamphlets relating to a given field of technology? The publication of each pamphlet is announced in the PCT Gazette, which lists the published international applications in the form of entries reproducing the front pages of the pamphlets. Each issue of the PCT Gazette also contains a Classification Index, allowing the selection of the published international applications by technical fields.
34. How are the publications distributed? These publications, the pamphlet and the PCT Gazette, are distributed free of charge by the International Bureau on a systematic basis to all PCT Contracting States. They are now also available in CD-ROM format in searchable form. To the public, they are supplied on request, against payment of a fee.

Optional International Preliminary Examination

35. Once the applicant has received the international search report, he has the possibility of requesting an international preliminary examination in order to obtain an opinion as to whether the claimed invention meets any or all of the following criteria: whether it appears to be novel, whether it appears to involve an inventive step and whether it appears to be industrially applicable. The international preliminary examination, which is provided for in Chapter II of the PCT, is of an optional nature for the PCT Contracting States. Only a few of the PCT Contracting States exclude at present Chapter II and most of them are considering a withdrawal of the reservation excluding that chapter in the near future. Chapter II is also optional for the applicant. The international application does not proceed automatically to an international preliminary examination but only upon a specific demand by the applicant for international preliminary examination in which he states his wish to use the results of such examination in specific States designated in the international application--in the procedure under Chapter II these are called the elected States to distinguish them from the designated States.

The International Preliminary Examining Authorities

36. As in the case of the International Searching Authorities, the International Preliminary Examining Authorities are appointed by the Assembly of the PCT Union. The Offices which have been appointed are the same as those appointed as International Searching Authorities and the United Kingdom Patent Office.

The Results of the International Preliminary Examination

37. The results of the international preliminary examination are given in a report which is made available to the applicant and the "elected Offices" (which are the Offices of, or acting for, the elected States) through the International Bureau, which is also responsible for translating the report, if required. The opinion on the patentability of the invention on the basis of the international criteria mentioned above provide the applicant with an even stronger basis for calculating his chances of obtaining patents and the elected Offices have an even better basis for their decision to grant a patent. Where patents are granted without examination as to substance, the international preliminary examination report will provide a solid basis for parties interested in the invention (e.g., for licensing purposes) to evaluate the validity of such a patent.

How Do the Offices Designated in the International Application Receive the Application Documents and When?

38. Usually upon publication of the international application (but at the latest by the end of the 19th month after the priority date), the International Bureau communicates the international application to the designated Offices for the prosecution of the international application before them since, as explained above, the PCT is only a system for filing but not for granting patents, which remains the exclusive task and responsibility of the designated Offices. The designated Offices, and those Offices only, will make the decision whether or not to grant a patent. The international search report and, if any, the international preliminary examination report, are only intended to facilitate their task.

When Does the Procedure Before the Designated (or Elected) Offices Start?

39. The processing of an international application before the designated (or elected) Offices--the national phase--may not start prior to the expiration of 20 months (or 30 months if Chapter II is applicable) from the priority date of the international application, unless the applicant requests an earlier start.

Prosecution Before the Designated (or Elected) Offices

40. After having received an international search report and, where appropriate, an international preliminary examination report, and after having had the possibility of amending his application, the applicant is now in a good position to decide whether he has a chance of getting patents in the designated States. If he sees no likelihood, he can either withdraw his application or do nothing; in the latter case, the international application will lose the effect of a national or regional application and the procedure comes to an end. The applicant has in such a case saved himself great expense, namely, the costs involved when following the traditional Paris Convention route. He has not paid for applications and translations for the national and regional Offices, he has not paid fees to those Offices and he has not appointed local agents, all of which are required under the traditional Paris Convention route within only 12 months from the priority date and without having a good basis for evaluating the likelihood of obtaining a patent.

What Must the Applicant Do To Enter the National Phase and When?

41. Where the applicant decides to continue the procedure, and only in that event, he must pay the prescribed national fees to the designated (or elected) Offices and, if required, furnish to these Offices translations of his international application into their official language; a local agent may also have to be appointed. The furnishing of the translation and the payment of the national fees must be effected within 20 or 30 months from the priority date. Once the national processing starts, the normal national procedures apply, subject to only specific exceptions arising out of the PCT procedure (for example, matters of form and contents of the international application and the provision of copies of the priority document).

Information About the International Phase and the National Phase

42. WIPO has published a "PCT Applicant's Guide." Volume I of this Guide contains general information for users of the PCT (relating to the international phase); Volume II contains information on the procedure before the designated and elected Offices (national phase). Further information is regularly published in the PCT Gazette, Section IV, Notices and Information of a General Character.

ADVANTAGES OF THE PCT SYSTEMAdvantages for Patent Offices

43. More and more patent Offices are having to consider how to employ to the greatest advantage their available manpower. This is true not only of the levels of patent applications which they must handle (in a country in the process of development, the level must surely rise considerably in the future as a consequence of an increase in the country's industrial activity) but even more of the expanding role that patent Offices are being required to fulfill in providing technical advisory services for local industry (on the basis of patent documentation and technically trained staff) either in terms of advising on available technologies or in connection with national research and development activities. The PCT assists patent Offices in meeting these demands in various ways.

44. Patent Offices can make economies in the cost of handling patent applications since the work of verification as to compliance with formal requirements becomes practically superfluous.

45. Patent Offices can save part of the cost of publishing. If the international application has been published in an official language of the country, they can forego publication altogether. Countries having a different official language may limit themselves to publishing only a translation of the abstract which accompanies international applications. Copies of the full text of the international application could be supplied upon request to interested parties.

46. The PCT does not affect the revenue of designated Offices unless they decide voluntarily to give a rebate on national fees in view of the savings they make through the PCT and in order to make the use of the international application route more attractive to the applicant. In any case, the most profitable source of revenue for most Offices are the annual fees or renewal fees and these fees are not affected by the Treaty.

47. Examining patent Offices are able to make substantial economies since the system renders superfluous all or most of the work of searching for most applications filed by foreigners and also--when an international preliminary examination report is required--most of the work of examination.

48. Non-examining Offices receive an application which has already been examined as to form, which is accompanied by an international search report and possibly by an international preliminary examination report. This will put the Office, and the national industry affected by a patent and/or interested in licensing, in a much better position compared to the traditional system of filing national or regional applications. National authorities involved in approving licensing agreements likewise benefit from the greater value of a patent granted on the basis of an international application.

Advantages for the Applicant

49. Inventors may file their application in their own country (or with the competent regional Office) with effect in foreign countries and have more time to make up their minds as to those foreign countries in which they wish to seek protection, and in a typical case they have spent much less money in the stage prior to granting than otherwise.

50. If the applicant does not use the international procedure offered by the PCT, he must start preparations for filing abroad three to nine months before the expiration of the priority period. He must prepare translations of his application and must have them put into a more or less different form for each country. Under the PCT, the applicant, within the priority year, makes only one application (the international application), which may be identical both as to language and form with his own national or regional application.

51. The cost of further translation has to be met eventually, but not until eight (or 18) months later than under a procedure which does not use the PCT and only if the applicant, having evaluated the international search report and, where available, the international preliminary examination report also, is still interested in the countries concerned. These reports help the applicant to make up his mind whether it is worthwhile continuing his efforts. If he decides that it is not, he saves all subsequent costs.

Advantages for the National Economy and for Industry

52. In most countries (even developed countries), the majority of patent applications are filed by foreigners. This is a consequence of the need of the owner of new technology to obtain patent protection separately in or for each of several countries in which he is economically interested. Foreign filings are a basis for the inflow of technology. By facilitating the filing of patent applications, the PCT contributes to a country's acquisition of new technology.

53. By being able to offer the PCT route to foreign entrepreneurs owning patentable technology, a country will find them more willing to transfer (sell or license) their technology and will, in general, attract more foreign investment. The industrialization of the country is thus further promoted.

54. Of course, care needs to be taken to ensure that the freedom of the market is not hampered by unjustified (weak) patents. The PCT system helps to prevent this. Although it facilitates the filing of patent applications, the PCT also contains mechanisms which assist the national and regional patent systems in avoiding the grant of patents where this is not justified. Applications filed under the PCT first pass through the central processing mechanism of the international phase of the PCT procedure. They are centrally examined as to form, centrally searched as to novelty, centrally published and, where applicable, centrally examined as to patentability. When the PCT application reaches the national phase of the procedure for the grant of a patent, it is formally in order, publicly available in one of the most important languages (with an English language abstract, when not in English) and accompanied by an international search report and possibly an international preliminary examination report.

55. By adding to the national law the requirement that each national patent application must be accompanied by an international-type search report (see paragraph 27, above), the advantages of the PCT can be extended to national applications. This also contributes to eliminating worthless patents in developing countries and a wasteful duplication of effort in such countries by analyzing their validity and is a net gain for the national economy of a developing country.

Technical Information

56. A further important advantage of the PCT for developing countries lies in its information effect. It is now always very difficult to obtain a complete picture of all the patent documents published in many countries and many languages and of the most recent state of the art resulting therefrom. Since many important inventions are the subject of PCT applications, developing countries have, through the international publication of these applications, early and easier access to modern technological information. The access will be early, because international applications are published 18 months after the priority date of the application. It will be easier, because the application will be published in one of the most important languages and, where not in English, with an English language abstract, and because the international search report, published together with the application, will make it easier to evaluate the technology disclosed in the application.

Financial Commitments

57. The PCT system is now self-supporting since the fees paid by the applicants cover the costs incurred by WIPO in administering the system. The Contracting States ceased to pay deficit-covering contributions in 1983.

Conclusion

58. In conclusion, the PCT offers distinct advantages for developing countries participating in this new system of international patent cooperation and requires no payment of contributions. That there is sufficient awareness of these advantages, is confirmed by the impressive number of developing countries already party to the Treaty--23 out of a total of 50.

[Annex follows]

ANNEX

PCT CONTRACTING STATES

(August 1, 1992)
(50)

IN AFRICA:

Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Guinea, Madagascar, Malawi, Mali, Mauritania, Senegal, Sudan, Togo. (16)

IN THE AMERICAS:

Barbados, Brazil, Canada, United States of America. (4)

IN ASIA AND THE PACIFIC:

Australia, Democratic People's Republic of Korea, Japan, Mongolia, Republic of Korea, Sri Lanka. (6)

IN EUROPE:

Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Poland, Romania, Russian Federation, Spain, Sweden, Switzerland, United Kingdom. (24)

[End of Annex and of document]

WIPO-CEIPI/IP/SB/92/5

Original: French

Date: September 1992



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Strasbourg, September 7 to 25, 1992

PATENTS

by Maître Christian Le Stanc
Professor at the Faculty of Law at Grenoble
Expert to the Commission of the European Communities
Attorney

General Aspects of Industrial Property

I. RESERVING RIGHTS IN TECHNICAL KNOWLEDGE

A. THE BASIC REGIME: KNOW-HOW

1. Definition of Know-How

2. Reserving Rights in Know-How

(a) By operation of criminal-liability provisions

(b) By operation of civil-liability provisions

B. THE EXCEPTION: PATENTS

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(a) Nature of the conditions

(i) Substantive conditions

- Positive conditions

.invention

.novelty

.inventive step

.industrial applicability

- Negative conditions

(ii) Formal conditions

- Patent application

.applicant

.subject matter of application

.place of application

.time of application

.application procedure

- Grant of patent

.examination of application

.decision on grant

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 - Obligations on patentee

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- (i) Acts of infringement
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- 2. Protection of Topographies of Semiconductor Products
- 3. Protection of Computer Software

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- 1. Types of Contract
- 2. Provisions Governing Contracts
- 3. International Aspects

[End of document]



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ORGANIZATION AND MANAGEMENT OF AN INDUSTRIAL PROPERTY OFFICE

by

Mrs. Christine Perrot
Attachée, Economic and Financial Affairs Division
National Institute of Industrial Property (INPI)
(Paris)

**THE INDUSTRIAL PROPERTY OFFICE
ITS ORGANIZATION AND MANAGEMENT**

INTRODUCTION

PART ONE: FUNCTIONS (RECAPITULATION)

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- I.1.3 Grant and Publication**
- I.1.4 Registration**

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- I.2.2 Assistance With Filing Formalities**
- I.2.3 Legal Publicity**
- I.2.4 Documentary Information**
- I.2.5 Consultation by Users**

I.3 Public Relations

- I.3.1 Communication**
- I.3.2 Training**
- I.3.3 Participation in Industrial-Property-Related Events**
- I.3.4 Door-to-Door Promotion**

I.4 Document Production

- I.4.1 Data Bases Generated by the Office's Activity**
- I.4.2 Data Bases Generated by Exploitation of the Search Files**
- I.4.3 Non-Routine Work**
- I.4.4 Statistics**
- I.4.5 Supply of Documents**

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 - Information**
 - Document Services**

II.1.2 General Service Departments

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 - . Finance
 - . Supplies
 - . Premises
- Specific Functions
 - . Data Processing
 - . Organization and Methods

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- Management
- Legal Business
- International Business

II.2 Branches**II.2.1 Branches of the National Office**

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- Associated Centers

II.2.2 Branches of the Regional or International Office

- National Centers
- Structures

II.2.3 The Specific Case for Europe

- Procedural Administration
- Dissemination of Information

II.3 User Access**II.3.1 Institutional Access**

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- Public Libraries
- Administrative Bodies
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 - . Court Registries
- Councils

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- Users' Associations

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- By Expenditure Control

- III.1.2 Budgetary Autonomy
 - Total, Partial Autonomy
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 - Handling of Incidental Imbalances

- III.1.3 Budgetary Consistency
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- III.2.1 Factors Conditioning Permanency
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- III.3.2 Documentation Needs
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 - Data Bases
 - . Production
 - . Distribution
 - . Interrogation
 - Optical Discs
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 - . CD-ROM

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 - Reception of Filings
 - Procedural Continuity

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- Quantitative
- Qualitative - Quality Circles
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IV.1.2 Adaptability of Structures to Development Trends**IV.1.3 Introduction of the "Client" Concept****IV.1.4 Assessment of Results - the "Control Panel"****IV.2 Information of Persons****IV.2.1 Permanent Training****IV.2.2 Job Modernization****IV.2.3 Internal Mobility****IV.2.4 Social Action****IV.2.5 Communication of Corporate Information****IV.3 Awareness of the Outside World****IV.3.1 Integration of the Office in the National Economy**

- Role of Industrial Property

IV.3.2 Relations With the Offices of Other Countries

- Complementarity
- Competition
- Role of Industrial Property

IV.3.3 Competition in Non-State Activities**IV.3.4 Industry Spin-Off****CONCLUSION**

[End of document]



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**REGIONAL PATENT COOPERATION:
THE EXAMPLE OF THE EUROPEAN PATENT OFFICE (EPO)**

by

**Mr. Johan Amand
Senior Administrative Officer
International Technical Cooperation Office
European Patent Office (Munich)**

I System of Law common to the Contracting states

The existence of the EPO stems from the European Patent Convention (EPC) of 5 October 1973 which entered into force on 7 October 1977. The Convention is a special agreement under the Convention for the Protection of Industrial Property of 1883 and a regional patent treaty under the Patent Cooperation Treaty (PCT) of 1970.

The EPC provides a system of law common to its 14 Contracting States: Austria, Belgium, France, Germany, Italy, Liechtenstein, Luxembourg, The Netherlands, Sweden, Switzerland, the United Kingdom, Greece and Spain.

- from January 1990 : Denmark.

(cf. Fig. 1)

The official languages of the EPO are English, French and German.

Under the EPC the task of the EPO is to grant European patents. The EPO provides a single patent grant procedure instead of separate national procedures. With the thorough examination carried out, European patents have a high presumption of validity.

After grant of a patent the European patent has the effect of a "bundle" of national patents granted for Contracting States.

Applicants can request a patent in one or more or all Contracting States.

After the opposition period has expired the European patent is subject to the national systems of the individual States (e.g. revocation procedures in national courts).

.../...

Applicants can still choose to file by the national routes.

The advantages of the EPO procedure for the applicant are:

- it is cheaper, if he wants a patent in more than 2 or 3 States,
- it is simpler to deal with only one patent office,
- he gets one set of claims valid throughout Europe.

II The patent grant procedure (overview).

- The first steps are not the responsibility of a patent office. The inventor or his employer takes his invention to a patent agent who draws up a description and claims and drawings if necessary and files a patent application.

Starting with the filing of the application the EPO procedure is illustrated in annex 1.

After the patent is published there is a period of nine months for anybody, such as competitors or even the patentee, to oppose the patent.

Opposition procedure is also dealt with by the EPO (see annex 1).

Decisions at the stage marked * which may be detrimental to the applicant or opponent are subject to appeal within the EPO system.

III Responsibility for the stages of the procedure

There are five Directorates-General in the EPO:

- DG1: Search
- DG2: Substantive Examination/Opposition
- DG3: Appeals
- DG4: Administration
- DG5: Legal and International Affairs

Their responsibility during the patent grant procedure is as illustrated in the flow-chart of Figure 1 in annex 2.

For carrying out its tasks, the EPO has three sites:

The Headquarters in Munich (Federal Republic of Germany)
The Branch Office in The Hague (The Netherlands)
and the Sub-Office in Berlin.

The activities of DG1 are carried out in The Hague and Berlin. The remaining four Directorates-General are based at the Headquarters in Munich.

In addition some EPO searches are carried out by the Swedish and Austrian Patent Offices.

IV Analysis of the European grant procedure

The applicant can withdraw the application at any stage up to grant of the patent.

The application can be refused or rejected due to formal or substantive deficiencies at points throughout the procedure.

(a) Standard applications

(Annex 3 shows the latest figures)

During the first part of the procedure in The Hague, almost none (0.1%) are refused and about 9% are withdrawn. The remaining 91% are transferred to DG2 for substantive examination.

The procedure is such that virtually no applications are granted during the first year of their life: the procedure for publication and examination always takes a certain time. The second and third years of life of an application are those where the most decisions are made. 32% of applications proceed to grant within 37 months of filing; 18% of applications are refused or withdrawn by that time. At 37 months, 50% of applications are still pending. During the fourth and fifth years almost all the remaining cases have been dealt with, i.e. granted or rejected.

During the second part of the procedure in Munich 5% are refused and 15% withdrawn, thus an average of 71% of European patent applications are granted. Some of these will be opposed (ca. 10%) and one third of those opposed will be revoked.

Not all patents granted become legally effective in the designated Contracting States; the proportion of European patent applications eventually leading to industrial property rights is therefore somewhat smaller than 71%.

(b) Euro-PCT applications

The EPO also deals with applications for a European patent via the PCT route designating one or more Contracting States. For these the situation is not quite the same: only 5% are withdrawn during the first part of the procedure and the rest are transferred for substantive examination. The proportion of these

applications refused or withdrawn during the second part of the procedure is 30%, so the grant rate on Euro-PCT patent applications is 65% on average.

In the international phase 91% of Euro-PCT applications filed are published in the WIPO Gazette. About 24% do not however enter the regional phase, which means that only two-thirds of the Euro-PCT applications filed enter - 20 months after the priority date (or 30 months in case of international preliminary examination).

V Hierarchical Structure

(a) Overall

The head of the Office is the President, Mr Paul Braendli. He directs the functioning of the EPO and is responsible for its activities to the Administrative Council. The Administrative Council consists of delegations from all Contracting States, together with Observer States and organisations.

The overall hierarchical structure can be represented as in Figure 2 of annex 2.

(b) Patent procedure: main organisational functions

DG1 - Receiving Section

- Search divisions: directorates in three technical areas; Chemistry, Electrophysics and Mechanics

DG2 - Formalities Section

- Examining Divisions: directorates in three technical areas; Chemistry, Electrophysics and Mechanics. Examiners deal with both examination and

opposition cases. Three examiners work together on an examining division for each application .

DG3 - Legal Board of Appeal

- Technical Boards of Appeal: Chemistry, Mechanics, Electrical and Physics
- Disciplinary Board of Appeal (relates to patent attorneys)
- Enlarged Board of Appeal (for difficult juridical problems)

Members of appeal boards work strictly independently from the DG1 or DG2 examiners. An appeal board normally consists of three or more members.

DG4 - Administration

DG5 - Legal Service for patent grant procedure

- Patents register
- Register of patent attorneys

(c) Support functions.

Presidential Secretariat - secretarial and administrative support

Controlling Office - support in the preparation of strategic plans and in the definition of objectives for the Office.

Patent Information - Co-ordination all patent information related activities
Secretariat of the Administrative Council publ.inform.and public.

DG1 - Documentation

- Classification
- Finance and personnel services for The Hague and Berlin offices

(DG1 also has other search functions not described above).

.../...

DG2 - Classification
- Secretarial support

DG3 - Registry

DG4 - EDP: . administrative systems (personnel, finance etc.)
 . automation
 . DATIMTEX project
 . BACON project
 . search documentation support
- Finance
- Personnel
- Internal services
- Language service
- Library

DG5 - International affairs/Public Relations
 . Press and Public Relations
 . International Legal and Administrative
 Affairs
 . International Technical Cooperation
- Representation
- General Legal Affairs

VI Staff Statistics (as of January 1990 .)

Total staff: 3023

Munich: 1387, including 889 examiners (DG2),
 53 members of appeals boards (DG3)
 and 36 lawyers (DG5)

.../...

The Hague: 1455 including 858 search examiners (DG1)

Berlin: 181 , including 102 search examiners (DG1)

Total patent and legal specialists. = 1692 or 55,9 % of total staff: in fact this figure is an underestimate as a number of employees in administrative posts also have specialist patent or legal training.

EUROPEAN PATENT ORGANISATION

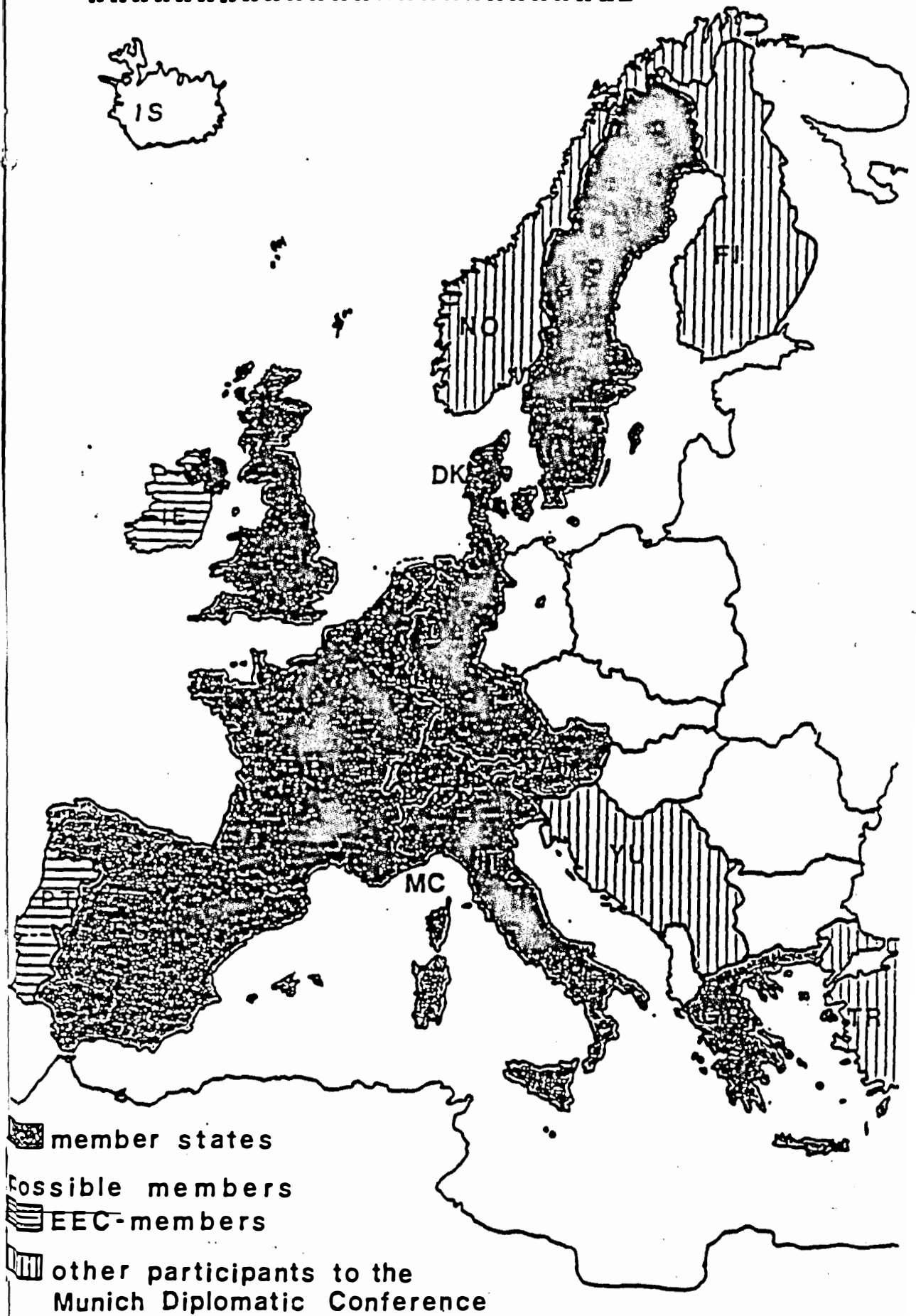


Fig. 1

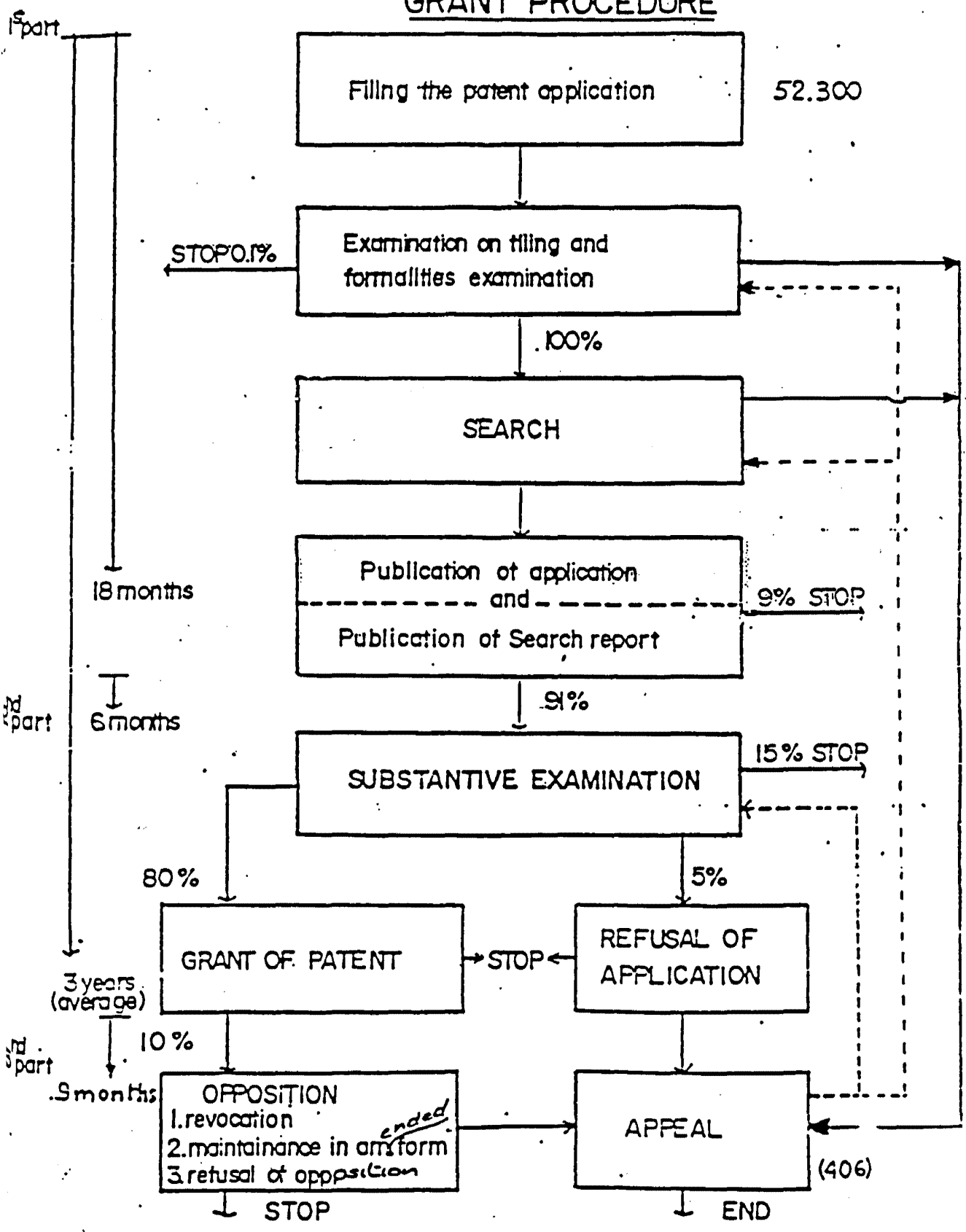
Patent grant procedure

1. *receiving stage
2. *search
3. publication of the application
4. *substantive examination
5. publication of patent specification

Opposition procedure

6. *examination of opposition
7. publication of amended patent (possible)

FLOW-CHART OF THE EUROPEAN PATENT GRANT PROCEDURE



Distribution of responsibilities among the DG's

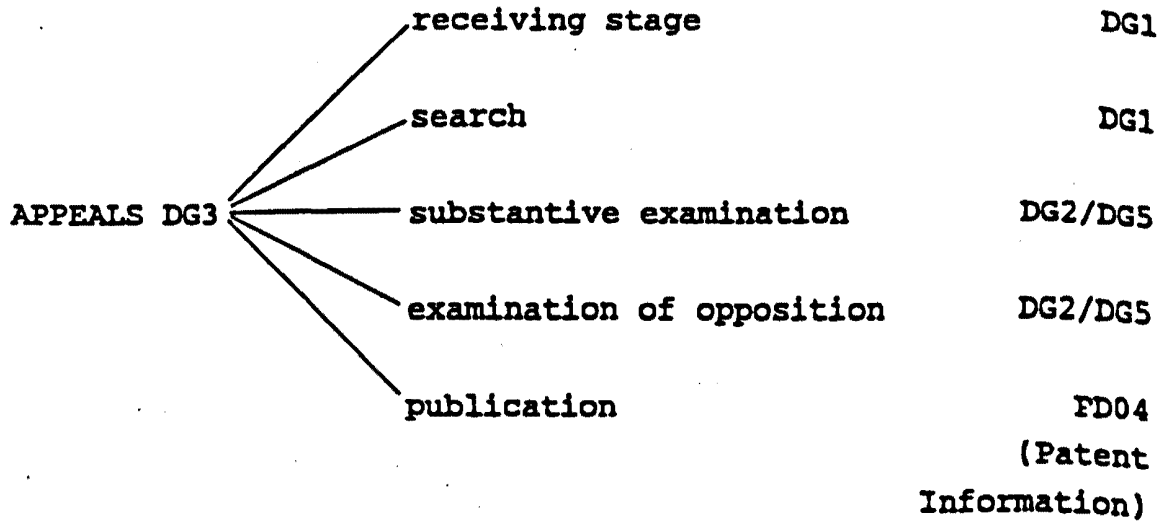


Fig. 1

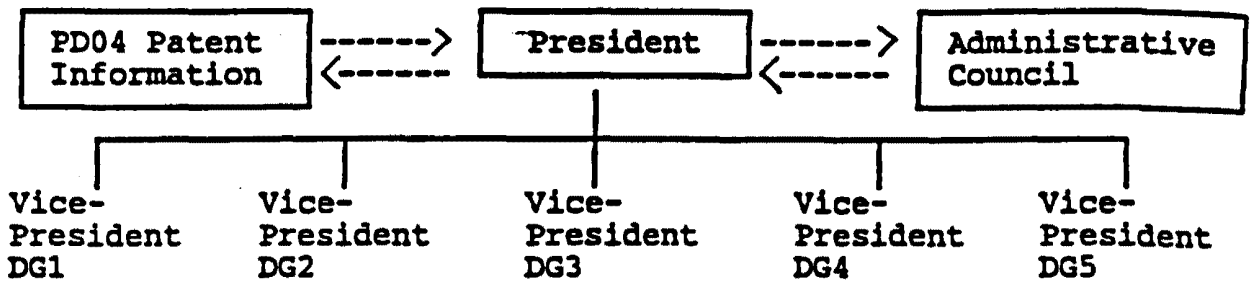
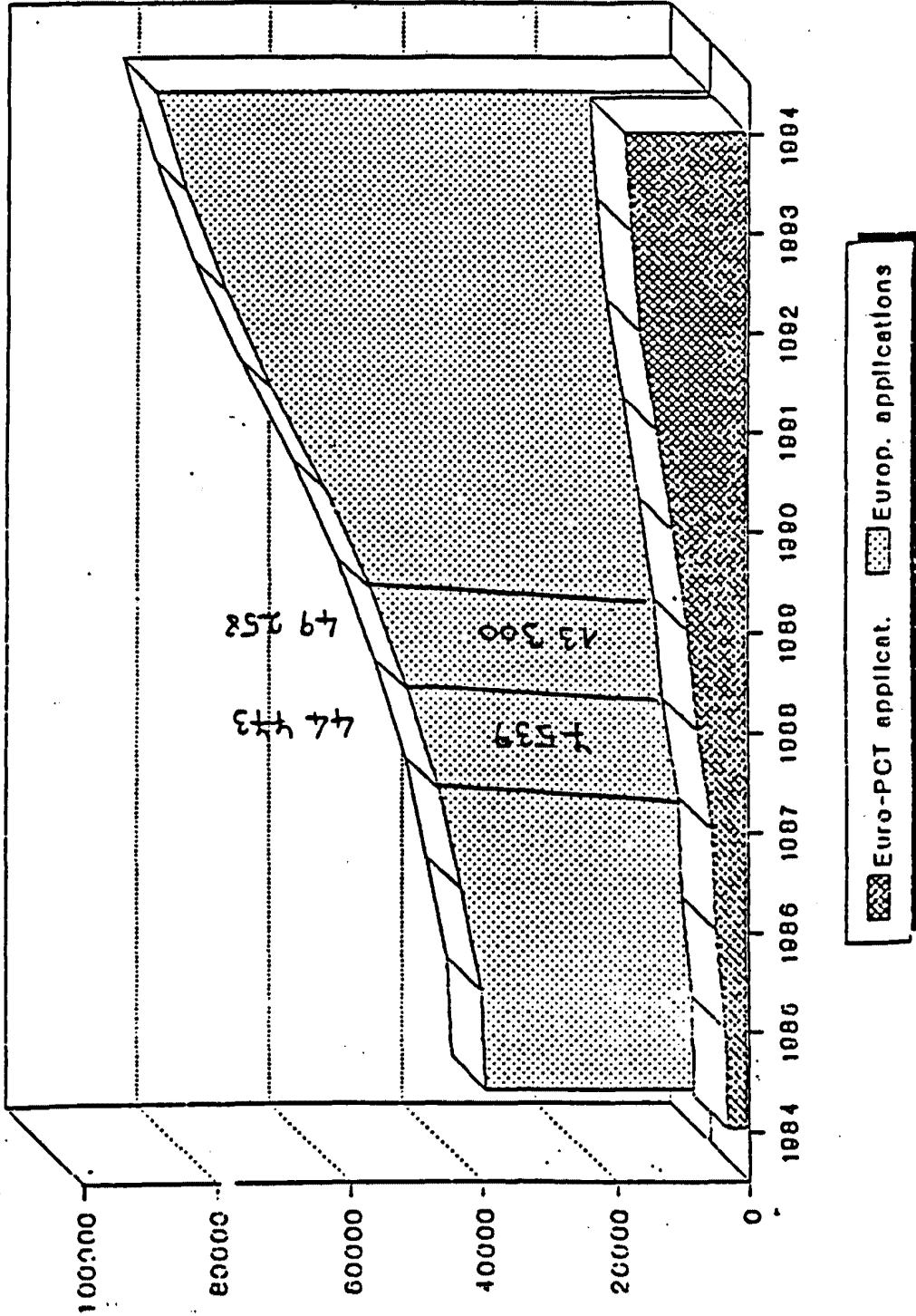
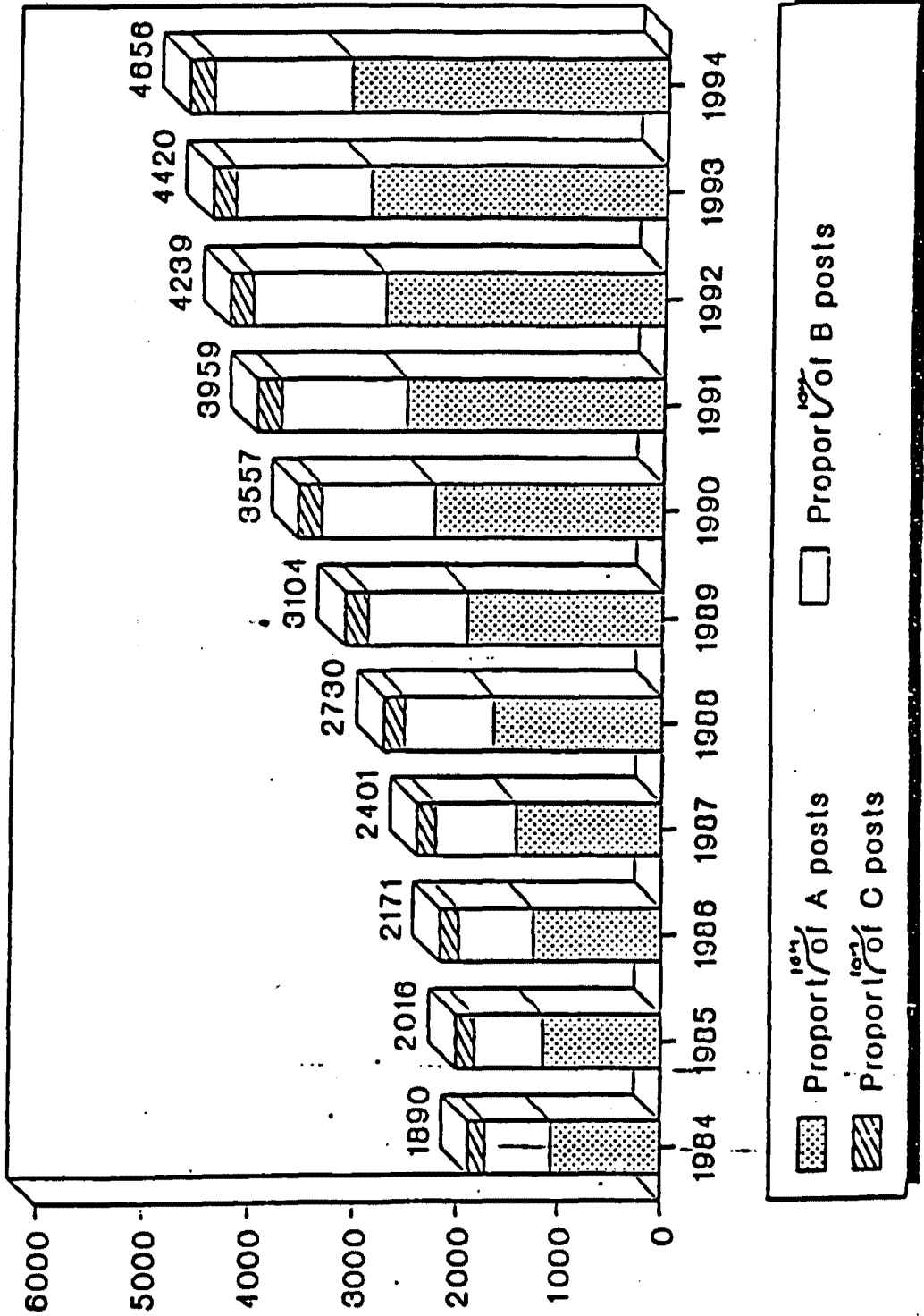


Fig. 2

TREND IN APPLICATIONS



STAFF TREND



WIPO-CEIPI/IP/SB/92/8

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PATENT DOCUMENTS AS A SOURCE OF TECHNOLOGICAL INFORMATION

presented by

Mr. A. Roussel
Examiner, General Directorate 1,
European Patent Office (EPO)

INTRODUCTION

1. This document gives an introduction to the documentary value of patent documents. It discusses the general concept of patents, the patent system and focuses on the two main information topics contained in patents:

- general bibliographic information, which may assist in accessing most of the contents of patents' knowledge, notwithstanding a limited language capability and makes it possible to draw some statistical information from patents in order to detect developments in patented technology;
- technological information in a strict sense, which allows access to technological knowledge of most industrialized countries by way of state of the art searches, in order to gather known solutions to existing technological problems.

2. The second part describes ways to retrieve this valuable information source. Apart from traditional documentary search techniques, attention will be drawn to documentary databases, still developing at a tremendous rate, that make patent information accessible world wide.

3. The patent field, in general, is not well known by the public. Also, among science information workers there is a general impression that the use made of patent information by scientists and technologists is not nearly as great as it should be. German scientists in an enquiry concerning the different means of communication used as their sources of technical information, chose, as the most common source, direct contact with their colleagues. Second place was attributed to technical and professional journals. In 24th place, out of 27, came patents. American industrialists gave patents only fifth place. This illustrates that in academic establishments, such as universities and colleges, the familiarity with patent literature is less than in industrial organizations which must necessarily be aware of the patent system from the protection point of view.

INVENTIONS AND PATENTS

4. It may be that part of what follows constitutes a repetition of what has been said on patents and inventions earlier during this course, but such a repetition may shed some light on the informative contents of patent documents.

5. An "invention" may be described as a new solution to a technical problem. The problem may be old or new. The solution, in order to be qualified as a patentable solution has to satisfy three criteria:

(a) the solution must be a new one, one which has never been thought of before or at least, if thought of by someone, not published by him so that it became known to others;

(b) the solution must involve an inventive step, that is, the solution must contribute substantially to that which is already known and not be obvious to someone well trained in the technical field to which the invention relates (the man skilled in the art);

(c) The solution must relate to a technical problem, which means that the invention must be both usable in practice, i.e., capable of industrial application, and it must also consist of more than a mere recognition of a law of nature (such recognition is called a scientific discovery and not a technological invention).

6. Inventions thus relate to new processes or products, or to improvements of such processes or products, applicable in industry, and represent as such economic value. Usually they are the result of long and hard thinking, and rarely stem from an instantaneous stroke of genius. Inventions are usually the result of methodical research which requires large investments in manpower and materials, such as laboratories with expensive equipment.

7. Such investments must be paid for. Therefore, public authorities grant an exclusivity of exploitation of the invention to the person who is willing to make his invention publicly known in a published document. One could conclude that a patent represents a balance of interests: the description of the invention is made accessible to the public, which is a stimulus for technical progress; the inventor is rewarded by an exclusivity of exploitation.

8. It is not the intention of this paper to deviate too far into the problems of know-how and non-published inventions. Know-how is essentially the knowledge not described in a patent document, but which contributes to the application of the invention. In some very advanced technologies an invention represents another small step towards perfection and one should be aware of the surrounding technology in order to be able to use the invention. However most patent laws prescribe that the description of the invention should be detailed and clear enough to enable the man skilled in the art to make use of the invention. In other technical fields patent documents are self-explanatory and no special skills are required to use the invention. Non-published inventions are only possible in some cases: the formula of a popular soft drink is one of these very well kept secrets. Glass compositions are another example, but analysis methods are becoming so sophisticated that such secrets are being unveiled. In such cases the inventor has no exclusive rights, since he did not patent his invention. Other products reveal their inventive concept as soon as they are put on the market.

9. In the previous paragraphs it has been explained that a patent contains the description of the invention, which is a new solution to a technical problem, involving an inventive step. The description should be clear enough in order to allow the man skilled in the art to reproduce the invention. The inventor who makes his invention public knowledge is granted a monopoly. This monopoly, however, is limited:

- (i) the validity of a patent is limited in time, in most countries to some twenty years after the filing date; in certain cases, the validity of the patent could expire earlier, e.g., if the annual fees are not paid, if the patent owner relinquishes his right or if such decision is taken by a court following the intervention of a third party;
- (ii) the validity of a patent is limited to the territory of the country or countries by which the patent is granted; outside those countries, the invention is in the public domaine.

In all cases falling outside these limits an invention may be used without authorization of the inventor. Also, any individual can, for his own personal use, use a patented invention. It is recommended to seek the advice of a patent expert before proceeding to use a patented invention.

THE CONTENTS OF PATENT APPLICATIONS AND OF PATENTS

10. A request, directed by the inventor (or his employer, or the person or enterprise to whom the inventor sold his invention--in one word the "applicant") to the Government Authority (usually called "the Patent Office" or "the Industrial Property Office") asking for the granting of a patent is called a patent application. Its contents are prescribed by the patent law of the country in which the application is made. In addition to data concerning the applicant (name, address), a patent application generally contains a brief and very precise indication of what the applicant asserts--"claims"--to be his invention (this part is called "the claim" or "the claims") and a more lengthy explanation, describing the existing background and knowledge (the "prior art") on which the invention is based as well as the contribution that the invention will henceforth make in such background and knowledge (this part is called "the description"). If the nature of the invention is such--and it is frequently the case--that its understanding will so be facilitated, the description will be accompanied by one or more drawings.

11. A patent looks very much like a patent application, the main difference being that it contains, instead of a request by the applicant, an indication that it is a grant by the Industrial Property Office. The claims and/or the description may have undergone some restrictive modifications between the time the application was filed and the patent was granted, but the patent itself contains, like the application, a description and one or more claims as well as the drawings, if any. The length of a patent application or patent varies between a few to over 100 pages, and is typically of 20 pages.

WHAT IS A "PATENT DOCUMENT" ?

12. The expression "patent document" designates both patent applications and patents. This is not a legal term found in patent laws, but it is a convenient expression in everyday use. It is to be understood to cover not only applications for patents and granted patents for inventions but also applications for the grant of other kinds of protection concerning inventions, such as "inventors' certificates" and "utility models," known in laws on industrial property of some countries.

WHAT IS A "PUBLISHED PATENT DOCUMENT" ?

13. A patent, once granted, is "published," and, in most countries where there is a major patenting activity, enough copies are made by the Industrial Property Office to allow anyone wishing to acquire a copy to do so. It should be noted here that the whole essence of the patent system is to encourage the publication of technical information and innovation. This is achieved by granting to an inventor who so makes his invention public knowledge a monopoly for the exploitation of that invention for a period of time. The expression "publication" sometimes also includes the act of laying open a document for

public inspection, that is, allowing any person access to the Industrial Property Office to read the document there, whether or not the possibility exists of obtaining a copy.

14. The laws of several countries (for example France and the United Kingdom) require the publication not only of patents but also of patent applications. Others (for example the Soviet Union and the United States of America) only publish granted patents. In the former case an invention will be published twice: first as a patent application, then as a patent.

15. The publication of a patent application usually takes place 18 months after filing of the application in that country (or, if an application for the same invention has been filed earlier--generally by the same applicant--in another country or countries, 18 months from the first filing date--cf. the Paris Convention). The publication of the patent itself normally occurs one to three years after the publication of the patent application. In a country in which patent applications are not published, the patent is normally published (if granted) within a period of six months to three years after the application for it was filed.

16. From the statistics shown in annex I one can deduce that over a million patent documents have been published in 1987. This figure is approximately the same over the last five years. Some thirty percent are published granted patents. The number of inventions which are covered by this number of patent documents is much smaller: their number is estimated at one third, i.e., some 300,000. In other words: each invention gives rise to the publication of in average three patent documents.

17. There are two main reasons for this difference between the number of inventions and the number of the corresponding patent documents published. First, as explained before, some countries--and, as a matter of fact, also the European Patent Office--publish both the patent application and the granted patent. On the other hand, a patent has to be applied for in each and every country where protection is sought. (The EPO makes an exception, as it can grant patents valid in up to 13 states.) The patent documents covering the same invention by one and the same inventor in different countries form, taken together, a "patent family".

PATENT DOCUMENTS AS A SOURCE OF TECHNOLOGICAL INFORMATION

18. Patent documents generally convey the most recent information. This is so because applicants usually seek patent protection at the earliest possible moment, which allows them to stay a step ahead of competitors in the same technical field. It also gives the inventor a better bargaining position, if he wants to sell or license his invention. Also, pharmaceutical industries usually apply for patents for new drugs just after the first animal tests showing some activity for the new compound. Thereafter clinical tests must confirm the applicability of the drug to human beings, which normally takes seven to 10 years. This means that the patent document for this drug is published some six to eight years before the said drug is actually put on the market.

19. The structure, or lay-out, of patent documents is fairly uniform, which makes it possible to browse through a large number of patent documents in a

relatively short time. This structure is, for modern patent documents, very much alike in different countries, and looks generally as follows:

- the front page contains normally all relevant bibliographic information, such as the number and type of the patent document, the identification of the publishing authority, the name of the applicant, mostly also of the inventor, the date of application, the priority date, if any, the date of publication of the document, the title, the classification symbol of the document, an abstract of the invention and sometimes even a drawing;
- thereafter comes the description, which generally starts with a summary of the existing state of the art relating to the invention, a detailed description of the invention and, in most cases, some examples to illustrate the invention;
- after this description follow the claims and, if any, the drawings, generally printed on the last pages of the document.

20. In view of the legal constraints, see paragraph 5 above, a patent document generally gives detailed information on the possibility of its practical application in industry. Also, the drawings submitted with the description must disclose the actual construction of the machine, even if the dimensions are not given. By its very nature, the patent for invention demands a particularly extensive technical description. The inventor, however, always tries to describe the subject of his invention in such a way as to publish a minimum of technical information in return for a maximum legal protection. The inventor will be hesitant to publish all the details in the description, and will keep to himself what is called "non-patentable know-how". The drafting of the patent, again reflecting its legal nature, is also characterized by multiple repetitions and too general directions. It is perhaps for this reason that the patent enjoys such little popularity in so far as a source of technical information.

PATENT LITERATURE IS EASILY ACCESSIBLE

Classification

21. In order to have access to this mass of technical information, there exists a system of classification. Most Industrial Property Offices use the same classification system, namely the "International Patent Classification" (IPC), based on a multilateral international agreement: the Strasbourg Agreement Concerning International Patent Classification. Some of the Industrial Property Offices use, or use additionally classification systems other than the IPC. For example, the United States Patent and Trademark Office uses both the "United States Classification" and the IPC. On its published patent documents, the EPO prints the official IPC symbols. However, for its internal search files, the EPO deviates from the IPC in some technical fields and it uses, in its system, mostly finer subdivisions which are not included in the official IPC.

22. The IPC subdivides technology into some 60,000 fields called "groups", whereas the EPO system contains over 80,000 subdivisions. The text of the IPC is published in nine volumes (eight volumes contain each a major technical field, and one volume contains the summary of the other volumes and also the Guide to the IPC). A Catchword Index is published in a separate volume.

Patent documents are classified before publication, i.e., one or more IPC-symbols are attributed to the document, corresponding to one or more technical fields to which the invention described in the document relates. The symbols are printed on the front page of the document.

23. The first edition of the IPC was published in 1970, and most of the patent documents published by the major patenting countries since then are classified according to this system. More than 90 percent of the patent documents published by the major industrial property offices between 1920 and 1970 were reclassified according to the IPC. The reclassification was performed jointly by the Austrian, the German (Federal Republic of Germany) and the European Patent Offices. Japan and the Soviet Union reclassified their own patent documents respectively. The listings of these reclassified documents are stored in a computerized data base of INPADOC (International Patent Documentation Center), in Vienna, Austria. This reclassification was made in the framework of the CAPRI Project (Computerised Aministration of Patent Documents Reclassified according to the IPC), under the auspices of WIPO.

Repetitive documents

24. As explained above, there are two reasons for repetition of inventions in different documents: the publication of both patent applications and patents and the need to apply for a patent in different countries. In both cases there exist means to avoid reading several times the same invention in different documents. The link between the documents is the common priority dates and numbers. All documents of a "patent family" refer normally to the same priority document (cf. the Paris Convention). This priority is identified by the priority country, date of priority and priority number. This information is given on the front page of each of the documents of the same patent family. This allows one to keep only one of the documents bearing the same priority date, number and country.

How to overcome language barriers?

25. By using the same technique explained in the previous paragraph, one can select, for a particular invention, a patent document written in a language one understands best. One selects from a patent family a document published in a country where the preferred language is used. Some countries however, such as Canada, Switzerland and Belgium, use more than one language, so that one has to make a special enquiry to know the language in which the patent document is published.

26. For many patent documents abstracts in another language are accessible. Chemical Abstracts publishes English-language abstracts of most chemical or chemistry-related patents. The Japanese Patent Office publishes abstracts for the majority of the Japanese patent applications since 1977. Derwent Publications, a private firm in London, publishes each year tens of thousands English-language abstracts of patent documents published in many other languages, including Japanese and Russian. The EPO publishes abstracts of its patent documents in the three official languages of the office, i.e., English, German and French.

HOW TO USE A PATENT-DOCUMENTATION SYSTEM ?

27. Use of the IPC allows different types of search. One could give as an example a simple "state-of-the-art search", which means a search for published patent documents concerning proposed solutions to a particular problem in a given technical field.

For example: small size water pumps driven by solar energy.

(a) Definition of the IPC (sub-)groups to be consulted by consultation of the OFFICIAL CATCHWORD INDEX:

. water (obtaining - from deep wells)	E21B 43/00
. pumps (- for fluids)	F01, F03, F04
. solar (using - energy)	F03G 7/02
. wells (obtaining water from -) .	E03B 3/08
. irrigation (- of soil)	E02B 13/00

The following IPC subgroups have to be consulted:

F04B 17/00, 19/24, 43/06, 43/10

F04F 1/02, 1/04, 1/06, 1/08, 1/10, 1/20

(b) A name search in a given area may prove worthwhile

- to identify firms working in this area,
- to identify possible competitors,
- for the identification of inventors working in a certain field of research (US, EP).

For example: use of herbicides in cassava culture (A01N)

Principal applicants:

- BASF
- Imperial Chemical Industries
- Union Carbide.

28. The search given as an example under (b) hereinbefore has been performed using the possibility of computer-assisted searches. During the last decade the development of databases containing patent information has been explosive. Most of these are accessible worldwide using telecommunication datanets. Some of these databases are principally directed to the bibliographic data of patents, and thus allow to perform name-searches (cf. example (b)) or patent family searches. Sometimes also the words of the titles and/or the abstracts are searchable. Examples thereof are the databases based on INPADOC and the INPI databases. The correspondence between keywords and IPC classification units is also available on an INPI database.

29. Other patent databases allow full text searches in the complete text of the patent documents, or of the abstracts, whereby IPC classification symbols may be used as additional search tools. Examples thereof are the LEXPAT, USP and the JAPIO databases. Other databases have deep indexing systems, which allow a very well defined definition of the subjects to be searched. This proves to be very useful especially in chemical fields. Examples of such databases are these offered by DERWENT Publications under the names WPI and WPIL, and the CLAIMS databases. Some databases are subject oriented, covering all literature in a technical field, which may contain up to thirty percent

patents. Examples of such databases are the ones based upon Chemical Abstracts, Biological Abstracts and Metal Abstracts. It should be mentioned here that this is not an exhaustive list of existing databases.

30. Finally it should be mentioned that for those who do not have at their disposal a systematically classified patent documentation, other means of searching are always possible. Every national Industrial Property Office regularly publishes an Official Bulletin or Official Gazette. This Bulletin publishes regularly (monthly, fortnightly) inventories in numerical and/or alphabetical order, bibliographic information from patents, such as the names of the applicants or inventors, the IPC symbols, complete with the title, and often an abstract. This concise information is sufficient to develop a small documentation system concerning a technical field defined by IPC.

[Annexes follow]



IP/STAT/1983/B

TWO-LETTER CODE FOR COUNTRIES, ORGANIZATIONS AND THE LIKE

AD Andorra	GR Greece	OH Oman
AE United Arab Emirates	GT Guatemala	PA Panama
AF Afghanistan	GW Guinea-Bissau	PE Peru
AG Antigua and Barbuda	GY Guyana	PG Papua New Guinea
AL Albania		PH Philippines
AN Netherlands Antilles	HK Hong Kong	PK Pakistan
AO Angola	HN Honduras	PL Poland
AR Argentina	HT Haiti	PT Portugal
AT Austria	HU Hungary	PY Paraguay
AU Australia	HV Burkina Faso*	
	ID Indonesia	QA Qatar
BB Barbados	IE Ireland	
BD Bangladesh	IL Israel	RO Romania
BE Belgium	IN India	RW Rwanda
BG Bulgaria	IQ Iraq	
BH Bahrain	IR Iran (Islamic Republic of)	SA Saudi Arabia
BI Burundi	IS Iceland	SB Solomon Islands
BJ Benin*	IT Italy	SC Seychelles
BM Bermuda		SD Sudan
BN Brunei	JM Jamaica	SE Sweden
BO Bolivia	JO Jordan	SG Singapore
BR Brazil	JP Japan	SL Sierra Leone
BS Bahamas		SM San Marino
BT Bhutan	KE Kenya	SN Senegal*
BU Burma	KH Democratic Kampuchea	SO Somalia
BW Botswana	KI Kiribati	SR Suriname
BZ Belize	KM Comoros	ST Sao Tome and Principe
	KN Saint Christopher and Nevis	SU Soviet Union
CA Canada	KP Democratic People's Republic of Korea	SV El Salvador
CF Central African Republic*	KR Republic of Korea	SY Syria
CG Congo*	KW Kuwait	SZ Swaziland
CH Switzerland		
CI Ivory Coast*	LA Laos	TD Chad*
CL Chile	LB Lebanon	TG Togo*
CM Cameroon*	LC Saint Lucia	TH Thailand
CN China	LI Liechtenstein	TN Tunisia
CO Colombia	LK Sri Lanka	TO Tonga
CR Costa Rica	LR Liberia	TR Turkey
CS Czechoslovakia	LS Lesotho	TT Trinidad and Tobago
CU Cuba	LU Luxembourg	TV Tuvalu
CV Cape Verde	LY Libya	TW Taiwan, Province of China
CY Cyprus		TZ United Republic of Tanzania
	MA Morocco	
DD German Democratic Republic	MC Monaco	UG Uganda
DE Germany, Federal Republic of	MG Madagascar	US United States of America
DJ Djibouti	ML Mali	UY Uruguay
DK Denmark	MN Mongolia	
DM Dominica	MR Mauritania*	VA Holy See
DO Dominican Republic	MT Malta	VC Saint Vincent and the Grenadines
DZ Algeria	MU Mauritius	VE Venezuela
	MV Maldives	VN Viet Nam
EC Ecuador	MW Malawi	VU Vanuatu
EG Egypt	MX Mexico	
ES Spain	MY Malaysia	WS Samoa
ET Ethiopia	MZ Mozambique	
		YD Democratic Yemen
FI Finland	NE Niger*	YE Yemen
FJ Fiji	NG Nigeria	YU Yugoslavia
FR France	NI Nicaragua	
	NL Netherlands	ZA South Africa
GA Gabon*	NO Norway	ZH Zambia
GB United Kingdom	NP Nepal	ZR Zaire
GD Grenada	NR Nauru	ZW Zimbabwe
GH Ghana	NZ New Zealand	
GM Gambia		
GN Guinea		
GQ Equatorial Guinea		
	WO World Intellectual Property Organization (WIPO)	
	EP European Patent Organisation (EPO)	
	OA African Intellectual Property Organization (OAPI)	
	BX Benelux Trademark Office and Benelux Designs Office	
*Member of OAPI		



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	Residents	Non-residents	Total	Residents	Non-residents	Total	
	Résidents	Non-résidents		Résidents	Non-résidents		
Algeria (C)	50 50	180 180	230 180 50				Algérie (N) (IC)
Argentina (N)				860 860	1 715 1 715	2 575 2 575	Argentine (N)
Australia (P) (P) (P)	7 161 6 511 384 266	14 036 10 240 3 788 8	21 197 16 751 4 172 274	925 708 106 111	9 719 8 862 839 18	10 644 9 570 945 129	Australie (N) (P) (PP)
Austria (RPE) (RPE) (RPE)	2 572 2 249 5 234 84	29 450 1 211 833 21 079 6 527	32 022 3 460 638 21 313 6 611	1 305 1 233 2 70	8 272 1 367 41 6 864	9 577 2 600 43 6 934	Autriche (N) (P) (RE) (RPE)
Bangladesh (N)	23 23	98 98	121 121	10 10	79 79	89 89	Bangladesh (N)
Barbados (P)		833 833	833 833				Barbade (P)
Belgium (RPE) (RPE) (P)	885 548 316 21	32 408 889 24 718 6 801	33 293 1 437 25 034 6 822	281 205 75 1	9 055 367 8 665 23	9 336 572 8 740 24	Belgique (N) (RE) (RPE) (PI)
Botswana (RS)		17 17	17 17		5 5	5 5	Botswana (RS)
Brazil (P) (P)	2 451 2 451	7 162 4 702 2 460	9 613 7 153 2 460	289 289	1 895 1 895	2 184 2 184	Bésil (N) (P)
Bulgaria (IC) (P) (IC)	3 872 3 3 869	2 081 311 1 008 387 375	5 953 314 1 008 4 258 375	1 727 1 727	1 058 185 441 432	2 785 185 2 168 432	Bulgarie (N) (P) (IC) (H)
Canada (N)	2 527 2 527	26 598 26 598	29 125 29 125	1 082 1 082	13 567 13 567	14 649 14 649	Canada (N)
Chile (N) (P)	123 108 15	621 621	744 729 15	43 33 10	252 252	295 285 10	Chili (N) (PI)



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Reporting Country or Organization	Applications for patents filed by Demandes de brevet déposées par des			Grants of patents to Brevets délivrés à des			Pays ou Organisation
	Residents Résidents	Non-residents Non-résidents	Total	Residents Résidents	Non-residents Non-résidents	Total	
China (N)	3 975 3 975	4 084 4 084	8 059 8 059	311 311	111 111	422 422	Chine (N)
Colombia (N)	52 52	532 532	584 584	11 11	413 413	424 424	Colombie (N)
Costa Rica (N)	12 12	33 33	45 45	2 2	11 11	13 13	Costa Rica (N)
Cuba (N) (C) (H)	201 201	37 14 1 22	238 14 202 22	79 79	18 15 1 2	97 15 80 2	Cuba (N) (C) (H)
Czechoslovakia (N) (C) (H)	8 866 28 8 838	1 969 925 532 512	10 835 953 9 370 512	5 720 8 5 712	1 259 645 368 346	6 979 553 6 080 346	Tchécoslovaquie (N) (C) (H)
Dem. P.'s Rep. Korea (N) (C)	4 384 4 384	1 041 32 1 009	5 425 32 1 009 4 384	2 537 2 537	29 12 17	2 566 12 17 2 537	Rép. pop. dém. Corée (N) (C) (H)
Denmark (N) (P)	1 090 1 007 83	7 670 4 759 2 911	8 760 5 766 2 994	212 200 12	917 849 68	1 129 1 049 80	Danemark (N) (P)
Ecuador (N)	21 21	78 78	99 99	1 1	45 45	46 46	Equateur (N)
Egypt (N)	170 170	596 596	766 766	8 8	229 229	235 235	Egypte (N)
Finland (N) (P)	1 893 1 859 34	6 481 3 941 2 540	8 374 5 800 2 574	726 726	1 946 1 946	2 672 2 672	Finlande (N) (P)
France (N) (RE) (RPE)	14 843 12 695 1 832 316	53 437 5 875 40 010 7 552	68 280 18 570 41 842 7 868	6 523 7 716 807	21 890 7 440 14 450	30 413 15 156 15 257	France (N) (RE) (RPE)
Gambia (RS)		16 16	16 16		3 3	3 3	Gambie (RS)



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Reporting Country or Organization	Applications for patents filed by Demandes de brevet déposées par des			Grants of patents to Brevets délivrés à des			Pays ou Organisation
	Residents Résidents	Non-residents Non-résidents	Total	Residents Résidents	Non-residents Non-résidents	Total	
	(N) (H)	(N) (H)	(N) (H)	(N) (H)	(N) (H)	(N) (H)	
German Dem. Rep. (N) (H)	11 180 11 180	1 683 1 211 472	12 863 12 391 472	9 481 9 481	1 257 1 257	10 738 10 738	Rép. dém. allemande (N) (H)
Germany, Fed. Rep. (N) (P) (RE) (RPE)	41 678 31 597 66 9 033 982	52 569 9 592 970 35 092 6 915	94 247 41 189 1 036 44 125 7 897	16 194 12 726 3 3 465	23 703 10 784 178 12 741	39 897 23 510 181 16 206	Allemagne, Rép. féd. (N) (P) (RE) (RPE)
Ghana (N) (RS)		35 16 19	35 16 19		21 16 5	21 16 5	Ghana (N) (RS)
Greece (RE)	1 548 1 540 8	11 239 565 10 674	12 787 2 105 10 682	1 351 1 351	684 684	2 035 2 035	Grèce (N) (RE)
Guatemala (P) (P)	9 8 1	77 76 1	86 84 2	10 10	116 110 6	126 120 6	Guatemala (N) (P)
Haiti (N)	9 9	9 9	18 18	7 7	9 9	16 16	Haiti (N)
Honduras (N)	12 12	31 31	43 43	18 18	42 42	60 60	Honduras (N)
Hong Kong (N)	13 13	1 107 1 107	1 120 1 120	10 10	1 010 1 010	1 020 1 020	Hong-Kong (N)
Hungary (N) (P) (H)	3 231 3 229 2	3 080 1 630 1 374 76	6 311 4 859 1 376 76	1 617 1 617	1 439 1 275 54 110	3 056 2 892 54 110	Hongrie (N) (P) (H)
Iceland (N)	28 28	91 91	119 119	2 2	42 42	44 44	Islande (N)
India (N)	988 988	2 520 2 520	3 508 3 508	546 546	1 481 1 481	2 027 2 027	Inde (N)
Indonesia (N)	62 62	601 601	663 663				Indonésie (N)
Iran (Islamic Rep.) (N)	207 207	165 165	372 372	11 11	95 95	106 106	Iran (Rép. islamique) (N)



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	Residents Résidents	Non-residents Non-résidents	Total	Residents Résidents	Non-residents Non-résidents	Total	
Iraq (N)	272 272	49 49	321 321	53 53	70 70	123 123	Irak (N)
Ireland (N)	719 719	2 846 2 846	3 565 3 565	16 16	1 020 1 020	1 036 1 036	Irlande (N)
Israel (N)	823 823	3 035 3 035	3 858 3 858	188 188	1 499 1 499	1 687 1 687	Israël (N)
Italy (RE) (RPE)	729 593 136	41 476 34 295 7 181	42 205 34 888 7 317	110 110	11 440 11 440	11 550 11 550	Italie (RE) (RPE)
Jamaica (N)	3 3	101 101	104 104		18 18	18 18	Jamaïque (N)
Japan (N) (P)	311 062 310 908 154	33 076 29 876 7 100	344 138 336 884 7 254	54 087 54 087	8 313 8 313	62 400 62 400	Japon (N) (P)
Kenya (N) (RS)		129 108 21	129 108 21		113 108 5	113 108 5	Kenya (N) (RS)
Luxembourg (N) (P) (RE) (RPE)	107 69 34	22 055 300 550 14 835	22 162 369 550 14 869 6 374	74 66 8	4 508 340 14 4 154	4 582 408 14 4 162	Luxembourg (N) (P) (RE) (RPE)
Madagascar (P)		880 880	880 880				Madagascar (P)
Malawi (N) (P) (RS)		939 53 868 18	939 53 868 18		48 38 5 5	48 38 5 5	Malawi (N) (P) (RS)
Malta (N)	5 5	17 17	22 22	1 1	11 11	12 12	Malte (N)
Mauritius (N)		5 5	5 5	2 2	3 3	5 5	Maurice (N)
Mexico (N) (IC)	920 742 78	3 509 3 509 83	4 412 4 251 161	76 67 9	1 330 1 089 241	1 406 1 156 250	Mexique (N) (IC)



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Reporting Country or Organization	Applications for patents filed by Demandes de brevet déposées par des			Grants of patents to Brevets délivrés à des			Pays ou Organisation
	Residents Résidents	Non-residents Non-résidents	Total	Residents Résidents	Non-residents Non-résidents	Total	
Monaco (N) (P)	19 19	1 000 55 945	1 019 74 945	11 10 1	60 41 19	71 51 20	Monaco (N) (P)
Mongolia (IC) (H)	53 53	14 7 7	67 60 7	30 30	14 7 7	44 37 7	Mongolie (IC) (H)
Morocco (N)	72 72	234 234	306 306	62 62	234 234	296 296	Maroc (N)
Netherlands (N) (P) (RE) (RPE)	3 250 1 970 1 1 235 44	37 715 1 201 705 28 842 6 967	40 965 3 171 706 30 077 7 011	688 201 487	11 882 1 720 10 162	12 570 1 921 10 649	Pays-Bas (N) (P) (RE) (RPE)
New Zealand (N)	912 912	3 368 3 368	4 280 4 280	261 261	2 249 2 249	2 510 2 510	Nouvelle-Zélande (N)
Norway (P)	23 23	2 787 2 787	2 810 2 810				Norvège (P)
OAPI (RA) (RPA)	30 30	1 030 175 855	1 060 205 855		225 225	225 225	OAPI (RA) (RPA)
Panama (N)	3 3	73 73	76 76	6 6	34 34	40 40	Panama (N)
Peru (N)	43 43	194 194	237 237	16 16	317 317	333 333	Pérou (N)
Poland (N)	5 682 5 682	769 769	6 451 6 451	3 479 3 479	578 578	4 057 4 057	Pologne (N)
Portugal (N)	61 61	2 258 2 258	2 319 2 319	22 22	1 702 1 702	1 724 1 724	Portugal (N)
Republic of Korea (N) (P)	4 872 4 871 1	13 964 10 914 3 050	18 836 15 785 3 051	596 596	1 734 1 728 6	2 330 2 324 6	République de Corée (N) (P)
Romania (N) (P) (H)	4 821 4 821	1 455 291 1 154 10	6 276 5 112 1 154 10	2 451 2 451	398 388 9 1	2 849 2 839 9 1	Roumanie (N) (P) (H)

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Reporting Country or Organization	Applications for patents filed by Demandes de brevet déposées par des			Grants of patents to Brevets délivrés à des			Pays ou Organisation
	Residents Résidents	Non-residents Non-résidents	Total	Residents Résidents	Non-residents Non-résidents	Total	
Rwanda (N)		2 2	2 2		2 2	2 2	Rwanda (N)
Solomon Islands (N)		6 6	6 6		6 6	6 6	Iles Salomon (N)
South Africa (N)	4 922 4 922	4 844 4 844	9 766 9 766			5 828 5 828	Afrique du Sud (N)
Soviet Union (N) (P) (IC) (H)	178 082 35 178 047	3 912 1 764 1 857 20 271	181 994 1 799 1 857 178 067 271	83 659 5 83 654	1 359 1 179 15 165	85 018 1 184 83 669 165	Union soviétique (N) (P) (IC) (H)
Spain (N) (RE)	1 754 1 720 34	21 632 2 590 19 042	23 386 4 310 19 076	1 019 1 019	6 261 6 261	7 280 7 280	Espagne (N) (RE)
Sri Lanka (N) (P)	42 41 1	988 90 898	1 030 131 899	28 28	96 74 22	124 102 22	Sri Lanka (N) (P)
Sudan (P) (RS)		887 865 22	887 865 22		5 5	5 5	Soudan (P) (RS)
Sweden (N) (P) (RE) (RPE)	4 840 3 521 93 684 542	34 117 1 695 651 25 375 6 396	38 957 5 216 744 26 059 6 938	2 014 1 828 186	11 792 2 886 8 906	13 806 4 714 9 092	Suède (N) (P) (RE) (RPE)
Switzerland (N) (P) (RE) (RPE)	4 952 3 298 12 1 430 212	33 094 1 764 674 24 040 6 616	38 046 5 062 686 25 470 6 828	2 484 1 759 15 710	10 917 2 617 123 8 177	13 401 4 378 138 8 887	Suisse (N) (P) (RE) (RPE)
Thailand (N)	68 68	814 814	882 882	11 11	60 60	71 71	Thaïlande (N)
Turkey (N)	138 138	760 760	898 898	63 63	256 256	319 319	Turquie (N)
Uganda (N) (RS)		21 16	21 16		28 7	28 7	Ouganda (N) (RS)



IP/STAT/1987/A

PATENTS/BREVETS

7

PATENTS

Patent applications filed and patents granted during 1987
Demandes de brevet et brevets délivrés en 1987

BREVETS

Table I

Tableau I

Reporting Country or Organization	Applications for patents filed by Demandes de brevet déposées par des			Grants of patents to Brevets délivrés à des			Pays ou Organisation
	Residents Résidents	Non-residents Non-résidents	Total	Residents Résidents	Non-residents Non-résidents	Total	
	(N) (P) (RE) (RPE)	(N) (P) (RE) (RPE)	(N) (P) (RE) (RPE)	(N) (P) (RE) (RPE)	(N) (P) (RE) (RPE)	(N) (P) (RE) (RPE)	
United Kingdom	23 738	58 446	82 184	4 609	24 050	28 659	Royaume-Uni
(N)	19 945	10 419	30 364	3 875	9 174	13 049	(N)
(P)	248	953	1 201				(P)
(RE)	2 772	39 990	42 762	734	14 876	15 610	(RE)
(RPE)	773	7 084	7 857				(RPE)
United States America	68 671	65 136	133 807	43 518	39 434	82 952	Etats-Unis d'Amérique
(N)	68 315	59 602	127 917	43 431	37 789	81 200	(N)
(P)	356	5 534	5 890	87	1 665	1 752	(P)
Uruguay	34	101	135	15	80	95	Uruguay
(N)	34	101	135	15	80	95	(N)
Venezuela	312	1 369	1 681	82	1 906	1 988	Venezuela
(N)	312	1 369	1 681	82	1 906	1 988	(N)
Yugoslavia	1 584	867	2 451	189	553	742	Yougoslavie
(N)	1 584	867	2 451	189	553	742	(N)
Zambia		120	120		74	74	Zambie
(N)		99	99		71	71	(N)
(RS)		21	21		3	3	(RS)
Zimbabwe	46	217	263	32	214	246	Zimbabwe
(N)	41	200	241	31	211	242	(N)
(RS)	5	17	22	1	3	4	(RS)



IP/STAT/1987/A

GENERAL NOTES

NOTES GENERALES

1. The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the International Bureau of WIPO concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

2. An entity is only listed in those tables for which data is available.

3. In the tables a blank means zero, except where otherwise stated.

4. Each table should be read in conjunction with the individual notes applicable to that table.

1. Les appellations employées dans cette publication et la présentation des données qui figurent n'impliquent, de la part du Bureau international de l'OMPI, aucune prise de position quant au statut juridique des pays, territoires, villes ou zones, ou de leurs autorités, ni quant au tracé de leurs frontières ou limites.

2. Une entité n'apparaît que dans les tables pour lesquels des données sont disponibles.

3. Dans les tableaux, un blanc signifie zéro, sauf indication contraire.

4. Chaque tableau doit être lu avec les notes spécifiques qui s'y appliquent.



IP/STAT/1987/A

CODES

PATENTS

First line:

Overall total. This figure includes, where applicable, the industrial property rights listed below.

(N)
Patent applications filed directly with the office concerned and grants made on the basis of such applications.

(P)
International patent applications filed under the Patent Cooperation Treaty (PCT) and grants made on the basis of such applications. Applications: figures compiled by the International Bureau on the basis of record copies received in 1986.

(RE)
Designations in European patent applications filed under the European Patent Convention and grants, having effect in the country concerned, made on the basis of such applications.

(RPE)
Designations in applications filed under the PCT with a view to obtaining a European patent and grants, having effect in the country concerned, made on the basis of such applications.

(IC)
Applications for and grants of inventors' certificates.

(H)
Applications filed under the Havana Agreement and grants of industrial property right titles mutually recognized under the said Agreement.

(PI)
Applications for and grants of patents of importation, including patents of introduction, revalidation patents and "patentes precaucionales".

(PP)
Applications for and grants of petty patents.

(RS)
Designations in applications for patents filed under the Harare Protocol of the African Regional Industrial Property Organization (ARIPO) and grants, having effect in the country concerned, made on the basis of such applications.

CODES

BREVETS

Première ligne :

Total. Ce chiffre comprend, s'il y a lieu, les droits de propriété industrielle énumérés ci-après.

(N)
Demandes de brevet déposées directement auprès de l'office intéressé et brevets délivrés sur la base de telles demandes.

(P)
Demandes internationales de brevet déposées en vertu du Traité de coopération en matière de brevets (PCT) et brevets délivrés sur la base de telles demandes. Demandes : chiffres calculés par le Bureau international sur la base des exemplaires originaux reçus en 1986.

(RE)
Designations figurant dans des demandes de brevet européen déposées en vertu de la Convention sur le brevet européen et brevets, ayant effet dans le pays intéressé, délivrés sur la base de telles demandes.

(RPE)
Designations figurant dans des demandes de brevet déposées en vertu du PCT en vue de l'obtention d'un brevet européen et brevets, ayant effet dans le pays intéressé, délivrés sur la base de telles demandes.

(IC)
Demandes et délivrances de certificats d'auteur d'invention.

(H)
Demandes déposées en vertu de l'Accord de La Havane et titres de propriété industrielle mutuellement reconnus délivrés en vertu de cet accord.

(PI)
Demandes et délivrances de brevets d'importation, y compris les brevets d'introduction, de revalidation et les brevets "precaucionales".

(PP)
Demandes et délivrances de "petits brevets".

(RS)
Designations figurant dans des demandes de brevet déposées en vertu du Protocole de Harare de l'Organisation régionale africaine de la propriété industrielle et brevets, ayant effet dans le pays intéressé, délivrés sur la base de telles demandes.

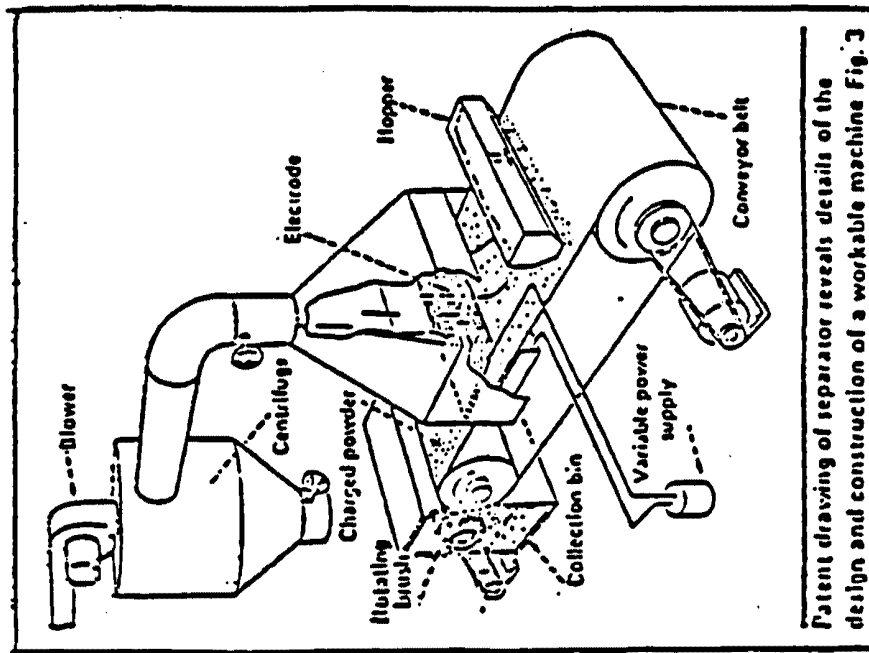
[Annex II follows]

[L'annexe II suit]

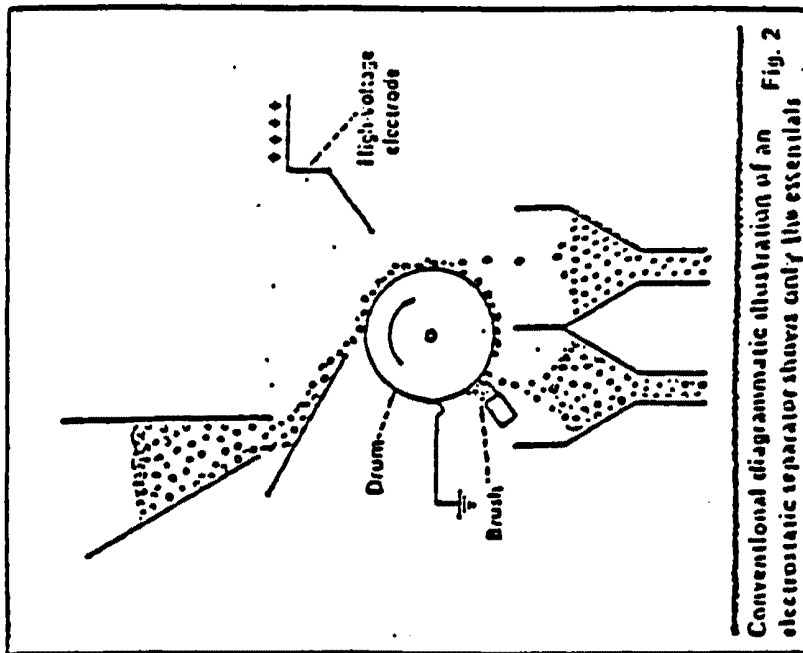
PUBLICATION

BREVET.
PATENT

LITTERATURE NON-BREVET
NON PATENT LITERATURE



Patent drawing of separator reveals details of the design and construction of a workable machine Fig. 3



Conventional diagrammatic illustration of an electrostatic separator shows only the essentials Fig. 2

FAMILLE DE BREVETS
PATENT FAMILY

priorité ①
priority

jp 26656/74

(7/ 3/1974)

documents ② pub. date

③ dépôt / filing date

fr	2.263.547	3/10/75	5/ 3/75
de	2.509.852	18/ 9/75	6/ 3/75
us	3.978.296	31/ 8/76	6/ 3/75
gb	1.474.002	18/ 5/77	21/ 2/75
ch	608.164	29/12/78	6/ 3/75

RÉPUBLIQUE FRANÇAISE
 INSTITUT NATIONAL
 DE LA PROPRIÉTÉ INDUSTRIELLE
 PARIS

⑪ N° de publication :
 (A n'utiliser que pour les
 demandes de reproduction.)

2 263 547

A1

DEMANDE
 DE BREVET D'INVENTION

⑫

N° 75 06891

⑭ Dispositif de commutation pour une montre électronique.

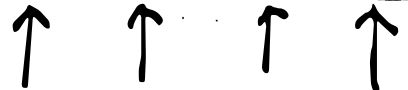
⑮ Classification internationale (Int. Cl.⁸). G 04 C 9/00.

⑯ Date de dépôt 5 mars 1975, à 15 h 16 mn.

③

⑰ ⑱ ⑲

⑲ Priorité revendiquée : Demande de brevet déposée au Japon le 7 mars 1974, n. 26.656/1974
 au nom de la demanderesse.



⑳ Date de la mise à la disposition du
 public de la demande

B.O.P.I. - «Listes» n. 40 du 3-10-1975.

②

㉑ Déposant : Société dite : KABUSHIKI KAISHA DAINI SEIKOSHA, résidant au Japon.

㉒ Invention de :

㉓ Titulaire : Idem ㉑

㉔ Mandataire : Cabinet A. Louré et W. Flechner.

Int. Cl. 2:

31

19 BUNDESREPUBLIK DEUTSCHLAND



DT 2509852 AI

11

Offenlegungsschrift 25 09 852

21

Aktenzeichen: P 25 09 8526

22

Anmeldetag: 6. 3. 75

23

Offenlegungstag: 18. 9. 75

33

Unionspriorität:



7. 3. 74 Japan 26656-74

Bibliothek
Eur. Ind. Eigentum
18 NOV. 1975

53

Bezeichnung:

Verstelleinrichtung für eine elektronisch gesteuerte Uhr

71

Anmelder:

K.K. Daini Seikosha, Tokio

72

Vertreter:

Endlich, F., Dipl.-Phys., Pat.-Anw., 8034 Unterpfaffenhofen

73

Erfinder:

Moriya, Tokio, Chiba; Hirai, Hiroto, Tokio (Japan)

(11) 3,978,296

(45) Aug. 31, 1976

[56]

References Cited

UNITED STATES PATENTS

3,733,803	5/1973	Hiraga	58/85,3
3,810,356	5/1974	Fujita	58/85,3
3,892,952	12/1974	Vittor	58/23 A

Primary Examiner—Edith Simmons Jackson
 Attorney, Agent, or Firm—Robert E. Burns;
 Emmanuel J. Lobato; Bruce L. Adams

[57]

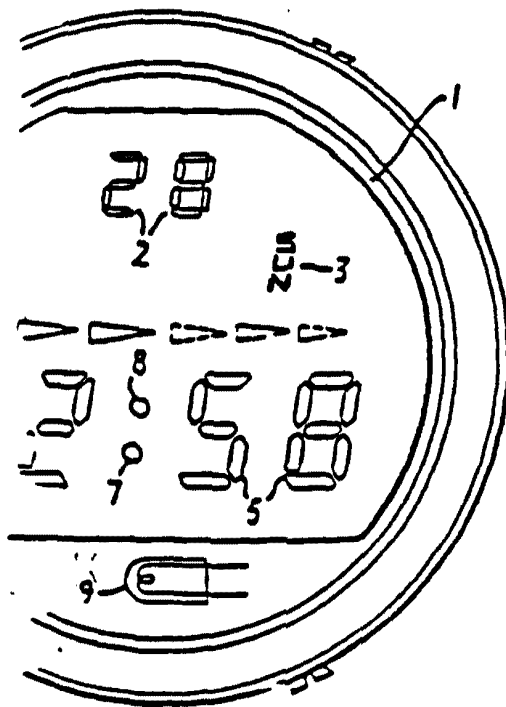
ABSTRACT

A switching system for an electronic timepiece has a plurality of display sections which are individually activated in response to movement of manual member for effecting an amendment of said display sections. A switching mechanism is operated by axial movement and rotational movement of said manual member for effecting the desired amendment.

2 Claims, 6 Drawing Figures

①

49-2663
 58/4 A:
 200/6 R
 4 19/10
 R. 50 R.
 52 R



PATENT SPECIFICATION (11)

1 474 002

1 474 002

(21) Application No. 7441/75 (22) Filed 21 Feb. 1975 (19)

(31) Convention Application No. 49/026656 (32) Filed 7 March 1974 (1)

(33) Japan (JA)

(44) Complete Specification published 18 May 1977 (2)

(51) INT. CL.: G04C 3/00

(52) Index at acceptance

G3T A5X

HIN 441 442 45X 45Y 630 649 700 701 704 74X



(54) ELECTRONIC TIMEPIECE

(71) We, KABUSHIKI KAISHA DAINI SEIKOSHA, a Japanese company, of 31-1, 6-chome, Kameido, Koto-ku, Tokyo, Japan, do hereby declare the invention, for which we pray that a patent may be granted to us, and the method by which it is performed, to be particularly described in and by the following statement:—

This invention relates to electronic timepieces.

In conventional electronic timepieces a number of switch buttons are used for correcting the time indication displayed thereby. It is somewhat difficult to provide a number of switch buttons on an electronic watch due to the limited space available, and even if the switch buttons can be accommodated it proves difficult to operate them in a reliable manner.

According to the present invention there is provided an electronic timepiece comprising: display means for displaying a time indication and having a plurality of display portions; a manually operable member for correcting the indication given by each display portion, the manually operable member being mounted on a base plate for axial and rotary movement; and at least three switch means having different functions and operable by the manually operable member to effect correction of the indication given by each display portion.

In the preferred embodiment the electronic timepiece includes a correcting wheel mounted on the manually operable member for rotary movement therewith, the correcting wheel being made of electrically conductive material and selectively engageable with a pair of switch contacts, the correcting wheel together with one of the switch contacts constituting a first of the switch means and the correcting wheel together with the second of the switch contacts constituting a second of the switch means.

Preferably the electronic timepiece includes a spring member mounted on the base plate and arranged to contact at least one terminal upon axial movement of the manually operable member, the spring member together with the at least one terminal constituting a

further one or more of said switch means. The electronic timepiece may include three of said terminals, the spring member together with said terminals constituting three of the switch means.

In the preferred embodiment one of the switch means is arranged to determine the display portion the indication of which is to be corrected, another of the switch means is arranged to correct the indication of the display portion determined by said one of the switch means, and a further one of the switch means is arranged to zeroise the indication of one of the display portions. A further switch means controlled by the manually operable member may be arranged to energise a lamp for illuminating the display means.

The electronic timepiece may include safety switch means operable by said manually operable member for selectively enabling or disabling operation of at least one of the other switch means.

The invention is illustrated, merely by way of example, in the accompanying drawings, in which:—

Figure 1 is a plan view of an electronic timepiece according to the present invention;

Figure 2 is a circuit diagram of the electronic circuitry of the timepiece of Figure 1;

Figure 3 is a plan view of a switching mechanism of the timepiece of Figure 1; and

Figure 4, consisting of Figures 4A and 4B are cross-sections of the switching mechanism of Figure 3 taken on the lines 4A—4A and 4B—4B respectively.

Referring now to the drawings, and in particular to Figure 1, there is shown, in plan, an electronic timepiece, e.g. an electronic watch, according to the present invention having a liquid crystal display panel 1 consisting of a date display portion 2, a day of the week display portion 3 which displays indicia (e.g. Japanese characters) representative of Sunday, Monday, Tuesday, etc., an hours display portion 4, a minutes display portion 5 and a seconds display portion 6. The seconds display portion 6 consists of six arrow segments, the left-hand most (as seen in Figure 1) arrow segment flashes once

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CHI 608164 G

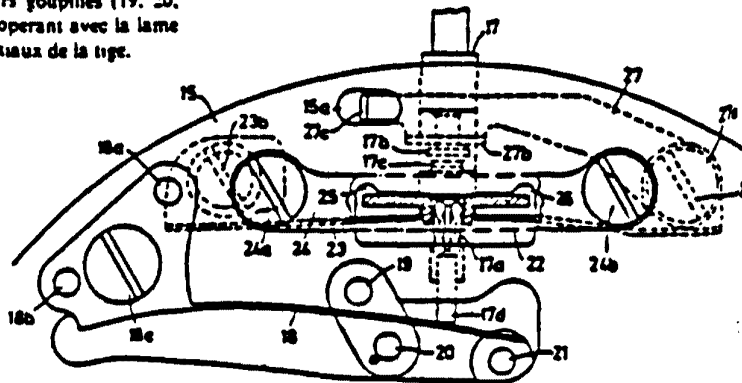
② FASCICULE DE LA DEMANDE A3 ⑩

608 164

- ① Numéro de la demande: 2856/75
- ⑥ Additionnel à:
- ⑥② Demande scindée de:
- ⑥③ Date de dépôt: 06. 03. 1975 ③
- ⑥④ Priorité: Japon, 07. 03. 1974 (49-26656) ①
- ⑥⑤ Demande publiée le: 29. 12. 1978 ②
- ⑥⑥ Fascicule de la demande publié le:
- ⑦① Requérant: Kabushiki Kaisha Dami Seikosha, Tokyo (Japon)
- ⑦④ Mandataire: Bovard & Cie, Bern
- ⑦⑤ Inventeur: Tokio Mariya, Chiba-ken, et Hirotoyo Hirai, Tokyo (Japon)
- ⑦⑥ Rapport de recherche au verso

⑤④ Dispositif de commande manuelle dans une pièce d'horlogerie électronique

⑤⑦ Le dispositif comporte un organe de contact rigide (22) pourvu de deux becs, monté sur la tige (17) et accouplé à celle-ci, deux plaques de contact (25, 26) fixes placées en regard des becs, un organe de contact élastique (18) placé en regard de l'extrémité de la tige et deux ou plusieurs goupilles (19, 20, 21) qui forment des éléments de contacts coopérant avec la lame élastique (18) en réponse aux mouvements axiaux de la tige.



INDEX OFFICIEL DES MOTS CLES

pour la quatrième édition (1984) de la
Classification internationale des brevets

E

EAU

voir aussi AQUATIQUE,
HYDRAULIQUE

(1°) — et son obtention (= corps chimique)	C01B	5/00*
— lourde	C01B	5/02
— oxygénée	C01B	15/01
Captage de l' — de pluie ou de ruissellement	E03B	3/02 3/04
Captage ou extraction de l' — à partir de nuits	E03B E21B	3/08 43/00
navires (Production d' — douce sur les)	B63J	1/00
Prospection des — x souterraines	G01V	9/02
(2°) — Traitement de l' —		
Analyse de l' —	G01N	33/18
Dégasage de l' —	C02F	1/20
Distillation ou filtration de l' —	B01D C02F	1/04
Gazéification de l' —	B01F	
Mesure de la teneur en —	G01N	25/56
Nettoyage de la surface des — x	E02B	15/00
Traitement et épuration des — x	C02F E04H	3/20

ÉNERGIE

(1°) — électrique		
Mesure de l' —	G01R	21/00
Production conservation, dis-	H02	
—		
—		
(6°) — nucléaire	G21	
(7°) — sismique		
Production d' —	G01V	1/02
(8°) — solaire		
Conversion directe de l' — en énergie électrique	H01L	31/00
Utilisation de l' — par des mécanismes moteurs	F03G	7/02
Utilisation de l' — pour la production de chaleur	F24J	2/00

POMPE

— s en général

	F01 F04	
— ionique	H01J	41/12
Chauffage central à accumulation avec — de chaleur	F24D	11/02
cycles pour fixation d'une — (Aménagement des)	B62K B62J	19/42 11/02
diffusion (— à)	F04F	9/00

SOLAIRE

voir aussi SOLEIL

Cadran —	G04B	49/02
énergie — en énergie électrique (Conversion directe de l' —)	H01L	31/00
énergie — pour la production de chaleur (Utilisation de l' —)	F24J	2/00
Moteur à énergie —	F03G	7/02
Panneaux — s	H01L	25/00

IRRIGATION

— du sol	E02B	13/00
Dispositif médical d' —	A61M	7/00

PUTS

voir aussi MINE (3ème sens)

Ascenseur pour — de mine	B66B	15/00 17/00 19/00
eau à partir d'un — (Obtention d')	E03B	3/08
fondations (— de)	E02D	17/06
Forage de — à grande profondeur	E21B	
forage des — (Machine motrice adaptée au)	F03B	13/02
incendies dans les — de mine (Extinction ou prévention des)	E21B E21F	35/00 5/00
mine (— de)	E21D	
Pompes spécialement adaptées aux —	F04F	1/08

F 03 D MÉCANISMES MOTEURS À VENT

Note

Dans la présente sous-classe, les expressions suivantes ont la signification ci-dessous indiquée:

- "mécanisme moteur à vent" signifie mécanisme convertissant l'énergie du vent naturel en puissance mécanique utile ainsi que la transmission de cette puissance à son point d'utilisation;
- "rotor" signifie pièces du mécanisme moteur à vent en contact avec le vent, ainsi que l'organe rotatif supportant ces pièces;
- "axe de rotation" signifie axe de rotation du rotor.

1/00	Mécanismes moteurs à vent avec axe de rotation sensiblement dans la direction du vent (commande 7/00)	7/00	Commande des mécanismes moteurs à vent
1/02	. comportant plusieurs rotors	7/02	. les mécanismes moteurs à vent ayant l'axe de rotation sensiblement dans la direction du vent
1/04	. comportant des moyens fixes de guidage du vent, p. ex. par aubages ou canaux directeurs (1/02 a priorité)	7/04	. . Régulation, c. à d. commande automatique
1/06	. Rotors	7/06	. les mécanismes moteurs à vent ayant l'axe de rotation sensiblement à angle droit avec la direction du vent
3/00	Mécanismes moteurs à vent avec axe de rotation sensiblement à angle droit avec la direction du vent (commande 7/00)	9/00	Adaptations des mécanismes moteurs à vent pour une utilisation particulière; Combinaison des mécanismes moteurs à vent avec les appareils qu'ils entraînent (si c'est l'aspect concernant les appareils entraînés qui prédomine, voir les classes appropriées concernant ces appareils)
3/02	. comportant plusieurs rotors	9/02	. l'appareil emmagasinant de l'énergie
3/04	. comportant des moyens fixes de guidage du vent, p. ex. par aubages ou canaux directeurs (3/02 a priorité)	11/00	Détails, parties constitutives ou accessoires non couverts dans les groupes précédents ou d'un intérêt plus général que le sens visé par ces groupes
3/06	. Rotors	11/02	. Transmission de la puissance, p. ex. en utilisant des aubes d'aspiration creuses
5/00	Autres mécanismes moteurs à vent (commande 7/00)	11/04	. Structures de montage
5/02	. les pièces en contact avec le vent étant fixées à des chaînes sans fin ou à un dispositif similaire		
5/04	. les pièces en contact avec le vent étant fixées à des chariots se déplaçant sur des voies ou à un dispositif similaire		
5/06	. les pièces en contact avec le vent oscillant et ne tournant pas		

F 03 G MÉCANISMES MOTEURS À RESSORTS, À POIDS, À INERTIE OU ANALOGUES; DISPOSITIFS OU MÉCANISMES PRODUISANT UNE PUISSANCE MÉCANIQUE, NON PRÉVUS AILLEURS OU UTILISANT UNE SOURCE D'ÉNERGIE NON PRÉVUE AILLEURS

Note

Dans la présente sous-classe, l'expression suivante a la signification ci-dessous indiquée:

- "mécanismes moteurs" signifie mécanismes pour produire de la puissance mécanique à partir de l'énergie potentielle de corps solides.

1/00	Mécanismes moteurs à ressort (jouets mus par ressort A 63 H; ressorts en général F 16 F; mécanismes de précision pour la mesure du temps, p. ex. pour les horloges ou les montres, G 04 B)	3/04	. entraînés par du sable ou un matériau solide fluent similaire
1/02	. caractérisés par la forme ou le matériau du ressort, p. ex. en hélice, spirale ou bobine	3/06	. utilisant des pendules
1/04	. . utilisant des ressorts en caoutchouc	3/08	. utilisant des volants
1/06	. Autres parties constitutives ou détails	5/00	Dispositifs pour produire de la puissance mécanique à partir de l'énergie musculaire (conduite des cycles B 62 M)
1/08	. . pour la mise en tension	5/02	. du type à "marche sans fin", p. ex. manège à pédale
1/10	. . pour la production d'un mouvement de sortie autre que rotatif, p. ex. vibratoire	5/04	. . Manèges à chevaux ou similaires
3/00	Autres mécanismes moteurs, p. ex. mécanismes moteurs à gravité ou inertie	5/06	. autres que ceux du type à "marche sans fin"
3/02	. utilisant des roues avec des compartiments périphériques coopérant avec des corps solides tombants (3/04 a priorité)	5/08	. . à action combinée par des membres différents du corps, p. ex. la main et la jambe
		7/00	Mécanismes produisant une puissance mécanique, non prévus ailleurs ou utilisant une source d'énergie non prévue ailleurs

F 04 "MACHINES" À LIQUIDES À DÉPLACEMENT POSITIF, POMPES À LIQUIDES OU À FLUIDES COMPRESSIBLES (alimentation ou balayage des moteurs à combustion par pompes F 02 B; pompes à injection de combustible F 02 M; pompes à ions H 01 J 41/12; pompes électrodynamiques H 02 K 44/02)

Note

Les combinaisons de pompes à déplacement positif et de pompes à déplacement non positif sont classées dans la sous-classe F 04 B en tant que sous-classe générale pour les pompes, et dans les sous-classes F 04 C, D pour ce qui concerne la matière propre à ces sous-classes.

F 04 B "MACHINES" À LIQUIDES À DÉPLACEMENT POSITIF; POMPES ("machines" à liquides ou pompes, du type à pistons rotatifs ou oscillants F 04 C; pompes à déplacement non positif F 04 D; pompage de fluide par contact direct avec un autre fluide ou par utilisation de l'inertie du fluide à pomper F 04 F; vilebrequins, têtes de bielle, bielles F 16 C; volants F 16 F; transmissions pour convertir un mouvement rotatif en mouvement alternatif et vice versa, en général F 16 H; pistons, tiges de pistons, cylindres, en général F 16 J)

Notes

- (1) Dans la présente sous-classe, l'expression suivante a la signification ci-dessous indiquée:
— "piston" couvre également le piston plongeur.
- (2) Il est important de tenir compte des notes qui précèdent la classe F 01, spécialement de la définition des expressions "machines", "pompes" et "déplacement positif".

Schéma général

"MACHINES" À DÉPLACEMENT POSITIF, À LIQUIDE SEULEMENT ET POMPES EN GÉNÉRAL

Caractéristiques générales communes aux "machines" et aux pompes:

multicylindres; monocylindres, à pistons coopérants dans un cylindre; à piston à surface différentielle; à organes de travail flexibles 1/00; 3/00; 5/00; 43/00

organes de distribution et d'entraînement desmodromiques; entraînement des, ou par les, organes de travail 7/00; 9/00
égalisation des pulsations, remèdes à la cavitation 11/00

autres caractéristiques, parties constitutives ou accessoires 19/00, 21/00

Caractéristiques particulières aux pompes, leurs adaptations ou combinaisons:

débit de quantités fixées; pompage de fluides particuliers; pompage à grande profondeur 13/00; 15/00; 47/00

combinaison avec des machines motrices à entraînement

particulier 17/00

Autres caractéristiques; autres parties constitutives ou accessoires 19/00; 21/00
Installations ou systèmes de pompage 23/00, 43/00, 47/00

POMPES POUR FLUIDE COMPRESSIBLE

Caractéristiques générales

types: multiétages; multicylindres; autres avec cylindres mobiles 25/00; 27/00; 29/00

à pistons libres; à organes de travail flexibles; actionnés par force musculaire 31/00; 45/00; 33/00

mécanismes d'entraînement 35/00

Pompage à grande profondeur 47/00

Autres caractéristiques; autres parties constitutives ou accessoires 37/00; 39/00

Installations ou systèmes de pompage 41/00, 45/00, 47/00

COMMANDE, SÉCURITÉ; ESSAIS 49/00; 51/00

Pompes pour liquides ou pour liquides et fluides compressibles; "Machines" à liquides à déplacement positif (ayant des organes flexibles de travail 43/00; pompes pour élever un fluide à partir d'une grande profondeur 47/00)

- 1/00 "Machines" ou pompes multicylindres caractérisées par le nombre ou la disposition des cylindres (3/00 a priorité; pompes entraînées par fluide 9/08)
- 1/02 . . . ayant deux cylindres (disposés en V 1/04)
- 1/04 . . . ayant des cylindres en V, en étoile ou en éventail
- 1/06 . . . Commande (commande des "machines" ou pompes alternatives en général 49/00)

- 1/08 . . . avec régulation par la pression de refoulement
- 1/10 . . . les cylindres étant mobiles, p. ex. rotatifs
- 1/12 . . . ayant des cylindres coaxiaux, parallèles ou inclinés par rapport à l'arbre principal
- 1/14 . . . les cylindres étant immobiles
- 1/16 . . . se présentant sous forme de deux jeux ou plus de cylindres ou de pistons
- 1/18 . . . dont les organes de distribution sont autonomes, c. à d. fonctionnant avec un fluide moteur
- 1/20 . . . le bloc-cylindres étant rotatif

- 1/22 . . . se présentant sous forme de deux jeux ou plus de cylindres ou de pistons
- 1/24 . . . inclinés par rapport à l'arbre principal
- 1/26 . . . Commande (commande des "machines" ou pompes alternatives en général 49/00)
- 1/28 . . . pour "machines" ou pompes à cylindres immobiles
- 1/30 . . . pour "machines" ou pompes à bloc-cylindres rotatif
- 3/00 "Machines" ou pompes à action conjuguée des pistons dans un seul cylindre, p. ex. multiétagés
- 5/00 "Machines" ou pompes avec pistons à surfaces différentielles
- 7/00 "Machines" ou pompes caractérisées par un entraînement desmodromique des organes de distribution (avec cylindres en V, en étoile ou en éventail 1/04; avec cylindres coaxiaux, parallèles ou inclinés par rapport à l'arbre principal 1/12)
- 7/02 . les organes étant actionnés par un fluide
- 7/04 . dans lesquels pistons et cylindres agissent en conjugaison pour ouvrir et fermer les orifices d'aspiration ou de refoulement [3]
- 7/06 . les pistons et les cylindres étant animés d'un mouvement relatif alternatif et rotatif [3]
- 9/00 "Machines" ou pompes caractérisées par les moyens entraînants ou entraînés liés à leurs organes de travail (transmissions en soi F 16 H)
- 9/02 . les moyens étant mécaniques
- 9/04 . constitués par des cames, des excentriques ou des mécanismes à téton et rainure guide (avec cylindres coaxiaux, parallèles ou inclinés par rapport à l'axe principal 1/12)
- 9/06 . comportant des mécanismes à mouvement perdu à ressorts ou à poids
- 9/08 . les moyens étant à fluide
- 9/10 . le fluide étant liquide
- 9/12 . le fluide étant compressible, p. ex. de la vapeur
- 9/14 . Pompes caractérisées par leur mise en œuvre par la force musculaire
- 11/00 Egalisation des pulsations, p. ex. au moyen de réservoirs d'air; Anticavitation
- 13/00 Pompes spécialement modifiées pour débiter des quantités fixes ou prédéterminées (pour transférer des liquides de leurs récipients ou réservoirs de stockage en gros dans des véhicules ou récipients portatifs B 67 D 5/40)
- 13/02 . de plusieurs fluides en même temps
- 15/00 Pompes adaptées pour travailler avec des fluides particuliers, p. ex. grâce à l'emploi de matériaux spécifiés pour la pompe elle-même ou certaines de ses parties
- 15/02 . les fluides étant visqueux ou non homogènes
- 15/04 . les fluides étant chauds ou corrosifs (15/06 a priorité)
- 15/06 . avec des liquides près de leur point d'ébullition, p. ex. à une pression anormalement basse
- 15/08 . les liquides ayant une température d'ébullition peu élevée
- 17/00 Pompes caractérisées par leur combinaison avec des machines motrices ou moteurs particuliers qui les entraînent ou par leur adaptation à ceux-ci
- 17/02 . entraînées par des moteurs éoliens
- 17/04 . utilisant des solénoïdes
- 17/06 . Combinaisons mobiles
- 19/00 "Machines" ou pompes ayant des caractéristiques particulières non couvertes dans les groupes 1/00 à 17/00 ou d'un intérêt plus général que le sens visé par ces groupes
- 19/02 . ayant des cylindres mobiles
- 19/04 . Pompes pour usage spécial (pour transférer des liquides de leurs récipients ou réservoirs de stockage en gros dans des véhicules ou récipients portatifs B 67 D 5/40)
- 19/06 . Pompes débitant simultanément un liquide et un fluide compressible (pompes à gaz humide 37/20)
- 19/08 . Dispositifs de puisage
- 19/10 . du type à roue
- 19/12 . du type à hélice ou à vis
- 19/14 . du type à chaîne sans fin, p. ex. dont les chaînes portent des pistons travaillant dans des cylindres ouverts aux deux extrémités
- 19/16 . Elévateurs de liquide du type à adhérence
- 19/18 . Organes d'adhérence à cet effet
- 19/20 . Autres pompes à déplacement positif
- 19/22 . du type à piston alternatif
- 19/24 . Pompage par dilatation thermique du fluide pompé
- 21/00 Parties constitutives, détails ou accessoires non couverts dans les groupes 1/00 à 19/00 ou d'un intérêt plus général que le sens visé par ces groupes (pour la commande 49/00)
- 21/02 . Adaptations ou aménagements des clapets (disposition dans les pistons 21/04; utilisés comme clapets de pied 21/06)
- 21/04 . Adaptations des pistons
- 21/06 . Adaptations ou aménagements des clapets fonctionnant comme clapets de pied, filtres d'aspiration ou boltes à vase
- 21/08 . Adaptations des cylindres
- 23/00 Installations ou systèmes de pompage (17/00 a priorité)
- 23/02 . comportant des réservoirs
- 23/04 . Combinaisons de plusieurs pompes
- 23/06 . les pompes étant toutes du type à déplacement positif alternatif
- 23/08 . les pompes étant de différents types
- 23/10 . une pompe au moins étant du type à déplacement positif alternatif
- 23/12 . une pompe au moins étant du type à déplacement positif à piston rotatif (23/10 a priorité)
- 23/14 . une pompe au moins étant du type à déplacement non positif (23/10, 23/12 ont priorité)
- Pompes spécialement adaptées aux fluides compressibles (ayant un organe de travail flexible 45/00; pour élever un fluide à partir d'une grande profondeur 47/00)**
- 25/00 Pompes multiétagées
- 25/02 . du type à piston étagé
- 25/04 . ayant des cylindres coaxiaux, parallèles ou inclinés par rapport à l'arbre principal
- 27/00 Pompes multicylindres caractérisées par le nombre ou la disposition des cylindres (25/00 a priorité)
- 27/02 . ayant des cylindres opposés par rapport à l'arbre principal
- 27/04 . ayant des cylindres disposés en V, en étoile ou en éventail
- 27/06 . les cylindres étant mobiles, p. ex. rotatifs
- 27/08 . ayant des cylindres coaxiaux, parallèles ou inclinés par rapport à l'arbre principal
- 29/00 Autres pompes ayant des cylindres mobiles, p. ex. pouvant tourner

pompes (pompes actionnées par la force musculaire dans lesquelles la course n'est pas déterminée par une transmission d'entraînement 33/00; moteurs à combustion à piston libre, générateurs de gaz à piston libre F 02 B 71/00; systèmes dans lesquels l'aspect machine motrice prédomine, voir la classe appropriée pour la machine motrice considérée)

- 23/00 Pompes actionnées par l'effort musculaire, p. ex. pour le gonflage
- 33/02 . avec une transmission d'entraînement intermédiaire
- 35/00 Pompes caractérisées par les moyens d'entraînement de leurs organes de travail ou par leur combinaison avec les machines motrices ou moteurs qui les entraînent ou bien par leurs adaptations à cet effet, non prévues ailleurs (si c'est l'aspect machine motrice ou moteur qui prédomine, voir les classes appropriées)
- 35/02 . à transmission fluide
- 35/04 . à entraînement électrique
- 35/06 . Combinaisons mobiles
- 37/00 Pompes ayant des caractéristiques pertinentes non couvertes dans les groupes 25/00 à 35/00 ou d'un intérêt plus général que le sens visé par ces groupes
- 37/02 . pour l'évacuation, par absorption ou adsorption (absorption ou adsorption en général B 01 J)
- 37/04 . . Emploi de matériaux spécifiés pour l'absorption ou l'adsorption
- 37/06 . pour l'évacuation par moyens thermiques
- 37/08 . . par condensation ou réfrigération, p. ex. pompes cryogéniques (pièges réfrigérés en soi B 01 D 8/00)
- 37/10 . pour utilisation spéciale (37/02, 37/06 ont priorité)
- 37/12 . . pour obtenir une haute pression
- 37/14 . . pour obtenir un vide élevé
- 37/16 . . . Moyens pour éliminer les espaces morts
- 37/18 . . pour fluides élastiques particuliers
- 37/20 . . . pour gaz humides, p. ex. de l'air
- 39/00 Parties constitutives, détails ou accessoires de pompes ou de systèmes de pompage, non couverts dans les groupes 25/00 à 37/00 ou d'un intérêt plus général que le sens visé par ces groupes (pour la commande 47/00)
- 39/02 . Lubrification (des "machines" ou machines motrices en général F 01 M)
- 39/04 . Mesures pour éviter que le lubrifiant ne contamine le fluide pompé
- 39/06 . Refroidissement (des "machines" ou machines motrices en général F 01 P); Chauffage; Prévention du gel
- 39/08 . Entraînement des organes de distribution
- 39/10 . Adaptations ou aménagements des organes de distribution
- 39/12 . Carcasses d'enveloppe (carcasses d'enveloppe des "machines" ou machines motrices en général F 16 M); Cylindres; Culasses; Connexions des tubulures pour fluide
- 39/14 . Dispositions permettant un montage ou démontage commodes
- 39/16 . Filtrage; Déshumidification
- 41/00 Installations ou systèmes de pompage (31/00, 35/00 ont priorité)
- 41/02 . comportant des réservoirs

combustion interne en pompe

- 41/06 . Combinaisons de plusieurs pompes

"Machines" ou pompes ayant des organes de travail flexibles

- 43/00 "Machines", pompes ou installations de pompage ayant des organes de travail flexibles (pompes ou installations de pompage spécialement adaptées pour fluides compressibles 45/00)
- 43/02 . ayant des organes flexibles du genre plat, p. ex. des diaphragmes (43/14 a priorité) [3]
- 43/04 . . Pompes ayant un entraînement électrique
- 43/06 . . Pompes ayant un entraînement par fluide
- 43/08 . ayant des organes flexibles tubulaires (43/12 a priorité)
- 43/10 . . Pompes ayant un entraînement par fluide
- 43/12 . à action péristaltique
- 43/14 . . ayant des organes flexibles du genre plat [3]
- 45/00 Pompes ou installations de pompage, ayant des organes de travail flexibles, spécialement adaptées pour fluides compressibles
- 45/02 . Soufflets
- 45/04 . ayant des organes flexibles du genre plat, p. ex. des diaphragmes (45/10 a priorité) [3]
- 45/06 . ayant des organes flexibles tubulaires (45/02, 45/08 ont priorité) [3]
- 45/08 . à action péristaltique [3]
- 45/10 . . ayant des organes flexibles du genre plat [3]
- 47/00 Pompes ou installations de pompage spécialement adaptées pour élever un fluide à partir d'une grande profondeur, p. ex. pompes de puits (en utilisant un fluide intermédiaire, en surpression ou en sous-pression, agissant directement sur le fluide à pomper F 04 F 1/00)
- 47/02 . les mécanismes d'entraînement étant placés au niveau du sol (47/12 a priorité)
- 47/04 . . les moyens d'entraînement comportant des moyens fluides
- 47/06 . dont les ensembles pompe-moteur sont placés à grande profondeur
- 47/08 . . les moteurs étant actionnés par un fluide
- 47/10 . . . les ensembles ou des parties de ceux-ci pouvant être hissés au niveau du sol par la pression de ce fluide
- 47/12 . élevant le fluide à pomper jusqu'à la surface au moyen d'un piston libre
- 47/14 . Equilibrage
- 49/00 Commande des "machines", pompes ou installations de pompage ou mesures de sécurité les concernant non couvertes dans les groupes 1/00 à 47/00 ou d'un intérêt plus général que le sens visé par ces groupes
- 49/02 . Commande d'arrêt, de démarrage, de décharge ou de ralenti
- 49/04 . Régulation par flotteurs
- 49/06 . Commande utilisant l'électricité (régulation par flotteurs actionnant des interrupteurs électriques 49/04)
- 49/08 . Régulation par la pression de refoulement
- 49/10 . Autres mesures de sécurité
- 51/00 Essais des "machines", pompes ou installations de pompage

F 04 D, F

29/70 . Grilles d'aspiration; Filtres; Séparateurs de poussière; Nettoyage

33/00 Pompes à déplacement non positif utilisant un mouvement autre que la rotation pure, p. ex. du type oscillant (35/00 a priorité; ventilateurs tenus à la main A 45 B) [2]

Autres pompes à déplacement non positif

31/00 Pompage simultané de liquides et de fluides compressibles

35/00 Pompes produisant des vagues dans les liquides, c. à d. générateurs de vagues (pour baignoires A 47 K 3/10) [2]

F 04 F POMPAGE DE FLUIDE PAR CONTACT DIRECT AVEC UN AUTRE FLUIDE OU PAR UTILISATION DE L'INERTIE DU FLUIDE À POMPER (réceptacles ou emballages avec des moyens particuliers pour distribuer des liquides ou semi-liquides par pression interne de gaz B 65 D 83/14); SIPHONS [2]

Notes

- (1) Il est important de tenir compte des notes qui précèdent la classe F 01.
- (2) Les combinaisons de pompes couvertes par la présente sous-classe avec d'autres pompes ne sont classées dans la présente sous-classe que si ces autres pompes sont destinées au pompage préliminaire pour des pompes à diffusion.

Schéma général

POMPES À CONTACT DIRECT AVEC UN AUTRE FLUIDE 1/00, 5/00
 POMPES À DÉPRESSION; POMPES À INERTIE 1/00, 3/00; 7/00

POMPES À DIFFUSION, p. ex. AVEC POMPES DE POMPAGE PRÉLIMINAIRE 9/00
 SIPHONS; AUTRES POMPES 10/00; 11/00
 INSTALLATIONS DE POMPAGE PAR RÉACTION 5/54

1/00 Pompes utilisant un fluide intermédiaire, en surpression ou en sous-pression, agissant directement sur le liquide à pomper (utilisant seulement une pression négative 3/00; pompes à jet 5/00; siphons 10/00)

5/08 . . . le fluide compressible à pomper étant entraîné dans une colonne de liquide en chute libre

1/02 . utilisant à la fois un fluide intermédiaire en surpression et en sous-pression, p. ex. alternativement

5/10 . . . déplaçant des liquides, p. ex. contenant des solides ou bien déplaçant des liquides et des fluides compressibles

1/04 . . produit par vaporisation et condensation

5/12 . . . la pompe étant du type multiétagé

1/06 . le fluide intermédiaire agissant sur la surface du liquide à pomper (1/02 a priorité)

5/14 . le fluide inducteur étant un fluide compressible

1/08 . . et spécialement adaptées pour élever le liquide à partir d'une grande profondeur, p. ex. dans un puits

5/16 . . déplaçant des fluides compressibles

1/10 . . du type multiple, p. ex. avec deux sous-ensembles ou plus en parallèle (1/08 a priorité)

5/18 . . . pour les comprimer

1/12 . . en série

5/20 . . . pour les évacuer

1/14 . . adaptées pour pomper des liquides particuliers, p. ex. des liquides corrosifs ou chauds

5/22 . . . du type multiétagé

1/16 . . caractérisées par la mise en pression subite du fluide intermédiaire, p. ex. par explosion

5/24 . . déplaçant des liquides, p. ex. contenant des solides ou bien déplaçant des liquides et des fluides compressibles

1/18 . le fluide intermédiaire étant mélangé au liquide à pomper ou fabriqué à partir de celui-ci

5/26 . . . du type multiétagé (5/28 a priorité)

1/20 . . et spécialement adaptées pour élever le liquide à partir d'une grande profondeur, p. ex. dans un puits

5/28 . . . Redémarrage de l'action d'induction

3/00 Pompes utilisant une pression négative agissant directement sur le liquide à pomper (siphons 10/00)

5/30 . . . par tuyère combinée à un mouvement de glissement axial

5/00 Pompes à jet, p. ex. dispositifs dans lesquels le flux est produit par la chute de pression causée par la vitesse d'un autre fluide (pompes à diffusion 9/00; combinaison de pompes à jet avec des pompes autres que du type à jet F 04 B; utilisation de pompes à jet pour l'amorçage ou la surcompression des pompes à déplacement non positif F 04 D)

5/32 . . . par tuyère combinée avec un clapet articulé

5/02 . le fluide inducteur étant un liquide

5/34 . . caractérisées par les moyens de changement de la source de fluide inducteur

5/04 . . déplaçant des fluides compressibles

5/36 . . caractérisées par l'utilisation d'un fluide inducteur particulier

5/06 . . la pompe étant du type rotatif

5/38 . . le fluide inducteur étant de la vapeur de mercure

5/40 . . le fluide inducteur étant de la vapeur d'huile
 5/42 . caractérisées par le fait que le flux d'entrée du fluide inducteur est radial ou tangentiel par rapport au flux de sortie (cyclones B 04 C)

5/44 . Parties constitutives, détails ou accessoires non couverts par les groupes 5/02 à 5/42 ou d'un intérêt plus général que le sens visé par ces groupes

5/46 . . Aménagements des tuyères

5/48 . . Commande

5/50 . . des pompes de compression

5/52 . . des pompes d'évacuation

INDEX OFFICIEL DES MOTS CLES

pour la quatrième édition (1984) de la
Classification internationale des brevets

HÉMOCYTOTÈTRE G01N 33/48

HÉPARINE C08B 37/10

Composition contenant de A61K 31/725
l' — C08L 5/10

HERBE

Culture de l' — A01G

Destruction des mauvaises A01M 21/00
— s A01N

Fauchage ou tonte de l' — A01D

HERNIAIRE

Bandage — A61F 5/24

ou pour la toilette A 61 K; méthodes de désinfection ou de stérilisation en général, appareillage à cet effet A 61 L); **PRODUITS REPOUSSANT OU ATTRIRANT LES ANIMAUX NUISIBLES** (leurres A 01 M 31/06; préparations à usage médical A 61 K); **RÉGULATEURS DE CROISSANCE DES VÉGÉTAUX** (composés en soi C 01, C 07, C 08; engrais C 05; compositions pour conditionner ou pour stabiliser les sols C 09 K 17/00)

Notes

- (1) La présente sous-classe couvre des compositions, des présentations, des méthodes d'application de substances déterminées, ainsi que l'utilisation de compositions ou de composés utilisés seuls. [3]
- (2) La présente sous-classe ne couvre pas les substances qui affectent la croissance d'un végétal uniquement par apport de substances nutritives normalement nécessaires à la croissance, c.à.d. de nourriture pour le végétal, ainsi que les substances utilisées pour prévenir ou guérir des déficiences minérales chez les végétaux, p.ex. le chélate de fer ajouté pour guérir la chlorose, qui sont couvertes par la classe C 05. [3]
- (3) Dans la présente sous-classe, l'expression suivante a la signification ci-dessous indiquée:
 - "régulateurs de croissance des végétaux" sont les substances, comme les auxines, qui altèrent le végétal à la suite d'une modification chimique du métabolisme végétal. [3]
- (4) En plus des biocides, des produits repoussant ou attirant les animaux nuisibles, ou des régulateurs de croissance des végétaux – qui sont classés comme il est indiqué dans les notes précédant le groupe 25/00 – les produits, autres que le mastic à greffer, qui ne sont pas caractérisés par le fait qu'ils sont des engrais (classe C 05), des adhésifs ou des peintures (classe C 09), mais qui sont caractérisés par leur composition chimique et utilisés pour le traitement des plantes vivantes, p.ex. pour les protéger des conditions défavorables, sont classés dans les groupes 25/00 à 65/00 comme si leurs composants étaient des ingrédients actifs (dispositifs mécaniques utilisés en agriculture ou en horticulture, voir les sous-classes concernées, p.ex. A 01 G, M). [3]

Schéma général

CONSERVATION DE CORPS HUMAINS OU ANIMAUX

OU DE VÉGÉTAUX 1/00, 3/00

BIOCIDES, PRODUITS REPOUSSANT OU ATTRIRANT LES ANIMAUX NUISIBLES, RÉGULATEURS DE CROISSANCE DES VÉGÉTAUX

Présentation ou mode d'emploi 25/00

contenant des composés

organiques 27/00 à 57/00, 61/00

contenant des composés minéraux 59/00

contenant des micro-organismes,

des enzymes, des extraits

animaux ou végétaux 63/00, 65/00

Conservation de corps humains ou animaux ou de végétaux, ou de parties de ceux-ci

1/00 Conservation de corps humains ou animaux, ou de parties de ceux-ci (conservation des produits alimentaires A 23; préparations à usage médical contenant des substances, provenant de mammifères ou d'oiseaux, p.ex. du sang, du sperme, A 61 K 35/12; culture de cellules ou de tissus C 12 N 5/00)

1/02 . Conservation de parties vivantes

3/00 Conservation de végétaux ou de parties de ceux-ci, p.ex. par inhibition de l'évaporation, avec amélioration de l'aspect des feuilles (conservation des produits alimentaires A 23; conservation ou mûrissement chimique des fruits ou des légumes A 23 B 7/00); Mastic à greffer

3/02 . Maintien de la fraîcheur des fleurs coupées au moyen de produits chimiques (appareils A 01 G 5/06)

3/04 . Mastic à greffer

Biocides; Produits repoussant ou attirant les animaux nuisibles; Régulateurs de croissance des végétaux [3]

Notes

- (1) Il est important de tenir compte des définitions des groupes d'éléments chimiques qui suivent le titre de la section C. [3]
- (2) Dans les groupes 27/00 à 65/00, sauf indication contraire, une invention est classée avec l'ingrédient actif situé à la dernière place appropriée du système. [3]

- (3) Un composé décrit comme existant sous forme de tautomères est classé comme s'il était sous la forme énoncée en dernier lieu dans le système. [3]
- (4) Les composés couverts par différents groupes principaux en raison des parties de leur formule pouvant être choisies entre différentes possibilités spécifiées sont classés dans chacun des groupes concernés. [3]
- (5) Les sels formés entre plusieurs composés organiques sont classés comme le composé qui fournit l'ion essentiel, et sont aussi classés comme le composé qui fournit l'autre ion. [3]
- (6) Les sels ou les chélates métalliques d'un composé organique sont classés comme le composé. [3]
- (7) Dans la présente sous-classe, un aliment n'est pas considéré comme un ingrédient actif. [3]
- (8) Différents produits appliqués successivement, à différents moments, sont considérés comme un mélange de tous les produits utilisés. [3]
- (9) Les compositions synergiques ou potentialisées sont classées comme si le synergiste ou le potentiateur était un ingrédient actif. [3]
- (10) Dans les groupes 25/00 à 65/00, il est souhaitable d'ajouter après la double barre oblique, conformément au paragraphe 83 du Guide d'utilisation, les codes d'indexation représentant l'information additionnelle relative aux composants individuels d'une composition déjà classée comme telle. Les codes d'indexation ont les mêmes numéros que les symboles de classement mais la barre oblique est remplacée par deux points. Ces codes d'indexation doivent être présentés comme liés aux symboles de classement auxquels ils sont associés, conformément au paragraphe 85 (a) du Guide d'utilisation.

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May 21, 1985

Thiadiazole derivatives and their use for controlling
undesirable plant growth

ASSIGNEE: BASF Aktiengesellschaft, Federal Republic of Germany (03)

ABST:

Thiadiazole derivatives of the formula [See Original Patent for Chemical Structure Diagram](I)

where R<1> , A, X, Y, Z, m and n have the meanings given in the description and their use for controlling undesirable plant growth.

4,315,766

Feb. 16, 1982

4H-3,1-Benzoxazine derivatives

ASSIGNEE: BASF Aktiengesellschaft, Federal Republic of Germany (03)

ABST:

4H-3,1-Benzoxazine derivatives of the formula [See equation in original]

where R<1>, R<2> and Y have the meanings given in the specification, and their use for controlling unwanted plant growth in numerous crops, such as cereals, Indian corn, soybeans and cotton.

4,374,661

Feb. 22, 1983

Growth regulation process

ASSIGNEE: Union Carbide Corporation, Danbury, Connecticut (02)

ABST:

A growth regulation process involving certain phosphonic acid compounds having the general formula: [See Original Patent for Chemical Structure Diagram]

The growth regulation process of the present invention relates mainly, though not entirely, to the inducement of an ethylene response or ethylene-type response in plants and part thereof including, but not limited to, stems, roots, leaves, flowers, buds, and harvested as well as unharvested fruit.

The method of the present invention produces a wide variety of plant growth responses.

4,217,129

Aug. 12, 1980

Fungicidal and herbicidal triazole ketones

ASSIGNEE: Imperial Chemical Industries Limited, London, England (03)

ABST:

Compounds of formula: [See equation in original]

wherein R<1> and R<2> are alkyl, cycloalkyl or phenyl, Y is =N- or =CH- and one of Z<1> and Z<2> is carbonyl or a derivative thereof and the other is CHO, or salts or metal complexes thereof. These compounds have fungicidal and plant growth regulating activity.



CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



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INDUSTRIAL PROPERTY
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**THE ROLE OF INDUSTRIAL PROPERTY IN TECHNOLOGY TRANSFER,
PARTICULARLY TO DEVELOPING COUNTRIES**

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1. INTRODUCTION

The vast subject of transfer of technology is one that can only be approached with a degree of apprehension. Because of its wide range, it is difficult to be both specific and concise unless the subject matter is clearly defined and this is what we shall endeavor to do.

Any transfer of technology between companies in two countries involves a series of administrative, legal, financial and fiscal mechanisms, as well as diplomatic and political aspects, since immediately any action is of significant importance for a country's economy, the governments concerned intervene to a greater or lesser degree by placing restrictions on the partners, if only to ensure respect for the laws and regulations in force, especially those regarding competition and the import of foreign technology.

We do not intend, however, to go into further detail regarding all of these aspects. In the course of this half day, we shall concentrate on answering the question of how the various industrial property means available are involved in the mechanisms for the transfer of technology, particularly towards developing countries.

Transfer of technology is not a recent development in international trade. Without going as far back as Antiquity, one can cite the transfer of technology from China to the Republic of Venice in the 14th century as a result of Marco Polo's voyages, which brought back to his country sericulture and silk weaving, fine china, fireworks and many other novelties.

At the end of the 19th century and beginning of the 20th century, Japan took advantage of large-scale transfer of Western technology in order to establish its own industry, remarkable for the rapidity with which it was established and for its efficacy.

Finally, it should be borne in mind that all countries have information services whose primary objective is to carry out "transfer of technology," particularly in the scientific, technical and military fields, and whose main source of information--over 90%--is the technical press. For example, the American "stealth fighter" was described with great precision in the French magazine "Science et Vie" in 1989 at a time when only very few specialists had vaguely heard of it.

At the end of the 20th century, it is obvious that transfers of technology from industrialized to developing countries constitute the most effective means of accelerating the latter's rate of growth. Industrial property, far from constituting an obstacle to such transfers, remains the most reliable instrument for ensuring its implementation.

2. BACKGROUND

First of all, we shall recall or explain certain definitions.

2.1 Transfer of technology

The "Transfer of technology" can be defined as the transfer of systematic knowledge necessary for the manufacture of a product, the use of a process or the supply of a service and it does not extend to transactions only comprising the straightforward sale or leasing of goods.

In French, there are two words: "technique" and "technologie", while only one word--"technology"--suffices in English. We consider it preferable to use the word "technique" in French as "technologie" implies the study of "technique".

2.2 Industrial property

The content of industrial property varies according to the country. In general, it comprises the following:

- patents and similar titles of protection (certificates of addition, inventors' certificates, utility models, utility certificates, etc.); in France, for example, it includes certificates for new plant varieties, complementary certificates for the protection of patents for medicines and semiconductor topographies;
- industrial designs;
- trademarks, which more accurately come under commercial property but which can be included in the transfer of technology related to finished products for sale to the public.

2.3 Know-how

We follow the definition given by Professor J.M. Mousseron: "transferable technical knowledge that is not patented and not immediately accessible to the public and for which a person agrees to pay". Its four characteristics should be noted: transferable, not patented, not disclosed, and with a market value.

2.4 Designation of the partners

As far as the designation of the partners is concerned, the usual terms are grantor and grantee. The words "assignor" and "assignee" are restricted to partners in a license contract.

3. ENTERPRISES AND THE TRANSFER OF TECHNOLOGY

For a transfer of technology between enterprises in different countries to take place, the first condition to be fulfilled is the existence in one country of an enterprise possessing a technology that it agrees to transfer (the "grantor"), and the existence in another country of a local enterprise interested in acquiring the technology (the "grantee").

3.1 The grantor

First of all, we shall deal with the "grantor".

A modern, innovative enterprise wishing to develop has three main ways of optimizing its technology.

The first is obviously to sell its products in the greatest possible number of countries, winning and extending its market share, protected by concrete industrial property rights (patents, trademarks, etc.).

The second way is to establish production units in foreign countries, either fully owned or as joint ventures with local companies, thereby facilitating access to local markets, for example, by adapting the product to the customs or regulations in the country in question: such is the case of the Japanese motor manufacturers who set up production units in Britain, the United States of America and so on.

The third way is to sell its "intellectual assets", namely, its technology, its know-how, whether or not backed up by industrial property rights.

The third method comprises a number of risks.

Know-how does not renew itself as rapidly as products and it is not possible to have a new idea every day. Moreover, by transferring its know-how, an enterprise helps the grantee to reach the same technical level and, if the grantee makes use of his own ideas to improve the product or process he has acquired or to lower the cost price by employing local under-paid labor, he threatens to become a dangerous competitor.

Furthermore, like all secrets, know-how might soon be accessible to everybody if it is known to a large number of persons. The grantor will not always be able to control leakage of know-how instigated, whether intentionally or not, by the grantee.

For the grantor, defense against such a threat means remaining one step ahead of competitors by constantly innovating. In an ideal situation, from the viewpoint of the grantor, technology should only be transferred when the next generation is already being tested and the generation after that is already at the design stage.

In other words, an enterprise that decides to transfer technology becomes irremediably committed to an on-going innovation process that is not without risk and is sometimes difficult to manage; it is also an extremely important strategic decision that could well guarantee rapid growth, an increase in its market share and a position as leader in its technical field.

In addition, since the enterprise has in a way diversified its sources of income--sales of know-how supplementing sales of products--it assures its cash flow as a result of being able to promote one or other activity in the light of the development and possible sharp variations (crises) of the economic situation.

Finally, experience shows that the establishment of a "transfer of technology" structure within an enterprise gives a very strong impetus as a result of:

- the creation of teams of multidisciplinary negotiators (jurists, technicians, financial experts...);
- the recruitment and training of technical personnel to take charge of the work, thereby creating jobs, promotion possibilities, increased responsibility and initiatives;
- formalization of the "know-how" that often leads to agreeable surprises.

By undertaking an inventory of all the technical knowledge in the various sectors of the enterprise (production and maintenance workshops, design departments, research laboratories...) it is not only possible to discover unknown resources, but also the effects of synergy among different types of knowledge that, up till then, no one had thought of linking.

In conclusion, for an enterprise that has decided upon a strategy of selling technology, the stakes are equal to the risks run.

3.2 The grantee

If transfer of technology is to be successful, the choice of the grantee must meet certain criteria. In other words, the "graft" must take.

In 1987, the North-South Center of the Enterprise Institute carried out a study on the reasons for the failure or unsatisfactory functioning of transfers of technology in twenty-six African countries signatory to the Lomé Convention.

Of the 1,800 transfers listed, 343 were studied. Of these, 274 (80%) were not functioning correctly and 79 had come to a standstill.

The following were some of the identified causes of unsatisfactory functioning:

(i) at the programming stage:

- ill-founded economic justification
- the wrong site
- faulty technical concept

(ii) at the implementation stage:

- problems imputable to the constructor
- problems imputable to local counterparts
- inadequate environment

(iii) at the operational stage:

- bad maintenance
- marketing failures
- financial and administrative difficulties

This simple but non-exhaustive list of the causes of failure shows a contrario which aspects should be the subject of additional efforts in the conception and implementation of transfer of technology and, by elimination, whether or not the grantor offers adequate guarantees, competence and reliability and whether the potential grantee is able to fulfil the requisite conditions.

3.3 The meeting of grantor and grantee

This meeting could be described as a proposal of marriage: the grantee thinks that somewhere in the world there may be a holder of technology with whom he could enter into a union, of more or less durability, since the former is looking for something he is lacking and the latter is looking for the taker of something he would like to share.

There are therefore three problems that have to be resolved simultaneously, or almost:

1. establishing the contact between grantor and grantee,
2. the harmony between what is proposed by the one and what is sought after by the other,
3. and, finally who is to take the initiative of a meeting?

For the transfer of technology, there exists, somewhere in the world, a developing country where the government or a private group wishes to establish a new industrial activity for which it has the work force, the energy, the minerals and other raw materials or the agricultural resources, and there also exists, also somewhere in the world, at least one other country, or maybe several, holding the know-how and possibly the capital that will enable this new activity to be set up, thus participating in the economic development of the taker.

The problem is to establish the contacts.

Experience shows, that in most cases the operation takes place in the "wrong direction" that is to say that it is the holder of the technology, of the know-how, that contacts possible takers and endeavors to persuade them to acquire his technology by vaunting its merits.

There is good reason, therefore, to develop throughout the world genuine contact bureaux for grantors and potential grantees, and also bureaux that can assist developing countries in looking for suppliers of technologies appropriate to those objectives since, all too frequently, it is the opposite approach that is adopted.

4. MEDIA FOR THE TRANSFER OF TECHNOLOGY

We shall now turn to the industrial property aspect of transfers of technology. Taking into account the aspects mentioned above, the media used to transfer technology can be divided into three (or four) groups:

- (i) patents and similar (utility models, etc...)
- (ii) trademarks, industrial designs,
- (iii) know-how and trade secrets
- (iv) to which must be added intellectual property rights, which can affect the protection of software and publicity material, for example, "logos", catalogues and brochures, etc.

These will be examined more fully below.

4.1 Patents

4.1.1 Rights conferred by a patent

You have already heard a lot about patents. We shall simply recall that patents confer upon their owners the equivalent of a right of ownership in the invention and that this right has two components:

- the exclusive right to make use of the patented invention (the "right to work"), subject to the possible existence of the prior rights of a third party in the same invention, (patents of improvement or process patents leading to already patented products),

- "the right to prohibit" third parties from working the patented invention without the prior agreement of its owner, on pain of infringement.

The rights conferred by a patent are transferable:

- either under a sales contract (assignment of the patent)
- or by a license contract.

At both the national and international levels, these two types of contract are subject to increasingly severe provisions and regulations whose main aim is to prevent unfair competition, private understandings and abuse of dominant positions (the so-called "anti-trust" laws).

You also know that a patent only has effect in the country (national patent) or group of countries (regional or multinational patents) where it was granted. In other countries, its subject matter is public property.

Likewise, public property includes all patents whose validity has expired, either at the end of the regular term or earlier for various reasons such as non-payment of fees, abandonment by the owner, annulment by a civil court and, finally, all inventions which have been the subject of a published patent application rejected after examination and therefore not resulting in the grant of a patent.

4.1.2 Patents for products and processes

To simplify somewhat, patents can be classified into two categories: patents for products and patents for processes. The patents known as patents of application can almost always be dealt with as process patents.

This distinction is not a mere formality.

I. Patents for products:

These are sometimes considered the "noble" form of patent. A product is something visible, tangible and identifiable. A counterfeit is easy to detect by simply determining whether the product presumed to be counterfeit reproduces the characteristics described in the patent claims.

The problem is that in some countries, some categories of product are excluded from patentability: chemical, food, pharmaceutical, veterinary and plant health products, as well as so-called "nuclear" products (related to atomic energy), etc.

If technology for manufacturing a product belonging to one of the above categories is transferred to a country where such exclusions exist, protection under a patent is impossible and any local competitor could manufacture or import the product in question without risk, thereby greatly diminishing the interest of transferring the technology. It is quite likely

that very few suppliers of technology would be prepared to take such a risk and, even if one were found, it would probably be a powerful multinational which had nothing to fear from local competitors and might therefore be tempted to lay down the law in local markets.

It is not therefore necessarily a good solution to exclude certain products from patent protection, and the foregoing shows that excessively protectionist measures can in some cases be detrimental to the countries that have adopted them. It is preferable, and more effective, to provide for the possibility of application of compulsory licensing arrangements in the case of failure to work patents within a "reasonable" period of time bearing in mind obligations under the Paris Convention.

Machinery and equipment come under the category of "patents for products", but they do not usually give rise to any special problems except at the time of negotiating the agreements, when it has to be decided whether they will be manufactured in the grantor country and then installed in the grantee country or both manufactured and assembled in the latter; the latter alternative is the most advantageous for the grantee, who often seeks to give work to its local industry.

Nevertheless, local manufacturing must guarantee reliability and conformity with the technical specifications of the grantor. Personally I have a very bad recollection of electric motors manufactured locally which, when installed, proved to be twice as large as the space allotted to them in the drawings, and of inadequate power.

II. Patents for processes:

The situation is the reverse of that for patents for products: if the process does not leave an "imprint" on the product that allows the process to be identified, it will be difficult to prove infringement.

On the other hand, the major part of industrial know-how concerns processes and equipment for carrying out these processes. It is therefore not so easy to give processes effective protection under industrial property rights, but it is easier to conserve the know-how when it does not go out of the workshop or factory where it is used.

Against this background, enterprises develop their own strategy regarding the types of patents for which they apply and the contracts involving transfer of technology into which they will enter.

4.2 Industrial designs and trademarks

Other industrial property rights such as industrial designs are relatively seldom involved in transfers of technology and even when this is the case they play a complementary role. The same is true for trademarks, where the subject of the transfer of technology is an object or finished product. However, it will be necessary that the law of the country concerned has provided for protection of these particular rights.

Protection as a design concerns above all finished products whose external appearance is essential to attract buyers: such is the case of motor cars, household equipment such as electrical goods, furniture, cameras, and so on.

The same applies to trademarks that are useful for finished goods or consumer goods, but are rarely used in relation to unprocessed or semifinished goods, such as metal ingots or even sheets and sections.

However, in the case of products of high technicity or with a high added value, for example, anodized aluminium sections for building, whether patented or not, the registration of the design to cover the aesthetic aspect of the section, and of a trademark to distinguish the product from its competitors, will be the legal basis for or supplement protection against potential infringers.

4.3 Copyright

4.3.1 Software

The majority of countries have decided to protect software under copyright, which is part of literary and artistic property.

Many industrial processes are governed by automatism that is itself dependent on computer programs. These programs often play an essential role in the satisfactory functioning of a process or device; this is the case in oil refineries, and also in the series of electrolytic tanks used to manufacture aluminum, in steel furnaces, cement plants, sewage treatment plants, irrigation installations, to cite only a few.

In contrast to know-how, it can be appropriated and its infringement or fraudulent use is punished in many countries under criminal law (fines, prison). If this is not the case in the country where it is planned to transfer it, it has to be protected as a trade secret and this brings us back to the case of know-how.

4.3.2 Literary and artistic creations

As mentioned above, instructions, brochures, catalogues, advertisements, logos and artistic or literary creations used for publicity purposes can be protected under copyright. Such rights are also transferable in line with the relevant legislation in the grantee country.

4.4 Know-how

A distinction can be drawn between know-how related to a patent and know-how that constitutes overall knowledge of a specific technology, whether patented (partially or totally) or not. In the first instance, know-how is the "hidden element" which goes beyond the legal requirement of "sufficiency of the description", which is one of the conditions of validity of a patent. It could also be said that it is the directions assisting in the use of an invention.

The only effective way of safeguarding this know-how is to take all necessary measures to prevent access by unauthorized third parties. In other words, the owner has to keep it secret using what are termed "industrial security" methods and there are few legal remedies if the secret is lost, disclosed as a result of carelessness, stolen unscrupulously or as a result of unlawful acts.

In the second case, it constitutes what the Anglo-Saxons call a "trade secret". In some countries there are legal provisions which punish the "theft of trade secrets" under the criminal code, but their application is often restrictive; in France, for example, Article 418 of the Criminal Code regarding the theft of trade secrets only concerns the managers, employees and workers in the factory in question but not persons from outside the firm.

In the American context, trade secrets also concern commercial, economic and financial information deemed to be as vital for the enterprise as purely technical know-how.

The non-disclosure of know-how by the grantee is an obligation to be found in practically all technology transfer contracts.

However, that clause is frequently difficult to respect, for a whole number of reasons:

Working conditions on a large site mean that drawings and assembly instructions must be available to the work force at least down to the level of foremen. The contractor and his representatives on the site can check that work is carried out properly, that instructions are followed and prevent access to the site by any non-authorized person. However, when we look at the constant movements of people and vehicles of all kinds on such a site we may understand how difficult it is to carry out strict supervision.

Additionally, when the know-how has been "assimilated" by the grantee it will be "mixed", in a way, with his previous knowledge and it will become extremely difficult, if not impossible, subsequently to separate the two. The clauses that prohibit a grantee from using the know-how after expiry of the contract are most frequently of no use whatsoever, except in the case of a highly specific and very well-defined know-how.

5. INDUSTRIAL PROPERTY AND THE TRANSFER OF TECHNOLOGY

We can define somewhat arbitrarily four levels at which industrial property is involved in transfers of technology:

- (i) use of the document collection constituted by patents,
- (ii) licenses derived from one or several patents, whether or not accompanied by the corresponding know-how,
- (iii) technical cooperation agreements,
- (iv) the construction of factories or production units.

5.1 Patents as a source of technical information

It is estimated that, since the beginning of the patent system, more than 30 million patents have been published. This number is growing at a rate of one million per year, corresponding very approximately to 400,000 new inventions (an average of 2.5 patents per invention). For example, in 1990, according to statistics by WIPO, 1,660,000 patent applications were submitted world wide and, this year, 548,000 patents have been granted. To this should be added 185,000 applications for utility certificates of which 70,000 have been granted.

Of this total, 1,566,800 patent applications (94% of the total) came from 28 highly industrialized countries, and the first 10 of these alone submitted 1,110,000 applications, amounting to 70% of the total. This only serves to reconfirm the vital need to transfer towards developing countries technologies that are the best adapted to their needs and their ability to utilize them.

Reliable studies have shown that approximately 70% of the technical information contained in patent documents published is not published anywhere else. The other 30% is brought to the attention of the public and specialists in scientific and technical publications or, in the case of inventions concerning the public more directly, in the general press.

There is therefore a vast documentary collection in which anyone can find technical information and use it to their advantage, subject only to the condition of respecting the rights conferred by patents still in force.

5.1.1 Value of the patent collection

In practice, can such a collection be utilized and, if so, what is its value and can some of the technologies contained therein be "autotransferred"?

Obviously some of this information may be out of date and almost valueless; for example, everything concerning the recording of 78 rpm or 33 rpm records or "valve" radios. But as soon as it becomes a question of evolutive technology, for example, the production of fertilizers, pesticides, medicines, and in heavy industry the production of steel, aluminium, copper, abrasives, etc., it is easy to reconstitute a very detailed "state of the art".

Other steps have to be taken before achieving production on an industrial scale, but it is at least possible to experiment and orient the training of technicians so as to be in a better position when negotiating with a supplier of technology.

5.1.2 Weakness of patent collections

The main problem is that only the texts of patents applied for or granted are available and there is no direct access to know-how. In general, the person drawing up the patent, in conjunction with the inventor and the company for which he works, has ensured that the document only strictly fulfils the requirement of sufficiency of description and does not contain the know-how.

5.2 Patent licenses

In the analysis of patents, the person seeking the technology only has texts before him and has to rely on his flair and technical knowledge.

In the case of license negotiations, the situation is completely different and the assignee is face to face with the assignor who possesses information and is, in principle, ready to communicate it in return for payment of a fee. This gives the possibility for dialogue and negotiation.

As you know, there are two types of license:

- a license familiarly called a "bare bones" license, which is a straightforward authorization given to the assignee to work the invention described in the relevant patent. In general, the assignee is familiar with

the invention and he may even use it already, but in order not to infringe he applies for a license. Such transactions are therefore not transfers of technology and they usually occur between partners at a comparable technical level.

- the other is a "real" license in which the assignor gives both his authorization to work the patent and the major part or even all of the know-how. This is a transfer of technology because the assignee will benefit from new knowledge, namely, the invention and usually the help of the assignor in the initial stages.

Communication of know-how is therefore often an important part of transfer of technology. It can even concern a patent that has already lapsed or expired or has not been applied for in the country concerned or even in the absence of any patent at all; although the latter case is not so common it is not impossible.

Such communication can take various forms ranging from straightforward handing over of documents to exchange of personnel or training of the assignee's personnel in the assignor's installations.

Experience shows that daily contact either on the site or in a design office between the technicians of the assignor and of the assignee is the best way of transferring know-how, and sometimes exceeds what the assignor had originally envisaged.

You have already had (or will soon be having) a course on license contracts, therefore, it is not necessary to go into the details of their clauses, in particular those concerning guarantees, secrecy of know-how, exchange of improvements, utilization of know-how after the contract has expired, how any patents of improvement will be allocated, especially if the invention has been made by the assignee, etc.

The CEIPI holds annual further training courses on licenses and transfer of technology, in two stages, the first is held in June and the second is programmed for mid-October. WIPO also organises courses on the subject.

5.3 Technical cooperation agreements

The difference between a license contract and a technical cooperation agreement is that the former generally concerns a product, a series of products or a process, while the latter relates to overall technology or to a production site as a whole, and cooperation as such usually covers a longer period.

One case with which I have dealt recently was a cooperation agreement with an East European country relating to the modernization of three factories producing aluminium, built thirty years ago, whose productivity and reliability left much to be desired.

This was genuine "cooperation", because the grantee had solid experience of the technology, trained personnel and a market for the metal manufactured. But he did not have credit to rebuild one or more modern factories. The existing factories were therefore progressively modernized without stopping

production and personnel was gradually moved from the old units to the renovated units. One of the grantee's engineers developed an interesting improvement that became the subject of a patent applied for in the grantee's name with an exclusive license for the grantor.

What is important to remember is that the success of transfer of technology based on a license contract relating to one or more patents and/or know-how depends on three main factors:

(1) the loyalty of the partners, which can be judged by:

- the way in which the know-how is communicated to the grantee and the technological performance provided for in the contract is respected;

- in the case of the grantee, respect for the clauses of the contract (in particular, financial and secrecy clauses);

(2) the quality of the grantor's "after sales service", that is to say the way in which he assists the grantee if there are any difficulties,

(3) the "receptivity of the grantee", in other words, his capacity to assimilate and utilize the technical information transferred to him, which requires training of his personnel, technicians and management, and this cannot be done in just a few days.

5.4 Construction of production units

The construction of a factory or production unit by the grantor on behalf of the grantee is the most advanced stage of transfer of technology.

It can take different forms that we will not go into because this would take us away from the subject of industrial property; it can simply be recalled that it can be carried out through:

- the framework of a new company set up in the country concerned and subject to its laws,

- in the form of a joint venture company between the grantor and grantee;

The construction itself can be under the responsibility of a main contractor who subcontracts out the various elements: civil engineering, building work, power supply, production machinery, etc., coordinates the construction and initiates operations.

Increasingly frequently this type of contract means not only giving the grantee a "turn-key" factory, ready to operate, but also--and this is almost indispensable in a developing country--"post-turn-key" factory, so that the installation is handed over to the grantee and the contract deemed to have been fulfilled when the factory reaches its operational rhythm and the performance laid down in the contract has been achieved.

As an example, I can cite the large-scale operation carried out in India by ALUMINIUM PECHINEY for the NALCO Company, concerning an industrial complex in the State of Orissa near the town of Talcher, and comprising:

- the opening of a coal mine and the construction of an electric power station using the coal as fuel,
- the opening of a bauxite mine and the construction of a factory processing the bauxite to extract pure alumina,
- the construction of a factory to produce aluminium by alumina electrolysis, with a final output of 260,000 tons of metal per annum, using the power produced by the electric power station.

A similar operation is currently being carried out in the Emirate of Bahrein. This concerns a factory to produce aluminium with an output of 220,000 tons per annum, to replace two old installations also built by Aluminium Pechiney in 1971.

Another project is being elaborated in Saudi Arabia and a further one in Russia.

These units will supply processing factories (rolling and extrusion) with unfinished metal, thereby creating jobs and new industrial activities.

As regards the close connection between industrial property and the transfer of technology, further reference is made to the short bibliography in Annex 1 of this document.

6. PRECAUTIONS TO BE TAKEN WHEN TRANSFERRING TECHNOLOGY

In order not to digress, we shall only deal with precautions related to prior rights and industrial property legislation.

We shall refer essentially to three aspects:

- freedom of exploitation
- conformity with international conventions
- conformity with the legislation in the grantee's country

6.1 Freedom of exploitation

Before transferring technology to any country, it is important to ascertain whether or not all or part of the technology to be used in the exploitation infringes prior rights of third parties. In other words, in the country in question are there any industrial property rights still valid, especially patents, which could be infringed by the operations to be carried out?

It is necessary to seek out all valid patents relating to the technical field in question, and to assess the risks they represent.

Neglecting this elementary precaution can be a source of serious problems, the worst being the impossibility of operating the production unit just built.

In the case of the operation in India mentioned above, two rival patents were discovered and they made it necessary to modify the plans for the electrolytic vats. In a similar operation in another country, two very dangerous rival patents luckily expired a few weeks before the date fixed for starting up the factory.

6.2 Conformity with international conventions

Industrial property has been the subject of a number of international conventions in which it plays either the principal or an auxiliary role. The best known is the Paris Convention of 1883. This is administered by WIPO, which also deals with the elaboration of model laws for the protection of intellectual property rights and the role of industrial property in the transfer of technology.

Paris Convention of March 20, 1883

The Paris Convention, which has force of law in the 104 countries that have ratified it to date, contains a number of principles to which national legislation must be aligned.

Two provisions in this Convention are of particular importance:

I. In all countries members of the Paris Union, applications for industrial property titles (patents, trademarks, etc.) filed by nationals or foreigners must receive the same treatment.

In particular, the Convention does not allow patents of foreign origin to be given a lesser term than those of patents of national origin. Likewise, there must be no discrimination regarding conditions of patentability, severity of examination procedures, causes of annulment, legal remedies, etc. (Article 2(1)). This is the principle of national treatment.

II. As far as the obligation to work is concerned:

Article 5A of the Convention grants member States the right to legislate "to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent".

It is useful to quote here Article 5A in its entirety:

"(1) Importation by the patentee into the country where the patent has been granted of articles manufactured in any of the countries of the Union shall not entail forfeiture of the patent.

(2) Each country of the Union shall have the right to take legislative measures providing for the grant of compulsory licenses to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent, for example, failure to work.

(3) Forfeiture of the patent shall not be provided for except in cases where the grant of compulsory licenses would not have been sufficient to prevent the said abuses. No proceedings for the forfeiture or revocation of a patent may be instituted before the expiration of two years from the grant of the first compulsory license.

(4) A compulsory license may not be applied for on the ground of failure to work or insufficient working before the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last; it

shall be refused if the patentee justifies his inaction by legitimate reasons. Such a compulsory license shall be non-exclusive and shall not be transferable, even in the form of the grant of a sub-license, except with that part of the enterprise or goodwill which exploits such license.

(5) The foregoing provisions shall be applicable, mutatis mutandis, to utility models."

6.3 Conformity with the legislation in the grantee's country

Many countries have special legislation on foreign industrial installations and this legislation, which is often complex and changeable, is protectionist to a greater or lesser degree and can be justified by the fact that transfer of technology must have a favorable impact on the acquiring countries' economy, trade balance, external debt, unemployment rate, growth of GNP, etc., and not the opposite effect.

In addition to special provisions and regulations on the import of technology, the country's general laws and regulations also have to be taken into account, for example:

- social laws to protect workers,
- laws on environmental protection (ecology)
- commercial and administrative regulations such as authorizations to sell medicines, etc.
- applicable international treaties and conventions

This is the case for example for the Treaty of Rome of March 25, 1957, whose provisions have force of law in each of the EEC Member States, especially Articles 85 and 86, which prohibit understandings, obstacles to competition and the abuse of dominant positions.

Thank you for your attention and I will now answer any questions.

[Annexes follow]

ANNEX I

SHORT BIBLIOGRAPHY

You may consult:

- J.H. Gaudin, *Stratégie et négociation des transferts de techniques*, Editions du Moniteur, 17 rue d'Uzès, 75002 Paris, 1982
 - J.M Deleuze, *Le contrat international de licence know-how*, Editions Masson, 4ème édition, Paris 1988; and
- the publications of WIPO, particularly the *Licensing Guide for Developing Countries* (1977, document 620).

ANNEX II

The Sherman Act (USA) of 1890

1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal...
2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor...

Additionally, the Clayton Act of 1918 prohibits the acquiring of the assets of a firm (N.B.: it is pointed out that industrial property rights are comprised in those assets) where acquisition may substantially reduce competition or tend to create a monopoly.

ANNEX III

Extracts from Articles 85 and 86 of the Treaty of Rome

Article 85: The following shall be prohibited as incompatible with the common market: all agreements between undertakings, decision by associations of undertakings and concerted practices which may affect trade between Member States or which have as their object or effect the prevention, restriction or distortion of competition within the common market...

Article 86: Any abuse by one or more undertakings of a dominant position within the common market or in a substantial part of it shall be prohibited as incompatible with the common market in so far as it may affect trade between Member States.

[End of document and of the annexes]



**CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG**



**WORLD
INTELLECTUAL PROPERTY
ORGANIZATION**



**NATIONAL INSTITUTE OF
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THE ROLE OF AN INDUSTRIAL PROPERTY SERVICE IN INDUSTRY

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1. INTRODUCTION

Industrial property can be defined as all those legal and administrative facilities that enable technical creations to be protected, that is to say to give to their author or to his successor in title a right in his creations that is comparable to a property right.

To simplify somewhat, it can be said that technical creations are generated by three categories of person:

I. "Individual" creators, that is to say, individual persons or a small group working on their own behalf or sometimes under contract to an enterprise. They are frequently referred to as "small inventors" (without any pejorative undertone!) or isolated inventors. In France, approximately one third of patent applications are filed by this category of creators. A well-known example is Roland Moreno, the inventor of the "smart card."

I could also add Paul Héroult and Charles Hall, the inventors, French and American respectively, of the process for extracting aluminium by electrolysis, or again Thomas Edison. There are many more examples in the 19th century and the onset of the 20th century rather than at the present time since inventions now frequently require technical installations that are no longer within the financial possibilities of "isolated inventors".

II. The research institutes, whether public (C.E.A., C.N.R.S., I.N.R.A., etc.) or private (Mérieux, Batelle Institute, etc.), whose purpose is research in one or more fields of science or technology.

III. The small, medium-sized and large enterprises, whether they possess a research and development structure or not.

It is this latter category that we shall look at today.

1.1 ENTERPRISES AND CREATION

Within an enterprise, two types of creation implying industrial property can arise:

I. Those that occur spontaneously, generally at the initiative of someone faced with a problem or a technical obstacle who thinks up a solution to overcome it or who feels that a machine, process or a feature of a product could be improved, or even completely changed, in order to lower the cost price, to increase yield, to lessen the risk of accident or environmental incidents, to save energy, and so on.

II. Those that are a result of the regular, programmed activities of a research center or similar structure or, less frequently, the result of testing and development carried out in a manufacturing department, using the facilities of that department, to achieve a "full-scale" operation.

Creations of the first kind could be referred to as "gathering" or spontaneous generation, and those of the second type as "cultivation" or programmed generation. These same differences will make themselves felt in the methods for detecting inventions of which we shall speak in a moment.

1.2 ENTERPRISES AND THE PROTECTION OF CREATIONS

There are two approaches in practice for an enterprise to protect its inventions:

- to use the services of a patent or industrial property agency,
- to set up its own patent or industrial property service.

The choice to be made between the two solutions (which are not mutually exclusive) depends on a large number of factors, but essentially on the following three:

- the size of the enterprise: a small undertaking with a staff of 30 can hardly support a proper "patent service" even with the lightest of structures: one full-time engineer and a secretary.
- the number of patents and other industrial property titles filed yearly: if the undertaking files, for example, some 15 or 20 patents a year, a patent engineer may be justified.
- the enterprise's innovation and development strategy, the industrial property service may play a part in promoting innovation, as we shall see below.

In practice, with a few rare exceptions, the top 50 French patenters (legal persons) possess an industrial property service (reference: yearbook of ASPI, the Association of Industrial Property Specialists in Industry, 1990 and the INPI statistics for 1989). In most cases it is integrated within the enterprise or, more rarely, constitutes an independent structure as a subsidiary of the firm or the group of firms for which it acts: SOSPI for the CGE Group, SPID for the Philips Group, SCPI for the Thomson-CSF Group.

We shall now take a look at the organization and duties of an industrial property service by assuming that it is a service belonging to a large company having several facilities or subsidiaries and one or more research centers.

2. INDUSTRIAL PROPERTY SERVICE

2.1 POSITION WITHIN THE ORGANIGRAM

Generally, the industrial property service of a large enterprise constitutes a department with a head of director level who can therefore participate in the regular meetings of the board and has the necessary authority to influence the strategic policy options: filing, transfer, relinquishment, development of industrial property rights, design of research programs and so on.

As for the hierarchical position, there are generally three possibilities:

- direct responsibility to the head of the enterprise in the case of a small or medium-sized firm,

- responsibility to the department called, depending on the case, research and development or innovation or strategy,
- responsibility to the legal department.

The advantages and drawbacks to the latter two solutions are more or less balanced. What has to be avoided at all cost is "friction" at the interface between the two specialities on which industrial property is based: law and technology, for example in matters of freedom of exploitation, infringement, interpretation of patent licensing clauses, etc.

2.2 FIELDS OF ACTIVITY

Of the various activities that can be undertaken by an industrial property service, I shall make special mention in this paragraph of:

- the activities it **MUST** undertake, in all events,
- the activities it **MAY** undertake, if given the authorization and the means,
- finally, the activities it **COULD** undertake, but which should, in my view, preferably be the task of some other department within the enterprise.

The minimum option is constituted by the filing of applications, monitoring of grant procedure and maintenance of industrial property rights.

In the ideal case, particularly for a large-sized enterprise, comprising several departments and/or subsidiaries, with varying production and research and development activities, such a minimum option is very inadequate.

The major option is that of an "industrial property department" structure comprising:

- a patent service, also responsible for industrial designs and, where appropriate, trademarks, which however constitute a somewhat different field since they are bound up with the marketing activities; trademarks may be the task of a specialized section.
- an agreements and licensing service, responsible for negotiations, drafting and conclusion of technical agreements and also for litigation concerning industrial property rights.
- a documentation service, responsible for collecting all the necessary elements of information for assessing the validity of patents, freedom of exploitation, opposition to competing patents; the documentation can be on paper or microfilm or microfiche in the case of earlier documents (prior to 1968-70 approximately) and accessible on a data base for more recent documents.
- an administrative service, responsible for the whole administrative context and for the management of the "industrial property portfolios," which is a very complex task where there is involvement in a large number of foreign countries.

The administrative service is also in charge of establishing annual reports on industrial property titles (patents, trademarks, designs) and associated documents (such as: double envelopes, sealed envelopes and equivalent foreign documents), comprising, in particular, the procedural status of examination (or opposition) and the total outlay on each file to enable the firm or firms concerned to take an informed decision on maintaining or relinquishing their various titles (annual review).

In those cases where the industrial property service invoices its "customers," then that invoicing activity has also to be added.

There remain a number of tasks sometimes entrusted to the industrial property service, but which are justifiably contested:

- general technical documentation, for the research centres and, possibly, the factories,
- industrial property training,
- innovation development activities,
- industrial security consultancy,

of which we shall speak at the end of this paper.

We shall now see how the industrial property service organizes its relations with the various other departments within the enterprise which, in some way or other, participate in the generation and development of creation.

3. RELATIONS WITH RESEARCH AND DEVELOPMENT SERVICES

The R & D service is the main, but not sole, partner of the industrial property service.

Relations concern the following tasks:

3.1 DESIGN OF RESEARCH PROGRAMS

In most firms, the research programs are defined or redefined annually. The initiative for launching or modifying research subjects may come from the research workers themselves or, and above all, from those who decide the strategy of the enterprise.

3.1.1 STATE-OF-THE-ART SEARCHING

The industrial property service acts already at this level to ensure that the proposed subject-matter is not already choked or even saturated with patent applications or granted patents; an invention in such a field is

likely to find itself dependent on earlier patents or even to be partly or fully comprised in the prior art. A check of this kind is therefore a most elementary precaution. It may lead to either modification of the research program or simple abandon.

3.1.2 UNDERTAKE RESEARCH OR TAKE A LICENSE?

Depending on the results obtained by documentary searching and from other elements of information available on the major competitors active in the same field, the question arises of the correct choice between two possible actions:

- undertake research, the result of which is uncertain as is the time needed to enter the industrial stage, as regards timescale, cost and outcome,
- take a license from a competitor who is more advanced in the field concerned, thereby enabling the enterprise to be brought "up to date" within a predetermined period and at a well-defined cost.

This is a "strategic" decision in which the industrial property service may participate by producing an indepth study of the value of the patents concerned.

3.2 MONITORING THE RESEARCH PROGRAMS

When a research subject has been initiated, it is important that an engineer from the industrial property service should periodically review the situation with the project engineer, for two good reasons:

I. The subject may have "drifted," that is to say departed somewhat from its initial objective, for varying reasons. It has to be ensured therefore that it will not mean encountering prior documents not identified in the initial state of the art.

II. If interesting results have been obtained, prior personal possession must be ensured, for example by depositing a double envelope at INPI (and possibly a disclosure document in the United States) or by any other similar means, depending on the country, until the stage is reached at which a patent can be applied for.

3.3 DECISION TO FILE (OR NOT) A PATENT APPLICATION

3.3.1 ELEMENTS OF THE DECISION

I. Patent or Secrecy?

The filing of a patent application obviously leads to disclosure of the invention within a period of time which is normally 18 months after the filing date (except in the USA where the application is not published).

If it is felt that the essence of the invention is more in the nature of know-how or that it would be extremely difficult to detect infringements, it is preferable not to take out a patent, but to maintain secrecy by "industrial security measures" of which we shall speak later in this paper.

Numerous firms consider that only products or devices or apparatus can provide a basis for reliable patents since infringements are (relatively) easy to detect and prove. To the extent that a process does not leave a detectable trace on the product resulting from it, it is true that any such infringement is not easy to detect.

However, for a firm that intends to exploit its know-how by means of technology transfer operations, it is essential that processes should also be patented, if only to prove to a possible acquirer that they satisfy the conditions of novelty and inventive step.

II. The Favorable Time

The choice of the time for filing a patent application requires efficient coordination between the industrial property engineer and the person in charge of the research project.

Premature filing is likely to result in an incomplete patent that does not cover the whole of the field explored. Frequently, it is towards the end of research work that ideas are assembled, coordinated and harmonized.

If certain features of the invention become clear subsequent to filing of the first patent application they may be important without however having sufficient inventive step to serve as the basis for an independent patent of improvement. That situation is awkward; patents or certificates of addition are disappearing in many countries: France, for example, suppressed them in the November 26, 1990, law reform. The filing of a second application with an "internal priority" from the first application can constitute a solution in some countries such as France or Germany.

In general, you must be aware that the patenting of "minor" improvements to an invention is always difficult and must be decided on a case-by-case basis. There is no perfect solution.

The late filing of an application may mean that a competitor, carrying out the same research, may have already filed one or more patents that will enjoy an earlier date than yours which, at best, will be dependent on those patents or, at worst, will be completely preceded.

Late filing also has the drawback of the increasing difficulty in maintaining secrecy when trials and experiments are repeated at the industrial stage, when samples are supplied to potential customers, when orders are given to suppliers for new installations, and so on.

3.4 DRAFTING OF THE PATENT

This is one of the most important activities. A patent application has to satisfy two conditions:

- disclose the invention in a manner that satisfies the condition of "sufficient description" (failing which the patent may be annulled), without however revealing the actual "know-how,"
- obtain through the claims the broadest possible field of protection to ensure that competitors are not able to patent improvements.

In most countries, the only changes that can be made to the text of the description are those that result from amendment of the claims during the examination (or possible opposition) proceedings to ensure that the description and the final claims are the same.

The introduction of new matter is not normally possible, except in certain special proceedings, such as "continuation in part" in the United States.

It is therefore essential that close and trusting collaboration be established between the inventor or inventors and the patent engineer in order to optimize the drafting of the patent. The patent engineer, who is somewhat more distant from the invention, can give effective assistance in extending the scope, for example in technical fields that the inventor had not taken into account.

In addition, the drafter may (and, in some cases, must) exert a degree of "pressure" on the inventor for him to supply:

- a sufficiently large number of examples of applications that are also sufficiently convincing for the examiner, as also;
- "counter-examples" to show that the invention indeed works well within the limits of the cited parameters and badly, or not at all, outside the limits of those parameters.

Countries such as Japan apply strict requirements on the delimitation of the field protected by the invention. The same is also true of the European Patent Office.

The pruning of know-how and of superfluous detail (including in the drawings) has to be done in close collaboration between the inventor and the drafter and should be accompanied by special measures to protect by other means the know-how that will not be included in the patent.

Finally, where one is almost certain that the draft patent will be subject to extension to foreign countries, account will have to be taken in the drafting of the particularities and requirements of those countries, for example, description of the best mode of implementing the invention (for the United States), or exclusion from patentability in certain countries (chemical and pharmaceutical products, for example).

3.5 FILING, EXAMINATION AND OPPOSITION PROCEDURES

3.5.1 FILING

Since industrial property rights constitute an element in the enterprise's assets, the creation, transfer, relinquishment of any of those

rights requires the prior agreement of the head of the enterprise or of a person explicitly charged by him: director or head of department, director of the subsidiary concerned, etc.

The industrial property service must ensure that the statutory provisions on the rights and obligations of inventors are correctly applied by the enterprise. These concern, in particular, the naming of the inventor or inventors and the classification of the invention in the usual categories: (in France for example)

- duty invention
- invention giving an entitlement (sometimes referred to as a "mixed" or "extra duty" invention).
- free invention.
- extension to foreign countries.

Once the filing has been made in the country of origin, it will have to be decided in which foreign countries the invention is to be covered by parallel applications, with the priority of the initial application.

This choice is not made by either the inventor or the industrial property service, but the latter may nevertheless effectively advise the responsible department of the enterprise, particularly as regards the industrial property laws in the various countries, non-patentable categories, obligation to work, cost of renewal fees and various formalities, repression of counterfeiting, etc.

In numerous enterprises, such decisions are taken by a working group with members from industrial property, marketing and commercial services, legal service, strategy department and research and development.

3.5.2 EXAMINATION AND OPPOSITION

The decision to lodge opposition, or to withdraw it, or to withdraw a patent application that is bound to fail (unavoidable prior art or other reasons) is a matter for the head of the enterprise or the head of the department or the subsidiary concerned, depending on the hierarchical organization of the enterprise.

Before filing opposition, you must be sure that there is no risk of spoiling relations with the firm that holds the patent involved; if such is the case, it is preferable to contact the firm and to seek an agreement of the kind: "we will not file opposition but, in exchange, you will afford us a free license under your patent". It should be noted, however, that the Japanese consider such a proposition as extremely shocking and even unloyal; it should be employed only with a great amount of tact and it is rare that it will give a positive result.

Conduct of the examination and opposition procedures is the responsibility of the industrial property service. However, where examination proves difficult, following multiple or pertinent prior art, the inventor may

assist the industrial property engineer in devising arguments to convince the examiner of the novelty and inventive step of the invention and the non-pertinence of the opposing document. Some patent offices accept an inventor being present at the interview between the examiner and the patent agent and even his participation in the discussions.

4. RELATIONS WITH MANUFACTURING SERVICES

It is not the task of the manufacturing and production services to invent. However, for numerous reasons, products, processes and production equipment undergo, over time, modifications and improvements either at the initiative of the person using them or as a result of the customer's requirement or even those of the lawmakers (improvement of working safety, protection of the environment or of consumers, etc.). Such modifications may provide the basis for a patentable invention.

4.1 DETECTION OF INVENTIONS

The manufacturing services of large firms are rarely located close to the enterprise's headquarters. In the case of heavy industry, they are frequently to be found close to mining operations or in harbor areas or deep in the Alpine and Pyrenean valleys, a survival of the times when hydroelectric power had to be consumed on the spot since it could not be transported over long distances.

It is therefore essential that the industrial property engineers should periodically visit the factories both to keep up to date with development of the technologies used in the enterprise and also to detect any innovation that warrants "protection" in the broadest sense of the word.

This is not an easy task. Production people frequently consider that "they are only doing their job" and the concept of a patentable improvement is often difficult for them to accept. They see no interest in filing patents: they have to be persuaded.

A good solution is to have an industrial property "correspondent" at each production facility, an engineer, a technician or a foreman, who will have received basic training in this field and will be able to contact the industrial property service whenever he has knowledge of an innovation worthy of interest.

4.2 VARIOUS ADVISORY SERVICES

When the manufacturing services significantly modify the product or a device or apparatus, it may be worthwhile checking (apart from possible patentability) whether the modification is not already subject to industrial property rights held by third parties (what is known as a "freedom-of-exploitation" study).

We have known of several cases where successive "improvements" to a device (one of them concerned connectors for high tension electric cables) had led to complete infringement of a device that already existed on the market and that was covered by a patent.

Amongst the advice that manufacturing services may request of an industrial property service, one may mention the validity study of a third-party patent for which it is intended to acquire a license: has the patent been granted in countries with a strict examination? Has it been subject to opposition? What prior art is cited by the examiners? All such information will make it possible to ascertain whether the patent is reliable and whether the price being asked by its owner is justified.

5. RELATIONS WITH THE LEGAL SERVICE

Industrial property comprises a legal element of an importance that varies depending on the problems arising: it is at a low level when drafting a patent and replying to official letters, it increases as soon as matters of infringement and freedom of exploitation are concerned and becomes predominant when negotiating drafting a licensing contract.

It is therefore obvious that there will be many points of contact between the industrial property service and the legal department. These points of contact should in no case become points of friction or even of conflict.

There are many solutions for peaceful coexistence:

I. Creation within the industrial property service of a "technical agreements" service responsible for all agreements and contracts whose subject matter is "technical" that is to say concerns patents and know-how. To be sure, the legal department may be asked to check the validity of the clauses under the legislation of the partners and the correct balance between the rights and obligations which the contract imposes on the partners.

II. Inclusion in the legal department of one (or more) engineers with legal training (it is difficult to find a good lawyer having technical training) to be responsible for technical agreements and for disputes concerning industrial property rights.

III. Establishment of an informal structure for submitting technico-legal problems to a pair composed of a lawyer and a patent engineer.

This type of structure is particularly effective, for example, whenever a problem of infringement arises (whether passive or active) or where it has to be decided whether an act of exploitation proposed by the enterprise would enjoy full freedom of exploitation with regard to possible patents of competitors. In order to take such decisions (sometimes of considerable consequence), it is essential to associate the points of view of both the lawyer and the engineer.

For important negotiations, for example when establishing a joint firm (joint venture), a frequent - and particularly effective - solution is to set up a multidisciplinary team: financial experts, lawyers (company law, labor law, tax law), patent engineers ...

6. RELATIONS WITH THE SALES AND MARKETING SERVICE

The sales service is a kind of "final link in the chain" from innovation to the sale of products to customers.

Generally, the commercial services are not particularly interested in industrial property, at least while everything is going well. They justifiably consider that if they are asked to sell a given product, "someone" has certainly checked beforehand that marketing does not infringe any industrial property rights, in other words it is not an infringing act.

Where such a check has been omitted or carried out incompletely and an infringement has been committed, the marketing staff are the first to suffer the consequences since sales of the product concerned will be frozen, either by a decision of the firm that does not wish to aggravate matters or as the result of an injunction order given by a civil court. However, on the other hand, when they see a competing product on the market they are not always able to say whether it infringes a patent belonging to their own firm. Information is frequently late in arriving.

Surveillance of infringement is a little easier in respect of trademarks since they generally concern the products sold to the public and are to be found in advertising in the press or on television.

The majority of "spectacular" seizures of counterfeit goods concern either everyday or luxury consumer articles (Louis Vuitton luggage, Cartier watches, Pierre Cardin perfumes, etc.) which employees of those firms continuously track down throughout the world, particularly in South East Asia, and which are protected by design rights or literary and artistic property rights.

To adopt this type of action for industrial products would be infinitely more delicate since, in most cases, it would be necessary to enter the factories, workshops or warehouses to track down the products that are rarely to be found in shops open to the public.

7. OTHER TASKS OF AN INDUSTRIAL PROPERTY SERVICE

Depending on the size of the enterprise, and also on the way in which the head of the industrial property service conceives his task or receives his terms of reference from above, a number of other tasks may be entrusted to the industrial property service.

7.1 GENERAL DOCUMENTATION

The industrial property service is normally in charge of "patent documentation," that is to say that its documentary holdings basically comprise patent specifications (applications and granted patents) together with various scientific and technical articles which the inventors themselves or the patent offices (during examination) have supplied to it. It also has access to patent data bases (Derwent, patent offices of the major countries).

It is not normally the task of the industrial property service to supply research workers with all the documentation they require; however, it can help them in three ways:

I. The set of patent files put together and archived by the industrial property service constitutes a documentary holding that is frequently of considerable size, a kind of "memory" of the firm, at least where mergers or restructurings have not dispersed them. Research workers may normally have access, with some restrictions, to these files.

II. It is estimated that some 70% of technical information contained in patent texts is not to be found elsewhere, in any other publication. The industrial property service may therefore provide research workers with a "state-of-the-art" which they could not obtain by other means, particularly if one remembers that the former International Patent Institute in The Hague, which has formed part of the European Patent Office since 1978, is completely inundated by work on the state-of-the-art searches for European patent applications and - provisionally - is no longer able to carry out searches for private customers.

III. The head of the patent document searching section of an industrial property service can share his experience with the enterprise's general documentation service, particularly as regards the choice of equipment and procedures for interrogating the data bases whose number and specialization is tending to multiply in a somewhat uncontrolled manner.

7.2 INDUSTRIAL PROPERTY TEACHING

Experience shows that most engineers and administrators of enterprises have received during their training little or no information on industrial property.

An enterprise can only draw up an innovation and development strategy if those concerned are strongly motivated by the detection, protection and development of innovations, that is to say by industrial property.

It is therefore desirable that the industrial property service should undertake a continuous training activity at all levels, starting with production staff and going right up to the managers of the enterprise in order to arouse and maintain such motivation.

These activities can take on various material forms:

- drafting and distribution by the industrial property service of pamphlets and information notes setting out the general principles for protecting creations, the precautions to be taken, the mistakes to be avoided, etc.,
- lectures given at the main production and research facilities,
- one or two-day training courses, within the enterprise, aimed at the research, production and marketing staff.

In view of the internal promotion of production staff, the recruitment of new staff and those that retire, as also the development of industrial property laws, these training activities have to be periodically renewed.

7.3 DEVELOPMENT OF INNOVATION

Should the industrial property service play an active part in "development of innovation"? This question is hotly disputed.

Normally, in a large-size enterprise, patents are filed either in the name of the firm itself or, if the enterprise has a holding type structure managing a number of subsidiaries, in the name of the subsidiary concerned.

For example, within Pechiney, patents are filed in the name of the subsidiaries such as Aluminium Pechiney, Cegedur, Pechiney Electrometallurgie Carbone-Savoie, etc. or, in certain cases, in the name of a GIE Pechiney Research where research has been put in hand and funded by the research and development department.

The German firm of Bayer, for example, files practically all its patents under its own name or under the name of its main subsidiary AGFA-Gevaert for the photographic and magnetic products field.

It is normally for the owner of the industrial property rights (the holding or its subsidiary) to undertake their development as part of the enterprise's general strategy, in accordance with the usual procedures, particularly:

- exploitation within the enterprise,
- assignment (sale) of rights to others,
- licenses, whether exclusive or not, accompanied or not by know-how,
- technology transfer, based on patents and/or know-how.

Can the industrial property service look for customers, in agreement with its hierarchy and with the firms concerned, and offer them the enterprise's technology? Can it prospect the French market and, in particular, the foreign markets? Does it have the competence to do so? Does it have the human and technical means?

There is no overall reply to these questions.

An attempt was made by Pechiney at the end of the 70s, in the form of a "development" section comprising two engineers, within the industrial property service. A number of firms belonging to the group had entrusted to it their patents as yet unexploited, together with know-how, and these were presented to selected customers in the South East Asian area and at a number of "technology fairs" such as Tech'Ex in Geneva and in Atlanta (USA).

The results were disappointing since it transpired that such an activity could only be effective if considerable logistic means were used, well beyond those available to the industrial property service. Furthermore, such activity only bears fruit after several years of effort during which expenses alone grow.

The experiment finally ended with the constitution of a technology marketing firm (TECNOVA) associating several industrial partners and a large bank.

7.4 DETECTION OF INFRINGEMENTS

It is one thing to have reliable industrial property rights and another thing to defend them firmly and effectively against any infringement by competitors.

The problem lies in detecting infringing acts.

Although this is relatively easy (??) for well-identified products on the French market, it becomes increasingly difficult as one departs towards other continents and where it concerns processes or devices incorporated in production equipment that is not accessible to the public.

Who is best placed to detect infringement either of patents or of trademarks and designs?

Reply: the sales networks, in France and particularly abroad.

Unfortunately, experience has shown that salesmen are not particularly motivated by such an activity and refuse, for altogether understandable and respectable reasons, to "spy" on competitors' products. For example, when a salesman is visiting one of his customers, it is difficult for him to carry out inspection to discover the presence at that customer of possible infringing products.

In any event, the industrial property service does not have truly reliable means of detecting possible infringements and, most frequently, it can do no more than wait for the firm concerned to inform it of its suspicions before deciding on the advisability of undertaking any action at all, for example, an initial letter of simple warning to the presumed author of the infringement.

There is no question of an industrial property service taking offensive action on its own initiative without the formal agreement of the firm involved. The same applies, indeed, when initiating opposition to the patent of a competitor. We know of cases, fortunately rare ones, where an industrial property service has filed opposition against a competitor's patent and at the same time a firm within the group has been negotiating a licensing agreement with respect to the same patent.

7.5 INDUSTRIAL SECURITY ADVICE

The term industrial security covers a set of measures which may be taken by a firm to avoid uncontrolled leakage or fraudulent expropriation of its physical and intellectual property, in other words: the theft (or leakage) of goods or apparatus and the theft (or leakage) of "grey matter."

These leakages or fraudulent expropriations are not limited to the technical field, but also concern all economic, ecological, financial, commercial, or internal information constituting the enterprise's property and whose loss, or leakage towards competitors, would cause considerable damage which may be irreparable.

An industrial property service may usefully intervene by recalling the precautions to be taken to avoid the divulging of know-how (which of course does not enjoy statutory protection by means of an industrial property right) and to avoid any disclosure of an invention prior to filing of a patent application and thereby invalidating the patent. A fairly common disclosure may result from publication of a part of experimental results concerning an invention in a scientific periodical or at a congress.

It may also recall the precautions to be taken when the factory or research center is visited by persons outside the enterprise and the attitude to be assumed when travelling or staying abroad.

This type of information, coming from the industrial property service is all the more credible if the industrial property service itself has put its recommendations into practice on its own premises and amongst its own staff.

As far as the other fields are concerned, it is for each firm to organize its own protection using the means it judges most effective.

8. CONCLUSION

The industrial property service of an enterprise, whatever its size, whatever its means, cannot and should not attempt to "do everything."

If it is to be credible and effective, it must remain within its field of competence which is industrial property, within the following limits:

- participation in the establishment and development of research programs,
- detection and subsequent protection of innovations,
- creation and defence of industrial property rights,
- management of the industrial property portfolio and, particularly, maintenance of rights, in agreement with the hierarchical authority which alone is competent to decide on the relinquishment of industrial property rights,
- provision of patent documentation,
- collaboration with lawyers in assignment or transfer operations concerning industrial property rights and any litigation on the existence or exercise of such rights.

It is a tool in the service of the enterprise's industrial strategy.

It cannot and should not replace its hierarchical authority in decisions to create, transfer or relinquish industrial property rights, which form part of the enterprise's assets (except in the case of simple holding measures in an emergency).

To sum up all these tasks, one may say that an industrial property service should assume the "management of industrial property." This is a very heavy task, but experience over 15 years permits me to state that it is an altogether exciting task.

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CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



WORLD
INTELLECTUAL PROPERTY
ORGANIZATION



NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 7 to 25, 1992

**THE MADRID AGREEMENT CONCERNING
THE INTERNATIONAL REGISTRATION OF MARKS**

document prepared by the International Bureau of WIPO

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I. ACTS APPLICABLE

1. The Madrid Agreement Concerning the International Registration of Marks was signed on April 14, 1891, and entered into force on July 15, 1892. It has been revised on a number of occasions; at Brussels on December 14, 1900, at Washington, On June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Nice on June 15, 1957, at Stockholm on July 14, 1967, and amended on October 2, 1979. At present, only the Nice Act and the Stockholm Act are applicable.

II. MEMBER COUNTRIES

2. There are currently 30 States* party to the Madrid Agreement: Algeria, Austria, Belgium,* Bulgaria, China, Cuba, Czechoslovakia, Democratic People's Republic of Korea, Egypt, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg,* Monaco, Mongolia, Morocco, Netherlands,* Poland, Portugal, Russian Federation, Romania, San Marino, Slovenia, Spain, Sudan, Switzerland, Viet Nam, Yugoslavia.

3. It is interesting to note that the membership is very diversified from the point of view of their geographical situation, the level of their economic development or the figure of their population.

III. THE PRINCIPLE OF INTERNATIONAL REGISTRATION

4. The trader or manufacturer wishing to obtain protection for his trademark in a number of States must normally comply with the trademark registration formalities of the national Offices of each individual State (differing procedures, need to file the application in different languages, varying terms of protection resulting in different renewal dates, and the need, in some cases, to appoint a local agent). Moreover, the need to file national applications in each country leads to very considerable costs (national fees, fees of the various agents and the costs of translation to be paid in each country). The purpose of the Madrid Agreement is to avoid all these complications. To file an international registration having effect in the countries party to the Madrid Agreement, the applicant need only comply with one set of formalities with the International Bureau of WIPO. The application is submitted in one language, French, and fees are paid once only to the International Bureau, the term of protection is twenty years for all countries in which protection has effect.

IV. ENTITLEMENT TO MAKE AN INTERNATIONAL REGISTRATION

5. Under Article 1(2) of the Madrid Agreement, nationals of the countries party to the Agreement are entitled to apply for international registration. In addition, Article 2 of the Madrid Agreement, which refers to Article 3 of the Paris Convention for the Protection of Industrial Property, places nationals of other countries (but party to the Paris Convention) who have their domicile (or headquarters) or a real and effective industrial or commercial establishment in a country party to the Madrid Agreement on the same footing as nationals of the countries party to the Madrid Agreement.

* The combined territories of these countries in Europe are to be regarded as a single country for the purposes of the Madrid Agreement.

V. REGISTRATION PROCEDURE**(a) National Registration in the Country of Origin**

6. Prior to international registration, the trademark must be registered at the national level with the industrial property Office of the country of origin. The country of origin is not left to the discretion of the applicant; Article 1(3) of the Madrid Agreement defines it as follows:

- the country of the Madrid Union where the applicant has a real and effective industrial or commercial establishment (such establishment not being a distinct legal entity such as a corporate subsidiary);

- if the applicant has no such establishment in a country of the Union, the country of the Union where he has his domicile (or headquarters);

- if the applicant has no domicile within the Union, the country of the Union of which he is a national.

(b) Submission of the Application for International Registration

7. It is to the Office of the country of origin that the application for international registration must be sent and not directly to the International Bureau of WIPO. Before forwarding the application to the International Bureau, the national Office checks and certifies that the mark as reproduced in the application for international registration is entered in the national trademark register in the name of the applicant for the same goods and/or services.

(c) Fees Accompanying the Application

8. The application must be accompanied by the required fees, namely:

- the basic fee of 790 Swiss francs
- the complementary fee of 88 Swiss francs

for each country for which protection is requested, and

- the supplementary fee of 88 Swiss francs

for each class after the third in cases where the list of goods and services comprises more than three classes of the International Classification set up under the Nice Agreement.

The basic fee is intended to cover the costs of the International Bureau, while the proceeds of the other two fees are distributed each year to the countries party to the Madrid Agreement. Each country's share is proportional to the number of registrations for which extension of protection to its territory has been requested during the year and, in the case of countries carrying out a preliminary examination, is multiplied by a coefficient which varies from 2 to 4 depending on the extent of the examination carried out (Article 8(5) and (6) of the Madrid Agreement).

The Assembly of the Madrid Union adopted, on April 22, 1988, new regulations which provide, inter alia, the possibility of publishing coloured marks on payment of an extra fee of 400 Swiss francs.

(d) Right of Priority

10. The owner of an international registration enjoys the right of priority provided for in Article 4 of the Paris Convention without having to comply with the formalities prescribed in the case of a national filing (Article 4(2)). This means that, if the international registration is effected not later than six months after the date of the first regular national filing made in one of the countries party to the Paris Convention, that international registration has priority not from the date of the said registration but from that of the first national filing.

(e) Examination by the International Bureau

9. On receipt of the application for international registration, the International Bureau checks whether it complies with the provisions of the Agreement and the Regulations. It is not however the responsibility of the International Bureau to ascertain whether the mark submitted for international registration is acceptable to the States concerned according to their national legislation.

(f) Classification of Goods and Services

11. If, in the application, the goods and services are not classified or grouped in classes, or if the International Bureau considers the classification indicated to be incorrect or the indication of goods and services too vague, it submits its proposals for classification to the national Office (Rule 12(1)). The classes proposed are all those that could be taken into consideration.

12. Where in its opinion the goods and services are indicated in terms that are too vague, the International Bureau requests the national Office to provide more precise details concerning them.

13. The International Bureau allows a period of three months from the date of its classification proposals for the application to be put in order (Rule 12(3)).

14. If, by the expiration of that period, the International Bureau has not received any contrary opinion with regard to its proposals, it will register the mark with the classification it has proposed, provided that the required fees have been paid and that the application complies in other respects with the Agreement and the Regulations (Article 8(3) and Rule 12(4)).

15. If a contrary opinion is received within three months, the International Bureau may either make further proposals, if that period permits, or register the mark with the classification it considers appropriate (Rule 12(5)), provided that the required fees have been paid and that the application complies in other respects with the Agreement and the Regulations.

(g) Registration, Notification, Publication

16. If the application complies with the Agreement and Regulations, the International Bureau registers the mark, notifies it to interested States and publishes it in the review "Les Marques internationales."

VI. THE EFFECTS OF INTERNATIONAL REGISTRATION

(a) Territorial Effect

17. The international registration has no effect, and cannot have any effect at any time, in the country of origin (see paragraph 5(a) above). The trademark is protected in that country under the national registration that constitutes the basis for the international registration.

18. As regards the other countries party to the Madrid Agreement, the international registration has effect only in those for which protection has been explicitly requested in accordance with Article 3ter(1) of the Agreement. All the countries party to the Madrid Agreement have in fact made use of the faculty offered by Article 3bis of the Madrid Agreement, which stipulates that any contracting country may notify the Director General of WIPO that the protection resulting from the international registration shall extend to that country only at the express request of the proprietor of the mark.

(b) Legal Effect

19. Under Article 4 of the Madrid Agreement, a trademark that has been covered by an international registration enjoys, as from the date of such registration, in each of the countries concerned, the same protection it would have enjoyed had it been filed directly in those countries. It is therefore not possible to speak under the Madrid Agreement of a true "international trademark" with the same status in all countries in which it has effect (that is the case, for example, in a more restricted framework, for marks filed with OAPI or the Benelux Trademark Office). International registration constitutes, in a way, a bundle of national marks and remains, in principle, subject to the legislation of each country in which it has effect, in the same way as marks entered in the national register. This is particularly true of the examination procedure required by the legislation of a number of countries.

(c) Term and Date of International Registration

20. Under Article 6(1) of the Madrid Agreement, the international registration has a uniform term of 20 years whatever the national provisions on the term of a registration. It is to be noted, however, that under Rule 10(1) of the Regulations it is possible to pay the basic fee at the time of registration for an initial period of ten years only. In this case, the balance of the fee is payable before the expiration of the initial period, failing which the international registration is cancelled ex officio.

(d) Link Between the International Registration and the Basic National Registration

21. Under Article 6(3) of the Madrid Agreement, protection resulting from the international registration remains dependent, for a period of five years from the date of the international registration, on the protection afforded to the mark in the country of origin. If, during the above five-year period, the mark ceases to enjoy national protection in the country of origin, the protection resulting from the international registration may no longer be invoked in any of the countries concerned. The same applies if national protection in the country of origin comes to an end following legal proceedings instituted before the expiry of the five-year period counted from the date of international registration.

22. Where protection ceases to exist following voluntary or ex officio cancellation within the five-year period of the basic national registration, the Office of the country of origin requests the International Bureau to cancel the international registration. In such cases, the International Bureau does not act ex officio but solely at the request of the Office of the country of origin.

23. In the event of legal proceedings against the basic national registration instituted prior to the expiry of that same five-year period, the Office of the country of origin is required to communicate to the International Bureau (ex officio or at the request of the applicant) documentary evidence of the proceedings having been instituted and also a copy of the final decision. The International Bureau then makes a corresponding entry in the International Register (Article 6(4)) but does not cancel the international registration.

VII. REFUSAL OF PROTECTION

24. In those countries where the legislation authorizes them to do so, the Offices to which the International Bureau notifies the international registration of a mark have the right to declare that protection cannot be afforded to the mark on their territory.

(a) Grounds for Refusal

25. The second sentence of Article 5(1) of the Madrid Agreement stipulates that a mark entered in the International Register may only be refused on grounds which would apply, under the Paris Convention, for a mark filed nationally. The grounds which the Office of the country concerned may advance to support its decision to refuse the international registration of a mark are thus, normally, the same as those it could invoke against the national filing of the same mark, subject to Article 6quinquies of the Paris Convention.

(b) Time Limit for Notification to the International Bureau

26. Under Article 5(2) of the Madrid Agreement and Rule 17(1) of its Regulations, refusal of protection must be notified to the International Bureau, together with a statement of all grounds, within the period prescribed by domestic law and, at the latest, before expiry of one year from the date on which the mark was actually recorded in the International Register. This date is later than that of the registration of the mark to ensure that national Offices have a full one-year period to pronounce any refusal.

(c) Examination of Refusals

27. On receipt of a notification of refusal, the International Bureau carries out a formal examination of the notification. If it does not contain any of the irregularities listed in Rule 17(2) of the Regulations, the refusal is recorded in the International Register and a copy of the notification of refusal is transmitted to the Office of the country of origin and to the owner of the mark or his agent.

28. The owner of the international registration enjoys, in the country pronouncing refusal, the same remedies as are enjoyed by the owner of a national registration.

29. Where the notification of refusal is not communicated to the International Bureau within the required one-year period, or where it does not state the grounds for refusal or contains any other irregularity listed in Rule 17(2) of the Regulations, refusal is not recorded in the International Register. The notification or refusal is nevertheless transmitted, for information, to the owner of the international registration or his agent and to the Office of the country of origin, who are informed (along with the Office that has pronounced the refusal) that the refusal has not been recorded in the International Register (Rule 17(3) of the Regulations).

VIII. CHANGES AFFECTING THE INTERNATIONAL REGISTRATION

30. Various changes may be entered in the International Register during the validity of the registration.

(a) Territorial Extension After Registration

31. It is possible for an international registration not to have effect in a country party to the Agreement either because protection in that country had not been requested when the initial registration was made or as a result of a refusal of protection, invalidation or renunciation on the part of the owner of the mark. In such cases, the owner may subsequently ask for extension of protection to that country for all or a part only of the goods and services entered in the International Register.

(b) Other Changes

32. Other changes may be entered in the International Register during the validity of the registration: transfer or partial assignment of the registration, limitation of the list of goods and services for one or more countries, renunciation of protection in one or more countries, change of name or address of the owner of the registration, complete cancellation of the registration.

33. Some types of requests for entry of a change cannot be accepted. Such is the case, for example, of a request for a change in the reproduction of the mark as registered or for the addition of new goods or services to the list of goods and services entered in the International Register. In such cases, a new international registration has to be made (Article 9(5) of the Madrid Agreement).

34. As for the correction of errors affecting an international registration, this can be done at any time if the error is attributable to the International Bureau (Rule 23(1)). Where an error is attributable to a national Office, there are two separate cases. Correction can be made at any time if it does not adversely affect (in the view of the International Bureau) the rights deriving from the registration (Rule 23(3)). Where the error may adversely affect the rights deriving from the registration, on the other hand, the request for correction must reach the International Bureau, at the latest, within six months after the publication containing the error (Rule 23(2)).

IX. RENEWAL

35. The international registration may be renewed an unlimited number of times for a full 20-year period counted from the expiry of the preceding period (Article 7(1) of the Madrid Agreement).

(a) Unofficial Reminders

36. Six months before the expiry date of the international registration, the International Bureau sends an unofficial reminder to the owner of the registration and to any representative named in the registration file.

(b) Fees

37. Under Article 7(1) of the Madrid Agreement, renewal is effected by simple payment of the required fees. The latter are the same as those for the international registration (a basic fee of 720 Swiss francs, a complementary fee of 80 Swiss francs for each country for renewal is effected and a supplementary fee of 80 Swiss francs for each class of goods and services after the third).

(c) Nature and Effects of Renewal

38. Under the Nice and Stockholm Acts of the Madrid Agreement, renewal constitutes a simple prolongation of the registration. According to Article 7(2) of the Madrid Agreement, no change may be made to the registration in its latest form, that is to say, as entered in the International Register on expiry of the 20-year period. Rule 25(6) of the Regulations under the Madrid Agreement stipulates, however, that a limitation of the list of countries concerned does not constitute a change within the meaning of that Article 7(2).

X. NOTIFICATIONS ADDRESSED TO NATIONAL OFFICES AND PUBLICATION

39. Registrations, renewals, changes, refusals of protection and invalidations recorded in the International Register are notified to the Offices of the countries concerned and published in the review "Les Marques internationales."

40. Each Office receives free copies of the review "Les Marques internationales." According to the last sentence of Article 3(5) of the Madrid Agreement, such publicity is to be deemed in all the contracting countries to be sufficient and no other publicity may be required of the applicant.

XI. CONCLUSION

41. Since the entry into force of the Madrid Agreement in 1892, over 585,000 marks have been internationally registered. Of that number, some 280,000 are still in force. Each year, more than 20,000 new registrations and renewals are made and some 30,000 changes entered in the International Register. By 1991, a total of more than 19 million Swiss francs, representing supplementary and complementary fees, had been distributed to the States party to the Madrid Agreement under Article 8(5) and (6) of that Agreement. These figures prove the interest shown by users in the Madrid Agreement (which has been in force for 101 years) and the advantages, both practical and financial, which the member States may derive.

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Strasbourg, September 7 to 25, 1992

**THE NICE AGREEMENT
CONCERNING THE INTERNATIONAL CLASSIFICATION
OF GOODS AND SERVICES
FOR THE PURPOSES OF THE REGISTRATION OF MARKS**

document prepared by the International Bureau of WIPO

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Annex: LIST OF CLASSES

I. INTRODUCTION

1. The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (hereinafter referred to as "the Nice Agreement" and "the Nice Classification") is a multilateral international treaty signed on June 15, 1957. It entered into force on April 8, 1961, was revised in Stockholm on July 14, 1967, and in Geneva on May 13, 1977 (the text resulting from this latter revision is referred to hereinafter as "the Geneva Act"). This note is based on the provisions of the Geneva Act.

2. There are currently 33 States party to the Nice Agreement: Algeria, Australia, Austria, Barbados, Belgium, Benin, Czechoslovakia, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Japan, Lebanon, Liechtenstein, Luxembourg, Monaco, Morocco, Netherlands, Norway, Portugal, Russian Federation, Spain, Suriname, Sweden, Switzerland, Tunisia, United Kingdom, United States of America and Yugoslavia.

II. ESTABLISHMENT OF A SPECIAL UNION; ADOPTION OF AN INTERNATIONAL CLASSIFICATION

3. The countries to which the Nice Agreement applies have established a special Union and adopted a common classification of goods and services for the purposes of the registration of marks.

4. The classification comprises:

(a) a List of Classes, accompanied, where appropriate, by explanatory notes; the list comprises 34 classes of goods and 8 classes of services (see Annex);

(b) an Alphabetical List of Goods and Services (hereinafter referred to as "the Alphabetical List"), giving the class in which each product or service is classified.

5. The Nice Classification exists in both English and French authentic texts. Currently, there are also official texts or official translations of the Nice Classification in the following languages: Dutch, German, Italian, Norwegian, Portuguese, Spanish and Russian. Though they are not official translations, a Chinese and a Japanese versions are also available.

III. OBLIGATIONS DERIVING FROM ACCESSION TO THE NICE AGREEMENT OR ITS RATIFICATION; LEGAL SCOPE AND APPLICATION OF THE NICE CLASSIFICATION

6. Under Article 2(3) of the Nice Agreement, the countries of the Nice Union are required to include in the official documents and publications concerning the registrations of marks the numbers of the classes of the Classification to which the goods or services for which the mark is registered belong.

7. The effect of the Nice Classification is that given to it by each Nice Union country. For example, the classification does not bind the Nice Union countries either as regards evaluation of the extent of protection of a mark or the recognition of service marks (Article 2(1)).

8. Furthermore, Article 2(2) of the Nice Agreement provides that each of the Nice Union countries will reserve the right to use the Nice Classification either as a principal system or as a subsidiary system, meaning that the Nice Union countries are free to adopt the Nice Classification of Goods and Services as the sole classification to be used for the purposes of registration of marks or to keep an existing national system of classification of goods and services and to use the Nice Classification as a supplementary classification which will also be shown in the official publications of marks.

9. Finally, Article 2(4) of the Nice Agreement stipulates that the fact that a term is included in the Alphabetical List of Goods and Services of the Nice Classification in no way affects any rights which may subsist in that term.

IV. THE NICE UNION ASSEMBLY AND THE COMMITTEE OF EXPERTS

10. On becoming party to the Nice Agreement, a country automatically becomes a member of the Nice Union Assembly.

11. The Assembly meets in ordinary session once every two years; usually, such ordinary sessions are held during the same period and at the same place as the ordinary sessions of the Paris Union Assembly and the Conference and General Assembly of WIPO. The Assembly deals with all matters concerning the maintenance and development of the special Union and the implementation of the Nice Agreement. In particular, it determines the program and adopts the budget of the Union.

12. Each country party to the Nice Agreement is also represented in the Committee of Experts set up by the Agreement. The Committee of Experts:

(a) decides on any changes to be made to the Classification;

(b) addresses recommendations to the countries of the special Union for the purpose of facilitating use of the Classification and promoting its uniform application;

(c) takes any other measures which, without financial implication for the budget of the special Union or of the Organization, are such as to facilitate application of the Classification by the developing countries;

(d) is empowered to set up subcommittees and working groups.

In practice, the proposed changes to the Nice Classification are examined by such subcommittees or working groups and have then to be adopted by the Committee of Experts for incorporation in the Classification.

13. Membership of the Nice Union therefore enables countries to participate actively in the periodical reviews of the Nice Classification and to adapt it as far as possible to technical developments and to national interests.

V. ACCESSION TO THE NICE AGREEMENT OR RATIFICATION OF THE AGREEMENT AND MEMBERSHIP OF THE NICE UNION

14. In those countries that have a national classification system that differs from the Nice Classification, the results of trademark searches are provided according to the national classification systems. This makes it

difficult to compare the results of the searches made in such countries with searches in respect of the same marks made in a country using other classifications or the Nice Classification. It is therefore of great interest to adopt the Nice Classification since it enables a given situation to be evaluated at international level on the basis of the same classification system.

15. Conditions for ratifying the Nice Agreement or for accession. On February 6, 1979, the Geneva Act entered into force and, under the provisions of Article 9(6) of the Nice Agreement, no country may ratify a previous Act of the Agreement or accede to it.

16. All those countries that signed the Geneva Act of the Nice Agreement may ratify it. The Nice Union countries that have not signed the Geneva Act may accede thereto. Any country that is not a member of the Nice Union may become a member by acceding to the Geneva Act, subject to being a member of the Paris Union for the Protection of Industrial Property.

17. Accession or ratification takes effect three months after the date of notification by the Director General of WIPO.

18. Financial obligations. Membership of the Nice Union involves an obligation to pay a contribution to the budget of that Union. In order to determine its contribution, each country of the Union belongs to the class to which it belongs in the Paris Union for the Protection of Industrial Property and pays annual contributions on the basis of the number of units determined for that class in the Paris Union. For 1989, the Assembly of the Nice Union decided the following contributions to the budget of the Union:

Class I	52,500	Swiss francs
Class II	-	
Class III	31,500	"
Class IV	21,000	"
Class V	10,500	"
Class VI	6,300	"
Class VII	2,100	"

VI. UTILIZATION AND UPDATING OF THE NICE CLASSIFICATION

19. Currently, in addition to the countries party to the Nice Agreement, over 80 other countries use the Nice Classification. In all, therefore, more than 100 countries use the Classification.

20. A Trademark Classification Service has been set up at the International Bureau of WIPO. Its aim is to give advice in classification to anyone so requesting. The requester may be just as well the national office of any country, an agent, an individual or a private undertaking. This service is particularly useful where it is necessary to classify new products or products that are not specifically named in the Alphabetical List and may, therefore, raise difficulties in classification. However, the national offices of the member countries of the Nice Agreement, and also those of the developing countries, enjoy a reduction in fees. The International Bureau of WIPO receives some 10 to 20 requests for classification each month from national offices and industrial property agents acting for the owners of marks.

21. The Nice Classification has to be kept constantly up to date. It must be borne in mind that the first full draft of the Alphabetical List was produced in 1935. An amended draft was adopted at the Nice Diplomatic Conference in 1957. This means that the Nice Classification has been in force for more than thirty years. During those thirty years, numerous products shown in the first Alphabetical List have disappeared from the market, whereas numerous other products have appeared. For instance, new goods of plastics have appeared, as have the laser, the computer and word-processing systems, that have completely revolutionized traditional ways of working. All these new products have to be incorporated in the Alphabetical List and the products that are no longer marketed must be removed. The updating of the Nice Classification is carried out by the Committee of Experts composed of representatives of the countries party to the Nice Agreement (see paragraph 12 above).

22. The Committee of Experts meets regularly every three to five years at the invitation of the Director General of WIPO. So far, the Committee of Experts has met fifteen times. The Committee of Experts decides on the amendments to be made to the Alphabetical List, on the wording of the class headings and the relevant explanatory notes and on the general remarks preceding the list of classes.

23. The amendments to the Alphabetical List may take the following forms:

(a) deletion of an item shown in the Alphabetical List. This is done particularly in those cases where the product can no longer be found on the market or where a more generic term covers the product in question. For example, it has been proposed to the next Committee of Experts that item G0288 grooving planes be deleted. A grooving plane is used in carpentry for making grooves. It is therefore a specific kind of plane already covered in fact by item P0386 planes, and the translation of its name may present problems in various languages;

(b) addition of a product to the Alphabetical List. Products added to the Alphabetical List are above all new articles that have appeared on the market between two sessions of the Committee of Experts. One may mention, for example, solar batteries (S0590) or solar collectors [heating] (S0591), which were added to the Alphabetical List after the possibilities for using solar energy had been discovered;

(c) amendment of the wording of an item in the Alphabetical List. It is sometimes necessary to detail the existing wording by adding the function or purpose of a product, for example "electric" or "for medical purposes" or to distinguish between homonyms that are to be classified differently, for example beauty masks (Cl. 03) and toy masks (Cl. 28);

(d) transfer of a product from one class to another. Although such a change is quite rare, it is nevertheless necessary on occasion to carry out this operation. For example, tie pins and cuff links of common metal, originally classified in Class 26 as clothing accessories, are now held to be items of jewelry and are therefore classified in Class 14.

24. The wording of the class headings and of the explanatory notes is also constantly reviewed in order to improve the definition of the content of each class and to adapt it to changes in trade and industry.

25. Countries that are not party to the Nice Agreement, intergovernmental organizations that specialize in marks and also representatives of international non-governmental organizations may be invited by the Director General of WIPO to send observers to meetings of the Committee of Experts.

26. In practice, the updating of the Nice Classification takes place as follows: to begin with, the International Bureau invites the member countries of the Nice Union to send to it any proposed changes to the Classification that they would like the Committee of Experts to look at; subsequently, the International Bureau prepares a document, on the basis of the proposals received, which it sends to the member countries of the Preparatory Working Group for examination. When they meet, the members of the Preparatory Working Group submit their observations and decide on the recommendations to be made to the Committee of Experts, that is to say, which proposals they recommend accepting, which should be rejected or in what way they should be amended before acceptance. As a result of the fact that the number of countries represented in the Preparatory Working Group is relatively small, the work progresses more rapidly than would be the case in the Committee of Experts. The Committee of Experts is therefore able to work on proposals for amendments that have already been discussed and which should not lead to protracted debate. As a result of the work carried out by the Preparatory Working Group, that of the Committee of Experts can be carried out under optimum conditions and can lead to decisions more rapidly.

[One Annex follows]



WORLD INTELLECTUAL PROPERTY ORGANIZATION

Nice Agreement Concerning the International Classification of Goods and Services
for the Purposes of the Registration of Marks

LIST OF CLASSES

(Fifth Edition)

Goods

1. Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.
2. Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colourants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.
3. Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.
4. Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels (including motor spirit) and illuminants; candles, wicks.
5. Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.
6. Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.
7. Machines and machine tools; motors (except for land vehicles); machine coupling and belting (except for land vehicles); agricultural implements; incubators for eggs.
8. Hand tools and implements (hand operated); cutlery; side arms; razors.
9. Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.
10. Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.
11. Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.
12. Vehicles; apparatus for locomotion by land, air or water.
13. Firearms; ammunition and projectiles; explosives; fireworks.
14. Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
15. Musical instruments.
16. Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks.
17. Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.
18. Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
19. Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
20. Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.
21. Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes.
22. Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.
23. Yarns and threads, for textile use.
24. Textiles and textile goods, not included in other classes; bed and table covers.
25. Clothing, footwear, headgear.
26. Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
27. Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).
28. Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.
29. Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams; eggs, milk and milk products; edible oils and fats; salad dressings; preserves.
30. Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (except salad dressings); spices; ice.
31. Agricultural, horticultural and forestry products and grains not included in other classes; living animals; fresh fruits and vegetables; seeds, natural plants and flowers; food-stuffs for animals, malt.
32. Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
33. Alcoholic beverages (except beers).
34. Tobacco; smokers' articles; matches.

Services

35. Advertising and business.
36. Insurance and financial.
37. Construction and repair.
38. Communication.
39. Transportation and storage.
40. Material treatment.
41. Education and entertainment.
42. Miscellaneous.



CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



WORLD
INTELLECTUAL PROPERTY
ORGANIZATION



NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

**TRAINING COURSE ON
THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF
INDUSTRIAL PROPERTY**

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 7 to 25, 1992

**THE VIENNA AGREEMENT
ESTABLISHING AN INTERNATIONAL CLASSIFICATION
OF THE FIGURATIVE ELEMENTS OF MARKS**

document prepared by the International Bureau of WIPO

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I. INTRODUCTION

1. The Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (hereinafter referred to as "the Agreement") was adopted on June 12, 1973, by a Diplomatic Conference held in Vienna, Austria.
2. The Agreement was signed on behalf of the following 19 States: Austria, Belgium, Brazil, Denmark, France, German Democratic Republic, Germany (Federal Republic of), Hungary, Italy, Luxembourg, Monaco, Netherlands, Norway, Portugal, Romania, San Marino, Sweden, Switzerland, Yugoslavia.
3. Following ratification by France, Luxembourg, the Netherlands and Sweden, and accession by Tunisia, the Agreement entered into force on August 9, 1985. The text of the Agreement is given at annex.

II. BASIC FEATURES OF THE AGREEMENT

4. General. The Agreement is closely aligned on other instruments, particularly the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks, of June 15, 1957, and the Strasbourg Agreement Concerning the International Patent Classification, of March 24, 1971.
5. As with the above-mentioned Agreements, the Vienna Agreement has established, under the Paris Convention for the Protection of Industrial Property, a special union (hereinafter referred to as "the Union") which uses a common classification for the figurative elements of marks (hereinafter referred to as "the International Classification"). A large number of trademarks and service marks contain such figurative elements and the Classification makes it possible to identify marks composed of elements that are alike or similar.
6. Content of the International Classification. This is defined in the Agreement as comprising "a list of categories, divisions and sections in which the figurative elements of marks are classified, together with, as the case may be, explanatory notes." The authentic copy, in English and French, of the International Classification is presently deposited with the Director General of WIPO. German and Spanish versions have been drawn up by the International Bureau.
7. Scope of the International Classification. The main aim of the International Classification being to facilitate anticipation searching, it has no effect, pursuant to the Agreement itself, on the scope of protection afforded to a mark. However, States are at liberty to give the Classification the legal scope they wish, beyond the simple administrative scope afforded to it by the Agreement. (See paragraph 9 below).
8. Application of the International Classification. The Union States may use the International Classification either as a principal or as a subsidiary system. In other words, they are free to consider the International Classification as the sole classification to be used or to use it at the same time as a national classification.

9. The responsible Offices of the Union countries are required, by the Agreement, to include in the official documents and publications¹ relating to registrations and renewals of marks the numbers of the categories, divisions and sections in which the figurative elements of those marks have been placed. However, this requirement is not retroactive to the extent that the Offices of the countries party to the Agreement are not required to classify figurative marks registered prior to entry into force of the Agreement for their territory; on the other hand, they have to be classified as and when the registration of such marks is renewed.

10. The numbers of the categories, divisions and sections given in the official documents and publications relating to registrations must be preceded by the words "Classification of Figurative Elements" or an abbreviation that has still to be determined by the Committee of Experts (see paragraph 15 below).

11. The Agreement permits the member countries to reserve the possibility of not applying the International Classification (or not applying it in whole) as far as the finest subdivisions are concerned, that is to say the sections. This provision is of importance particularly for those Offices that only register a small number of marks.

12. The International Classification contains not only the sections required to place all figurative elements. It also contains auxiliary sections intended for figurative elements that are already covered by (main) sections, but which it is considered useful to group according to a particular criterion in order

13. Otherwise, the countries party to the Agreement are required to apply the International Classification as it stands. They may not, for example, change the content or number of categories, divisions or sections, group together varying sections to form a single one or create new sections, whether main or auxiliary.

14. Since it is not possible to directly place obligations on intergovernmental organizations, the Agreement provides that, if a country party to the Agreement entrusts the registration of marks to an intergovernmental authority, it must take all possible measures to ensure that such authority uses the International Classification in accordance with the Agreement. Once it has done so, such an authority would be in the same situation, as far as application of the International Classification is concerned, as a national Office. In particular, it would have the same possibility of entering the reservation referred to in paragraph 11.

¹Official documents and publications cover, in particular, entries in the register of marks, registration and renewal certificates, publication of registrations and renewals in the official bulletins or gazettes to facilitate searching. There so-called auxiliary sections, which are designated with a "A" in the International Classification are in no way compulsory, national offices may use them freely if they feel that it will make for easier searching.

15. Committee of Experts. The Agreement has established a Committee of Experts to make amendments and additions, as required by changes in technology and trade or as dictated by experience, to the International Classification. This Committee of Experts is made up of representatives of the Union countries and, in addition to its revision work, described above, has the task of facilitating the use of the Classification--particularly by the developing countries--and of promoting its uniform application. The intergovernmental organizations specialized in the field of marks, as also other intergovernmental organizations or non-governmental organizations, may be represented as observers if so decided by the Committee of Experts or the Director General.

16. The amendments and additions made by the Committee of Experts, together with its recommendations, are notified by the International Bureau of WIPO to the competent Offices in the Union countries and enter into force six months after notification; they are contained in an authentic copy deposited with the Director General of WIPO. Additionally, the International Bureau of WIPO incorporates the amendments and additions in the Classification and publishes them in the periodicals designated by the Assembly of the Union (see paragraphs 22 and 23 below).

III. ADVANTAGES OF THE INTERNATIONAL CLASSIFICATION

17. The internationalization of industrial, technical and commercial relations demands the creation of uniform tools of work in the industrial property field. Such is the case of the international classifications produced by cooperation between States and by means of which the national Offices are provided with tools which each of them would otherwise have been obliged to establish and maintain. When documents are exchanged, there is no need to reclassify them.

18. These advantages are particularly telling for the developing countries that do not always have the necessary staff to undertake such tasks and which permit them to make noticeable savings in means and time so that they can devote themselves to other priorities.

19. In the specific field of marks, there already exists an International Classification of Goods and Services established by the Nice Agreement of June 15, 1957. That Classification constitutes for the Offices responsible for anticipation searching a working tool whose usefulness and effectiveness have long since been proved.

20. However, in carrying out those searches, it is also necessary to classify the figurative elements of marks. Thus, a uniform classification facilitates the anticipation searching work of the national Offices. For its part, the International Bureau of WIPO uses the International Classification of the Figurative Elements of Marks for coding the figurative marks that are internationally registered under the Madrid Agreement.

IV. RIGHTS OF THE COUNTRIES PARTY TO THE AGREEMENT

21. In becoming party to the Agreement, a country automatically becomes a member of the Assembly of the Union.

22. The function of the Assembly is to deal with all matters concerning the maintenance and development of the Union and the implementation of the Agreement. Its particular tasks are to determine the program and budget.

23. Each Union country may be represented in the Committee of Experts referred to above in paragraph 15. Membership of the Union therefore enables a country to participate actively in the periodical revisions of the Clasification and to adapt it as far as possible to technical developments and national interests.

24. On becoming party to the Agreement, a State immediately obtains a tool enabling the Office to rationalize mark anticipation searching. The sooner it participates in the Union, the sooner it can help to ease the workload of its office.

V. RATIFICATION OF THE AGREEMENT OR ACCESSION

25. Conditions. Any country party to the Paris Convention for the Protection fo Industrial Property may become party to the Agreement.

26. The States that have signed the Agreement (see list above in paragaph 2) may become party by depositing an instrument of ratification. Those who have not signed may become party by depositing an instrument of accession.

27. The instruments of ratification and of accession are deposited with the Director General of WIPO in Geneva.

28. Financial Commitments. Membership of the Union implies an obligation to pay a contribution to the budget of the Union. In order to determine its contribution, each Union country belongs to the class to which it also belongs in the Paris Union for the Protection of Industrial Property and pays its annual contribution on the basis of the number of units determined for that class in the Paris Union (comprising seven contribution classes). For 1990, the annual contribution of the Vienna Union member States amounted as follows:

for a country that had
chosen for the Paris Union

	Swiss francs
Class I	5.500
Class II	
Class III	3,300
Class IV	
Class V	
Class VI	
Class VII	300

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THE LOCARNO AGREEMENT
ESTABLISHING AN INTERNATIONAL CLASSIFICATION
FOR INDUSTRIAL DESIGNS

Document prepared by the International Bureau

INTRODUCTION

1. The Locarno Agreement Establishing an International Classification for Industrial Designs (hereinafter referred to as "the Locarno Agreement" and "the Locarno Classification," respectively) is a multilateral international treaty, which was signed on October 8, 1968. It entered into force on April 27, 1971.
2. The Locarno Agreement has established a Special Union ("Locarno Union") composed of all States party to the Agreement.
3. At present, the following 15 States are party to the Locarno Agreement: Czechoslovakia, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Netherlands, Norway, Russian Federation, Spain, Sweden, Switzerland and Yugoslavia.
4. The Locarno Classification comprises three parts:
 - (i) A list of Classes and Subclasses; in total, there are 31 classes and 211 subclasses;
 - (ii) An Alphabetical List of Goods in which industrial designs are incorporated; this List contains in total approximately 6,000 entries;
 - (iii) Explanatory Notes.
5. The Locarno Classification has been established in the English and French languages, both texts being equally authentic. Official texts of the Locarno Classification, in such languages as the Assembly referred to in paragraphs 7 and 8 of this Note may designate, are established after consultation with the interested Governments by the International Bureau of the World Intellectual Property Organization (WIPO) (hereinafter referred to as "the International Bureau").
6. At present, a translation of the Locarno Classification into German and Spanish has been established. A translation of said Classification into Italian and Portuguese is under way.

RIGHTS OF THE COUNTRIES PARTY TO THE LOCARNO AGREEMENT

7. In becoming party to the Locarno Agreement, a country automatically becomes a member of the Assembly of the Locarno Union.
8. This Assembly meets in ordinary session once in every two years; normally, these ordinary sessions are held at the same time and place as the ordinary sessions of the Assembly of the Paris Union and the Conference and the General Assembly of WIPO. The Assembly deals with all matters concerning the maintenance and development of the Locarno Union and the implementation of the Locarno Agreement. In particular, it determines the program and adopts the budget of that Union.
9. Each country party to the Locarno Agreement may be represented in the Committee of Experts, established under the Locarno Agreement, or in any subcommittee or working group set up by that Committee. Proposals for changes

in the Locarno Classification must be adopted by the Committee of Experts in order to be incorporated in that Classification. The Committee of Experts is also the body competent for keeping the Locarno Classification up to date by adapting it to developments in industry and technology.

10. In accordance with the provisions of the Locarno Agreement, proposals for amendments or additions to the Locarno Classification may be made at any time by the competent Office of any of the contracting States or by the International Bureau.

11. Proposals are forwarded by the International Bureau to the Committee of Experts, which then decides on them.

12. Amendments and additions adopted by the Committee of Experts are communicated by the International Bureau to the Offices of contracting States, and where they affect the List of Classes and Subclasses and the Explanatory Notes, published in the periodical reviews "La Propriété industrielle" and "Industrial Property," issued by the International Bureau.

13. Amendments and additions adopted by the Committee of Experts generally enter into force as soon as the communication is received by the Offices. If they entail the setting up of a new class or any transfer of goods from one class to another, they enter into force within a period of six months from the date of the said communication.

14. Membership in the Locarno Union thus permits countries to participate actively in the periodical reviews of the Locarno Classification and to adapt it as much as possible to national interests and technical development.

CONSEQUENCES OF THE ACCESSION TO OR RATIFICATION OF
THE LOCARNO AGREEMENT, AND LEGAL EFFECT
AND USE OF THE LOCARNO CLASSIFICATION

15. According to Article 2(3) of the Locarno Agreement, the industrial property offices of the countries of the Locarno Union must include in the official documents for the deposit or registration of designs, and if they are officially published, in the publications in question, the numbers of the classes and subclasses of the Locarno Classification into which the goods incorporating the designs belong.

16. Each country may attribute to such classification the legal consequences, if any, which it considers appropriate. In particular, the Locarno Classification does not bind the countries of the Locarno Union as regards the nature and the scope of protection afforded to the design in those countries (Article 2(1)).

17. Further, Article 2(2) of the Locarno Agreement provides that each of the countries of the Locarno Union reserves the right to use the Locarno Classification, either as a principal or as a subsidiary system, which means that the countries of the Locarno Union are free to adopt the Locarno Classification as the only classification to be used for industrial designs, or to maintain an existing national classification system for industrial designs and to use the Locarno Classification as a supplementary classification, also to be included in official documents and publications concerning the deposit or registration of designs.

18. Finally, Article 2(4) of the Locarno Agreement provides that the inclusion of any word in the Alphabetical List of Goods is not an expression of opinion of the Committee of Experts on whether or not such a word is subject to exclusive rights.

**ACCESSION TO OR RATIFICATION OF THE LOCARNO AGREEMENT AND
MEMBERSHIP IN THE LOCARNO UNION**

19. Conditions. Any country which has signed the Locarno Agreement, may ratify it. The following countries have signed but have not yet ratified the Locarno Agreement: Algeria, Austria, Belgium, Germany, the Holy See, Iran (Islamic Republic of), Kenya, Liechtenstein, Luxembourg, Monaco and Portugal.

20. Any country which has not signed the Locarno Agreement may accede to it, provided it is a member of the Paris Union for the Protection of Industrial Property.

21. Instrument of Accession or Ratification. To become party to the Locarno Agreement, an instrument of ratification or accession has to be deposited with the Director General of WIPO in Geneva.

22. Ratification or accession becomes effective three months after the date on which the instrument of ratification or accession has been notified by the Director General of WIPO.

23. Financial Obligations. Membership in the Locarno Union carries with it the obligation of contributing to the budget of the Locarno Union. For the purposes of establishing its contribution, each country of the Locarno Union belongs to the same class as it belongs to in the Paris Union for the Protection of Industrial Property and has to pay its annual contributions on the basis of the same number of units as is fixed for that class in the Paris Union. For the biennium 1990-1991, the contributions to the Locarno Union have been fixed by the Assembly of that Union as follows:

Class	I	:	20,900	Swiss	francs	per	year
Class	II	:	-	"	"	"	"
Class	III	:	12,500	"	"	"	"
Class	IV	:	8,300	"	"	"	"
Class	V	:	4,200	"	"	"	"
Class	VI	:	2,500	"	"	"	"
Class	VII	:	-	"	"	"	"

[One Annex follows]

ANNEX

LIST OF CLASSES AND SUBCLASSES, WITH EXPLANATORY NOTES

CLASS 01 - FOODSTUFFS

Note: (a) Includes foodstuffs for human beings, foodstuffs for animals and dietetic foods.

(b) Not including packages (Cl. 09).

- 01-01 BAKERS' PRODUCTS, BISCUITS, PASTRY, MACARONI AND OTHER CEREAL PRODUCTS, CHOCOLATES, CONFECTIONERY, ICES
- 01-02 FRUIT AND VEGETABLES
- 01-03 CHEESES, BUTTER AND BUTTER SUBSTITUTES, OTHER DAIRY PRODUCE
- 01-04 BUTCHERS' MEAT (INCLUDING PORK PRODUCTS), FISH
- 01-05 [vacant]
- 01-06 ANIMAL FOODSTUFFS
- 01-99 MISCELLANEOUS

CLASS 02 - ARTICLES OF CLOTHING AND HABERDASHERY

Note: Not including articles of clothing for dolls (Cl. 21-01), special equipment for protection against fire hazards, for accident prevention and for rescue (Cl. 29), and animal clothing (Cl. 30-01).

- 02-01 UNDERGARMENTS, LINGERIE, CORSETS, BRASSIERES, NIGHTWEAR

Note: (a) Including orthopedic corsets and body linen.

(b) Not including household linen (Cl. 06-13).

- 02-02 GARMENTS

Note: (a) Includes all sorts of garments, including furs, bathing costumes, sports clothing and orthopedic garments, subject to the exceptions indicated under (b).

(b) Not including undergarments (Cl. 02-01), or garments to be placed in

Classes 02-03; 02-04; 02-05 or 02-06.

- 02-03 HEADWEAR

Note: Includes all kinds of headwear for men, women and children.

- 02-04 FOOTWEAR, SOCKS AND STOCKINGS

Note: Including special boots for sports such as football, skiing and ice hockey, orthopedic footwear and socks, as well as tights, gaiters and other legwear.

- 02-05 NECKTIES, SCARVES, NECKERCHIEFS AND HANDKERCHIEFS

Note: Includes all "flat" clothing accessories.

- 02-06 GLOVES

Note: Including surgical gloves and rubber or plastic protective gloves for household use or for various occupations or sports.

- 02-07 HABERDASHERY AND CLOTHING ACCESSORIES

Note: (a) Including buttons, clasps for garments, for headwear and for footwear, laces, pins, hand sewing, knitting and embroidery equipment and clothing accessories such as belts, suspenders, braces.

(b) Not including yarns or other threads (Cl. 05-01), decorative trimmings (Cl. 05-04), sewing, knitting and embroidery machines (Cl. 15-06) or sewing kits (containers) (Cl. 03-01).

- 02-99 MISCELLANEOUS

CLASS 03 - TRAVEL GOODS, CASES, PARASOLS AND PERSONAL BELONGINGS, NOT ELSEWHERE SPECIFIED

- 03-01 TRUNKS, SUITCASES, BRIEFCASES, HANDBAGS, KEYHOLDERS, CASES SPECIALLY DESIGNED FOR THEIR CONTENTS, WALLETS AND SIMILAR ARTICLES

Note: Not including articles for the transport of goods (Cl. 09) or cigar cases and cigarette cases (Cl. 27-06).

- 03-02 [vacant]

- 03-03 UMBRELLAS, PARASOLS, SUNSHADES AND WALKING STICKS

- 03-04 FANS

- 03-99 MISCELLANEOUS

CLASS 04 - BRUSHWARE

- 04-01 BRUSHES AND BROOMS FOR CLEANING

Note: Not including clothes brushes (Cl. 04-02).

- 04-02 TOILET BRUSHES, CLOTHES BRUSHES AND SHOE BRUSHES

Note: "Toilet brushes" means brushes for corporal use; for example, for the hair, nails or teeth.

- 04-03 BRUSHES FOR MACHINES

Note: "Brushes for machines" means brushes incorporated in machines or in special vehicles.

- 04-04 PAINTBRUSHES, BRUSHES FOR USE IN COOKING

- 04-99 MISCELLANEOUS

CLASS 05 - TEXTILE PIECEGOOD ARTICLES, ARTIFICIAL AND NATURAL SHEET MATERIAL

Note: (a) Includes all textile or similar articles, sold by the yard and not made up.
 (b) Not including ready-made articles (Cl. 02 or 06).

- 05-01 SPUN ARTICLES
Note: (a) Including yarn and thread.
 (b) Not including, for instance, rope, wire rope, string, twine (Cl. 09-06).
- 05-02 LACE
- 05-03 EMBROIDERY
- 05-04 RIBBONS, BRAIDS AND OTHER DECORATIVE TRIMMINGS
- 05-05 TEXTILE FABRICS
Note: (a) Including textile fabrics, woven, knitted or otherwise manufactured, tarpaulins, felt and loden.
- 05-06 ARTIFICIAL OR NATURAL SHEET MATERIAL
Note: (a) Includes sheets whose only characteristic features are their surface ornamentation or their texture; in particular, covering sheets such as wallpaper, linoleum, self-adhesive plastic sheets, wrapping sheets and rolls of paper, subject to the exceptions indicated under (b).
 (b) Not including writing paper, even in rolls (Cl. 19-01), or sheets used as building components, such as wall panels and wainscoting (Cl. 25-01).
- 05-99 MISCELLANEOUS

CLASS 06 - FURNISHING

Note: (a) Composite furniture articles embodying components included in several subclasses are classified in Class 06-05.
 (b) Sets of furniture, as far as they can be looked upon as one design, are classified in Class 06-05.
 (c) Not including textile piecegood articles (Cl. 05).

- 06-01 BEDS AND SEATS
Note: Including mattress supports and vehicle seats.
- 06-02 [vacant]
- 06-03 TABLES AND SIMILAR FURNITURE
- 06-04 STORAGE FURNITURE
Note: Including cupboards, furniture with drawers or compartments, and shelves.
- 06-05 COMPOSITE FURNITURE
- 06-06 OTHER FURNITURE AND FURNITURE PARTS
- 06-07 MIRRORS AND FRAMES
Note: Not including mirrors included in other classes (see Alphabetical List).
- 06-08 CLOTHES HANGERS
N.B.: The French text contains a note which does not concern the English text.
- 06-09 MATTRESSES AND CUSHIONS
- 06-10 CURTAINS AND INDOOR BLINDS
- 06-11 CARPETS, MATS AND RUGS
- 06-12 TAPESTRIES
- 06-13 BLANKETS AND OTHER COVERING MATERIALS, HOUSEHOLD LINEN AND NAPERY
Note: Including furniture covers, bedspreads and table covers.
- 06-99 MISCELLANEOUS

CLASS 07 - HOUSEHOLD GOODS, NOT ELSEWHERE SPECIFIED

Note: (a) Including household appliances and utensils operated by hand, even if motor driven.

- (b) Not including machines and appliances for preparing food and drink (Cl. 31).
- 07-01 CHINA, GLASSWARE, DISHES AND OTHER ARTICLES OF A SIMILAR NATURE
Note: (a) Includes dishes and crockery in all materials; in particular, paper and cardboard dishes.
 (b) Not including cooking utensils and containers, such as glass and earthenware pots (Cl. 07-02), or flower vases, flower pots and china and glassware of a purely ornamental nature (Cl. 11-02).
- 07-02 COOKING APPLIANCES, UTENSILS AND CONTAINERS
- 07-03 TABLE KNIVES, FORKS AND SPOONS
- 07-04 APPLIANCES AND UTENSILS, HAND-MANIPULATED, FOR PREPARING FOOD OR DRINK
Note: Not including appliances and utensils classified in Class 07-02 and in Class 31.
- 07-05 FLATIRONS AND WASHING, CLEANING AND DRYING EQUIPMENT
Note: Not including electric household appliances for washing, cleaning or drying (Cl. 15-05).
- 07-06 OTHER TABLE UTENSILS
- 07-07 OTHER HOUSEHOLD RECEPTACLES
- 07-08 FIREPLACE IMPLEMENTS
- 07-99 MISCELLANEOUS

CLASS 08 - TOOLS AND HARDWARE

Note: (a) Includes hand-operated tools, even if mechanical power takes the place of muscular force; for example, electric saws and drills.

(b) Not including machines or machine tools (Cl. 15 or 31).

08-01 TOOLS AND IMPLEMENTS FOR DRILLING, MILLING OR DIGGING

08-02 HAMMERS AND OTHER SIMILAR TOOLS AND IMPLEMENTS

08-03 CUTTING TOOLS AND IMPLEMENTS

Note: (a) Including tools and instruments for sawing.

(b) Not including table knives (Cl. 07-03), cutting tools and implements for kitchen use (Cl. 31), or knives used in surgery (Cl. 24-02).

08-04 SCREWDRIVERS AND OTHER SIMILAR TOOLS AND IMPLEMENTS

08-05 OTHER TOOLS AND IMPLEMENTS

Note: Includes tools which are not classified, or not to be placed, in other subclasses or classes.

08-06 HANDLES, KNOBS AND HINGES

08-07 LOCKING OR CLOSING DEVICES

08-08 FASTENING, SUPPORTING OR MOUNTING DEVICES NOT INCLUDED IN OTHER CLASSES

Note: (a) Including nails, screws, nuts and bolts.

(b) Not including fastening devices for clothing (Cl. 02-07), for adornment (Cl. 11-01), or for office use (Cl. 19-02).

08-09 METAL FITTINGS AND MOUNTINGS FOR DOORS, WINDOWS AND FURNITURE, AND SIMILAR ARTICLES

08-10 BICYCLE RACKS

08-99 MISCELLANEOUS

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

CLASS 09 - PACKAGES AND CONTAINERS FOR THE TRANSPORT OR HANDLING OF GOODS

09-01 BOTTLES, FLASKS, POTS, CARBOYS, DEMIJOHNS, AND CONTAINERS WITH DYNAMIC DISPENSING MEANS

Note: (a) "Pots" means those serving as containers.

(b) Not including pots regarded as crockery (Cl. 07-01), or flower pots (Cl. 11-02).

09-02 STORAGE CANS, DRUMS AND CASKS

09-03 BOXES, CASES, CONTAINERS, (PRESERVE) TINS OR CANS

Note: Including freight containers.

09-04 HAMPERS, CRATES AND BASKETS

09-05 BAGS, SACHETS, TUBES AND CAPSULES

Note: (a) Including plastic bags or sachets, with or without handle or means of closing.

(b) "Capsules" means those used for packaging.

09-06 ROPES AND HOOPING MATERIALS

09-07 CLOSING MEANS AND ATTACHMENTS

Note: (a) Includes only closing means for packages.

(b) "Attachments" means, for example, dispensing and dosing devices incorporated in containers and detachable atomizers.

09-08 PALLETS AND PLATFORMS FOR FORKLIFTS

09-09 REFUSE AND TRASH CONTAINERS AND STANDS THEREFOR

09-99 MISCELLANEOUS

CLASS 10 - CLOCKS AND WATCHES AND OTHER MEASURING INSTRUMENTS, CHECKING AND SIGNALLING INSTRUMENTS

Note: Including electrically-driven instruments.

10-01 CLOCKS AND ALARM CLOCKS

10-02 WATCHES AND WRIST WATCHES

10-03 OTHER TIME-MEASURING INSTRUMENTS

Note: Including time-measuring apparatus such as parking meters, timers for kitchen use and similar instruments.

10-04 OTHER MEASURING INSTRUMENTS, APPARATUS AND DEVICES

Note: (a) Including instruments, apparatus and devices for measuring temperature, pressure, weight, length, volume and electricity.

(b) Not including exposure meters (Cl. 16-05).

10-05 INSTRUMENTS, APPARATUS AND DEVICES FOR CHECKING, SECURITY OR TESTING

Note: Including fire and burglar alarms, and detectors of various types.

10-06 SIGNALLING APPARATUS AND DEVICES

Note: Not including lighting or signalling devices for vehicles (Cl. 26-06).

10-07 CASINGS, DIALS, HANDS AND ALL OTHER PARTS AND ACCESSORIES OF INSTRUMENTS FOR MEASURING, CHECKING AND SIGNALLING

Note: "Casings" means watch and clock casings and all casings being integral parts of

instruments of which they protect the mechanism, with the exception of cases specially designed for their contents (Cl. 03-01) or for packaging (Cl. 09-03).

10-99 MISCELLANEOUS

CLASS 11 - ARTICLES OF ADORNMENT**11-01 JEWELLERY**

Note: (a) Including fancy and imitation jewellery.
 (b) Not including watches (Cl. 10-02).

11-02 TRINKETS, TABLE, MANTEL AND WALL ORNAMENTS, FLOWER VASES AND POTS

Note: Including sculptures, mobiles and statues.

11-03 MEDALS AND BADGES**11-04 ARTIFICIAL FLOWERS, FRUIT AND PLANTS****11-05 FLAGS, FESTIVE DECORATIONS**

Note: (a) Including garlands, streamers and Christmas tree decorations.
 (b) Not including candles (Cl. 26-04).

11-99 MISCELLANEOUS**CLASS 12 - MEANS OF TRANSPORT OR HOISTING**

Note:(a) Includes all vehicles: land, sea, air, space and others.

(b) Including parts, components and accessories which exist only in connection with a vehicle and cannot be placed in another class; these parts, components and accessories of vehicles are to be placed in the subclass of the vehicle in question, or in Class 12-16 if they are common to several vehicles included in different subclasses.

(c) Not including, in principle, parts, components and accessories of vehicles which can be placed in another class; these parts, components and accessories are to be placed in the same class as articles of the same type, in other words, having the same function. Thus, carpets or mats for automobiles are to be placed with carpets (Cl. 06-11); electric motors for vehicles are to be placed in Class 13-01, and non-electric motors for vehicles in Class 15-01 (the same applies to the components of such motors); automobile headlamps are to be placed with lighting apparatus (Cl. 26-06).

(d) Not including scale models of vehicles (Cl. 21-01).

12-01 VEHICLES DRAWN BY ANIMALS**12-02 HANDCARTS, WHEELBARROWS****12-03 LOCOMOTIVES AND ROLLING STOCK FOR RAILWAYS AND ALL OTHER RAIL VEHICLES****12-04 TELPHER CARRIERS, CHAIR LIFTS AND SKI LIFTS****12-05 ELEVATORS AND HOISTS FOR LOADING OR CONVEYING**

Note: Including passenger lifts, goods lifts, cranes, forklift trucks and conveyor belts.

12-06 SHIPS AND BOATS**12-07 AIRCRAFT AND SPACE VEHICLES****12-08 MOTOR CARS, BUSES AND LORRIES**

Note: Including ambulances and refrigerator vans (road).

12-09 TRACTORS**12-10 ROAD VEHICLE TRAILERS**

Note: Including caravans.

12-11 CYCLES AND MOTORCYCLES**12-12 PERAMBULATORS, INVALID CHAIRS, STRETCHERS**

Note: (a) "Perambulators" means hand carriages for infants.

(b) Not including toy perambulators (Cl. 21-01).

12-13 SPECIAL-PURPOSE VEHICLES

Note: (a) Includes only vehicles not specifically intended for transport, such as street-cleaning vehicles, watering lorries, fire engines, snow ploughs and breakdown lorries.

(b) Not including mixed-purpose agricultural machines (Cl. 15-03), or self-propelled machines for use in construction and civil engineering (Cl. 15-04).

12-14 OTHER VEHICLES

Note: Including sleighs and air-cushion vehicles.

12-15 TYRES AND ANTI-SKID CHAINS FOR VEHICLES**12-16 PARTS, EQUIPMENT AND ACCESSORIES FOR VEHICLES, NOT INCLUDED IN OTHER CLASSES OR SUBCLASSES****12-99 MISCELLANEOUS****CLASS 13 - EQUIPMENT FOR PRODUCTION, DISTRIBUTION OR TRANSFORMATION OF ELECTRICITY**

Note:(a) Includes only apparatus which produces, distributes or transforms electric current.

(b) Including electric motors, however.

(c) Not including electrically-driven apparatus, such as electric watches (Cl. 10-02), or apparatus for the measurement of electric current (Cl. 10-04).

13-01 GENERATORS AND MOTORS

Note: Including electric motors for vehicles.

13-02 POWER TRANSFORMERS, RECTIFIERS, BATTERIES AND ACCUMULATORS**13-03 EQUIPMENT FOR DISTRIBUTION OR CONTROL OF ELECTRIC POWER**

Note: Including conductors, switches and switchboards.

13-99 MISCELLANEOUS

CLASS 14 - RECORDING, COMMUNICATION OR INFORMATION RETRIEVAL EQUIPMENT

14-01 EQUIPMENT FOR THE RECORDING OR REPRODUCTION OF SOUNDS OR PICTURES

Note: Not including photographic or cinematographic apparatus (Cl. 16).

14-02 DATA PROCESSING EQUIPMENT

14-03 COMMUNICATIONS EQUIPMENT, WIRELESS REMOTE CONTROLS AND RADIO AMPLIFIERS

Note: Including telegraphic, telephone and television apparatus, as well as television cameras, wireless apparatus and teleprinters.

14-99 MISCELLANEOUS

CLASS 15 - MACHINES, NOT ELSEWHERE SPECIFIED

15-01 ENGINES

Note: (a) Including non-electric engines for vehicles.

(b) Not including electric motors (Cl. 13).

15-02 PUMPS AND COMPRESSORS

Note: Not including hand or foot pumps (Cl. 08-05), or fire extinguishing pumps (Cl. 29-01).

15-03 AGRICULTURAL MACHINERY

Note: (a) Including ploughs and combined machinery, i.e., both machines and vehicles, for example, reaping and binding machines.

(b) Not including hand tools (Cl. 08).

15-04 CONSTRUCTION MACHINERY

Note: (a) Including machines used in civil engineering and self-propelled machines such as excavators, concrete mixers and dredgers.

(b) Not including hoists and cranes (Cl. 12-05).

15-05 WASHING, CLEANING AND DRYING MACHINES

Note: Including:

(a) appliances and machines for treating linen and clothes, such as ironing machines and wringers;

(b) dishwashing machines and industrial drying equipment.

15-06 TEXTILE, SEWING, KNITTING AND EMBROIDERING MACHINES

15-07 REFRIGERATION MACHINERY AND APPARATUS

Note: (a) Including household refrigeration apparatus.

(b) Not including refrigerator wagons (rail) (Cl. 12-03) or refrigerator vans (road) (Cl. 12-08).

15-08 [vacant]

15-09 MACHINE TOOLS, ABRADING AND FOUNDRY MACHINERY

Note: Not including earth working machinery and material separators (Cl. 15-99).

15-99 MISCELLANEOUS

CLASS 16 - PHOTOGRAPHIC, CINEMATOGRAPHIC AND OPTICAL APPARATUS**Note:** Not including lamps for photography or filming (Cl. 26-05).

16-01 PHOTOGRAPHIC CAMERAS AND FILM CAMERAS

Note: Not including television cameras (Cl. 14-03).

16-02 PROJECTORS AND VIEWERS

16-03 PHOTOCOPYING APPARATUS AND ENLARGERS

Note: Including microfilming equipment and apparatus for viewing microfilms, as well as office machines known as "photocopying" apparatus which use other than photographic processes (in particular, thermal or magnetic processes).

16-04 DEVELOPING APPARATUS AND EQUIPMENT

16-05 ACCESSORIES

Note: Including filters for photographic cameras, exposure meters, tripods and photographic flashlight apparatus.

16-06 OPTICAL ARTICLES

Note: (a) Including spectacles and microscopes.

(b) Not including measuring instruments embodying optical devices (Cl. 10-04).

16-99 MISCELLANEOUS

CLASS 17 - MUSICAL INSTRUMENTS**Note:** Not including cases for musical instruments (Cl. 03-01), or equipment for the recording or reproduction of sounds (Cl. 14-01).

17-01 KEYBOARD INSTRUMENTS

Note: Including electronic and other organs, accordions, and mechanical and other pianos.

17-02 WIND INSTRUMENTS

Note: Not including organs, harmoniums and accordions (Cl. 17-01).

17-03 STRINGED INSTRUMENTS

17-04 PERCUSSION INSTRUMENTS

17-05 MECHANICAL INSTRUMENTS

Note: (a) Including music boxes.

(b) Not including mechanical keyboard instruments (Cl. 17-01).

17-99 MISCELLANEOUS

CLASS 18 - PRINTING AND OFFICE MACHINERY**18-01 TYPEWRITERS AND CALCULATING MACHINES**

Note: Not including computers and other apparatus to be placed in Class 14-02.

18-02 PRINTING MACHINES

Note: (a) Including typesetting machines, stereotype machines and apparatus, typographic machines and other reproducing machines such as duplicators and offset equipment, as well as addressing machines, franking and cancelling machines.

(b) Not including photocopying machinery (Cl. 16-03).

18-03 TYPE AND TYPE FACES**18-04 BOOKBINDING MACHINES, PRINTERS' STAPLING MACHINES, GUILLOTINES AND TRIMMERS (FOR BOOKBINDING)**

Note: Including machines and similar devices for cutting paper, analogous to guillotines and trimmers.

18-99 MISCELLANEOUS**CLASS 19 - STATIONERY AND OFFICE EQUIPMENT, ARTISTS' AND TEACHING MATERIALS****19-01 WRITING PAPER, CARDS FOR CORRESPONDENCE AND ANNOUNCEMENTS**

Note: Includes all paper, in the widest sense of the term, which is used for writing, drawing, painting or printing, such as tracing paper, carbon paper, newsprint, envelopes, greetings cards and illustrated postcards, even if they embody a sound recording.

19-02 OFFICE EQUIPMENT

Note: (a) Including equipment used at cash desks, such as change sorters.

(b) Some office equipment is to be placed in other subclasses or classes; for example, office furniture in Class 06, office machines and equipment in Classes 14-02; 16-03; 18-01; 18-02 or 18-04, and writing materials in Class 19-01 or 19-06 (see Alphabetical List).

19-03 CALENDARS

Note: Not including diaries (Cl. 19-04).

19-04 BOOKS AND OTHER OBJECTS OF SIMILAR OUTWARD APPEARANCE

Note: Including covers of books, bindings, albums, diaries and similar objects.

19-05 [vacant]**19-06 MATERIALS AND INSTRUMENTS FOR WRITING BY HAND, FOR DRAWING, FOR PAINTING, FOR SCULPTURE, FOR ENGRAVING AND FOR OTHER ARTISTIC TECHNIQUES**

Note: Not including paintbrushes (Cl. 04-04), drawing tables and attached equipment (Cl. 06-03), or writing paper (Cl. 19-01).

19-07 TEACHING MATERIALS

Note: (a) Including maps of all kinds, globes and planetariums.

(b) Not including audio-visual teaching aids (Cl. 14-01).

19-08 OTHER PRINTED MATTER

Note: Including printed advertising materials.

19-99 MISCELLANEOUS**CLASS 20 - SALES AND ADVERTISING EQUIPMENT, SIGNS****20-01 AUTOMATIC VENDING MACHINES****20-02 DISPLAY AND SALES EQUIPMENT**

Note: Not including articles of furniture (Cl. 06).

20-03 SIGNS, SIGNBOARDS AND ADVERTISING DEVICES

Note: (a) Including luminous advertising devices and mobile advertising devices.

(b) Not including packages (Cl. 09), or signalling devices (Cl. 10-06).

20-99 MISCELLANEOUS**CLASS 21 - GAMES, TOYS, TENTS AND SPORTS GOODS****21-01 GAMES AND TOYS**

Note: (a) Including scale models.

(b) Not including toys for animals (Cl. 30-99).

21-02 GYMNASTICS AND SPORTS APPARATUS AND EQUIPMENT

Note: (a) Includes, as sports equipment: apparatus and equipment necessary for the various sports which have no other specific purpose, such as footballs, skis and tennis rackets, to the exclusion of all other objects which may also be used in practising a given sport.

(b) Including, subject to the reservation mentioned under (a), training equipment and apparatus and equipment necessary for outdoor games.

(c) Not including sports clothing (Cl. 02), toboggans or sleighs (Cl. 12-14).

21-03 OTHER AMUSEMENT AND ENTERTAINMENT ARTICLES

Note: (a) Including fairground roundabouts and automatic machines for games of chance.

(b) Not including games and toys (Cl. 21-01), or other articles to be placed in Class 21-01 or 21-02.

21-04 TENTS AND ACCESSORIES THEREOF

- Note: (a) Including poles, pegs and other similar articles.
 (b) Not including other camping articles to be placed in other classes according to their nature, such as chairs (Cl. 06-01), tables (Cl. 06-03), plates (Cl. 07-01), and caravans (Cl. 12-10).

21-99 MISCELLANEOUS

CLASS 22 - ARMS, PYROTECHNIC ARTICLES, ARTICLES FOR HUNTING, FISHING AND PEST KILLING

22-01 PROJECTILE WEAPONS

22-02 OTHER WEAPONS

22-03 AMMUNITION, ROCKETS AND PYROTECHNIC ARTICLES

22-04 TARGETS AND ACCESSORIES

Note: Including the special device for actuating mobile targets.

22-05 HUNTING AND FISHING EQUIPMENT

Note: Not including articles of clothing (Cl. 02), or weapons (Cl. 22-01 or 22-02).

22-06 TRAPS, ARTICLES FOR PEST KILLING

22-99 MISCELLANEOUS

CLASS 23 - FLUID DISTRIBUTION EQUIPMENT, SANITARY, HEATING, VENTILATION AND AIR-CONDITIONING EQUIPMENT, SOLID FUEL

23-01 FLUID DISTRIBUTION EQUIPMENT

Note: Including pipes and pipe fittings.

23-02 SANITARY APPLIANCES

Note: (a) Including baths, showers, washbasins, saunas, water closets, sanitary units and sanitary accessories not included in other classes.

(b) Not including pipes or pipe fittings (Cl. 23-01).

23-03 HEATING EQUIPMENT

23-04 VENTILATION AND AIR-CONDITIONING EQUIPMENT

23-05 SOLID FUEL

23-99 MISCELLANEOUS

CLASS 24 - MEDICAL AND LABORATORY EQUIPMENT

Note: The term "medical equipment" covers also surgical, dental and veterinary equipment.

24-01 FIXED APPARATUS AND EQUIPMENT FOR DOCTORS, HOSPITALS AND LABORATORIES

24-02 MEDICAL INSTRUMENTS, INSTRUMENTS AND TOOLS FOR LABORATORY USE

Note: Includes only hand-operated instruments.

24-03 PROSTHETIC ARTICLES

24-04 MATERIALS FOR DRESSING WOUNDS, NURSING AND MEDICAL CARE

24-99 MISCELLANEOUS

CLASS 25 - BUILDING UNITS AND CONSTRUCTION ELEMENTS

25-01 BUILDING MATERIALS

Note: Including bricks, beams, pre-shaped strips, tiles, slates and panels.

25-02 PREFABRICATED OR PRE-ASSEMBLED BUILDING PARTS

Note: (a) Including windows, doors, outdoor shutters, partition walls and gratings.

(b) Not including staircases (Cl. 25-04).

25-03 HOUSES, GARAGES AND OTHER BUILDINGS

25-04 STEPS, LADDERS AND SCAFFOLDS

25-99 MISCELLANEOUS

CLASS 26 - LIGHTING APPARATUS

26-01 CANDLESTICKS AND CANDELABRA

26-02 TORCHES AND HAND LAMPS AND LANTERNS

26-03 PUBLIC LIGHTING FIXTURES

Note: Including outside lamps, stage lighting and searchlight projectors.

26-04 LUMINOUS SOURCES, ELECTRICAL OR NOT

Note: Including bulbs for electric lamps, luminous plaques and tubes, and candles.

26-05 LAMPS, STANDARD LAMPS, CHANDELIERS, WALL AND CEILING FIXTURES, LAMPSHADES, REFLECTORS, PHOTOGRAPHIC AND CINEMATOGRAPHIC PROJECTOR LAMPS

26-06 LUMINOUS DEVICES FOR VEHICLES

26-99 MISCELLANEOUS

CLASS 27 - TOBACCO AND SMOKERS' SUPPLIES

27-01 TOBACCO, CIGARS AND CIGARETTES

27-02 PIPES, CIGAR AND CIGARETTE HOLDERS

27-03 ASHTRAYS

27-04 MATCHES

27-05 LIGHTERS

27-06 CIGAR CASES, CIGARETTE CASES, TOBACCO JARS AND POUCHES

Note: Not including packages (Cl. 09).

27-99 MISCELLANEOUS

CLASS 28 - PHARMACEUTICAL AND COSMETIC PRODUCTS, TOILET ARTICLES AND APPARATUS

28-01 PHARMACEUTICAL PRODUCTS

Note: (a) Including for animals.

(b) Not including materials for dressing wounds and nursing (Cl. 24-04).

28-02 COSMETIC PRODUCTS

Note: Including for animals.

28-03 TOILET ARTICLES AND BEAUTY PARLOR EQUIPMENT

Note: (a) Including razors, apparatus and appliances for massaging, hair removing or hair dressing.

(b) Not including toilet and make-up brushes (Cl. 04-02), or articles and equipment for animals (Cl. 30-99).

28-04 WIGS, FALSE HAIRPIECES

28-99 MISCELLANEOUS

CLASS 29 - DEVICES AND EQUIPMENT AGAINST FIRE HAZARDS, FOR ACCIDENT PREVENTION AND FOR RESCUE

29-01 DEVICES AND EQUIPMENT AGAINST FIRE HAZARDS

Note: (a) Including fire extinguishers.

(b) Not including fire engines (vehicles) (Cl. 12-13), fire-hoses and nozzles for fire-hoses (Cl. 23-01).

29-02 DEVICES AND EQUIPMENT FOR ACCIDENT PREVENTION AND FOR RESCUE, NOT ELSEWHERE SPECIFIED

Note: (a) Including devices and equipment for animals.

(b) Not including helmets (Cl. 02-03) and garments for protection against accidents (Cl. 02-02; 02-04 or 02-06).

29-99 MISCELLANEOUS

CLASS 30 - ARTICLES FOR THE CARE AND HANDLING OF ANIMALS

Note: Not including animal foodstuffs (Cl. 01), or pharmaceutical and cosmetic products for animals (Cl. 28-01 or 28-02).

30-01 ANIMAL CLOTHING

30-02 PENS, CAGES, KENNELS AND SIMILAR SHELTERS

Note: Not including buildings (Cl. 25).

30-03 FEEDERS AND WATERERS

30-04 SADDLERY

Note: Including collars for animals.

30-05 WHIPS AND PRODS

30-06 BEDS AND NESTS

30-07 PERCHES AND OTHER CAGE ATTACHMENTS

30-08 MARKERS, MARKS AND SHACKLES

30-09 HITCHING POSTS

30-99 MISCELLANEOUS

CLASS 31 - MACHINES AND APPLICANCES FOR PREPARING FOOD OR DRINK, NOT ELSEWHERE SPECIFIED

Note: Not including hand-manipulated utensils, instruments and appliances for serving or preparing food or drink (Cl. 07).

31-00 MACHINES AND APPLIANCES FOR PREPARING FOOD OR DRINK, NOT ELSEWHERE SPECIFIED

CLASS 99 - Miscellaneous

Note: Includes all the products not included in the preceding classes.

99-00 MISCELLANEOUS

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**TRADEMARKS: GENERAL THEORY OF TRADEMARKS LAW
(COMPARATIVE LAW); CHOICE OF TRADEMARKS;
COUNTERFEITING AND DEFENSE OF TRADEMARKS**

by

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THE LEGAL ALTERNATIVES AND THE ROLE OF THE TRADEMARK OFFICE^{1*}

INTRODUCTION

The Trademark Office plays an essential, if not indispensable role in the implementation of a trademark law. Legislation has to provide for the organization of the Trademark Office, giving it a degree of independence and decision-making, qualified staff, certain structures and appropriate budgets.

It is for that reason, moreover, that in certain countries—for instance the Benelux and OAPI countries²—the Trademark Office is independent and manages its own budget. In other countries—for instance the United States of America—the Director of the Office is directly under the authority of the Minister of Trade and Industry.

In order to emphasize the importance of the Office's organization, it is interesting to note that the Model Law for English-Speaking African Countries on Trademarks devotes 12 of its first sections to it.³

We shall come back to these important problems in greater detail later.

This study proposes to deal with two closely linked subjects. A first part will discuss the important legal options in which the Trademark Office is directly involved. A second part will consider the role of the Trademark Office in the day-to-day operation of the Law, and what its users expect of it.

There are a multitude of different legal systems on trademarks in existence, ranging from the simplest to the most complex. In certain countries for instance, such as the United Arab Emirates, the only "administrative" possibility available to protect a trademark is the publication of a "cautionary notice," which amounts to a mere announcement in a local newspaper to the effect that a firm or individual is using a particular mark. This type of procedure will not be considered here, as in fact no trademark law actually exists.

At the other end of the scale there are complex systems, involving among other things examination by the Office to determine compliance with administrative formalities and to assess the distinctive character of marks and their novelty, an opposition system, notification of use of the mark after a certain period, notification and in some cases examination of licenses, and so on.

A number of these important arrangements will be analyzed, but what has to be emphasized at the outset is that a trademark law can work quite well with a simple system. That is what will be recommended to a country starting to protect trademarks with special legislation, or one that does not wish to operate the Office with complex legislation or does not have the necessary number of experts for the purpose. The Benelux Law, which is a simple law, has operated satisfactorily for more than ten years.⁴ The Benelux Trademark Office does not examine either for distinctive character or for novelty; there is no opposition system; the owner of the mark is not required to prove

* The notes are at the end of the document.

its use; assignments and licenses, which may be registered, are examined as to form only; the right to the mark is acquired solely through registration: marks established through use give rise to practically no rights. The role of the Benelux Trademark Office is very limited: it contents itself with receiving filings and examining them as to form, receiving renewals and all amendments affecting the mark, namely limitations of goods, assignments, changes of name, etc., and publishing all that information in the Benelux Trademark Gazette. It should be noted however that the Benelux countries have a very broad definition of the trademark: statute law or case law expressly recognize figures, letter combinations, color arrangements, colors alone, the shape of goods and under certain circumstances geographical names.

The French law on Trademarks is very similar to the Benelux Law with the exception of the fact that the French Office examines the distinctive character of the mark ex officio, and for a number of years it has been possible to register service marks.

It should be added, however, that both these laws are in the process of being revised, and the Benelux draft provides for ex officio examination of distinctive character and the protection of service marks, while both drafts are going to set up a system of opposition. The Offices will still not undertake a novelty examination, however. The main reason for the introduction of these amendments is the alignment of the Benelux and French laws on the other Common Market laws and also on the draft Community Trade Mark Regulation.⁵

The first part, then, will discuss the important legal options that entail direct intervention by the Office, and especially:

1. Trademark entitlement through use or by registration;
2. The distinctive character of the mark;
3. Examination of distinctive character by the Office;
4. Novelty examination by the Office;
5. Opposition;
6. Problems of use;
7. Amendments to the mark and to the list of goods and services, and those concerning ownership.

The second part will analyze the role of the Office in its day-to-day work, and more especially in relation to the user:

1. Application formalities;
2. Classification of goods and services;
3. The Registry:
 - reading room;
 - official publication;
4. Local representatives;
5. Independence of the Office; fees.

PART I.

I. Trademark entitlement: use and/or registration

The fundamental question that arises in matters of trademark rights is whether trademark entitlement goes to the first user or to the first person who has registered the mark in good faith. The answer will determine the entire structure and operation of the Law. The following legislative alternatives have been adopted, among others:

- in certain countries the right to the mark is acquired only through use: this is true of the United States of America, where, for a mark to be registered, its prior use has to be proved;
- other countries provide protection for both the mark established through use and the registered mark with special privileges for the latter. Those countries include the United Kingdom and also the majority of the "common law" countries, including a large number of former British colonies;
- other laws give practically no protection to the mark if it has not been registered, but it does have to be subsequently used: Benelux and France;
- others, such as Denmark, provide for protection of the registered mark without any use being necessary.

Before going into this important problem, it would be useful to consider the essential nature of the mark and the reasons why its owner is given a monopoly.

We know that in other branches of intellectual property—patents, copyright and to a lesser extent industrial designs—the temporary monopoly granted to the owner of the right, for instance 20 years for patents and 50 years after the author's death for copyright, is justified as a means of rewarding the author's inventive effort, and of promoting the progress of technology for the good of mankind.

It is also said, in the case of patents, that it is a question of indemnifying the inventor, who, through the publication of a patent, makes his invention available to the public in such a way that any person may copy it as from the day on which the temporary monopoly comes to an end.

But what of trademarks? The position is quite different from that of patents. There is no effort to be rewarded, indeed the mark need not even be new in absolute terms: a person may adopt for a certain product a mark that already exists in other countries and belongs to other owners. There may also be identical marks may exist for different goods in one and the same country: in the Federal Republic of Germany, for instance, there are Mercedes motor cars and Mercedes typewriters, the marks belonging to different owners.

The right to the mark is a mere right of appropriation. That means that the person who wishes to market a product takes an available name or figurative sign and appropriates it. We should also note that such appropriation, unlike in the case of patents, designs and copyright, can last forever if adequate conservation measures are taken, namely use of the mark, renewal in good time and action to prevent degeneration of the mark in the event of great success. Legislation thus gives the trademark owner a monopoly not to reward him for an effort, but rather to allow him to sell his goods under a sign different from that of other people, and thereby to protect the public, which may distinguish between the goods proposed to it by means of the different distinctive signs affixed to them.

It thus seems that the person who wishes to acquire such a right has first to notify third parties accordingly, whether they are the public to which his product is addressed or the competitors that he is liable to be imitating. That is why the "grant" system, whereby trademark entitlement is acquired solely by registration, is entirely justified. But what is the position of the person who merely makes use of the mark without registering it? Certain laws, especially all those deriving from the "common law" system, accord varying degrees of protection to this type of mark. In our opinion, for the reasons given above, that protection is not justified.

For trademark entitlement to belong to the first person who registers the mark, certain conditions have to be met. For one thing the registration has to be made in good faith, and most legislation includes that condition expressly. The Benelux Law, for instance, provides that a person is acting in bad faith when he adopts a mark belonging to a third party abroad after having conducted dealings with that third party, for instance with a view to importing his goods into Benelux.

Another requirement is that the registered mark has to be used under certain conditions. A number of laws provide for mandatory use within five years following filing or registration. Such mandatory use results moreover from the very definition of the mark: it is a distinctive sign, so how can a sign be distinctive if it is not used on the product or in connection with the service that it is supposed to distinguish?

Making trademark entitlement dependent on registration alone offers a certain number of additional advantages:

Legal security

In countries that provide such a system, the person who wishes to launch a product under a new mark may have a prior anticipation search carried out among marks already registered, which enables him to determine with a high degree of certainty whether the sign that he intends to use as a mark is in fact new.

It should be noted however that this security can never be absolute:

- it is difficult to make a trademark search that is completely exhaustive, in view of the sheer number of marks in existence—there are more than 500,000 in France, for instance;
- the concept of similarity between marks and goods, and the correlation of these two criteria are relatively subjective matters;
- there is no record of the most recently filed marks;
- some marks may enjoy the six-month priority of the Paris Convention, so that a mark filed after the mark intended for use may have priority;
- it should be added that trademark rights may be infringed by other signs such as the names of firms and in certain cases signs and objects protected by industrial design and copyright legislation.

In a system in which trademark entitlement can derive from use alone, it is practically impossible to make an exhaustive anticipation search. In the United States of America, for instance, there are more than 600,000 Federal trademarks; there are probably as many marks established through use which are obviously difficult to detect.

(2) The "grant" system is also preferable for the public and consumers in general, as they can easily trace the owner of a mark by having a simple identity search made.

2. Lack of distinctive character of the mark, and other absolute grounds for refusal

What are the signs that may be made into a mark? The Model Law on Marks published by the World Intellectual Property Organization defines the mark as "any visible sign serving to distinguish the goods of one enterprise from those of other enterprises."⁶ It is therefore its distinctive character that constitutes the essence of the mark.

"It follows from the very definition of the mark given by the law that the condition of validity and the only condition of validity is the existence of distinctive character in relation to the objects designated" (Mathély).⁷ The mark therefore has to be distinctive in itself, meaning that in relation

to the goods and services that it is to cover it has to be different from the terms commonly used to designate those goods or services. In addition, for the mark to be legally capable of appropriation and use there are other conditions to be met:

- the mark may not be constituted by an unlawful or prohibited sign, that is, one contrary to public policy or morality, or a deceptive mark or again one covered by Article 6ter of the Paris Convention;
- the mark has to be available: the new applicant may not appropriate a mark identical or similar to that already existing and registered by a third party.

What, then, are the signs that can be made into trademarks? As long as it is distinctive, any sign should be usable as a mark. Most laws mention a certain number of signs by name, in a non-exhaustive list.

For example, Article 1 of the Benelux Law reads as follows: "the following shall be considered individual marks: designations, designs, prints, seals, letters, numbers, shapes of goods or their get-up, and any other symbols which serve to distinguish the goods of an enterprise." The draft Community Trade Mark Regulation and the French Trademark Law also mention colors.⁸

Indeed even Benelux case law has also allowed the protection of color combinations and uniform colors as marks, which shows how non-exhaustive the above list is.

Distinctive character may be acquired by use of the mark, notably through advertising. This is moreover expressly recognized by the Paris Convention in its Article 6quinquies C(1): "in determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use." In the Federal Republic of Germany for instance, where marks consisting of figures are usually refused ex officio, the "4711" mark for perfume was accepted owing to its acquired distinctive character. Distinctive character may also be lost, so that the mark becomes generic and falls into the public domain.

The types of sign most frequently refused are those consisting of figures, meaningless sequences of letters, names of persons, geographical signs and the shape of goods.

The grounds given are the following:

- the sign is inherently devoid of all distinctive character, in the case of figures;
- it is eligible for protection, but by other legislation, in the case of names of persons and shapes of goods;
- it has to remain free owing to the small number of comparable signs available, as in the case of plain colors.

In our opinion, the exclusion ex officio of certain signs is too restrictive, and one could follow the explanatory memorandum of the draft Community Trade Mark Regulation, which provides that no category of signs is

excluded at the outset from registration as a Community trade mark. The list appearing in Article 3 contains the types of sign to which an enterprise has the most frequent recourse for the identification of its goods or services, but that enumeration is not limitative.⁹

It seems normal therefore that one should be able to accept as trademarks the figure 4711 for perfume, the letters BMW for a car, the green-yellow-white color combination for fuels supplied by the BP company, the plain yellowish-orange color for photographic film from the Kodak corporation, the name of one or more persons as in the case of the Rolls-Royce motor car, a geographical name such as the Vauxhall motor car or the shape of a product such as the Coca-Cola bottle.

With the same thing in mind, and even though their registration presents certain problems, "smell" marks and musical marks should not be refused out of hand on the grounds of their not being distinctive or being difficult to register.

The special case of the mark "as is"

Article 6quinquies A(1) of the Paris Convention provides that "every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union..." In principle that means that a mark registered in the country of origin, that being in fact the country in which the applicant has a real and effective industrial or commercial establishment, has to be registered in the same form in the other countries of the Union in which the owner makes a corresponding filing. For example, a French mark filed by a Frenchman for the shape of a product should be capable of registration "as is" in the Federal Republic of Germany, for instance, in which such signs are in principle not eligible for protection as marks. Unfortunately the evident purpose by of Article 6quinquies is often not achieved: it would be said in the Federal Republic of Germany that, in spite of that provision, such a sign cannot constitute a mark, either because legislation refuses it expressly or because it is incapable of distinguishing a product, or again because it may be protected by other legislation.

Article 6quinquies of the Paris Convention concerning the mark "as is" gives us the opportunity of commenting on one exceptional feature of that Convention: as we know, the majority of international or multinational conventions are based on the principle of reciprocity, under which the foreign national residing in a given country enjoys certain rights on condition that the nationals of that country have the same rights in the foreigner's country. The Paris Convention goes well beyond that principle, as it is based on the actual assimilation of the foreigner to the national. That means that foreigners who are nationals of a country party to the Convention will have, in a given country, the same rights as nationals of that country, even if the latter do not enjoy the same right in the foreigner's country. Thus a Belgian national may file a service mark in France whereas a Frenchman cannot file a service mark in Benelux.

Article 6quinquies goes even further, as it allows a foreigner, in principle, to file a mark in a given country when even a national of that country cannot do so. Certain laws nevertheless provide that the nationals of the country concerned may benefit automatically from the advantages available

to foreigners under the Paris Convention. Some legislation specifies what cannot be considered distinctive, and the enumeration is generally non-limitative. For instance, Article 6 of the draft Community Trade Mark Regulation reads as follows: "Trade marks [shall not be registered] which are not distinctive ... those which consist solely of signs or indications which in trade may be requisite for the purpose of showing the kind, quality, quantity, intended purpose, value, geographical origin ... those which consist solely of signs or indications which are customarily used to designate the goods or service in the current language of the trade or in the bona fide and established practices thereof. (...) In addition, the following shall not be registered: (...) the shape which results from the nature of the goods themselves..."

A problem that arises frequently is that of a mark that is distinctive as a whole but certain elements of which, taken separately, cannot be considered distinctive. For instance, in the case of the British mark No. 1.152505, "Tefal Royal French," the United Kingdom Trademark Office held that the words "Royal" and "French" were not protectable. The solution consists in providing a disclaimer system whereby the Office asks the trademark owner to renounce the exclusive right in respect of certain elements of the mark. Thus, in the example quoted above, a disclaimer was filed for the words "French" and "Royal."

We mentioned earlier that the sign may acquire distinctive character through the use made of it, but the mark can also lose its distinctive character and become generic. This is generally due to its too-great success, and to the fact that the owner has allowed the mark to be used as a designation for the product itself without having taken the necessary preventive action. Some examples are Aspirin, Gramophone, Zip fastener, Cellophane, etc.

In order to avoid the degeneration of the mark, its owner should take a certain number of precautions. The following among others could be suggested:

- (1) The mark should be used in capital letters or between inverted commas. The circled R symbol could also be placed beside the mark.
- (2) When the mark is mentioned, it should be mentioned in conjunction with the product to which it relates, for instance "Kodak cameras." It can also be stated in full that a registered mark of the firm is involved, for instance "'Fanta' is a registered trademark of the Coca-Cola Company."
- (3) The mark must never be used as a verb. For instance one should avoid speaking of "Xeroxing a document," and instead speak of "making a Xerox copy of a document."
- (4) The owner of the mark should also ensure that third parties use the mark properly. For instance a watch should be kept on the way in which the mark is mentioned in dictionaries or in technical or other literature.

By way of conclusion, it should be borne in mind that distinctive character is an essentially variable concept: a mark that is not distinctive may become distinctive through the use made of it, but wrong use may make the mark lose its distinctive character and become generic.

3. Examination by the Trademark Office of absolute grounds for refusal

lack of distinctive character;
exclusions: prohibited and unlawful signs.

The question that arises is whether the Trademark Office should be empowered to refuse, either on its own initiative or at the request of third parties, new trademark applications on the basis of what are called absolute grounds for refusal, that is, grounds for refusal that are inherent in the mark itself. Relative grounds for refusal, namely those conditioned by third-party rights, will be dealt with later. The other available option is that of leaving such decisions to the courts alone.

Certain countries (about 80) provide in their laws that, subject to certain conditions, after a certain time (usually five years) the mark becomes indisputable. However, this concerns mainly immunity to attack from third-party rights. In principle the validity of the mark can always be attacked, even after that time limit, for reasons of an intrinsic nature, such as its undistinctive or misleading character, etc.

A distinction should be made between the various cases, namely prohibited signs, unlawful signs and undistinctive signs.

(1) Prohibited signs

Article 6ter of the Paris Convention requires member States "to refuse or to invalidate registration, and to prohibit ... the use ... as trademarks ... of armorial bearings, flags and other State emblems of the countries of the Union..."

There is moreover a list of those emblems and flags at WIPO, copies of which are sent to member States. In addition, the States themselves may prohibit certain signs. This is true for instance of marks identical or similar to the "international non-proprietary names for pharmaceutical substances" adopted by the World Health Organization in Geneva. Another example is the prohibition in France, as part of the campaign against tobacco addiction, on the filing of marks for everyday consumer goods that have already been filed and used for tobacco products.

However, "the nature of the goods to which a trademark is to be applied" does not afford grounds for refusing registration (Article 7 of the Paris Convention).

So, if a country were to decide to prohibit the sale of man-made fabrics with a view to protecting its local cotton industry, it could not refuse the filing of a mark for man-made fabrics, but it could prohibit the use of that mark.

The reply to the question that we asked ourselves earlier, namely whether the Office should be empowered to refuse ex officio marks consisting of a prohibited sign, has to be affirmative. The Paris Convention requires it for armorial bearings and flags of member States; as for the other signs prohibited by national legislation, it is normal that it should be the Trademark Office, which is the most competent body in the field, should be the one empowered to refuse prohibited signs ex officio. The Office's decision does of course have to be open to appeal.

(2) Unlawful signs

.. These are signs that are contrary to public policy or morality or deceptive. The first two cases are relatively rare. In France for instance, the French Office wanted to refuse the "Opium" mark for perfumeries on the grounds that the name of a drug could be contrary to public policy. The Paris Court accepted the mark, however, on the ground that the public would not make a direct association between the name of the perfume and the drug.

The case of deceptive marks is far more frequent. These for the most part are signs either totally or partly evoking qualities that the goods covered by the mark do not possess. Some examples follow:¹⁰

- "Lavablaine" to designate a fabric not entirely made of wool (laine);
- "Phosphogvano" for a fertilizer that does not contain any guano;
- "Evian fruité" for a fruit drink for which the water does not come from the French town of Evian;
- "L'Officiel des marques" for a publication that has no official character.

If the mark is intrinsically deceptive, in the case of a geographical name for instance--registration is refused. On the other hand, if the possible confusion depends essentially on the nature of the goods, registration may be accepted on condition that the mark is used exclusively for the goods evoked by it. Thus a mark containing the word "wool" can be accepted if the list of goods states that the mark is one used exclusively for goods made of wool.

A special problem may arise where the mark concerned contains a word-form that could have a meaning in a foreign language. Let us imagine for example the filing of a mark for fabrics that contains the word "laine," but in an English-speaking country. In such a case it would have to be decided to what extent the word was known, if at all, to the purchasing public.

Does the Trademark Office always have to refuse unlawful marks ex officio? We subscribe to the affirmative opinion given in a recent WIPO publication which tells us that "whether a mark is deceptive is a question that should be examined ex officio by the Industrial Property Office when registration is applied for. Interested parties should also be allowed to oppose the registration of deceptive marks."¹¹

It should be pointed out at this stage that the Trademark Office's role in the protection of the consumer, or the active part played by consumers themselves, has to be limited. Quoting from the same study, "this does not mean that consumer protection can be assured through industrial property laws. The "raison d'être" of the industrial property system is to protect industrial property rights... However, to take into account consumer interests does not mean to restrict industrial property rights and their use."¹²

(3) Undistinctive signs

It should be mentioned first that distinctive character is relative, depending on the goods or services designated by the mark: for instance, "Apple" is distinctive for mini-computers, and not for tins of stewed apples.

Distinctive character can be both acquired and lost. The mark may acquire its distinctive character or lose it according to the good or bad use made of it.

The concept of distinctive character may evolve in the course of time. This is true for instance of descriptive words in foreign languages: everyone in Belgium and France knows what the word "barbecue" means, but that was not true 30 years ago, at which time the word-form could perhaps have been used as a trademark to designate that type of fire.

The question that arises concerns the extent to which the Trademark Office may be entrusted by the Law with the examination of marks, and given sufficient power to reject those that do not have the required distinctive character. As far as prohibited and unlawful marks are concerned, an affirmative reply can be given without hesitation (see above); the matter is not so clear-cut with regard to the third question, even though about 120 countries do undertake this type of examination.

Here are some of the reasons for hesitancy in this connection:

(1) As mentioned earlier, the Office's tasks include that of protecting consumer interests to a certain extent. Now this question is far less important.

(2) Moreover, in the WIPO study on industrial property and consumers that we have just quoted, it is not expressly proposed that the Trademark Office should undertake this type of examination, whereas it is in the case of deceptive marks (see above).

(3) Certain laws, like the Benelux Law, have operated satisfactorily for years without this type of examination having been carried out by the Office. However, such examination is provided for in the proposals for amendment of the Benelux Law.

(4) Examination of the mark for distinctive character calls for a thorough knowledge of trademark law in its day-to-day operation and in business life. It can only be undertaken, therefore, on condition that there is some case law on the subject and competent staff at the Office's disposal.

(5) The administrative procedure for the examination of distinctive character is intended to afford a certain stability and greater legal security, and the strictness of the examination can vary in the course of time. That is what happened in France, for instance, where there was a complete change in the Office's decisions as from the time when, following a change in the law, appeals against decisions of the Office were no longer lodged with an administrative court (considered too severe) but entrusted to the Paris Court of Appeal (considered too lenient by some).¹³

It has to be admitted however that such examination does offer definite advantages.

(1) The register will be "clean" and will contain only valid marks: examination by the Office will, as mentioned above, afford a certain degree of security both for the owner of the mark and for third parties:

- the owner of the new mark will know that, in principle, he has trademark rights in a valid sign, even though, in a subsequent proceeding before the courts, a third party may dispute the mark's validity;
- third parties who consult the trademark register will know that, in principle, the marks registered in it will be intrinsically valid (see below for the problems concerning the novelty of the mark).

(2) If there is no examination, the third party who wishes to make use in all security of a sign that he considers undistinctive but which has been filed as a mark, has no recourse other than court action to have the mark invalidated. This operation can be long and costly, however, especially in countries in which the losing party is not expected to pay the court expenses and legal costs of the successful party (this being true of France and Belgium, for instance).

(3) When the Office has acquired a certain amount of experience, it may be expected to show some uniformity in its findings. If the decision on distinctive character is solely entrusted to the courts, there is a risk of highly divergent decisions being arrived at, mainly owing to the courts' lack of experience in this highly specialized field.

Be that as it may, and subject to certain precautions, the balance is tipped in favor of examination by the Office. This examination should only be allowed at the time of filing of the mark, however, and not at the time of its renewal (with respect to marks already examined), or during its term of validity. In both cases it is for the court to take the decision. However, in countries in which such examination takes place, and in the course of a proceeding where the problem of distinctive character is raised, it could be provided that the court seeks the advice of the Office on account of the latter's experience in the field.

One and the same mark may sometimes be subjected to a number of successive examinations in connection with a number of tentative applications, resulting eventually in its acceptance: this is true in particular of a mark which, at the time of its original filing, is devoid of distinctive character and has been refused, and which, after that first filing, owing to the use made of it, notably through advertising, may acquire that character and as a result be accepted by the Trademark Office.

Does the Office itself have to take the initiative of refusing marks for want of distinctive character, or may it act only on a complaint from a third party? This second option was included in the consideration of the proposals for the revision of the Benelux Trademark Law.

Certain laws provide that, in addition to the ex officio examination, interested third parties may file an observations with a view to causing the mark to be refused for want of distinctive character.¹⁴

4. Examination of the novelty of the mark by the Office?

All trademark laws provide that a sign has to be new for an exclusive right to be granted in respect of it: the mark has to be available and must not encroach on preexisting rights of third parties.

This novelty is not absolute, however.

Novelty has to be examined at the national level: in principle, a mark filed and used by a third party in a foreign country is not an obstacle to the filing of that same mark for the same products by a third party in another country. There are certain exceptions to this rule, notably the case where a mark is filed in bad faith, for instance by the representative of a foreign mark.¹⁵

In order to fulfill the novelty condition, it is not enough for the mark not to be identical to preexisting signs; it must not even be similar to them.

In the criteria for the assessment of novel character, two problems have to be considered together:

- is there similarity between the signs?
- is there similarity between the goods?

If the goods are completely different, two identical signs may be used by different owners:

- Mercedes for motor cars;
- Mercedes for typewriters.

The third party-rights must genuinely exist and also be in force. For instance, if a prior mark exists but is not being used according to the requirements of the law, it may be declared forfeit and consequently is no longer an impediment to the novelty of the second mark.

The problems concerning the use of the mark are important and will be analyzed later. One could however emphasize at the outset the difficulty of proving non-use of a mark by a third party. That is why some legislation provides that, in the case of conflict concerning the problem of use or rather of non-use, the burden of proof may be reversed. As we know, in a judicial action it is for the plaintiff to provide proof of the right that he wishes to secure or the reason for which he wishes to have a third party's right invalidated. It is practically impossible, however, to provide negative proof (of non-use). In the case of trademarks, therefore, certain laws have provided an exception: if the plaintiff provides the beginnings of proof of non-use, it is then for the owner of the mark to provide proof of use. Failing that, the mark could be declared forfeit.

As mentioned earlier, the right has genuinely to exist, and that pursuant to the laws of the country concerned. There is one exception to this principle, namely the well-known mark (Paris Convention, Article 6bis). This provision refers specifically to the case of countries in which trademark rights are acquired solely through filing, where the owner of the mark has failed to carry out that formality. The intention is to avoid the situation where, if that mark has become well known in the country, a third party could appropriate it by means of a simple administrative procedure. That would amount to a sort of filing effected in bad faith.

With regard to novelty, it is not only trademark rights that have to be taken into consideration. Due account has also to be taken of other rights, such as the right to a name or to a business style, copyright—in the case of figurative marks—and sometimes even three-dimensional design rights in the case of figurative or three-dimensional marks.

Owing to the very great number of marks in existence (more than 500,000 in France, for instance), it is impossible to be permanently aware of all marks identical or similar to that which one proposes to adopt, even if the area of use is a very small one. Owing to this state of affairs it is highly advisable to have anticipation searches carried out (among marks and, to the extent possible, among other signs capable of conflicting with the new mark) in order to determine whether the sign that one proposes to appropriate can in fact be used and is really new.

Does the Trademark Office have a part to play with respect to the novelty of the mark?

There are a wide range of different solutions:

1. The Trademark Office is entirely passive, and does not possess any special files for the carrying out of anticipation searches. However, it does as a minimum requirement have to keep a register that may be consulted by the public, but it need not necessarily be classified in such a way that it lends itself readily to anticipation searching. This is the case of Italy.
2. The Trademark Office possesses special files which it makes available to the public, but does not itself take the initiative of refusing marks.

There are a number of variations on this idea:

- The Trademark Office allows the parties to carry out anticipation searches in its files, but does not itself carry out such searches. That is the case of the Federal Republic of Germany.
- The Trademark Office carries out anticipation searches itself (but not examination) against remuneration, but does not make the search mandatory. That is the case of France.
- The Trademark Office carries out the anticipation search itself and makes it mandatory. That is the case of Benelux, where in addition the applicant has to inform the Office, on receipt of the search finding, whether he intends to maintain his application, to limit the list of goods or to withdraw the mark.

Certain types of countries mentioned above that do not carry out an eliminatory examination provide for an opposition system that in a way can replace examination: the examination is carried out not by the Office but by the third parties concerned (see below).

3. Finally, certain Offices automatically undertake an eliminatory examination of marks, which is preceded by an anticipation search. It may happen that the Office also informs the owner of the earlier mark (either systematically or not). That is the case of the United Kingdom.

What solution should be advised?

It is difficult to reply categorically to this question. The reply will depend on the resources that a country can and wishes to give its Trademark Office. Eliminatory examination calls for a large, qualified and stable staff.

It has moreover been frequently argued, and rightly it would seem, that the rejection of a mark on account of its having been anticipated by another mark is not a matter for the Office. This problem has to be settled between the actual parties concerned. The Office does not know whether or not the prior marks are being used. What is more, it confines the anticipation search to the marks alone, and does not examine the various possible types of anticipation, such as trade names. That is why numerous European countries, as evidenced notably by the draft Community Trade Mark Regulation, do not provide for an eliminatory examination. They do however allow third parties the possibility of preventing the registration of a new mark that encroaches on their rights by means of a simple administrative procedure, namely the opposition procedure. This is the procedure to be found in the Federal Republic of Germany, which will probably also feature in the French and Benelux laws in their amended form.

One might wonder whether the solution, for countries that did not wish to burden themselves with the whole structure of ex officio examination, would not be to request the findings of examinations carried out in other countries. This solution can be advocated for patents, where novelty criteria are very often identical from country to country and for which novelty is bound to be the same.¹⁶ The system cannot be applied to marks, however, for the following reasons:

- the independence of the protection of the same mark in different countries is ensured by Article 6(3) of the Paris Convention;
- the conditions governing refusal of a mark differ from country to country, notably owing to the fact that each country's register contains different marks from those of other countries.

5. Opposition procedure

Opposition is a procedure whereby the owner of a preexisting right (trademark or other) may request the invalidation, and thereby prevent the registration, of a second mark identical or similar to the sign which he has protected, and that by means of a simplified procedure before the Trademark Office.

The other possibility is to apply for invalidation before the courts. This moreover is usually a secondary procedure in countries that recognize opposition, but attention has to be given to the problem of incontestability.

Opposition may be provided for either after novelty examination by the Office, that being the case of the United Kingdom, or without examination, as in the case of the Federal Republic of Germany. In the latter country trademark disputes are regarded as having to be settled between the owners themselves, the Office being ill-placed to take the initiative of causing this kind of conflict, which may be no more than potential. The Office does not know the market well, in particular the degree of use of the first mark.

The supporters of ex officio examination in conjunction with opposition argue that their system makes for better defense of the owner of the earlier mark and also of the consumer. As far as the earlier owner is concerned, and in view of the very nature of the right to a mark, which is a right of appropriation and not a right to compensation (as in the case of patent rights and copyright), he may be regarded as not needing to have the Office stepping in on his behalf to initiate and settle disputes. He can and indeed should take the necessary action to keep himself informed of new filings, for instance by means of a monitoring service. Moreover it is very often he, and he alone, who knows whether his mark is actually being used in such a way as to meet the conditions laid down by the law.

This reasoning is just as valid for major enterprises that have their own advisers as for small firms that have only the problem of choosing which independent consultant to approach. As far as consumer protection is concerned, it has first to be remembered that, while industrial property rights may be of interest to the consumer, they have been created essentially for the purpose of protecting their owners. If two marks are liable to cause confusion on the market, we can be sure that the owner of the earlier mark will take the necessary action to assert his rights and prevent the third party from selling his goods under an infringing mark. Ex officio examination is obviously warranted in planned-economy Socialist countries, but there is no such justification in market-economy countries.

This circumstance is moreover reflected in new laws: China has provided for ex officio examination in its very recent Trademark Law, whereas the draft Community Trade Mark Regulation does not incorporate such a procedure, and the writers of the drafts for the revision of the Benelux and French laws are not considering it either.

Be that as it may, there are more than 100 countries that provide for an opposition system in their legislation, and a number of them also undertake a novelty examination.

Within what period should the opposition be filed? As the purpose of opposition is to settle trademark conflicts simply and rapidly, the laws concerned provide a period within which the opposition request has to be filed with the Office, and the date as from which that period should be calculated.

On the latter point there is virtual unanimity: the date is that of the publication of the mark (in Ecuador, for instance, four publications at ten-day intervals are necessary). As for the period itself, it may vary, ranging from 15 days in Afghanistan (which is impossible to observe) to six months in Sudan. A number of countries provide for a month or 30 days; this

period is too short: it does not allow the foreign owner to take a carefully-considered decision. The result is frequently a request for extension of the period or a provisional opposition request: these two expedients make the administrative procedure more cumbersome. It is therefore preferable to provide for a longer period—for instance three months as for the Community trade mark (Article 34). Such a period allows the owner of the first mark to obtain the necessary information and where appropriate to make a friendly arrangement with the second owner.

On the basis of what right should one file opposition? Can one file opposition merely on the basis of a registered mark or on the basis of any other sign that is liable to bring about the lapse or invalidity of the mark? This problem was discussed at length in the course of the writing of the draft Community Trade Mark Regulation. The penultimate draft, in order to simplify operations and prevent an avalanche of oppositions, made the latter available only to the owner of the registered mark, whether Community or national. The position has since changed under pressure from member countries of the Community, which recognize the right to the mark established through use and not registered. The new Article 36 therefore provides that opposition is available to the owner of any right that allows registration to be refused (Article 7). This right can thus be a right to a trade name, the right to the name of a person, a copyright, etc.

Should the opposition occur before or after registration? In the majority of countries opposition takes place before registration, and the mark is moreover not registered until after the opposition procedure has ended. This has the drawback of sometimes making the registration procedure very long, especially where the Office's decision is appealed against. That is why a procedure involving opposition after registration could be considered, the registration being considered provisional as long as all opposition procedures have not been completed. This solution is regularly applied in the Federal Republic of Germany for the following reason: as we know, this country is party to the Madrid Agreement Concerning the International Registration of Marks; in order to apply for an international trademark, which takes place at WIPO in Geneva, the Agreement provides that it is essential to have a registration in the country of origin (that being moreover the country in which the owner has a real business establishment);¹⁷ mere filing is not sufficient. For German nationals to file an international trademark application within the six-month priority period, in view of the fact that any opposition that may be filed is never settled within that period, there is provision in the Federal Republic of Germany for a provisional registration on the basis of which an international trademark registration may be made.

Proof of use of the earlier mark. Opposition may not be filed otherwise than on the basis of a valid mark. Now, as we have seen, it is provided in most legislation that, in order to remain valid, a mark has to be used within a certain period. The owner of a mark who files opposition after that period therefore has to be in possession of a mark in use. It will be noted in this connection that the owner of a recent mark who files opposition before the period for use has expired has one privilege: he not only does not have to prove use of his mark, but also is not required to prove that the mark actually will be used.

Does the opponent have to provide proof of use as a matter of course? May the Office take the initiative of requesting such proof? Should that option be left to the owner of the second mark alone? The third solution is

the one that operates in the Federal Republic of Germany. The draft Community Trade Mark Regulation (Article 35(2)) provides for the latter two possibilities.

What are the advantages of the opposition system?

(1) It allows trademark conflicts to be settled rapidly and inexpensively, and that all the more readily in the case of countries where protection is secured through filing, as the second mark usually has not been used prior to filing;

(2) where there is no ex officio examination of novelty, the opposition makes it possible to settle real disputes between genuinely interested owners. Where there is ex officio examination of novelty, the opposition may be considered a secondary solution, and it may offset any omissions that might be made by the examiner.

(3) In countries where it is provided that the mark becomes incontestable after a certain period, at least with respect to third-party rights, the opposition system makes it possible to settle disputes rapidly and fairly inexpensively before the period preceding incontestability expires.

The drawbacks of the system are that:

(1) It lengthens the time required to secure registration; one solution, as explained above, could be the introduction of a system of provisional registration;

(2) It requires the Office to have a cumbersome structure and qualified, competent staff.

General conclusions on the role of the Office in the examination of marks on its own initiative or at the request of third parties.

As mentioned above, it is normal that the Office should act to prevent the registration of prohibited marks (armorial bearings, flags, etc.), unlawful marks (contrary to morality and public policy), and also deceptive marks, as the interests of consumers are directly at stake.

With regard to rejection on account of descriptive character, the reply has to be qualified: the solution might perhaps be found in an arrangement with the Office acting only on a complaint filed by an interested third party.

As for the ex officio examination of novelty by the Office, the question is still more controversial, above all in market economy countries, where those concerned would have to take the initiative themselves. It has moreover been noticed that recent laws do not contemplate such a procedure.

Finally, on the question of opposition, the system does offer very important advantages, but on the other hand requires the Office to have a sufficiently numerous and competent staff so that opposition conflicts may be settled rapidly.

6. Use of the mark and the Trademark Office

As mentioned earlier, most legislation provides that use of the mark is necessary for it to remain valid. In the majority of disputes following registration of the mark, problems of use are generally considered and settled by the courts, but there are many circumstances, notably during the operations prior to registration, in which the Office has to concern itself with the question.

(1) It should be mentioned first that the Office cannot reject a mark on the grounds of the nature of the product on which it is to be applied (Paris Convention, Article 7). Thus a mark cannot be refused for a pharmaceutical product on the grounds that the product has not yet been accepted by the official medical authorities of the country.

(2) In certain countries, for the owner to effect a valid filing, he has to have the intention or possibility of using the mark. In that case the Office may have to determine whether, in connection with the activity carried on by the enterprise, the goods designated can in fact be used (manufactured or sold) by the owner concerned. To that end the law of the Federal Republic of Germany provides that the applicant has to state his main activities, whereupon they are published at the time of the filing of the mark.

In this same subject area, the Office could be required to determine, in countries where such a requirement is imposed (the United Kingdom for instance), whether the owner does actually intend to make use of the mark.

(3) In countries in which filing has to be preceded by use (such as the United States of America), the Office will have to determine use and may even demand proof of use. This is why it frequently happens that specimen products to which the mark has been applied are sent.

(4) We have seen that a large number of Offices examine the distinctive character of the mark *ex officio*. That character may change in the course of time: a sign that is devoid of all distinctive character may, subject to certain conditions, acquire such character through the use made of it—intensive advertising, for instance (Paris Convention, Article 6quinquies). If such a sign is filed for registration, the Office will have first to reject it, then, on the filing proof of use, it will examine that proof and decide whether the sign has acquired the required minimum distinctive character. It is thus perfectly possible for such a sign to be filed a number of times in the course of a number of years, in order to prove the distinctive character it has acquired.

(5) In the course of the novelty examination, the Office will frequently have to verify the proof of use of the previous mark in cases where the new applicant contends that the mark invoked against him has not been (or is no longer) used, or is insufficiently used, or has been used for goods different from those that he proposes to cover.

(6) The Office could have to make the same analysis at the time of an opposition procedure.

(7) In the case of the novelty examination, and also in the case of opposition, the Office might also find itself delaying its ruling until it has been informed of the decision of the court to which an action for invalidation of an old mark on the grounds of failure to use has been referred.

(8) Certain countries provide that, on expiry of a particular period (five years after registration for instance), the owner has to file a statement (affidavit) attesting that the mark has actually been used, also providing such proof of the use of that mark as may be necessary (United States of America, Portugal). Other countries provide for this type of declaration of proof at the time of renewal of the mark (draft Community Trade Mark Regulation, Article 37(1)).

(9) Finally, the Office might have to verify the conditions of use of the mark in the case of assignment or licensing, notably in the interest of consumer protection. In countries in which trademark licenses are examined, the Office could have to determine whether the conditions governing use of the mark are fair and do not impose unjust constraints on the licensee.

7. Changes affecting the mark, the goods or the owner; trademark licensing

Throughout its life the mark may undergo a number of changes which we shall consider in succession:

- changes in the mark itself;
- changes in the list of goods or services;
- changes concerning the owner;
 changes of name and address;
- assignment;
- licensing, registered use, franchising, merchandising.

(1) Changes in the mark itself

Changes affecting the mark itself are virtually not allowed: some countries do allow a figurative mark to be "modernized," for instance at the time of renewal, on condition that the distinctive elements of the mark are not altered. That decision is left to the discretion of the Trademark Office.

(2) Changes in the list of goods or services

The list of goods is not usually altered; only partial cancellation is allowed. Switzerland and France have legislation that departs from this principle: in both countries it is permissible to add goods (and services in the case of France) at the time of renewal. France has a special feature in addition, namely the fact that renewal may be effected at any time, even many years before the normal due date. Unfortunately no distinction is made between the goods and services renewed and those added. In practice, as there is no indication that the list has been modified, French renewals present a problem in that, to determine whether or not a genuine renewal has taken place, or alternatively what goods have actually been renewed, a word-by-word comparison has to be made with the previous registration or renewal.

This practice is therefore inadvisable unless a very clear distinction is made between renewed goods and new goods. The Trademark Office will play a relatively passive role in a partial cancellation, which is either voluntary effected at the request of the owner, or ordered by a judicial authority.

(3) Changes concerning the owner of the mark

Changes of name and address

These changes do not cause any real difficulty. There is not usually any sanction where such a change is not made. It is however in the applicant's interest to notify the change, so that he may continue to receive all communications that the Trademark Office or any other owner might see fit to send him. These types of notification are very often made shortly before renewal or before the notification of another type of change. The notification of the change must always be accompanied by the payment of a fee. Many countries provide for a sharply decreasing fee in cases where changes affecting numerous marks are registered. This practice is to be encouraged: it gives the owner the incentive to notify changes affecting all his marks at one time, which eases the work of the Office.

(4) Assignments

Assignments of marks present far more important problems.

Free assignments and tied assignments

Originally it was necessary in practically all countries for assignment of the mark to be accompanied by assignment of the business. Article squater of the Paris Convention provides that, if the law still provides for such an obligation, it is sufficient for the part of the business to which the mark belongs to be assigned.

At present most countries, indeed the great majority, provide for free assignment, in other words assignment not tied to assignment of the business. For the first type of country, the Office may have to verify whether the assignment has in fact been effected in accordance with the requirements of the law.

Assignments and consumer protection

As explained above, the reason why certain countries provide for assignment of the mark with assignment of his business is precisely the desire to avoid misleading the consumer. This principle has to hold good for free assignment, and some legislation provides adequate measures for the Office to prevent such types of deception. It has to be noted however that cases of trademark assignment liable to mislead the consumer are rare: indeed what the consumer is looking for above all is consistent quality at a given price, and the assignee has nothing to gain by dissatisfying the consumer; the sanction would be immediate: the product would no longer sell. Assignments may be partial with respect to the goods: obviously one cannot assign part of the mark itself. According to the same logic, the assignment generally has to be made for the whole territory, otherwise the unity of the mark would suffer. The

Benelux Law for instance states expressly that assignment of the mark for only one of the three countries is prohibited. In the United Kingdom there is a special type of partial assignment, in the sense that it is possible to assign the mark to different bodies determined by different export markets.

Registration of the assignment with the Trademark Office

Generally speaking, assignments inter vivos must, on pain of nullity, be evidenced in writing. The assignment of a business without any mention of the mark usually presupposes the assignment of the mark, which is an integral part of the business. The instrument of assignment, or sometimes an extract from it (Benelux), has to be notified to the Trademark Office. In the case of failure to notify or late notification, a number of possible sanctions exist:

1. the assignee cannot assert his rights in dealings with third parties;
2. the assignor is in fact powerless, and because he no longer possesses the mark, the mark is deprived of all control;
3. special sanctions, going so far as loss of the mark, may be provided for in the law; a set fee is generally charged at the time of registration of the assignment with the Trademark Office; there is no reason for the Office to charge a fee proportional to the value of the assignment; the same is obviously not true of the tax authorities: that will depend essentially on the domestic legislation of the country concerned.

(5) Trademark licenses

A trademark license is a contract under which the owner of the mark authorizes a third party, subject to certain conditions, to make use of the mark. The license may be total or partial with respect to goods. It may cover the whole national territory or be confined to a particular region. It will be limited in time and, where appropriate, renewable. A good trademark license is accompanied by a know-how license. Licensing generally presupposes control by the licensor of the quality of the goods manufactured or sold by the licensee.

The license may be

- non-exclusive, which means that there may be several licensees;
- sole, which means that there is only one licensee, but the owner of the mark may still make use of it;
- exclusive, in which case there is only one licensee, to the exclusion even of the owner of the mark.

The grant of sublicenses contracts can also be considered. What is essential in a license agreement is that the ownership of the mark remains in the hands of the owner, and indeed most legislation provides that it is he (alone) who can institute proceedings before both the

courts and the Office; often however, and in so far as the license is registered, legislation provides that certain important acts cannot be undertaken otherwise than with the licensee's agreement: that is the case for instance where the licensor wishes to cancel the mark on his own initiative.

Problems concerning licenses are extremely complex, and have been the subject of in-depth studies: one remarkable work is the "Licensing Guide for Developing Countries" (WIPO 1977), written by a group of experts under the responsibility of WIPO. In it are listed, in particular, the abusive or competition-restricting clauses that the licensor should not be allowed to impose on the licensee.

As far as developing countries are concerned, trademark licenses can be an extremely important tool if granted on reasonable conditions, particularly if they are accompanied by know-how licenses, for instance in a franchising contract. Their main advantage is that they promote exploitation on the spot by local businesses.

The license may entail certain risks both for the licensor, for instance if the goods sold under the mark are of lesser quality, and for the licensee, for instance if abusive clauses are imposed on him. It is therefore of paramount importance for the license agreement to be fair and well written, so that the parties are encouraged to maintain good relations. With respect to license agreements the role of the Trademark Office may be twofold: it may merely register them, enter them in the register and publicize their existence. It may also, if the law requires it to do so, verify their actual contents in order to determine whether their terms are equitable and in accord with the country's technology transfer policy.

In this type of country registration of the license is mandatory, often on pain of invalidity. In other countries there is not necessarily any sanction.

One of the problems that have given rise to much discussion is the question whether, in the absence of any express provision on the subject in the law, use made by an unregistered licensee can benefit the owner of the mark.

Special cases of licensing

1. Registered user

The United Kingdom, and also the countries and territories that model their legislation on that of the United Kingdom (about 60), have adopted a system that very closely resembles the licensing system, which is called the "registered user" system. In practice there is no very great difference between that and the licensing system. The Registrar always examines the license agreement, and ensures for instance that it provides for effective supervision of the registered user by the licensor.

Statute and case law are such that it is advisable, indeed essential, to observe this formality if the mark actually is used by a person other than the owner.

2. Franchise agreement

This is a sort of reinforced license agreement under which the licensee not only secures the use of the mark but also finds himself under the continuous supervision of the licensor, and receives aid and assistance from him. Moreover, the product or service covered by the franchise can only be sold according to extremely strict standards. Very often the advertising is handled by the licensor, but the licensee participates in it financially.

This type of licensing has spread considerably in recent years, especially in the United States of America, but it is also developing in Europe and other countries of the world. Some examples of franchising are the Holiday Inn hotel chain, the manufacture and sale of Coca-Cola, the McDonald restaurant chain, etc.

Franchise agreements have given rise to a number of antitrust actions in the United States of America, as they very often embody abusive clauses detrimental to the holder of the franchise, such as tie-in clauses, under which the holder of the franchise is obliged to take from the franchiser certain goods of which he himself has no need.

3. Merchandising

This is another special type of license agreement that has gained considerable popularity in recent years. It generally involves the licensing of names of famous persons, titles of cinema films or television film series or cartoon characters. A well known example is Mickey Mouse, or, more recently, the Los Angeles Olympic symbol, or sporting personalities like the Brazilian footballer Pelé.

The problem here arises from the fact that the owner of a mark has in fact no intention or even possibility of making use of the mark himself. He quite simply wishes to realize the maximum potential from that mark. Now it has to be borne in mind that there are a number of countries in which, for a mark to be secured, its owner must intend to use it.

Very often this type of sign is protected by the right to the name (in the case of a film star or sporting personality) or by copyright (cartoon character).

PART II.

THE ROLE OF THE OFFICE IN EVERYDAY PRACTICE AND THE USER

This Part will analyze a certain number of points concerning the everyday management of the Trademark Office, seen essentially from the point of view of the user, in other words the applicant and the public at large.

It will consider the following:

- application formalities;
- the classification of goods and services (Nice Classification);
- the register;
- the reading room;
- publication;
- local representatives;
- fees.

L. Application formalities

The law and its implementing regulations specify what application formalities have to be met, and also the formalities to be complied with for all other operations conducted before the Office. It is advisable to confine such provisions to the regulations: they are then easier to amend if the need should arise.

Generally the Office provides forms, which greatly facilitates its own tasks as well as those of applicants or representatives. The forms are made available to the public free of charge or may be freely reproduced.

Very often, on filing, the information received by the Office may be incomplete or even sometimes incorrect. The regulations should specify what the essential minimum information is for a filing date to be secured.

Right of priority

The six-month right of priority may be claimed in favor of nationals of countries party to the Paris Convention. The term of this right of priority is six months following the filing of the mark the priority of which is claimed. The priority is not granted automatically: the applicant has to make a special request.

National legislation decides whether proof of this priority has to be provided and whether, if so, the proof should be authenticated and translated into the language of the country if different from that of the country of the priority claim. The request for priority is generally made at the time of filing, but national law may allow it to be made later, especially if the six-month period has not yet expired. If proof of priority is demanded, it can usually be provided after filing but within a period fixed by the Office.

When the applicant is not a national of the country, either an address for service within the country or alternatively the intervention of a local representative (see below) is required.

Requirement of a registration in the country of origin

Some countries, and in particular former colonies or dependent territories of the United Kingdom (Aden, Jersey, Hong Kong), require, as an essential prerequisite for filing an application, the prior grant of registration in the country of origin. It is moreover that same requirement that applies under the Madrid Agreement system. Countries party to the Paris Convention cannot impose that requirement on the nationals of other countries party to the Convention, owing to its Article 6, which has to do with the independence of marks from country to country.

2. Classification of goods and services

A certain number of countries do not protect service marks under their trademark law. That is true for instance of the United Kingdom, the Benelux countries and Switzerland. A number of those countries now intend to protect service marks in the very near future. It was originally thought that service marks might present problems, particularly on account of the fact that very often they are used only in a small geographical area. Practice has proved that this problem was a more theoretical than real one.

Practically all countries have a classification, the most notable exceptions being Canada, Turkey and Indonesia.

Certain countries still have a national classification, for instance Brazil and Japan.

The other countries, and they are the great majority, have adopted the Nice Classification, known as the "International Classification," which as we know is administered by WIPO. This classification is perhaps not the best, or the best suited to the types of goods that are sold under trademarks, but it does have the great merit of being a universally applied system.

Some countries, like the United Kingdom, have retained a dual classification system: the former national classification for marks filed prior to the entry into force of the new Classification, and the new Classification for those filed after its adoption. This situation is prevalent above all in countries in which only one filing per class can be made. The difficulty that arises on changing classifications lies in the fact that an old mark filed in a national class may, if it is maintained, have to be classified in a number of international classes and therefore be the subject of a number of different "confirmatory" filings.

The majority of European countries allow filing to be effected in as many classes as desired, but a surcharge has usually to be paid from the fourth class onwards. This system seems preferable to the system of separate filings for each class. It has the merit of not encumbering the register. In this connection, care should always be taken when the filing statistics of various countries are compared, for instance between Japan, where a separate filing has to be made for each national class, and the Federal Republic of Germany, in which filings may be made in an unlimited number of classes.

Whether national or international, the classification may serve a twofold purpose:

1. It has been established at the outset to enable the Office to charge a higher fee where the applicant seeks protection for numerous different goods.
2. However, in view of the fact that efforts have been made to group similar goods within the same class, the classification has proved to be extremely useful, and even today is essential for the carrying out of anticipation searches: in order that one mark may be regarded as infringing another, not only the two signs, but also the goods and services that they cover, must be identical or similar. And it is the combination of these two similarities that is decisive.

3. The Registry: the reading room; the official publication

In view of the fact that it is important for third parties to be able to acquaint themselves readily with information concerning marks and their owners, it is essential that the Trademark Office keep a register up to date, that it be available to the public in a reading room and that it publish all information concerning marks and their amendments rapidly and completely.

The above obligations are moreover so important that a special article (Article 12) of the Paris Convention is devoted to them, under which each country undertakes to:

- establish a special industrial property service;
- provide a central office for the communication of trademarks to the public;
- publish an official periodical journal that regularly publishes registered trademarks.

Unfortunately these minimum obligations are not always observed, owing to the fact that the Office does not always receive the necessary means of issuing the requisite publications in good time.

Very often the Trademark Office has a reading room in which not only the registers may be consulted but also a trademark classification system is available, in at least rudimentary form, in alphabetical order for instance so that approximate identity searches or anticipation searches may be made. Other files may be made available, for instance a file of figurative marks or a file of names of owners. A certain number of countries have computerized their register, or are going to do so, to make for greater accessibility and more regular updating.

For the publication of a mark to be complete, it has to contain the following information:

- (1) The publication of applications or registrations;
- (2) Changes subsequent to registration, such as assignments, changes of name, licenses;
- (3) Partial and total cancellations;
- (4) Renewals, these being preferably published in full in their current state at the time of renewal: that avoids the need for in-depth investigation to determine the exact status of a renewed mark. The Office also has to be in a position, subject to the payment of a fee, to provide copies, sometimes certified, of applications and registrations, and also modifications that the mark may have undergone.

4. Local representatives

The WIPO Model Law for Developing Countries on Inventions proposes that foreign residents be placed under the obligation of acting through a local representative. That requirement is not expressed in the Model Law on Marks, but it is nevertheless necessary to have a local address for correspondence, in order to avoid the high cost that postal exchanges with distant countries

would entail. In practice, this local address will be either the address of a subsidiary of the firm that owns the mark, or, more usually, the address of a representative. This is moreover desirable: it is not only in the interest of the foreign applicant to have a qualified person on the spot to assist and represent him in dealings with the Trademark Office. It is also in the interest of nationals of the country (particularly if it is a small country), who thus have at their disposal on the spot an adviser with wide experience who perhaps would not even be there if he had to rely on local clients alone.

5. The independence of the Office; fees

It is highly desirable that the Trademark Office (generally forming part of a larger entity, usually called the Patent and Trademark Office) enjoy a certain independence and financial autonomy. Unfortunately, it has been observed in many countries that the fees paid do not serve for the operation of the Office, which as a result offers an inadequate service to the public or does not receive the necessary funds for publication of a trademark gazette.

The fees charged for the various operations conducted before the Office therefore have to be such as to allow the Office to operate independently, that is, without the injection of aid or subsidies by the central administration. The fees have to be reasonable so as not to discourage clients. However, it is normal that higher fees should be charged at the time of renewal of a mark, even though the formalities are simpler for the Office than the filing and registration formalities: when he renews his mark, the owner shows that he has a genuine need for it.

PROVISIONAL TEXT

[Notes follow]

NOTES

- 1 In this study, the Trademark Office will be frequently mentioned. In fact, in most countries, it is the Patent and Trademark Office—which deals also with industrial design—in which these various activities are combined under one management. This is not true of the Benelux countries, however, as there is no Benelux patent law.
- 2 Benelux (Belgium, Netherlands, Luxembourg).
OAPI: African Intellectual Property Organization (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Mali, Mauritania, Niger, Senegal, Togo).
- 3 ARIPO: English-speaking African countries. Model Law, WIPO, Geneva 1979, Sections 3 to 14 (Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Sierra Leone, Somalia, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia, Zimbabwe).
- 4 The Benelux Trademark Law came into force on January 1, 1971. This Law merged the former national trademark laws of the three countries (Belgium, Netherlands, Luxembourg), which were repealed.
- 5 The Common Market groups the following countries: Belgium, Denmark, France, Germany (Federal Republic of), Greece, Ireland (Republic), Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom.

The most recent Common Market law is dated 1984. Under it national laws will subsist, having been harmonized on certain points. The entry into force of the law is not expected before 1987.
- 6 Model Law for Developing Countries on Marks, Geneva 1967. Revision work on this Model Law began in 1977, but was suspended.
- 7 "Le droit français des signes distinctifs," January 1984, page 104.
- 8 Draft Community Trade Mark Regulation. Explanatory memorandum, Article 3: "personal names, designs, letters, numerals, combinations of colours, the shape of goods or of their packaging, which are capable of distinguishing the goods or services..."
- 9 Quoted by Mathély in "Le droit français des signes distinctifs," January 1984, page 66.
- 10 Quoted by Plasseraud in "Choisir, protéger et gérer vos marques," 1977.
- 11 The Role of Industrial Property in the Protection of Consumers, Geneva 1983, page 23, paragraph 81.
- 12 Page 11, paragraphs 16 and 18.
- 13 The draft Community Trade Mark Regulation has however provided that such an action may be brought before the Office (Article 46).

- 14 Article 33 of the draft Community Trade Mark Regulation.
- 15 Paris Convention, Article 6septies
- 16 WIPO Model Law for Developing Countries on Inventions, WIPO 1979, Section 128.
- 17 Madrid Agreement - Article 1.

[Annex follows]

HARMONIZATION OF TRADEMARK LAW IN EUROPE

Background and Main Features of the First Trademark Harmonization Directive of the European Council of 21 December 1988.

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Introduction.

1. The object of my talk will be to give you some idea of the background and main features of the first trademark harmonization directive, which I will refer to as the "directive". I think it may be useful to outline some general aspects of European law, including what a directive is and how it is adopted, for the benefit of those of you who are not familiar with this field.

The European Economic Community - a brief outline.

2. The European Economic Community ("the Community") was established in 1958 under the Treaty of Rome. Presently, the Community consists of twelve Member States. The objectives of the Community are among others to create one Common Market. Within the framework of such Common Market a free movement of goods, persons, services and capital as well as an unrestricted competition must be realized. In

1987, the EEC Treaty was amended in order to provide for the completion of the Common or Internal Market by the end of 1992. Differences in national law may easily create trade restrictions between the Member States. The four freedoms on goods, persons, services and capital must be accomplished among others by harmonizing national legislation. EEC directives are adopted by the Community in order to harmonize national legislations.

3. The Community constitutes an autonomous legal order with its own institutions whose decisions are binding upon the Member States, private companies and citizens. The EEC Treaty confers the competences upon the EC institutions. The Council of Ministers is vested with the main legislative competences, among others the competence to adopt harmonization directives. In most cases, the Council enacts legislation with a qualified majority. The Council consists of members of the governments of the Member States. Although being a Community institution, the Council takes into account the national interests of the Member States. The EC Commission is responsible for submitting proposals for legislation to the Council. It has a more supranational character. Its members are independent and do not act under the instructions of the Member States. Within the legislative process, a gradually increasing role is being played by the European Parliament. It consists of 518 members who are directly elected by the citizens of the Member States. In many fields, the Council adopts legislation in cooperation with the Parliament. Although the Council is the ultimate decision-making authority, the Parliament may amend or reject the Commission proposals for legislation. Under the present rules, amendments of the Parliament which are supported by the Commission can only be rejected by the Council with unanimous voting.

4. The contribution of the EC Court of Justice to European integration has been of immense value. The Court is responsible for the interpretation of Community Law. In most cases Community Law is being implemented and applied on the national level. The doctrine of the Court concerning the primacy of EEC Law over national law and the direct applicability of Community Law in national proceedings has been accepted by the national Courts. National Courts which have to examine the compatibility of national legislation with Community Law may or must refer questions on the interpretation of Community Law to the Court of Justice before taking a decision. This so-called preliminary procedure is essential for the uniform interpretation and the correct implementation of Community Law within the Member States.

5. The main legal instruments for Community legislation are regulations and directives. A regulation has general application and is directly applicable in the Member States. A regulation does not require implementing measures of the Member States. Regulations are, for instance, adopted in the field of the common policies (agriculture, transport). Directives are also binding upon the Member States and are commonly used for harmonizing national legislation. A Directive requires national implementation and adjustment of existing national legislation. Provisions of directives may have direct effect which means that national Courts are obliged to disregard national law which is contrary to a directive. Furthermore, national law must be interpreted in accordance with underlying EEC directives.

Background of Harmonization.

6. It all started in 1964 when a working group appointed by

the Commission under Dutch presidency completed a draft of a Convention for a European Trademark. This was the result of an initiative of the Commission back in 1959 to harmonize and unify industrial property law in Europe with the object of creating unitary and autonomous IP-laws supplementing national laws which would continue to exist. Discussions on the 1964-draft only started in 1973 and resulted in the Memorandum on the creation of an EEC mark, published by the Commission in 1976. This document contains a comprehensive survey of the need for trademarks as facilitators of the process of identifying and choosing goods and services and the advantages of having a European trademark system. Together with the growing pan-European activities within certain fields of industry and commerce, a European trademark system would enable manufacturers and distributors of branded goods to adapt to the common market more effectively and with less expenditure of time, effort and resources than is required under different national trademark systems. In the 1976-Memorandum the advantages of a European trademark system are summarized by the Commission as follows:

"A system of trade mark law applicable throughout the Community would be of particular value both in establishing a free market for branded goods and services bearing trademarks and in ensuring fair competition, as required under the preamble to the EEC Treaty. It would not be permissible for several undertakings to market their goods under the same EEC trademark. In addition, a Community system of trademark law would lead to an approximation of the legal conditions affecting competition between the manufacturers of goods bearing EEC trademarks. The protection accorded by an EEC trademark would be the same throughout the Community and would not vary from one Member State to another. This would be a substantial contribution to the establishment of a system of undistorted competition within the common market, as required by the EEC Treaty."

7. However, the Commission realised that upon instituting the mechanism of a European trademark, national trademark laws would continue to exist. Differences in criteria applied, for example, to assess infringement could be a serious obstacle to the principle of free movement of goods, which is one of the most fundamental principles of the Treaty of Rome incorporating the European Economic Community. Therefore, the 1976-Memorandum calls for an approximation of national trademark laws, recognizing that national trademarks will continue to play an important role not only in national but also in international trade. The idea has always been to introduce what is now called the Community Trademark together with the implementation of the Harmonization Directive. In 1988 this idea was abandoned. In view of the political problems surrounding the place of establishment of the Community Trademark Office and the official languages to be used for the CTM, the decision was taken to adopt the Harmonization Directive first.

Drafting history of the Directive.

8. The first draft of the Directive¹ was published in OJ C 351, 1 of December 31, 1980 and with an explanatory Memorandum in Supplement 5/80 of the Bulletin of the EC. An earlier draft of July 1979² was circulated amongst interested parties. The Economic and Social Committee gave its opinion on the Draft³ and the European Parliament sugge-

¹ Doc. COM (80)635 final/2 of December 1, 1980.

² Doc. III/O/1293/79; see for German text GRUR Int. 1980, 31.

³ OJ C 310, 22 of November 30, 1981

sted changes⁴. A new proposal was submitted to the Council on December 12, 1985⁵. Several Member States submitted remarks as regards this proposal, which resulted in a new text of October 15, 1986. This text was heavily discussed and negotiated in the Working Group and the Dutch delegation presented a memorandum on the necessity to maintain the very satisfactory infringement criteria of the Benelux Trademark Act as applied by the courts and to adopt these in the Directive. The Dutch were successful and a compromise was incorporated into a new text of December 15, 1987. The Council adopted a common position on June 24, 1988. After the advice of the Economic and Social Committee of October 5, 1988, and the opinion of the European Parliament⁶, the First Directive was finally adopted by the Council on December 21, 1988⁷.

It is a first Directive.

9. The harmonization effected by the first Directive was not intended to be a full scale approximation of trademark law. The harmonization exercise was confined to those national provisions which most directly affect the functioning of

⁴ OJ C 307, 59 of November 14, 1983

⁵ OJ C 351, 4 of December 31, 1985

⁶ OJ C 309 of December 5, 1988

⁷ OJ L 40, 1 of February 11, 1989

the internal market⁸. It is possible that at a later stage the Commission will decide to propose harmonization regarding other aspects of trademark law.

What is not covered by the Directive.

10. The Directive does not cover the following issues.

- Member States remain free to protect trademarks acquired by use; only where there is a relation between these and registered marks is the Directive applicable. In other words the Directive applies only to trademarks acquired by deposit or registration⁹.
- The Directive does not touch upon questions of procedure concerning registration, nullity and invalidity of trademarks¹⁰. For example: Member States are free to decide whether prior rights can only be invoked during the registration procedures or before the normal courts in nullification proceedings or both and whether a license has to be registered.
- Member States may continue to apply laws other than

8 Recital 1 of Directive: "Whereas the trademark laws at present applicable in the Member States contain disparities which may impede the free movements of goods and freedom to provide services and may distort competition within the common market; whereas it is therefore necessary, in view of the establishment and functioning of the internal market, to approximate the laws of Member States;"

9 Recital 4 of Directive: "Whereas the Directive does not deprive the Member States of the right to continue to protect trademarks acquired through use but takes them into account only in regard to the relationship between them and trademarks acquired by registration;"

10 Recital 5 of the Directive: "Whereas Member States also remain free to fix the provisions of procedure concerning the registration, the revocation and the invalidity of trademarks acquired by registration; whereas they can, for example, determine the form of trademark registration and invalidity procedures, decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure or in both and, if they allow earlier rights to be invoked in the registration procedure, have an opposition procedure or an ex officio examination procedure or both; whereas Member States remain free to determine the effects of revocation or invalidity of trademarks;"

trademark law to trademarks, such as the laws on unfair competition, civil liability, tort or consumer protection. To give an example: national courts may decide that a certain trademark as used is misleading on the basis of the law against misleading advertising or that the message contained in or communicated by the trademark can form the basis for an action in product liability or that a certain trademark violates certain food and drug regulations.

- Member States also remain free to provide rules with respect to the transfer or assignment of trademarks; Article 8 contains certain provisions with respect to licensing but the formalities with respect to licensing are not covered by the Directive.
- Specific grounds for invalidation may be provided for as long as they concern issues which are not covered by the Directive such as the lapse of right due to non-payment of fees or invalidity as a result of non-compliance with certain procedural rules¹¹.
- National procedural rules with respect to assessing likelihood of confusion such as the burden of proof are not prejudiced by the Directive.
- Where national laws provide for registration of collective marks or guarantee or certification marks they may

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Recital 7 of Directive: "Whereas attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trademark are, in general, identical in all Member States; whereas, to this end, it is necessary to list examples of signs which may constitute a trademark, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings; whereas the grounds for refusal or invalidity concerning the trademark itself, for example, the absence of any distinctive character, or concerning conflicts between the trademark and earlier rights, are to be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States which will therefore be able to maintain or introduce those grounds in their legislation; whereas Member States will be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trademark for which there is no provision of approximation, concerning, for example, the eligibility for the grant of a trademark, the renewal of the trademark or rules on fees, or related to the non-compliance with procedural rules;"

provide for other grounds of nullification or invalidation than those of the Directive if the function of such marks so require.

The system of the Directive.

11. The Directive aims at harmonizing certain provisions of national trademark law. So: the starting point is that national trademark laws continue to exist, but the Member States have the obligation to bring their laws into line with the Directive. This must be done before December 31, 1992; article 16(1) stipulates December 28, 1991, but this date may be deferred until December 31, 1992; this exception was made because ideally one wanted to have the implementation of the Directive at the same time as the coming into force of the CTM. On December 19, 1991 the Council decided to apply this exception¹² considering that the Regulation concerning the Community Trademark would be adopted soon. This sounds rather optimistic. The real reason probably was that only a few Member States had fulfilled their obligation to adapt their trademark law.

12. The Directive should not be confused with the Community Trademark. The CTM will be instituted on the basis of a Regulation of the Council. The CTM makes it possible to acquire one exclusive right covering the whole territory of the European Communities on the basis of one registration. It is therefore a system which runs parallel with the national trademark systems. I will not deal with the de-

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OJ L6,35 of January 11, 1992

tails of the proposed Regulation¹³; the adoption has not yet taken place in view of major political difficulties with regard to the place of establishment of the Community Trademark Office and the official languages to be used. Since before the end of this year a decision has to be taken with respect to the place of establishment of the Federal European Bank, the expectation is that decisions with respect to the other Community offices such as the Trademark Office will also be made by the end of this year.

The structure of the Directive.

13. Back to the Directive. The Directive covers mainly the following subjects:

- scope and definition
- grounds for refusal and invalidity
- rights conferred by a trademark (infringement, limitations on the rights and exhaustion)
- waiver of rights on the basis of non-use or acquiescence
- licensing
- collective marks and geographical indications.

With respect to all of these points the Directive contains "shalls" and "mays". What does that mean? In general, directives are structured in two ways. Some directives fix minimum standards which are mandatory for Member States leaving them free to add other provisions. Another system is to propose exhaustive provisions leaving no room for national manoeuvring. For the trademark Directive a nice compromise was reached. On the points covered by the Directive the provisions are exhaustive. On other points (such as procedural and administrative issues) the Member States

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See the last officially published text: OJ C 230,1 of August 31, 1984 and only in the German language: GRUR Int. 1989, 388

were left absolute freedom. However some of the exhaustive provisions are mandatory (the Member States shall) and others are optional (the Member States may). I say "exhaustive" because, for example, the Member States have no power to add other grounds for refusal than the ones mentioned in the Directive.

Influence of Benelux trademark law

14. I now come to the different topics covered by the Directive. In discussing these I will from time to time revert to Benelux case law, not because I am a specialist in Benelux trademark law but because the Directive was heavily influenced by Benelux law. The reason for this is that the Benelux law was at the time of drafting of the Harmonization Directive one of the most modern trademark laws of the European Communities, due largely to the inspiration of companies like UNILEVER, PHILIPS and AKZO, owners of many thousands of consumer brands. Furthermore the Benelux already had the experience of a fully harmonized (and also unified) trademark system. The Netherlands, Belgium and Luxemburg have had one trademark system since January 1, 1971. In view of the fact that national courts of these three countries would have to apply this uniform law and in order to avoid discrepancies in interpretation of this law, a supranational Benelux Court of Justice was established. This Court has rendered a number of decisions interpreting the Benelux law, which in my opinion will play a very important role in the interpretation of the Directive. I will quote some of the decisions of this Court in discussing with you the main topics of the Directive.

Function of trademarks in the Directive.

15. Before doing so I would like to elaborate a bit on the function of trademarks as seen by the Directive. The function of a trademark has traditionally been viewed as to indicate the origin of the goods or services. This viewpoint has been expressed several times in the case law of the European Court of Justice. This Court decided in several cases that the relevant function of a trademark is to guarantee to consumers the identity of the origin of the branded products¹⁴. In modern literature you will find that this classical doctrine is no longer valid; a trademark is more than simply a sign to identify the origin of products and services¹⁵. The change has been caused by factors such as the increasing importance of retail trade, the decrease in quality discrepancies among products and services and the development of lifestyle marks together with the resultant shift in the character of the mark from the rational and physical to the emotional and psychological.
16. The modern approach is that a trademark functions as a means of identification and communication. The origin of a product is of no importance to consumers. A mark is a sign which enables consumers to identify a product or a service; it facilitates the choice in the marketplace. For manufacturers and retailers a mark makes it possible to efficiently promote and advertise their products and services. Furthermore the trademark serves as a means to communicate information, both rational and emotional.

¹⁴ e.g. Terrapin vs. Terranova, case nr. 119/75 and Centrafarm vs. Hoffmann-La Roche, case nr. 102/77

¹⁵ Henning-Bodevig - Kur, Marke und Verbraucher, Part I and Gielen-Wichers Hoeth, Markenrecht, Part I.

In other words, the trademark is a messenger. It is of the utmost importance that these modern functions of a trademark are protected.

17. Under Benelux law they are. For example: a trademark, according to article 1 of the BTA, is a sign which serves to distinguish goods and services (not the origin thereof). How about the Directive? In the 1980 and 1985 drafts one could find in the recitals: "The purpose of protection is to guarantee the trademark's function as an indicator of origin". The final text however reads: "... the protection afforded by the registered trademark, the function of which is in particular to guarantee the trademark as an indication of origin"¹⁶. Note the words "in particular". The Directive had to leave other functions open since, as we will see, it provides for the possibility of wide protection of reputed marks even if no confusion arises. Such protection can only be given if one accepts that the trademark has functions other than being an indicator of origin.

Scope and definition.

18. The Directive does not create any new trademark rights nor does it oblige Member States to introduce certain types of marks which they did not have before. The existing national

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Recital 10 of Directive: "Whereas the protection afforded by the registered trademark, the function of which is in particular to guarantee the trademark as an indication of origin, is absolute in the case of identity between the mark and the sign and goods or services; whereas the protection applies also in case of similarity between the mark and the sign and the goods or services; whereas it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trademark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trademark and the sign and between the goods or services identified, constitutes the specific condition for such protection; whereas the ways in which likelihood of confusion may be established, and in particular the ones of proof, are a matter for national procedural rules which are not prejudiced by the Directive;"

trademark rights continue to exist. The Directive is only applicable to registered rights, although the possibility of nullification of a registration made in bad faith on the basis of knowledge of marks used earlier by third parties is recognized. It applies to all marks for goods or services registered nationally or internationally as individual or as collective or guarantee marks.

19. A trademark is defined in article 2 as any sign capable of being represented graphically, particularly words, designs, letters, numerals, the shape of goods and their packaging, provided that such signs are capable of distinguishing the goods and services of one undertaking from those of other undertakings. This seems to be a very wide definition. According to answers given by the Commission in the European Parliament, this definition also covers sounds. In my opinion even smells are not excluded, although graphical representation might cause a problem. On the other hand this definition is not exhaustive as long as the sign is capable of distinguishing the goods or services.

Refusal and nullity.

20. Let me now turn to a very important part of the Directive, namely articles 3 and 4, containing the grounds for refusal or invalidity. The structure of these two clauses is characterized by three elements.
- First of all the lists are exhaustive; that is to say, Member States are not free to add any other grounds unless they have nothing to do with the subject of the Directive; for example, Member States are free to provide for the nullity of a registration in the event of non-payment of fees or any other non-fulfilment of formalities, since

these are not a subject matter of the Directive.

The second important aspect is that both articles contain a few mandatory as well as optional grounds.

The third element is that Member States are left free to provide for these grounds to be applied ex-officio, or in opposition or inter partes proceedings.

The distinction between the two articles is supposed to be that article 3 gives the absolute grounds and article 4 the relative grounds. However the system is not watertight since in article 3 one can find the ground of bad faith which is not an absolute ground.

"Absolute" grounds.

21. I will briefly summarize the grounds of article 3.

Mandatory:

- 3(1)(a) signs which cannot constitute a mark, which I assume to mean signs which are not covered by the definition, such as a simple line or the title of a book;
- 3(1)(b-d) signs which lack distinctive power; the text of these grounds is based on article 6quinquies Paris Convention¹⁷; article 3(3) provides that, if a mark falling into one of these categories acquires distinctive power, the registration shall not be refused or invalidated;
- 3(1)(e) signs consisting of shapes which result from the nature of the goods themselves (e.g. the shape of an umbrella);
- are necessary to obtain a technical result (e.g. the classical form of a spray can);

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See the explanatory memorandum to article 6 of the draft CTM-Regulation, Bulletin EC Supplement 5/1980.

- give substantial value to the goods (e.g. the decoration of a crystal vase);
(these grounds are meant to exclude concurrence between protection of patent, model and design and copyright law on the one hand, and trademark law, on the other hand, and to prevent the monopolization of certain forms to the detriment of competitors¹⁸;
- 3(1)(f) marks contrary to public policy or immoral signs;
- 3(1)(g) misleading marks;
- 3(1)(h) article 6ter Paris Convention marks (flags etc.).

Optional:

- 3(2)(a) marks the use of which violates non-trademark laws (e.g. Food and Drugs Act);
- 3(2)(b) - under Greek influence - marks covering symbols of high symbolic value, in particular religious symbols (a cross?);
- 3(2)(c) badges, emblems etc other than article 6ter Paris Convention marks;
- 3(2)(d) bad faith registrations.

"Relative" grounds; mandatory.

22. Article 4(1) and (2), the mandatory provisions, deal with the conflicts with earlier rights. A registration shall be refused or, if registered, shall be liable to be declared invalid if

- it is identical with an earlier mark and registered or applied for in connection with identical goods or services or
- if it is similar to an earlier mark for similar goods or

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See Bulletin EC Supplement 5/1980.

services and because of that there is likelihood of confusion¹⁹.

Earlier trademarks are those CTM's, national or international trademarks, which were applied for before the date of application of the trademark and furthermore the trademarks which on the date of application of the mark are well-known in the sense of article 6bis Paris Convention.

"Relative" grounds; optional.

23. Seven grounds are mentioned as optional grounds for refusal or invalidation of later trademarks in conflicts with earlier rights, characterized as follows:

- 4(4)(a) the later trademark is identical with/similar to earlier marks for non-similar goods or services which have a reputation provided that the use of the later mark without due cause would take unfair advantage of, or be detrimental to the distinctive character or the repute of the earlier trademark; I will come back to this ground when talking about infringement;
- 4(4)(b) rights to earlier non-registered marks or other signs (such as tradenames) were acquired prior to date of application for registration of the later mark (or priority date claimed therefor) if the proprietor has the right to prohibit the use of a later mark;
- 4(4)(c) on the basis of other earlier rights such as:
 - name rights (e.g. the name of the artist MADONNA vs. the mark MADONNA for music cassettes);
 - personal portrayal rights;
 - copyrights;
 - industrial property rights (e.g. the rights to the name

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See hereunder nrs 28-32.

- of a plant variety; if the proprietor thereof has the right to prohibit the use of a later mark);
- 4(4)(d-f) the so-called vulture-prohibition: the trademark is identical with/similar to certain expired rights to collective or certification marks and to individual marks if the later rights are acquired within specified periods after the relevant expiration date.
 - 4(4)(g) the applicant was acting in bad faith, based upon the likelihood of confusion between the later trademark and an earlier trademark in use abroad.

Rights conferred by a trademark.

24. Probably the most discussed part of the Directive is article 5, which contains the criteria for infringement. This article starts by stipulating that the registered trademark shall confer on the proprietor exclusive rights therein without, however, indicating what these rights are. In the Memorandum²⁰ it is pointed out that this definition could have been formulated negatively, i.e. that the proprietor has the power to oppose the use of an infringing mark. Although this does not represent a substantive difference, the Memorandum argues that "the positive definition expresses more appropriately the fact that the registration of the EEC trademarks confers upon its owner a right, which he may not only assert against infringements, but also transfer to others by way of assignment or licence."
25. What is considered as trademark infringement? Before explaining the mandatory and optional criteria of the Directive I would like to show you the enormously important

²⁰ Supplement Bulletin EC 8/1976 pt. 106.

development in ideas about trademark infringement in the course of drafting the Directive. In the 1980-draft the trademark was said to confer upon the proprietor the exclusive right to prevent the use of his mark or a similar sign for the same or similar goods if by such use there is "serious likelihood of confusion on the part of the public". The rationale of this was that the Directive should change national rules which lead in individual Member States to very different forms of partly very broad protection. Impediments to the principle of free movement of goods and services are only permissible where there is a serious likelihood of confusion. According to that draft, protection of well known marks in national laws was excluded. This proposal (to be also found in the draft CTM-Regulation with the exception of the protection of well known marks) was heavily criticized. If adopted it would in fact have weakened the protection of trademarks under national laws. Under the pressure of this criticism the proposal was changed and in a text published in 1985 the word "serious" was deleted and the only criterium for infringement in the case of a similar mark used for similar goods and services was risk of confusion. Protection of trademarks against the use of similar marks for non-similar goods and services was still not provided for. In a text which was discussed in the working group on intellectual property (trademarks) in 1986 one finds for the first time a mandatory provision that the trademark owner could also act against similar marks for non-similar goods and services if in the country where the trademark is registered this mark is of wide repute and if use of the trademark for non-similar goods and services takes unfair advantage of or is detrimental to the distinctiveness or the repute of the trademark.

26. The final text of the Directive is as far as the infringement criteria are concerned very much inspired by Benelux trademark law. It was in fact under the pressure of the Dutch delegation that the infringement criteria were widened. The Dutch delegation vigorously defended the important progress which was made in the field of trademark law in the Benelux on the basis of the Benelux Trademark Act as interpreted by the Benelux Court of Justice. The result of the negotiations between the Member States was a clear recognition that in present times a trademark not only functions as an indication of origin but can constitute a valuable asset in and of itself. In other words, it is a symbol having goodwill even apart from the goods or services for which protection is applied for. The negotiations resulted in the following mandatory and optional provisions in article 5.

Mandatory.

27. The proprietor of a trademark has the right to prevent all third parties not having his consent from using in the course of trade:

5(1)(a) any sign which is identical with the trademark in relation to goods or services which are identical with those for which the trademark is registered;

5(1)(b) any sign where, because of its identity with, or similarity to the trademark and the identity or similarity of the goods or services covered by the trademark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trademark.

Confusion includes association.

28. What do the words "likelihood of confusion . . . , which includes the likelihood of association between the sign and the trademark" mean? To answer this question it is necessary to understand the infringement criteria under Benelux trademark law as interpreted by the courts. According to article 13A of the Benelux Trademark Act, the proprietor of a trademark can oppose all use of his trademark or a similar sign for the same or similar goods or services as those for which he registered his trademark (part 1 of the infringement criteria) and furthermore all other use which is made of his trademark or similar sign (for whatever kind of goods or services or even not for goods or services) provided that this use takes place without a valid reason in the course of trade under circumstances which cause prejudice to the trademark owner (part 2 of the criteria).
29. Under Benelux law, therefore, the concept of similarity is crucial. In a leading decision, the Benelux Court of Justice interpreted the word "similarity" as follows²¹. The Court decided that there is similarity between a mark and a sign when, taking into account the particular circumstances of the case, such as the distinctive power of the mark, the mark and the sign, each looked at as a whole and in correlation, show such a resemblance auditively, visually or conceptually that by this resemblance alone associations between the sign and the mark are evoked. As you can see, risk of confusion does not play a role under Benelux trademark law.
30. How does this work in practice? Let us take the trademark

²¹ Decision of May 20, 1983, case nr. A 82/5, Union vs. Union Soleure.

TOYOTA TERCEL. If we assume that Nissan is going to use NISSAN TERCEL it is clear that according to the classical notion of trademark law Nissan could very well argue that there will be no risk of confusion amongst the public, especially not as far as the origin is concerned. Under Benelux trademark law the courts would certainly accept that NISSAN TERCEL infringes upon TOYOTA TERCEL. Between the two marks there is on the basis of the distinctive element TERCEL such a resemblance that by this resemblance alone there is the risk that NISSAN TERCEL will be associated with TOYOTA TERCEL.

31. Another splendid example. Our Supreme Court had to decide a case involving the famous trademark MONOPOLY; in connection with a game which showed some similarity with the MONOPOLY-game, but was totally anticapitalistic, the trademark ANTI-MONOPOLY was used. Also in this case one could argue that there is no risk of confusion because ANTI-MONOPOLY is the reverse of MONOPOLY. Under the likelihood of association-concept in the Benelux the simple fact that the public when seeing or hearing ANTI-MONOPOLY would think of MONOPOLY is sufficient to result in trademark infringement²².

I will show you a couple of slides with respect to cases decided under Benelux law, which cases probably not by all of you be accepted as trademark infringement under classical theories.

32. The likelihood of association-concept is a wide criterium for assessing trademark infringement, much wider than the classical notion of likelihood of confusion. If a risk of confusion is established, the risk of association is given. It is, however, very strange that article 5 of the Direc-

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Decision of June 26, 1977.

tive speaks of likelihood of confusion which "includes" the likelihood of association. In other words: the wider criterium is mentioned as a genus of the species likelihood of confusion. This seems to be contradictory. However, from the statements which were entered into the minutes of the meeting of the Council at which the Directive was adopted, it is said: "the Council and the Commission note that 'likelihood of association' is a concept which in particular has been developed by Benelux caselaw". Notwithstanding the fact that article 5 is worded in a strange way, it is clear that the intention of the Community legislature was to accept the wide criterium as applied under Benelux law. The interpretation of article 5 should therefore be that likelihood of confusion should be read in the most wide sense.

Optional infringement criterium.

33. I have already told you that the second part of the infringement criteria under Benelux law is the possibility to oppose all use of the mark or a similar sign in the course of trade and without a valid reason in such a way that prejudice can be caused to the trademark owner. The delegations from the Benelux argued vehemently that such a clause is of the utmost importance for a trademark owner. It had been asserted in earlier documents²³ that such a provision would carry the risk of an extension of the monopoly of the trademark owner beyond the proper needs of trademark protection. By the end, the other delegations apparently were convinced that Member States should have the possibility to provide for protection of trademarks also with

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Memorandum on the creation of an EEC-trademark, pt. 109.

respect to dissimilar goods and services. This possibility is recorded in article 5(2). The conditions are that the trademark has a reputation in the Member State and that the use of the sign is without due cause and takes unfair advantage of or is detrimental to the distinctive character or the repute of the trademark. Under Benelux law such protection exists also for trademarks which are not of repute although it must be said that the owners of trademarks which have a certain reputation have a greater chance of successfully arguing that damage was caused by the use of a similar sign for dissimilar goods or services. In my opinion reputation is not a very severe criterium. The owner of the trademark only has to show that the trademark is genuinely used in a normal commercial way and that on the basis of such use the trademark became known within the interested circles. Reputation in my opinion need certainly not be established amongst a large public, only a relevant part of the public concerned would be enough. By relevant I mean some thirty/ forty percent.

34. The element "taking unfair advantage of or being detrimental to the distinctive character or the repute of the trademark" would certainly also fall under the prejudice risk in the wide Benelux trademark law infringement criterium. I would like to mention one famous case which was decided in 1975 concerning two marks which have an identical pronunciation in the Dutch language: one (CLAERYN) for a Dutch gin and the other (KLAREIN) for a liquid cleaning agent. The Benelux Court explained the notion of prejudice in a negative and a positive way. Negatively the Benelux Court ruled that in order to accept prejudice to the trademark owner it is not necessary that the distinctive power of the mark is affected nor that risk of confusion is established. Positively the Court decided that one of the

advantages of a trademark is the capacity to stimulate the desire to buy the kind of goods for which the mark is registered and that this capacity can adversely be affected also by the use of the mark or a similar sign for non-similar goods. According to this Court this may be the case when

- by the loss of exclusivity the mark is no longer capable of arousing immediate association with the goods for which it is registered and used, or
- the goods for which the infringing mark is used appeal to the public senses in such a way that the attractive power of the mark is effected.

The CLAERYN-case is a beautiful example of such a negative appeal. It is not funny to drink a good glass of CLAERYN Dutch gin while thinking of a cleaning agent at the same time.

Further examples under Benelux law.

35. Infringement was accepted:

- DUNHILL for tobacco products, leather ware and stationery vs. CHRISTOPHER DUNHILL for glasses (District Court The Hague, December 21, 1978);
- APPLE for computers vs. APPLE for services in the area of advertising, public relations and marketing (Court of Appeals, Amsterdam, March 8, 1984);
- LACOSTE-crocodile for clothing vs. design of two copulating crocodiles for fun-articles (District Court Haarlem, June 19, 1985);
- GUERLAIN for cosmetic products vs. GUERLAIN in sex books (Commercial Court Brussels, February 24, 1987);
- MARLBORO for tobacco products vs. MARLBORO MEN'S LINE for cosmetic products (Commercial Court Brussels, October 6,

1988);

- DAVIDOFF for tobacco products, wines and liquors and several other products vs. DAVIDOFF as name of a bar (Commercial Court Antwerp, June 1, 1989).

36. I hope that I have made clear to you that as far as the infringement criteria are concerned, Benelux law will play an important role in interpreting the Harmonization Directive.

Examples of prohibited use.

37. Article 5(3) gives a few examples of use that may be prohibited under the mandatory and optional infringement criterium:

- a. affixing the sign to the goods or to the packaging thereof (this means that even when the goods can not be seen in a specific Member State the manufacturer of those goods destined for export can be guilty of trademark infringement);
- b. offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder (most of this speaks for itself, but it is important to note that the mere stocking of goods may be prohibited);
- c. importing or exporting the goods under the sign;
- d. using the sign on business papers and in advertising.

Exhaustion.

38. Article 7 provides for an exhaustion-rule which can be seen as protectionist of trade in the European Communities. The

proprietor of a trademark shall not have the right to prohibit the use of the trademark in relation to goods which have been put on the market in the Community under that mark by the proprietor or with his consent. In earlier drafts²⁴ worldwide exhaustion was provided for. The argument was that the principle of worldwide exhaustion is the direct consequence of the function of a trademark as indicator of origin. It was also said that this principle would stimulate competition on the European market because it would be possible for parallel importers to import cheaper goods under the trademark from elsewhere. In the 1985-draft (as well as in the relevant article in the CTM-regulation) this principle was abandoned. The Court of Justice had already decided in 1976²⁵ that the owner of a trademark in the European Community could prevent the import of goods under the same trademark which had a similar origin but coming from the United States. I think it is a very good development that the principle of worldwide exhaustion was abandoned. Some authors²⁶ argue that national courts might nevertheless reintroduce the principle of worldwide exhaustion and that this would be allowed under the Directive. There is, however, much to say for the new principle. Trademarks no longer function as indicators of origin; they are assets in themselves and the goodwill which they embody is in large part based on the characteristics of the goods as they were put on the market. These characteristics, however, differ from country to country and especially from continent to continent. This has to do with the different tastes and attitudes of other markets and also with the availability of different raw materials. In a decision of

24 Memorandum on the creation of an EEC-trademark pt. 116 and the 1980-draft.

25 July 15, 1976, case Nr. 51/75, EMI vs. CBS.

26 Beier, GRUR Int. 1989, p. 613; Arkenbout, Handelsnamen en merken, p. 148

the English High Court of April 18, 1988 in the case of Colgate vs. Markwell, the English owner of the trademark Colgate successfully opposed the parallel import of tooth-paste produced in Brazil with its consent but of a much lower quality. Such import would have prejudiced the trademark if you accept that such a trademark has functions other than being the indicator of origin.

39. Of course the trademark proprietor can also oppose further commercialization of goods brought into circulation under the trademark by him or with his consent if there are "legitimate reasons", such as that "the condition of the goods is changed or impaired after they have been put on the market" (article 7(2)).

Use of trademarks.

40. In order to reduce the total number of trademarks registered and protected in the Community and, consequently, the number of conflicts which arise between them, the Directive considers it essential to require that registered trademarks must actually be used and, if not used, be subject to revocation. On the basis of article 10(1) trademarks must be genuinely used in the Member State in connection with the goods or services in respect of which they are registered within five years after the date of completion of the registration-procedure and within an uninterrupted period of five years after any suspension of such use.
41. The sanctions for failing to put a mark to genuine use are that it cannot serve as the basis for declaring invalid or refusing to register a later mark. Furthermore a trademark which has not been the subject of genuine use is liable to revocation. These sanctions will not apply if the owner of

the trademark can invoke proper reasons for non-use.

42. Similar rules exist under Benelux Trademark Law. It may be interesting to cite a leading case decided by the Benelux Court of Justice²⁷. The Court said that the deciding factor is whether the use was a bona fide use to create or keep a market for the product and not merely to maintain the trademark right. One should consider what is usual and commercially practicable in the particular industry or trade in question and in considering this one should look at factors such as the nature of the use, the extent of the use with respect to the number of goods or customers, the territorial expansion, the frequency, regularity and duration of the use in relation to the type of the goods or services as well as to the nature and the size of the trademark proprietor's business.

The Winston vs. Whiston-case was confirmed by the Kim-case²⁸ and in this case the court defined proper reasons for non-use as "facts and circumstances which do not lie within the power of the holder of the trademark and are not a part of his normal entrepreneur's risk".

43. Article 10(2) specifies that the following acts shall also constitute use:

- use of the trademark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (this is similar to article 5c(2) of the Paris Convention);
- affixing the mark to goods or the packaging thereof in the Member State concerned solely for export purposes;
- use of the mark with the consent of the proprietor.

27 Winston vs. Whiston, January 27, 1981, case nr. A 80/3.

28 Benelux Court of Justice, November 18, 1988, case nr. A 87/2.

Cure.

44. The Directive provides for the possibility which is already known in Germany as "Heilung" to cure the situation of non-use. Article 12(1) stipulates that the right in a trademark cannot be revoked on the basis of non-use where genuine use of the trademark has been started or resumed during the interval between expiry of the five year period of non-use and filing of the application for revocation. I emphasize however, that actions taken by the mark holder in bad faith will be disregarded. For example: if a trademark owner who did not make any use of his mark for five years knows that someone is going to apply for revocation (e.g. because he received a letter) and then immediately resumes the use of the mark, his right can nevertheless be revoked.

Grounds for revocation.

45. As you can gather from what I have already said, the first ground for revocation is non-use. There are however two further grounds which are mandatory:
- if the trademark in consequence of acts or inactivity of the proprietor has become the common name in the trade for a product or service in respect of which this is registered (article 12(2)(a));
 - if in consequence of the use made of it by the proprietor or with his consent the trademark is liable to mislead the public in particular as to the nature, quality or geographical origin of the goods or services for which the trademark is registered.

Licensing.

46. Contrary to earlier drafts the final text of the Directive provides for what on their surface appear to be straight forward provisions with respect to licensing, which, however, in my opinion will certainly become a subject of litigation. Article 8(1) stipulates that a trademark may be licensed for some of all of the goods or services for which it is registered and for the whole or part of the Member State concerned. So far, so good. However article 8(2) provides that the proprietor of a trademark may invoke his trademark right against the licensee who violates any provision in the licensing contract with regard to

- the duration . . .
- the form of the trademark
- the scope of goods or services for which the licence is granted
- the territory in which the trademark may be affixed
- the quality of the goods manufactured or the services provided by the licensee.

47. First of all, it is unclear whether this clause is a mandatory one or an optional one. For example, it is uncertain whether Member States can provide for fewer grounds for trademark infringement by the licensee, than those mentioned in the Directive.

And what would happen in the following case? Let us assume the trademark licence is granted for two provinces of Germany only, which would be allowed according to article 8(1), and that the licensee is going to package the goods and affix the trademark in a third province of Germany; would the trademark proprietor then have the right to sue the licensee for infringement of his German trademark in the third province in Germany only? Would that not be contrary to the principle of indivisibility of a trademark .

right? In my opinion the only remedy in such a situation would be that the licence agreement be cancelled because of violation of one of the clauses. If trademark infringement is accepted in such a case the distributors of those products could also be sued on the basis of trademark infringement. I have the impression that this was not the intention of the Directive. Generally speaking, I would like to point out that in my opinion the rules of the Treaty of Rome with respect to the anti-competitive effect of agreements (article 85) continue to apply. All trademark licence agreements have to fulfil the tests of article 85(1) of the Treaty of Rome.

Acquiescence.

48. The last point I would like to mention relates to a provision which will be new for almost all trademark laws in Europe. As the recital indicates, for reasons of legal certainty the Directive provides that the proprietor of an earlier trademark shall no longer be entitled to apply for a declaration of invalidity of a later trademark or to oppose the use thereof if the proprietor has, in a Member State, acquiesced for a period of five successive years in the use of the later trademark registered in that Member State while being aware of such use. Please note that this rule only applies if the trademark owner has knowingly tolerated the use of the later trademark (not the registration thereof!) and only if that trademark is registered in the Member State where the acquiescence has occurred. In my opinion it is up to the user of the later trademark to prove that the owner of the earlier trademark knew of the use. There is one exception to the acquiescence rule and that is that it does not apply if the registration of the later trademark was applied for in bad faith.

Conclusion.

49. In conclusion I would like to make two additional comments. The first is that I personally find it fascinating to realize that what is said on seven pages in the Official Journal where the Directive is published forms the basis for uniform trademark law in all countries of the European Community. The second point concerns the difficulties of interpreting in a uniform way several of the features of the Directive. Here the Court of Justice in Luxembourg will certainly play an important role. On the basis of article 177 of the Treaty of Rome, the Supreme Courts of the Member States have to refer a case to the Court of Justice if there is a question of interpretation with respect to a rule of Community law. I am sure that the Court of Justice will in many cases have a close look at the decisions of the Benelux Court of Justice as well as at decisions of national courts in the Benelux for the simple reason that many of the provisions of the Directive were based on Benelux trademark law.

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Strasbourg, September 7 to 25, 1992

COMPUTER MANAGEMENT OF A TRADEMARK REGISTRATION SERVICE

by Mrs. Kerstin Sundström
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INTRODUCTION

A trademark department--as well as other offices--needs to use all modern techniques in order to perform efficiently.

Nowadays this means, among other things, computerization of different types of trademark operations.

For obvious reasons the following presentation is based upon the ways and methods that are used in the Swedish Trademark Office. Hopefully our experience will be of some help for offices that are starting up or want to improve their computerization within the trademark field.

Computer systems for trademark handling can take care of different needs:

- administrative routines, including legal aspects,
- production of notifications, final decisions, etc.
- production of the official trademark gazette,
- production of statistics,
- service to the public.

Offices that ex officio perform similarity searches for word marks and/or device marks might want to complete the computerization with systems for similarity searches. Such systems can be more or less integrated into the administrative systems.

I would like to deal with the subject in the following order:

1. Procedure and organization
2. Publication
3. Statistics
4. Service
5. Finally, I intend to talk a little about the computerization of the Swedish Trademark Office
6. Conclusion

1. Procedure and Organization

General remarks

The framework of trademark handling within a trademark office is of course set by the national laws in each country. The requirements are different in different countries. One example: How much historical information must be kept for ever and in what form? Every office wanting to computerize trademark operations will meet with questions of this kind and has to solve them according to its own rules.

Also to be kept in mind is the following: You should never try to transform manual routines into computerized form. You have to have an open mind on how to organize the work and the routines.

Last but not least, to get a good result from computerization of trademark handling the preparation work is of utmost importance. One has to define the purpose, define what one wants to obtain. The basis is a thoroughly prepared "users requirement."

Having said that, I want to stress the necessity of close cooperation between the administrators/users and "computer people," the programmers and system analysts.

One way of obtaining such cooperation is through a project group consisting of persons representing the future users in a broad sense, and persons from the EDP section in the office or EDP consultants, as the case may be.

The work of the group will result in a written document, containing the aims of the project and the wishes and requirements of the users. For the users it is very important to see how the information will be presented on the screen of the display unit and what the lists that the system produces look like. Therefore, it is essential that the document gives display layout as well as list layout.

This may be a lengthy and costly way to produce a foundation for computerization. But--and here I talk from personal experience--if you do not take this work seriously and thoroughly, you will lose out at the other end. It is more expensive and more time consuming to try to rebuild or improve a system that does not meet the requirements of the users than to take the necessary time to discuss the problems and find an acceptable solution from the beginning.

The document from the project group is normally the basis for the programmers and the system analysts to estimate how long the programming will take.

If the intention is to computerize the whole of trademark handling, it might be wise to go step by step, i.e., to introduce the programs one by one. There are certain advantages with such a method. The projects can be kept to a manageable size. The systems can be implemented fairly quickly and the staff can see that the work in the project group has produced tangible results.

This leads me to another very important point not to be forgotten, and that is training. It is of fundamental importance that the staff be informed of what is going on. All persons, who are to use the system in one way or another, must be trained and instructed beforehand so that they can cope with the system and the display units in an accurate way. If we miss this part of the project, things will not work out as planned. In theory we might have got the most perfect and advanced EDP system, but without people to handle it properly, we will be worse off than before.

Building up and using data bases

As we all know, with the help of a computer the most remarkable things can be done. And this is of course also applicable to trademark handling.

As a basis for the operations to follow, there lies the trademark application. The mandatory requirements for trademark applications might be different in different countries. But normally they contain some of the following items:

- application number
- application/filing date
- the applicant; name and address
- the representative, if any; name and address
- type of mark
 - * wordmark
 - * device, if yes; the classification of the figurative elements, if used
 - * collective mark
 - * certification mark
 - * slogan
 - * three dimensional mark, etc.
- list of goods and service; class and items, if any
- colour claimed
- fees
- priority claim; country, date, number, etc.

The above-mentioned information can be used in the further processing of the application. The data base must however be updated continuously with administrative data, like communications with the applicant, decisions of the office, changes in ownership, etc.

Everyone should be able to see on the screen, whenever necessary, the status of the application, for example:

- the bibliographic datas
- have there been any communications
- is the mark published
- has the office received any opposition.

Once an application is registered, this event must be registered. Future events like renewals and changes in the registered mark should also be noted in the data base.

In short, every occurrence concerning the application or the registered mark should be registered in the data base instead of being entered in the paper journals.

Depending upon the ambition, money and time an office can spend on automatization, a decision must be made on the scope of the input into the data base.

As a first step you can choose to work out systems that allow the registration of just the kind of events and the date when they occur, as a complement to the bibliographic data. To facilitate information of the event it is very convenient to register the name/signature of the person who wrote the letter, made the decision, etc.

The system can be improved by the use of programs to check time limits. For instance, if nothing has happened in an application at the due time, a list can be produced upon request showing the applications where nothing has happened so far.

In more complicated systems the actual content of the event is also entered into the data base. The complete text of a written communication or of a decision can then be presented on the screen. The document in written form can be produced automatically in two or more copies.

One might also register in the data base the full text of the communications from the applicant or opponent to the office, in order to have on-line access to all the paper documents in the file. This will, however, be a heavy task for the staff, if you do not use some form of scanning procedure.

Up to now I have talked about words and texts. As we all know, marks sometimes contain figurative elements. The percentage of device marks might be growing. In my country about 25% of the trademark applications have figurative elements.

With the help of modern techniques, even device marks can be digitalized and registered in a data base. The costs of scanning, storage and on-line access to digitalized figures are still rather high. It is nevertheless very convenient to have the device marks in the data base in order to simplify the production of the official publications regarding trademarks.

2. Publications

As stated earlier, systems can be built to produce letters, notifications, etc. in the processing of a trademark.

The computerized processes can also create and produce the official publications for trademarks. The form and layout will of course have to be decided by each office according to national law and with regard to the scope of information in the data base.

In order to facilitate the understanding of the trademark gazettes for trademark owners and other interested parties, WIPO has made recommendations to use the so-called INID codes in connection with trademark publications. I will come back to this point later.

Of course other official documents concerning trademarks such as certificates and priority documents can also be produced by the computer.

There are many methods of producing publications from digitalized information. One important question to answer is whether the work should be done within the office or would it be better with an external contractor.

3. Statistics

Digitalized information in a data base is very useful for compiling statistics regarding trademarks to satisfy both national and international requirements.

Such compilations are also often requested by trademark agents or other interested parties.

The following list of statistics may normally be required:

- number of applications
national/non-national
- numbers of registrations
national/non-national
- numbers of renewals
national/non-national
- total numbers of active registrations
in the register
national/non-national
- number of applications, registrations
and renewals, broken down by country of origin
- number of registrations for product/service
broken down by class
- number of notations/communications
- number of oppositions
- number of appeals

If a trademark office has special need for statistic compilation of registered information, systems can normally also be designed to cover those requirements.

Similarity Searches

Identical or similar marks should normally not be registered for the same or similar goods.

According to national laws, trademark offices have found different solutions to this problem. Some offices perform ex officio examinations on both absolute and relative grounds, for example of confusingly similar trademarks.

Others do not search ex officio but wait for opposition before deciding if two marks are confusingly similar. Anyhow, there has been and still is a need for systems and methods for such searches for both word marks and device marks.

Originally, all examination was done manually. As long as the marks were few in number this method worked rather well. As the number of trademarks increased in the register, offices and agents started to look for mechanical systems to replace the old-fashioned and time-consuming routines. The first computerized search systems were developed some 20 years ago. The Swedish Trademark Office was one of the first offices to use a computerized system for word trademarks.

This system was created by persons from the office, together with a private firm. We used this first system between 1970 and 1990. For the last four years, the system was run on our own computer.

The system worked well. The search lists it produced gave a good basis for the examiners to decide upon similarities. Yet we found it necessary to improve the results. We wanted to get rid of the "rubbish" citations of no or little value in the lists. After lengthy discussions in the office, we decided to develop and build a new system for similarity searches. The work was hard and the testing took a long time. The new system was implemented in November of last year. We are satisfied with its performance and results. The new system has reduced the citations significantly without losing the relevant ones. I will show you some examples later.

For the moment, the program is run twice a week. If in the future we find it more suitable, it can be transformed to an on-line program.

The search program is separated from the administrative programs and is--so to say--put in a "blackbox." Therefore, the system can be adapted to different kinds of computers. Its parameters can also be adjusted and adapted to languages other than Swedish.

The computerized similarity search program has had great importance for trademark handling; it saves quite a lot of time for the examiners. Without it, we would not have been able to cope with the growing workload.

Today you can find computerized systems to examine even device marks. These systems need powerful computers and work rather slowly.

My personal opinion is that, for the time being, manual searches for similar devices are more accurate and faster as compared to the computerized systems. But the techniques develop very quickly and in a few years things will have changed a lot and I may have to change my mind.

4. Service

Service and information regarding registered trademarks is of great and growing importance to the public, trademark agents, lawyers, etc.

Computerized information regarding trademarks is of great help for offices in fulfilling this task successfully. You have early access to the information through display units and can give quick and correct answers by phone or to visitors. With additional equipment you can arrange external access on-line to the data base for clients.

The data base information can be selected and presented in different ways to satisfy the requirements from agents, etc. The compilations can be produced as hardcopy, on microfiche, on tape or on any other suitable medium.

5. Computerization in the Swedish Trademark Office

Finally, I would like to talk a little about our own computerization and how we use the programs.

We started, as I said earlier, with the search program for wordmarks and have successively built up administrative programs for handling trademark applications, renewals, changes in the register and publications.

In our work we also have on-line access to data bases with information about names of registered companies and family names.

The Swedish Trademark Office receives about 12,000 applications a year and we have 96,000 active trademarks in the register.

Our computer is a mainframe IBM 4381/91. Twenty-five giga bytes are used for the trademark operations; this covers the same amount of information as that contained in a pile of telephone directories 100 meters high. All examiners and office staff have their own display units, about fifty in total. We use eight printers. One is a laser printer for the production of the official trademark gazette.

Application numbers and bibliographical data of all applications are registered in the data base early in the morning on the day after the applications are filed. Check-lists are produced and errors corrected. The program automatically produces a letter in duplicate, one for the applicant and one for the office, confirming the filing of the application and showing how the mark is recorded in data base, if it is a wordmark. For the time being we have no possibility of digitizing figures.

The application then is examined as to formalities and classification of goods and services.

If the application is not complete or in good order, the examiner writes a letter stating the errors and asking for corrections within a given time limit. This letter is written in full text in the data base. The system produces two printed copies of the letter, one for the applicant, one for the file. When an answer is received the date and the type of answer is registered in the data base. After the due date, the system produces a list showing the applications not replied to.

When the classification is in order, the correct class/classes are registered and the trademark is then examined in the computerized search system.

The results of the search are printed on a list and form a basis for the examination for obstacles to registration on relative grounds.

If the examiner finds any obstacles to publishing the application, he communicates his observations in a letter to the applicant and asks for the applicant's views or for corrections within a given time limit. These letters are treated in the same way as the letters regarding the formalities.

If the examiner finds no obstacles or if the obstacles are removed, he makes a decision to publish the application for opposition. The date for publishing is registered and the official gazette is produced by the staff in the Trademark Office through a computerized system partly integrated with the administrative routines. The applicant is automatically informed through a letter that his application has been published.

The opposition time in Sweden is two months. Normally, the publication of an application leads to registration. The opposition rate is less than 3 per cent. Two months after publication the mark is registered. The event and the date are entered into the data base. The full text of the registration is published in the official gazette in the same manner as the publication of the applications. When the office receives an opposition against a published application, the event and the date are immediately registered. After communication with the applicant, a decision is made to accept or to refuse the application. The event and the date are registered.

An application that is not put in order--or where obstacles are not removed--will be refused and the event and date noted in the data base.

Dates of appeal and of the decisions of the appeal courts are also registered in the data base.

In the trademark office we have a small section for information regarding trademarks. The information is in great demand and free of charge. The staff has on-line access to all information in the data base and can give satisfactory answers to most of the questions asked.

In order to improve our service and to meet the demands from the trademark agents we are at the moment trying to establish on-line access to our data bases from external display units.

6. Conclusion

In conclusion, I would like to say the following.

Electronic data processing becomes more and more important. It can--and should--be used also in trademark offices as a way to improve both trademark procedures and the service to the public.

To be successful in computerization we have found that it is essential to involve the users in the process from the beginning, to define and explain the purpose to all those whose work will be affected by computerization, directly

or indirectly. We must not forget that most people are afraid of changes, regardless of the nature of the change, information must be given and maintained.

Automatization is of no use in itself. It is a tool for the people in the office. The systems therefore must be designed to suit their needs only. Computerization must simplify the work without killing the pleasure of it.

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Strasbourg, September 7 to 25, 1992

PROMOTION OF INVENTIVE AND INNOVATIVE ACTIVITY

by Mrs. Geneviève Gelly
Regional Delegate
National Agency for the Valorisation of Research (ANVAR),
(Strasbourg)

The French Example

The political will to develop innovative activities emerged in the industrialized countries at the beginning of the sixties. What was then meant, as indeed today, by "innovative activities" was the capacity of producers and scientists of the country to generate and develop technical trends of which the future spin-off was normally to be deemed positive for the national community:

- increased competitiveness of undertakings (with the capture, where possible, of foreign markets, giving new life to depressed industries, etc...)
- preservation or creation of employment
- progress in working conditions, respect for the environment, energy saving, etc...

We may note that, to progress towards the first two of those aims, all countries essentially devoted efforts to the industrial sector (not the commercial field) on the principle that may be sketched out as follows: with good quality products and good quality processes markets can be conquered and one job created in industry will generate two jobs in the service sector.

I. THE CONTEXT

1.2 Those Involved

The agents of technical innovation are basically to be found at three levels in the French economic structure:

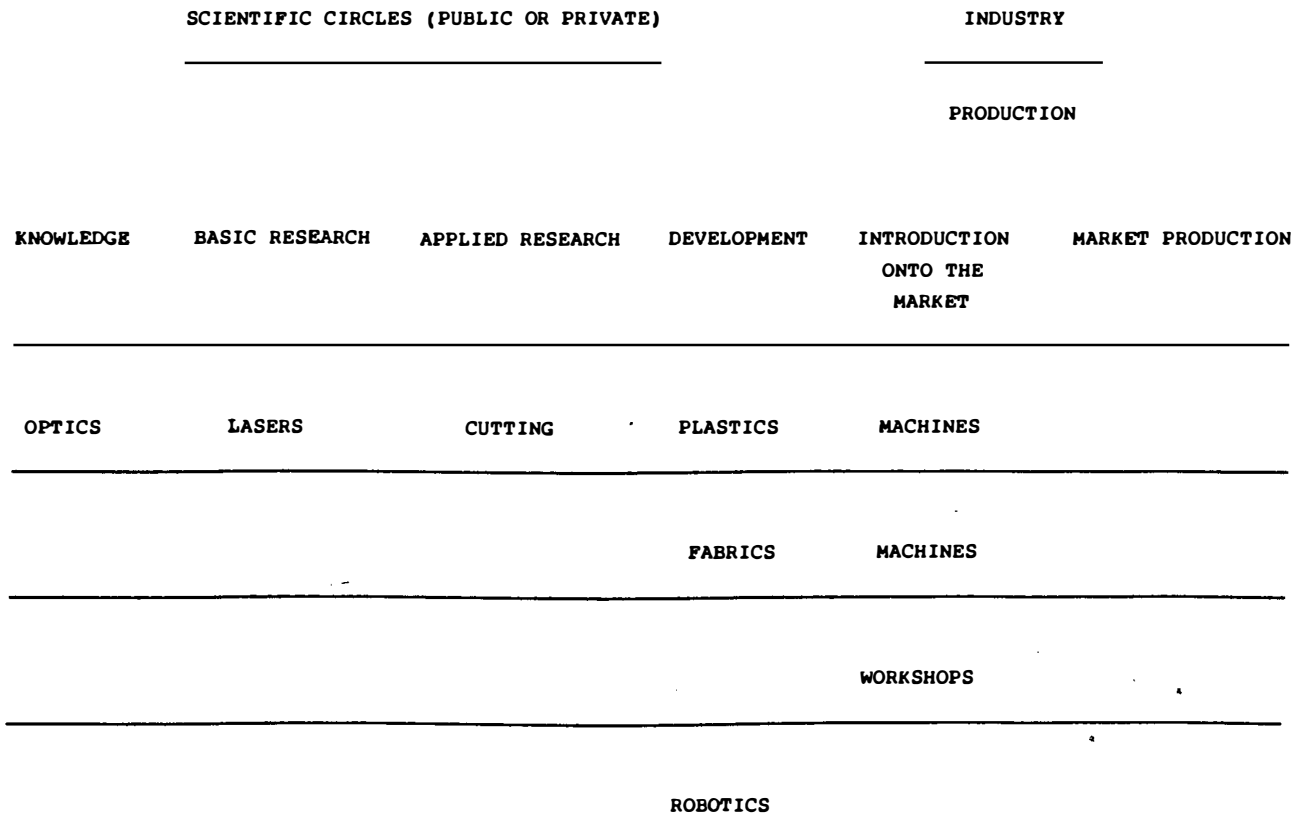
- public research
- industrial research in large-scale undertakings
- technical teams in the small and medium-sized undertakings

There also exist a few isolated individuals who also carry out their personal inventive activities.

2. The Emergence of Innovation

NB: An innovation is an invention that is ready to be placed on the market. Innovations basically emerge within the large-scale and small undertakings, with, generally, a lower technological level in the small firms (despite brilliant exceptions, particularly in the case of small-sized firms that have emerged from a research environment).

Generally, the innovation process may be schematized as set out on page 3.



This process conventionally worked from left to right for a long time, and subsequently from right to left on the basis of market analysis to seek technical solutions upstream. In fact, there is general acceptance of a double movement, that of "technology push" and "market pull."

It is obvious that the key points in the working of the process are the points of liaison between the various phases and between the various agents just as much as the quality of the content of each phase.

Amongst the agents, we may cite the major categories:

- public laboratories
- private laboratories
- professional technical centers
- contracting research firms
- business advisors
- industrial undertakings.

Likewise, it is obvious that the market in innovations is very closely linked to the capacity of industry to adapt both to the development of markets and the emergence of new technologies and to take the risk of devoting human and financial means to such a venture. This capacity is very closely linked to the economic situation of the country concerned.

II. THE FRENCH ARRANGEMENTS FOR PUBLIC SUPPORT OF INNOVATION

These were conceived in the same spirit as that of the Community arrangements: public support is reserved for research and R & D operations and does not apply to production and marketing investments.

We therefore have, upstream, public support for teaching (Ministry of Education) and research (Ministry of Research), support for the introduction of new technologies (Ministry of Industry) and, in respect of the development of industrial innovations, a public body with a lighter structure, ANVAR or the National Research Development Agency.

1. ANVAR--Tasks and Means

The task of ANVAR is to promote innovation. In order to do so, it must undertake an incentive action in the "development" phase of the process described above and at the hinge points, both upstream and downstream, of that phase. The innovation must be an innovation in respect of a product or of an industrial process.

The government has given ANVAR a relative amount of freedom as to its working methods, except in one essential point, i.e., the financial incentive (innovation assistance) that is defined quite in detail by decree and which results in considerable annual budget credits.

Indeed, ANVAR's budget for providing such financial incentive amounts to some 1 300 million francs a year.

2. Structure

ANVAR constitutes an EPIC, or public institution of an industrial and commercial nature, which is under the responsibility of both the Ministry of Industry and the Ministry of Research.

The institution employs approximately 350 staff members, 180 of whom work in the 24 regional offices.

The widespread setting up of the industrial network over the territory of France requires the establishment of a regional presence.

IV. CONDITIONS OF INTERVENTION (see pages 5 and 6)

ANVAR IN PRACTICE

APRIL 1990

ASSISTANCE TO UNDERTAKINGS	FIELD OF APPLICATION	AMOUNT
Assistance to innovation projects	Cost of developing a new product or process with technological content from the preliminary studies to preparation of industrial and commercial launching: <ul style="list-style-type: none"> . Expenditure launching. May be subcontracted to providers of specialized services, including subcontracting to laboratories or research firms under contract. . Internal expenditure: staff costs, purchase of material, components, cost of acquiring licenses, building of prototypes, cost of technical and development testing in the workshops, demonstrations... 	50% at most of the internal or external expenditure of the innovation program selected by ANVAR, including preparation for industrial and commercial launching. May be supplemented by regional councils or other partners (French Electricity, Ministry of Culture...). A refundable advance in the event of success.
Assistance for employing research workers	Internal and external expenditure linked with the recruitment and employment of a research worker within the undertaking.	50% at most of expenditure. Ceiling: 200 000 francs. Subvention.
Assistance for innovation services	Cost of consultancy at all stages in the innovation process (innovation diagnosis, market studies, feasibility studies, studies, design studies, value analysis, standardizing, industrial property, scientific and technical information. Search for partners...).	50% at most of external expenditure. Ceiling: 200 000 francs. Subvention.
Assistance for "creation of undertaking" services	For the creation of undertakings: expenditure for setting up the enterprise plan (market studies, financial studies, legal studies, industrial property).	75% of expenditure (including expenditure of the creator, even up to 20% of the forecast). Ceiling: 300 000 francs. Subvention.
Assistance to "European" services	Expenditure incurred in seeking for foreign partners with a view to establishing a European project. Expenditure linked to establishing the project (definition of aims and objectives, formalization of cooperation agreements, distribution of tasks...).	50% of expenditure. Ceiling 600 000 francs. Subvention. 50% of expenditure. Ceiling: 400 000 francs. Subvention.

ASSISTANCE FOR TECHNOLOGY TRANSFER	FIELD OF APPLICATION	AMOUNT
Assistance for transfers	Internal and external expenditure needed to carry out the transfer: subcontracting, consultancy, internal and external studies, costs of testing, models, prototypes.	50% at most of expenditure (including possible 100% excess cost). Refundable advance on the produce of industrial transfer (collaboration, licenses...).
Assistance for simplified transfers	Consultancy costs needed for preparing the transfer: detection of results of research, market studies, patentability, freedom of exploitation, search for partners.	50% at most of external expenditure. Ceiling: 200 000 francs. Subvention.
Specific support to SRCs (contract research firms)	<ul style="list-style-type: none"> . Scientific or technological study programs of general or exploratory interest. . Acquisition of high value technological equipment. . Assistance in technology transfer. 	11.5% for the amount of industrial research invoices of the preceding year. 50% of the amount of industrial research invoices in respect of small or medium-sized undertakings. Subvention.
ASSISTANCE TO YOUNG PEOPLE	FIELD OF APPLICATION	AMOUNT
Educational action project (PAE) Youth innovation project (PIJ) Educational action project* discovery of European technology*	Technical development by a secondary school class (PAE) or by associated young people (PIJ) or a product or a technical and economic survey, in France or in Europe, together with other young people from the EEC (European PAE)	Up to 10 000 francs, exceptionally up to 20 000 and 40 000 francs at most in two installments for European PAE. Subvention.
Assistance to innovation projects in higher education (APIES)	Implementation of a project of a technical nature leading to an original product or process carried out by students.	Up to 40 000 francs. Subvention.
ASSISTANCE TO INDEPENDENT INVENTORS	FIELD OF APPLICATION	AMOUNT
	Assistance for: <ul style="list-style-type: none"> . foreign extension of patents, making of prototypes, market studies. 	75% at most of the external expenditure. Ceiling: 150 000 francs. Subvention paid directly to the providers of services.

Information, evaluation, decision: contact your ANVAR regional office for all programs lower than 5 million francs.

V. WORKING METHODS

1. Procedure for examining requests

Requests are submitted at the initiative of the applicants. This does not exclude prior informal contacts by ANVAR with the undertaking to assess its technological situation and the development prospects to be envisaged.

Once the request has been submitted, the project is studied by experts (ANVAR is the owner of the expert opinion) from the threefold point of view of technology, economics and finance.

It is then submitted to a commission at regional or national level (programs above 5 million francs) comprised of representatives of the administration and of the Banque de France.

Then, the regional manager of ANVAR (or the Director general) takes his decision: accepted, refused, postponed. If assistance is accepted, it is then covered by a contract which sets out the aim of the program together with the conditions of payment and reimbursement (fixed payment schedules that may be reviewed in the event of failure).

2. The Follow-Up

The fact of having laid down dates for the various payments makes it possible to check that the program is running normally.

The reimbursements, for their part, show that the turnover achieved corresponds to forecasts.

VI. EVALUATION--PROSPECTS

1. Major Remarks

- The time required to implement the technical programs is generally underestimated at the beginning. It varies between 6 and 24 months and these periods are doubled on occasion.

- At the same time, the final cost of programs is generally higher than estimates.

- Reimbursement of the assistance for innovation averages 55% of the amounts paid.

- One franc of assistance generates 7 francs of annual turnover after 5 years.

2. The Notion of Risk is Central to the Assessment

Three fields of risk have to be assessed: technical, commercial and financial. On the whole, failure results most frequently from a poor assessment of the market and, particularly, from a poor commercial strategy.

Projects are successful if the strategy of the enterprise is clear and relevant.

3. Financial Assistance Alone is Meaningless Without Innovation Engineering

The funding of innovation implies a capacity to work in a network and to call up the competence required for the success of the project:

- technical relations
- financial relations
- industrial relations

4. International Openings

In most cases, the innovation program is only justified if the market concerned is of an international dimension.

Basically approached from the European point of view, international technological cooperation is of course supported by ANVAR as also by the EUREKA program.

In a broader way, ANVAR encourages all requests for market studies, normalization, etc., enabling undertakings to distribute their innovations on foreign markets.

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CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG



WORLD
INTELLECTUAL PROPERTY
ORGANIZATION



NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 7 to 25, 1992

INDUSTRIAL DESIGNS

by

**Mr. Jean-Luc Piotraut
CEIPI (Strasbourg)**

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INTRODUCTION

A. The Importance of Protecting Industrial Designs

1. The Economic Importance of Industrial Designs

(a) In Developed Countries

The shape and appearance of industrial products are increasingly studied (marketing function), in the same way as advertising, technical innovation and after sales service, in order to meet the growing demands of the customer in a competitive environment.

Examples: Lucky Strike cigarette packet, Forza oil bottle (in both cases a packaging change led to a spectacular increase in sales);

the styling department of the Renault car firm has grown from one employee in the 50s to one hundred today.

(b) In Developing Countries

Here design has a special importance due to the wealth of traditional art and folklore which has stimulated handicraft and, subsequently, the establishment of industries.

2. The Resulting Need to Protect Industrial Designs

(a) Unsuitability of protection by secrecy (cf. know-how); the shape and decoration of an article is disclosed once it is marketed and protection by secrecy is therefore inoperative.

(b) Difficulty of recourse to unfair competition, which is normally separate from imitation (unfair competition can be invoked, for example, to oppose the distribution by a competitor of packaging that is likely to lead to confusion in a case where, for lack of sufficient originality, it has not been possible to obtain the protection of an industrial property title).

(c) Almost all States have therefore adopted laws that specifically protect industrial design as an industrial property right: these are the industrial design laws.

The Paris Convention of 1883, for instance, stipulates in Article 5quinquies that "industrial designs shall be protected in all countries of the Union."

To this end WIPO has drawn up a Model Law for Developing Countries on Industrial Designs. The text was adopted in 1969 by a Committee composed in particular of experts from the following 20 countries: Algeria, Bolivia, Chile, Colombia, Congo, Costa Rica, Egypt, Ghana, India, Liberia, Mexico, Pakistan, Philippines, Sierra Leone, Sri Lanka, Sudan, Thailand, Tunisia, Uganda, Venezuela.

The Committee expressed the view that the draft as a whole reflected the special needs of developing countries and represented a useful model for legislation in those countries.

In Africa the following 14 English-speaking countries created among themselves, under the 1976 Lusaka Agreement, an African Regional Industrial Property Organization (ARIPO): Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

The above regional organization provides an interesting international framework for cooperation.

The African Intellectual Property Organization (OAPI) establishes true integration among its 14 member States, which are henceforth subject to uniform legislation. OAPI, which was created at Bangui (Central African Republic) on March 2, 1977, groups the following countries: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Guinea, Mali, Mauritania, Niger, Senegal, Togo.

The provisions introduced also deal with industrial designs in Annex IV.

B. The Difficulty in Determining the Scope of Application of Protection

Traditionally, a design (shape or pattern) had an aesthetic or ornamental purpose (as with jewelry) which was opposed to the utilitarian function (or the technical effect).

Nowadays, the notion of industrial aesthetics calls this distinction into question since a shape may have both a technical effect and an artistic purpose.

A twofold distinction therefore has to be made between an industrial design and a work of art on the one hand, and between an industrial design and a patent on the other.

1. The Distinction Between an Industrial Design and a Work of Art

This distinction is theoretically easy to make:

<u>work of art</u>	/	<u>industrial design</u>
creation for its own sake	/	creation for a utilitarian product
purely ornamental purpose	/	non-ornamental purpose of the product
only a small number of copies reproduced	/	mass reproduction
full conceptual freedom for the creator	/	design subject to economic and commercial constraints

In practice there is a very delicate borderline problem (no objective definition of art). Most legislation contains two separate systems of protection: protection for literary and artistic property (copyright) and protection for industrial designs.

Some States have attempted to draw the borderline between the areas of application of these two systems of protection:

Federal Republic of Germany: criterion of "high degree of originality";

Belgium, Luxembourg, Netherlands (Benelux countries): criterion of "marked artistic character";

Italy/United States: criterion of "separable nature of the aesthetic creation";

United Kingdom: criterion of "industrial and commercial application."

This means that copyright and industrial design rights are mutually exclusive in those countries, and that cumulative protection is thereby prohibited.

Other States however have refused to make an absolute distinction between the two fields on the principle of the unity of art (refusal to relate the artistic character of a work to an assessment of its merits).

Such is the case of France (Article 1 of the Law of July 14, 1909).

This principle has also been adopted in both the OAPI Uniform Law and the WIPO Model Law.

Article 2(3) (Annex IV, Part I) of the OAPI Uniform Law States that the protection of industrial designs "shall not exclude any rights resulting from other legislative provisions of member States, in particular those concerning literary and artistic property."

Likewise, Section 1(2) (Chapter I) of the WIPO Model Law provides that protection for industrial designs "does not exclude any other rights provided for in the law, in particular rights derived from the law of copyright."

2. The Distinction Between Industrial Designs and Patents

Here too the principle is very simple: protection for an industrial design is accorded in consideration of the aesthetic character of the design, to the exclusion of anything that serves to obtain a technical effect.

This presents no problem when the aesthetic and functional elements can be separated; the aesthetic element is protected by industrial design rights and the functional element is governed by the patent system. However, there are some objects whose shape fulfills both an ornamental and a utilitarian purpose. How are we to protect such a shape?

(a) Article 2(2) of the French Law and Article 2(2) of the OAPI Model Law are worded in identical terms: "If the elements constituting the novelty of the design are inseparable from those of the invention," the object can be protected only by the Patent Law. This excludes industrial designs when the shape is inseparable from the functional role.

This wording, if taken literally, may seem to confine the exclusion of the design to those cases alone in which the object is capable of being patented. Yet it is an established fact that design protection can be refused on the grounds of the functionality of the shape, even where a patent is not granted either. The rule is therefore that the inseparability of shape and technical effect rules out design protection.

(b) According to the WIPO Model Law (section 2(2)), "the protection under this Law does not extend to anything in an industrial design which serves solely to obtain a technical result." Clearly the Model Law provisions are more flexible than the other two laws, as they simply exclude an industrial design in cases where the shape serves a purely functional purpose, thereby confirming industrial design protection for a shape of both aesthetic and functional character.

I. OBTAINING INDUSTRIAL DESIGN RIGHTS

A. Substantive Conditions

1. The Positive Conditions

The French Law (Article 2(1)) and the OAPI Uniform Law (Article 2(1))--identical wording: "the present law shall apply to any new design, any new three-dimensional form or to any industrial object which differs from like objects either by a distinct and recognizable form giving it an aspect of novelty, or by one or several external effects giving a new and distinct appearance."

Under the WIPO Model Law (Section 2(1)): "any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors, is deemed to be an industrial design, provided that such composition or form gives a special appearance to a product of industry or handicraft and can serve as a pattern for a product of industry or handicraft."

These texts show that a design can be in two dimensions or alternatively a three-dimensional model.

(a) Appearance

Protection applies to anything the appearance of which creates an aesthetic impression that can be perceived visually.

(b) Novelty

Whereas the French and OAPI texts speak of "new" designs and forms, the WIPO Model Law uses the expression "special appearance." Nevertheless, the requirement of novelty is also laid down in Sections 3 and 4.

Novelty is a basic requirement for obtaining the exclusive right to a design.

The WIPO Model Law, which is the only one to define novelty precisely (Section 4), does so in terms that are common to the other two systems.

Section 4(1): "A regular application for registration of an industrial design shall raise a presumption that the design was new at the time of the application" (reverseal of the burden of proof).

Section 4(2): "An industrial design shall not be new if, before the date of application for registration or before the priority date validly claimed in respect thereof, it has been made available to the public, anywhere and at any time whatever, through description or use, or in any other way."

The novelty required is absolute novelty, without any restriction in time or in space (novelty is therefore destroyed by any disclosure in another State).

Novelty is assessed on the day of filing (or on the priority date of a validly claimed right under the Paris Convention).

Article 4(3): "An industrial design shall not be deemed to have been made available to the public solely by reason of the fact that, within the period of six months preceding the filing of an application for registration, it has appeared in an official or officially recognized international exhibition" (Paris Convention exemption).

Section 4(4): "An industrial design shall not be new solely by reason of the fact that it differs from earlier embodiments in minor respects or that it concerns a type of product different from the said embodiments."

2. Negative Conditions

(a) A design may not be contrary to public policy or morality (Article 4 of the OAPI Uniform Law; Section 3(2) of the WIPO Model Law).

The OAPI Uniform Law states that "exploitation of the said design shall not be considered contrary to public order or morality merely because it is prohibited by law or regulation."

(b) Design protection is refused if the design cannot be dissociated from the technical effect (cf. Introduction).

3. Those Entitled to Protection

The rule is that the right belongs to the first applicant, who is presumed to be the creator of the protected design (Article 5(2) of the OAPI Uniform Law; Section 7(3) of the WIPO Model Law).

It is possible, however, that the first applicant is not the true creator. Three possibilities may then be envisaged:

(a) The applicant is guilty of abuse (Article 3(2) (a) of the OAPI Uniform Law) or usurpation (Section 8(1) of the WIPO Model Law); the true creator is protected (the Model Law expressly entitles him to demand that the registration be transferred to him);

(b) The situation results from an agreement between the applicant and the creator; under Section 10 of the Model Law, the latter has the right to be mentioned as the creator in the registration;

(c) The situation results from an employment contract or a commission contract for the making of a work (Article 7(1) of the OAPI Uniform Law; Section 9(1) of the WIPO Model Law) or a creation by an employee making use of "data or means that his employer has put at his disposal" (Article 7(2) of the OAPI Uniform Law; Section 9(2) of the WIPO Model Law). In the latter case, remuneration is payable to the employee, taking into account his salary and the importance of the design created. Where the parties fail to agree, the remuneration is decided by the court.

We would also mention that joint ownership of designs is possible under both laws (Article 7(2) of the OAPI Uniform Law; Section 22 of the WIPO Model Law).

B. FORMAL REQUIREMENTS: DEPOSIT

1. Place of Deposit

In France, designs have to be deposited either at INPI or at the registries of Commercial Courts (up to 1979 they could also be deposited at the Secretariats of Industrial Conciliation Boards).

(a) OAPI Uniform Law (Article 9):

The clerk of the civil court of the applicant's domicile, who then (Article 11) transmits the application to the African Industrial Property Organization.

(b) WIPO Model Law (Section 11):

Industrial Designs Office, in other words frequently a division of the national industrial property office.

2. Contents of the Application

(a) OAPI Uniform Law (Article 9):

- declaration of deposit;
- unstamped power of attorney if the applicant is represented by an agent;
- two identical copies of a representation or specimen of the design under sealed cover.

(b) WIPO Model Law (Section 11):

- request for registration, with the name and address of the applicant;
- unstamped power of attorney, signed by the applicant, if the deposit is made through an agent;

- a single copy of the design or a representation (photographic or graphic), where appropriate with the colors specified;
- statement of the type or types of product for which the design is to be used.

3. Examination of Applications

The competent authority carries out an examination of the application as to form (Article 12 of the OAPI Uniform Law; Section 14 of the WIPO Model Law).

Where there is a defect in the form of the application, the OAPI Uniform Law gives the applicant two months to rectify his deposit. Where the application is in due form, OAPI immediately registers the design.

On the other hand, the WIPO Model Law proposes three alternatives (Section 15A, B and C) for the examination procedure.

Under Alternative A, registration takes place automatically if the file is correct as to form (formal examination).

Under Alternative B, following the formal examination by the Office, there is an additional period of three months during which any person concerned may oppose registration for substantive reasons.

Alternative C, for its part, proposes a full examination (substance and form) by the Office (but without opposition procedure) in respect of:

- compliance of the subject matter of the deposit with the definition of an industrial design;
- novelty;
- existence of a priority right.

4. Payment of Fees

Fees are compulsory under both systems, the WIPO Model Law specifying in Section 13 that "an application for registration of an industrial design shall not be entertained unless the fees ... have been paid."

II. THE EXPLOITATION OF INDUSTRIAL DESIGNS

A. The Owner's Rights

1. Scope of Monopoly

(a) Infringing Acts

- OAPI Uniform Law (Article 1); to exploit, sell or cause to be sold industrial designs without authorization (by way of exception, Article 8 accepts a prior personal right of possession).

-WIPO Model Law (Section 21):

- to reproduce the industrial design in the manufacture of a product;
- to import, offer for sale and sell a product reproducing the industrial design;
- to stock such a product for the purposes of offering it for sale or selling it.

(b) Penalties for Infringement:

-OAPI Uniform Law:

Penal sanctions: a fine of from 50 000 to 300 000 francs CFA (Article 32);

Imprisonment of from one to six months for subsequent offenses (Article 33);

Civil sanctions: cessation, confiscation, damages

-WIPO Model Law:

Penal sanctions:

finances and/or imprisonment as provided by States (Section 36);

Civil sanctions:

prevention of infringements, cessation, damages (section 35).

2. Term of Protection

The term of protection of designs is the same in both laws (OAPI Uniform Law and WIPO Model Law): registration gives protection for an initial term of five years.

A registration may be renewed, against payment, for two consecutive periods of five years, giving a possible maximum term of 15 years.

It should be noted that ever since Law No. 90-1052 of November 26, 1990 (Article 25), France grants protection for 25 years (instead of the previous 50 years). This Law has also removed the possibility of the owner of the registration keeping his deposit secret for the first five years.

B. Transactions in Respect of Industrial Designs

Whereas the assignment and licensing of industrial designs is not subject to any specific rules under the French Law of July 14, 1909, the OAPI Uniform Law and the WIPO Model Law each lay down compulsory arrangements for such transactions.

1. Transfer of Ownership of Design Rights

The OAPI Uniform Law (Article 20) and the WIPO Model Law (Section 23(1)) confirm both assignment inter vivos and transfer by succession of industrial design rights.

In both cases, the OAPI Uniform Law requires that the transfer of ownership must be established in writing, on pain of nullity. This condition is required by the WIPO Model Law only in the case of assignment.

Moreover, such acts are not binding on third parties until they have been entered in a special register kept by the Office (Article 21(1) of the OAPI Uniform Law; Section 23(4) of the WIPO Model Law).

We would mention that the introduction of a national designs registry in France dates only from November 26, 1990 (Article 26 of Law No. 90-1052 on Industrial Property).

2. Licensing

The owner of an industrial design may, by contract, grant another person or enterprise a license to exploit the industrial design (Article 23(1) of the OAPI Uniform Law; Section 25(1) of the WIPO Model Law).

The contract must be in writing, signed by the parties and registered by the industrial property office (on pain of having no effect in respect of third parties).

Clauses in license contracts are null and void where they impose on the licensee industrial or commercial restrictions not deriving from the rights conferred by registration (such as payment of royalties after the expiry of the term of validity of the titles or despite their annulment by the courts).

In this context the WIPO Model Law gives an exhaustive list of the authorized restrictions (Section 26(2)): scope, extent, territory, duration of exploitation, quality, quantity of products exploited, prohibition of acts prejudicing the validity of the titles.

Additionally, in contrast to the OAPI Uniform Law, the WIPO Model Law sets out in Sections 27 to 31 the provisions governing license contracts.

The rights of licensors:

licenses may be exclusive or non-exclusive;

the licensor retains the possibility of exploiting the licensed industrial designs himself except (failing any provision to the contrary) where the license is exclusive.

The rights of licensees:

the licensee may perform all acts permitted by registration (reproduction, marketing, holding in stock);

on the other hand, the licensee may not transfer the license or grant a sublicense without the authorization of the licensor (a licensing contract being intuitu personae).



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Strasbourg, September 7 to 25, 1992

THE PROTECTION OF FRENCH APPELLATIONS OF ORIGIN FOR WINES
THROUGHOUT THE WORLD AND THE ROLE OF
THE NATIONAL INSTITUTE OF APPELLATIONS OF ORIGIN (INAO)

by

Mrs. Valérie Game
Legal and Foreign Division,
National Institute of Appellations of Origin (INAO)

NATIONAL INSTITUTE OF APPELLATIONS OF ORIGIN

THE INTERNATIONAL PROTECTION OF APPELLATIONS OF ORIGIN FOR WINES

The lawmaker has given the Institute two essential missions in this field:

- to take action abroad to ensure protection before the courts of appellations of origin for wines,
- to give advice to the government on international negotiations.

The Institute is therefore at the meeting point of the activities pursued by the public authorities and the European Economic Community and those carried out by the growers: this unusual situation means that the Institute has to ensure that there is coherence between the two types of action.

The fact that regulations favorable to protection have been instituted in a given country following diplomatic action is not in itself sufficient: it must be accompanied by individual actions, or even actions before courts, to ensure that those regulations are effective.

Conversely, significant actions cause governments to think about the concept of an appellation and even to introduce specific instruments or to negotiate.

The Institute has set itself two main objectives within the framework of these missions:

- to prevent new infringements,
- to reduce or even suppress existing infringements.

The first objective has been attained, on the whole.

The second, although far from having been attained, has nevertheless lost the "Utopian" nature it had some years ago.

Indeed, this second objective is more difficult to attain particularly since it collides with the degeneration of certain appellation of origin names in certain countries of the world.

This is readily confirmed even when making but a rapid review of the countries that are the most representative, either as wine producers, or as consumer countries.

EUROPE

European Economic Community

There no longer remains any real problem within the European Economic Community as regards the protection of French wine appellations of origin.

The establishment of an exchange of the lists of names of quality wines p.s.r. under Regulation (EEC) N° 82 87 has enabled them to be protected.

There remain at present but a small number of uses of well-known names of appellations of origin to designate or present products other than wine.

USSR

INPI was conducting negotiations with the Soviet Government. Those negotiations were going to make it possible, at the end of a transitional period, to obtain final protection for the "Champagne" and "Cognac" appellations of origin which, at present, may only be used in cyrillic writing and may not be exported.

It is important to see how the Russian Federation will deal with this matter.

NORTH AMERICA

United States

Since 1948, the following French appellations of origin: "Burgundy," "Claret," "Chablis," "Champagne," "Sauterne" (and even Haut Sauterne) have been held by the Federal regulations to be semi-generic.

Nevertheless, the protection of French appellations of origin is progressively improving in that country.

The protection of the appellations of origin "Cognac," "Armagnac" and "Calvados" has been ensured since 1971 through a Franco-American exchange of letters.

Additionally, in 1983, an exchange of letters between the European Economic Community and the United States, known as the Wine Accord, was signed, in which the United States undertook to prevent any erosion of the names of European wines, excluding those that had become generic or semi-generic, in return for derogations with regard to the enological practices of the producers.

In application of that exchange of letters, the United States has published lists of the names, as examples, to which the principle of non-erosion applies.

The most recent was published in the Federal Register dated April 30, 1990.

A very big problem remains in that country: that of the use of certain appellations of origin (Beaujolais, Saint-Emilion, etc.) as the names of vine varieties (Gamay Beaujolais, Muscat de Frontignan, Saint-Emilion des Charentes).

INAO has been active to obtain that such practices be prohibited by American regulations. It would seem that those activities will be soon be successful. If such were not to be the case, INAO would take legal action against an American firm at the beginning of 1991 in order to put a stop to such usages (Beaujolais).

Canada

On May 12, 1933, France and Canada signed a Commercial Agreement that was published in the Official Journal on June 9, 1933, and on June 10, 1933, a law was adopted in Canada to implement that Agreement.

The Agreement comprised protection for French appellations of origin in Canada by registration with the responsible authorities.

That was done on October 18, 1934, for the appellation of origin "Champagne."

Between 1933 and 1978, the Canadian Government continued to authorize local copies of "Champagne," despite numerous French interventions.

For example, as from the 1950's, it authorized by regulation the use of that designation in the wine-growing industry.

In 1964, INAO and the Trade Committee for Champagne Wines (CIVC), in view of the failure of diplomatic initiatives, took legal action against a maker of sparkling wines in Quebec who used the designation "Champagne."

In a decision of April 2, 1974, the Supreme Court of Canada, relying on the 1933 Agreement, confirmed protection for "Champagne" appellations of origin. As of that date, the "Société des alcools du Québec" (SAQ) monopoly provides total protection for French appellations of origin.

As from 1975, CIVC and INAO have taken action against the Ontarian makers of sparkling wine who used the appellation of origin name "Champagne."

In 1978, the Government of Canada denounced the protection Agreement and the French action had to be amended and was limited to unfair competition.

By decision of June 18, 1990, the Ontario Appeals Court confirmed the judgement of July 2, 1987, of the Ontario Supreme Court authorizing continued marketing of pseudo "Canadian Champagne."

Those decisions made no reference to the fact that between 1933 and 1978 the use made by Canadian firms of the name "Champagne" was contrary to Canadian law and to the 1933 Agreement.

Following the decision given in 1990, INAO and CIVC took the matter to the Supreme Court.

By decree of January 31, 1991, the Supreme Court refused to hear the matter without giving reasons for its decision, as it is allowed to do under Canadian law.

The term "Champagne" is therefore now considered generic, as a synonym for sparkling wines, by Canadian courts.

The policy of INAO is now therefore to check whether the producers of Canadian sparkling wines respect the Federal regulations on the labeling of those wines.

AUSTRALASIA

Australia

In 1988, following massive usurpation of the Beaujolais appellation by the whole of the Australian wine-growing industry, INAO decided, together with UIVB, to undertake a large-scale action in that country.

Proceedings were instituted and have since led to a change in the attitude of both the Australian authorities and the wine growers of that country, who seem more and more inclined to progress towards protection for appellations of origin.

The matter has been closed since 1991, since those concerned have all stopped using "Australian Beaujolais."

It should be noted that the French appellations of origin for spirits: "Cognac" and "Armagnac" are protected in that country.

New Zealand

The CIVC has just achieved a most favorable result by obtaining protection for the "Champagne" appellation of origin in that country.

As a result of its very good relations with New Zealand wine-growing industry, INAO has also been able to put a stop to the use of the designation "Gamay-Beaujolais" by various importers.

ASIA

Japan

In 1987, following a complaint made by the European Economic Community, the Japanese Government confirmed that it had adopted regulations prohibiting the use of any French wine appellations of origin for designating a Japanese wine.

Those regulations were adopted to implement the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of April 14, 1891. Since then, the Japanese Government has not applied that Agreement, which basically concerns international trade in the goods imported from the United States and from Australia.

INAO and CIVC succeeded in putting a stop, through a series of negotiations, to the importing of sparkling wines wrongfully bearing the designation "Champagne" in 1972.

Similar negotiations are now being completed for protection of the "Chablis" appellation and are very likely to be successful.

Taiwan

Following action by INAO, the Taipei Government decided to give protection to French appellations of origin. It will be important in the forthcoming years to monitor the effectiveness of that altogether positive decision.

SOUTH AMERICA

Most of the countries of South America have always posed great difficulties to the Institute as regards protection of appellations of origin. "Champagne" and "Cognac" are particularly used, or even recognized, under the regulations of certain countries, as generic terms.

Other appellation of origin names, such as "Saint-Emilion" are used as the names of wine varieties.

To achieve a change in the law and in thinking in those countries, it will be necessary to undertake a long course of diplomatic negotiation, but some progress has already been achieved.

For instance, in addition to Colombia where protection has been afforded to French appellations of origin since the beginning of the century, it may be claimed that considerable progress has been made in the protection of appellations of origin in Argentina and in Peru.

Argentina

This country has been setting up, since 1989, a process of definition and recognition for appellations of origin in the wine sector. For instance, a list of wine-growing areas enjoying an appellation of origin on the national territory has been published.

At the same time, developments in the findings of Argentinian courts should be noted in relation to protection for French appellations of origin.

For instance, a Federal judge annulled a mark "Saint-Emilion" in Buenos Aires on September 6, 1989.

That decision is of particular interest since, beyond the matter submitted to him, the judge took a stance on the prohibition of registering appellations of origin as trademarks.

The judge further expressly qualified "Médoc," "Côtes de Rhône," "Borgona," a translation of Burgundy, and "Margaux" as appellations of origin.

This decision was upheld by the Buenos Aires Appeal Court on June 14, 1990.

The matter was closed by a decision of September 28, 1990.

The Appeals Court of Buenos Aires also annulled a label "Nuestro Bianchi Margaux."

The opponent of INAO lodged an appeal and a further exceptional appeal against that decision, both of which were dismissed, in December 1989 and March 1990.

The successes obtained in those two cases have not only made it possible to confirm protection for the appellations of origin "Saint-Emilion" and "Margaux" but further constitute essential precedents for the action conducted in Argentina to obtain protection for all French appellations of origin.

Nevertheless, considerable difficulties remain in Argentina, particularly with regard to protection for the appellation of origin name "Champagne."

The reason is that the Argentinian regulations give a technical definition of the term "Champagne" as corresponding to a certain type of quality sparkling wines.

Furthermore, the conjunction of regulations on labeling and fiscal regulations make it compulsory to use the designation "Champagne" or "Champanha" in the presentation of the wines as defined.

Peru

This country, which has an interest in appellations in origin, recognized on April 18, 1988, the appellation of origin "Pisco" as part of the cultural heritage of Peru and incorporated the definition of "appellation of origin" in a decree of July 25, 1990, which also sets up a system for recognizing Peruvian appellations of origin.

The Instituto de Investigacion Tecnologico Industrial y de Normas Tecnicas (ITINTEC), informed INAO that, to extend that text, provisions for protecting foreign appellations of origin were to be promulgated.

Already, as from 1989 onwards, the ITINTEC rules, particularly concerning acts of unfair competition, and that body's recently acquired responsibility for systematic control of the labeling of alcoholic beverages, make it possible to claim that Peru gives improved protection to all French appellations of origin, as shown by the recent refusals to register trademarks comprising French appellation of origin names.

On the other hand, little progress has been achieved in countries such as Brazil or Chile.

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Thus, it may be seen that a considerable advance has been made over recent years towards improved awareness of the concept of appellation and of the need for its protection.

Obviously, the problem of protection for names presently considered by some countries to be generic has not yet been finally settled and there remains much to be done.

However, possible degrading of protection is now a thing of the past.

Discussions within GATT during the Uruguay Round provide a good example.

Indeed, it is already satisfying to note that protection for geographical names has been entered on the agenda for discussions related to intellectual property rights, as such.

The final document presented at the end of 1991 is most interesting since it sets out the principle of protection for all geographical indications. Although exceptions are provided for, they are at no time authorized; multilateral or bilateral negotiations must be held.

The latest GATT proposal in fact makes a difference between the past and the future: as far as the past is concerned, GATT opens the door to bilateral or multilateral negotiations for those undue uses that have existed for more than ten years or have been applied in good faith; for the future, the principle of protection for geographical indications, as defined by GATT, is set out.

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NATIONAL INSTITUTE OF APPELLATIONS OF ORIGIN

The National Institute of Appellations of Origin of Wines and Spirits was set up by Decree-Law of July 30, 1935.

The Law of July 2, 1990, extended its responsibility to the whole field of agricultural and food products, whether processed or unprocessed, which constituted appellations of origin. It is now known as the National Institute of Appellations of Origin (INAO).

The Institute is a public establishment of administrative nature responsible to the Ministry of Agriculture.

That Ministry designates by decision a Government Commissioner who participates at the meetings of the various constitutive bodies of INAO; he may also send a representative. He approves the decisions of the National Committees in conformity with the Government's agricultural policy, except those laying down conditions for the production of wines and spirits.

The composition of the Institute and its internal rules are laid down in Decree N° 91-368 of April 15, 1991, together with the various texts that implement that decree.

I - DELIBERATIVE BODIES

II - THE REGIONAL COMMITTEES

A - Composition

Following the arrangements existing in the wine field since 1968, the Decree of April 15, 1991, has provided the possibility "where necessary" to set up Regional Committees in other sectors to discuss matters concerning their regions.

The list of Regional Committees, the number of their members, their headquarters, together with a list of the appellations concerning each of them, are laid down by joint decision of the Minister responsible for Agriculture and the Minister for Economy, Finance and Budget.

The Regional Committees are composed of representatives of the authorities, appointed by the Minister responsible for Agriculture and by the Minister for Economy, Finance and Budget, on the one hand, and members representing producers and dealers, in the case of the Regional Wines and Spirits Committees, or producers, dealers and processors for the Regional Dairy Produce Committees.

The trade members of the Regional Committees are appointed by decision of the Minister for Agriculture, for a term of six years, after consultation with the respective bodies that promote the appellations of the region concerned with regard to dairy produce and the most representative promotional bodies and dealers in the sector concerned by the Regional Committee for wines and spirits, and also the reasoned opinions of the prefects of the departments concerned.

The age limit has been set at 65 years; members must enjoy civic rights, not have been personally declared bankrupt nor have been sentenced for fiscal or commercial fraud.

Any member who is absent from more than two consecutive sessions without valid and justified reason is deemed to have resigned.

The Chairman of each Regional Committee is appointed by decision of the Minister responsible for Agriculture from amongst the trade members.

Each Regional Committee appoints its Deputy Chairman.

An officer designated by the Director of the National Institute of Appellations of Origin acts as Secretary, under the authority of the Chairman, for each Regional Committee.

The Regional Committees responsible for wines and spirits, cider, perry, cider-based or perry-based aperitifs or wines, as defined by Decree of June 17, 1987, and maintained up to June 22, 1992, are currently 12 in number, corresponding to the various appellation regions:

Regions: Alsace and the East
 Champagne
 South-West
 Cider spirits
 Natural sweet wines
 Armagnac
 Loire Valley
 Cognac
 Burgundy-Savoy
 Languedoc-Roussillon
 Rhône Valley
 Provence - Corsica

B - Terms of reference

The Regional Committees examine all matters concerning their region that are covered, in their sector of responsibility, by the activities of INAO.

They may take up matters of their own volition or at the request of the National Committee concerned or again at the request of the Ministry of Agriculture.

Their opinions are recorded in minutes that are transmitted to the Chairman of the National Committee.

12 - THE NATIONAL COMMITTEES**A - Composition**

The Law of July 2, 1990, provides for three National Committees:

- the National Committee for wines and spirits, ciders, perrys, wines, cider and perry-based aperitifs,
- the National Committee for dairy produce,
- the National Committee for agriculture food products other than wines, spirits and dairy produce.

These National Committees are comprised, by interministerial decision, of:

- trade representatives from the production, processing and trade sectors for the products concerned, selected from the members of the Regional Committees, or where such Committees have not been established, after consulting the promotion bodies,
- representatives of the authorities,
- qualified persons at national level and at the level of the export and distribution trade, together with consumer representatives.

The trade representatives represent at least one half of the members of the National Committee and those of the authorities at most one quarter.

These members are appointed by interministerial decision for a renewable term of six years.

The age limit is set at 65 years.

The members must enjoy civic rights, not have been personally declared bankrupt, nor have been sentenced for fiscal or commercial fraud.

Any member who is absent from more than two consecutive sessions without valid and justified reason is deemed to have resigned.

The Chairmen of the National Committees are entitled to carry out civil acts within the area of responsibility of their National Committee. They may attend the discussions of the Regional Committees or send representatives.

The Deputy Chairmen are appointed by the National Committees and are subject to approval by the Minister for Agriculture.

The National Committees are convened by the Chairman of the Standing Council to meet in plenary for the presentation of the budget and the general policy of the Institute.

B- Terms of reference

The National Committees discuss all matters relating to their field of responsibility, within the activities of the Institute as defined by statute and regulation, together with all matters on which the Regional Committees have given their opinion. However, it should be noted that INAO possesses the power of decision or consultative powers, depending on the case:

(a) Power of decision with regard to:

- (1) Recognition of controlled appellations of origin and establishment of the production conditions, including approval; the public authorities may accept or refuse such proposals, but may not amend them. Proposals may only be made after obtaining the opinion of the promotion bodies concerned.**
- (2) Defense of appellations of origin in France and abroad; the fight against fraud in France by intervening as a civil party in proceedings instituted on the basis of reports drawn up by the Directorate General of Taxation, the Directorate General of Competition, Consumption and Repression of Fraud, or even the Customs authorities; the fight against fraud and usurpation of the names of the appellations of origin abroad against which INAO conducts, in closest collaboration with the various trade and interprofessional bodies concerned by wine-growing, proceedings in all countries in which infringements are committed.**

(b) Consultative powers on any matter relating to appellations of origin, particularly the labeling and get-up of each of the products within its field of responsibility.

The Institute is also consulted with regard to protection of the appellation of origin areas as far as classified installations are concerned.

A Decree of 1959 requires consultation with the Ministry of Agriculture where land on which "Appellation d'origine contrôlée" (AOC) vines are planted is expropriated.

Since the Law of July 2, 1990, the Ministry of Agriculture may give an opinion, after consultation with INAO, on any town or country development project likely to prejudice an appellation of origin area or its production conditions, its quality or its image.

Consultation is carried out at the request of the promotion body for the appellation concerned to the responsible administrative authority.

The opinion of the National Committee concerned is taken to determine the list, the headquarters and the number of members of the Regional Committees.

Each Regional Committee meets at the request of its Chairman, of the Minister for Agriculture or of a majority of its members.

The rules of procedure, approved by the Minister for Agriculture, determine the operation of each National Committee and of its Standing Commission.

I3 - THE STANDING COMMISSIONS

A Standing Commission, of which the numbers of members and the rules for its composition are laid down by interministerial decision, is designated by each National Committee concerned from amongst its members. It is responsible for monitoring day-to-day business within the terms of reference of the National Committee from which it stems. It may be expressly empowered to undertake certain tasks of the National Committee, in agreement with the Government Commissioner, but excluding those concerning the establishment of production conditions.

At present, the Standing Commission on wines and spirits has a membership of 17.

I4 - THE STANDING COUNCIL

The Standing Council comprises 22 members appointed by interministerial decision, and belonging to the three National Committees, including their Chairmen; the number of representatives of the authorities may not exceed one half.

It discusses all matters within its terms of reference, particularly the budget, the general policy of the Institute and the defense of the concept of controlled appellation of origin. It draws up the budget.

The Chairman of the Standing Council is appointed by interministerial decision, for a term of two years, and is chosen successively from each of the National Committees.

He has the casting vote in the event of equal voting.

He represents the Institute in all civil acts within the terms of reference of the Standing Council.

The Office of the Standing Council is chosen from amongst its members and necessarily comprises a representative of each Minister.

It examines administrative and financial matters of the Institute and decides on the questions for which it has been given special delegation by the Council. It examines the budget.

II - THE EXECUTIVE SERVICES

The Executive Services of the Institute comprise 168 officials as at August 6, 1991. Their status is that of the staff of agricultural offices (Decree N° 83-1267 of December 30, 1983, as amended in 1986 and 1988). They are employed in 27 centers in the provinces and in a central service in Paris.

They prepare and execute the deliberations of the National Committees and of the Standing Council and implement their decisions.

The services are headed by a Director appointed by decision of the Minister for Agriculture. He exercises his functions under the authority of the Chairmen and participates in the meetings of the Standing Council, the National Committees and the Standing Commissions, in a consultative capacity.

He is responsible for the management of the establishment, takes all individual decisions relating to staff, is responsible for the revenue and expenditure of the Institute and prepares the budget.

He may be delegated to sign by the Chairman of the Standing Council and the Chairmen of the National Committees to carry out civil acts and to represent the Institute.

He is assisted in his functions by two Deputy Directors.

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STUDY OF CLAUSES IN LICENSING CONTRACTS

presented by

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0726C/DCS

I. GENERAL CLAUSES IN LICENSING AGREEMENTS

(Hardship clauses, technical expertise clause, arbitration clause)

These clauses are defined as "general" because they are non-specific, that is, they are not peculiar to licensing agreements. In fact they are found in all contracts.

A. HARDSHIP CLAUSES

Hardship clauses are often used in international and long-term contracts.

What purpose do they serve? Changes in market conditions in terms of the extent of production and consumption, the permanent threat of change in the exchange rates in which the contractual considerations are expressed, the technical unpredictability rising from the evolution of the methods of production and transformation, may cause price changes which result in the continued existence of the contract being called into question.

Thus the performance of a contract is of primary importance not only for the parties due to their interests at stake, but also for the states of which the parties are nationals, or indeed are other more or less direct extensions thereof.

Hardship clauses constitute a method by which parties may perform a contract whose equilibrium has been overwhelmed by the occurrence of an inevitable event.

This clause may thus be defined as that according to which the parties may request a rearrangement of the contract linking them, where a change with respect to the original data in connection with which they committed themselves has occurred with the effect of causing one of the parties to bear an unfair burden. In fact, hardship clauses entail the renegotiation of the contract where the foregoing type of change occurs.

It is thus interesting to consider for a moment the contents of hardship clauses.

Often, they are drafted in a very general way.

The generality of the terms used shows that it is the general equilibrium of the contract which is to be reestablished and maintained.

It goes without saying that the event needed to trigger the implementation of a hardship clause must be external to the parties; the event modifying the contract may not be imputable to either of the parties.

Similarly the events bringing into play hardship clauses must be of a certain importance, and a certain intensity, such as to justify the readjustment of the contract.

Moreover, the event must have the effect of making the performance of the contract inequitable for one or the other of the parties.

Furthermore, the clause must provide that the party who considers the contractual readaptation necessary must advise the other party of the occurrence of the event supposed to cause the implementation of the hardship clause.

If the parties cannot agree with respect to the readjustment necessary to their contract, the latter must provide for the appointment of an arbitrator.

Often, the arbitrator has a two-fold role. He will decide whether the conditions for the implementation of the hardship clause exist; and if so, he will effect a contractual readjustment which shall be binding upon the parties to the contract.

It would no doubt be useful to give an example of the wording which is likely to be found in contracts. Some contracts include a hardship clause in the following terms:

"Where, during the term of this agreement, the general situation at the time of its conclusion were to be modified in important ways, or if the circumstances on which the parties based themselves at the time of its conclusion were to evolve in such a way that one of the parties would have to bear burdens which could not equitably be required of him, the parties shall agree on how to adapt the conditions of this agreement to the new situation in a manner that is equitable to both parties."

B. TECHNICAL EXPERTISE CLAUSE

It is always to be feared in any operation for the transfer of technology that the recipient may encounter difficulties in utilizing the transferred technique.

Where the contract provides that remedies to be applied to such difficulties shall be for the grantor's or the grantee's account, there is no problem. But frequently, contracts include no precise stipulation so that the parties do not agree as to who shall bear the cost of such problems. Generally, a solution to the problem between the parties is urgent. Moreover, some contracts include what is called a "technical expertise clause". This clause provides that, in the event of technical difficulty, and, where the parties do not agree as to who has the duty to remedy such difficulty, they may refer to an expert for a decision. The clause must of course specify the manner of appointment of the expert. Good sense suggests that provision be made for the appointment of the technical expert by an international organization whose neutrality may be counted on.

C. ARBITRATION CLAUSES

Experience shows that parties to international contracts more frequently have recourse to arbitration for the settlement of the disputes arising between them.

Arbitration may well be examined by answering first one and then another question; why have recourse to arbitration tribunals and what should be the contents of arbitration clauses?

1. Why Have Recourse to Arbitration Tribunals?

The reasons for the choice of arbitration are numerous and varied; we will mention only a few.

Assuming the contract to be international, the parties, where they do not opt for arbitration, would have to bring their dispute before a national court in the state of one or the other of the contracting parties.

It is understandable that a contracting party may not want possible disputes to be decided by a court in the state of the other party. He may, rightly or wrongly, suspect the ability of such courts, which are unknown to him, or indeed he may even suspect their impartiality. This is one reason leading to arbitration. Thanks to arbitration clauses, the parties know that any possible disputes between them will be settled by judges which they will have chosen on the basis of their competence and their fairness.

Practice shows, moreover, that execution of arbitration awards is more often "spontaneously achieved" than the execution of decisions rendered by state courts.

Moreover, the procedures before arbitration tribunals are often simpler and faster.

Finally, arbitral awards are generally not subject to any publication.

2. Contents of Arbitration Clauses

Arbitration clauses must contain a certain number of stipulations.

First of all, they must indicate the nature of the disputes subject to arbitration. Generally it is best to use a very broad formulation which will have the effect of putting to arbitration all disputes of whatever nature.

Arbitration clauses must furthermore indicate which arbitral jurisdiction the parties have chosen.

The parties have the choice between:

- a permanent institution of international commercial arbitration;
- setting up the arbitral tribunal themselves.

In the first case, they have recourse to what is called institutional arbitration and, in the second case, to what is called ad hoc arbitration.

In connection with institutional arbitration, the parties may choose either a national arbitration institution (for example: London Court of Arbitration, Stockholm Chamber of Commerce, etc.), or an international institution (Court of Arbitration of the International Chamber of Commerce, etc.).

In connection with ad hoc arbitration, the parties may provide one or three arbitrators. It is certain that choosing a single arbitrator entails some risks. Often, the decisions to be taken may seem very heavy for a single arbitrator. Thus it is preferable to envisage arbitral tribunals composed of

three arbitrators. Each party appoints his arbitrator, the third being appointed by the first two; in the event of disagreement as to the choice of the third arbitrator, he is appointed by an international organization designated by agreement of the parties.

Arbitration clauses must also indicate the procedural law applicable to the arbitration.

Similarly, in order to avoid any future disagreements between the parties, it is advisable for the foregoing clause to specify the place and the language of the arbitration.

II. SPECIAL CONTRACTS

Special contracts are those which are either upstream or downstream of a licensing agreement. Other contracts may be concluded separately from the licensing agreement or at the same time as it.

A. SPECIAL CONTRACTS PRIOR TO THE CONCLUSION OF THE LICENSING AGREEMENT

These contracts are of two kinds: option agreements and letters of intent.

1. Option Agreements

It is common for potential grantors and grantees to conclude an option agreement before concluding a licensing agreement.

Option agreements are very useful for the grantee who is unsure of whether to conclude a licensing agreement and who, in any case, wants to have a certain amount of time to study the technique whose acquisition is under consideration.

Option agreements are intended to give the future grantor a limited period in which to examine the technique whose transfer is under consideration, during which period he may also be able to calculate his costs and determine the extent of his competitiveness on the market.

Option agreements thus provide that the future grantor grants to the future grantee a period for reflection at the end of which the future grantee shall have an option, that is, either to decide to conclude a licensing agreement, or, otherwise, to abandon such intentions.

Of course the future grantor will require that the future grantee undertake that, at the expiry of the contract, information and technical knowledge transferred to the grantee shall be kept secret. Nor is it unusual for the option agreement to be concluded for consideration. The future grantee in effect is requesting his partner to pay him a certain amount in the event that he were to abandon the licensing agreement. The price thus agreed upon relates to the transmission of knowledge effected by the future grantor in favor of the future grantee.

The parties to the option agreement may also agree that the future grantor undertakes not to enter into discussions with another partner throughout the term of the option.

Thus there arises a delicate question, whether the licensing agreement should be drafted immediately so that the future grantee knows in advance the exact conditions at the time of raising the option. The answer to this question is very difficult.

Appending to the option agreement of the licensing agreement, with the stipulation that the latter shall come into effect when the future grantee decides to raise the option has the advantage of giving the grantee knowledge of all the contractual conditions and the possibility of deciding on the basis of sound information.

Moreover, this system has the advantage of preventing the future grantor from taking advantage of the future grantee's expression of interest, for purposes of increasing his demands. On the other hand, appending the licensing agreement has the effect of binding the grantee who, at the time of raising the option, may not change its mind with respect to the substance of the licensing agreement. Thus each of the formulae has its advantages and disadvantages.

2. Letters of Intent

Sometimes, during negotiations on licensing agreements, which may be very lengthy, the parties wish to concretize by judicial acts, certain preliminary undertakings. To this end, they have recourse to what are called letters of intent.

Thus, one may conceive of drafting a letter of intent by which the future partners undertake not to take up parallel negotiations with competitors. One might also consider making out a letter of intent by which the future grantee undertakes not to disclose confidential information transmitted to him by the future grantor during the negotiations. Similarly a letter of intent may be used to stipulate a schedule for the different phases of the negotiations, etc.

All such letters of intent are real contracts which legally bind the signatories.

B. CONTRACTS INDEPENDENT FROM LICENSING AGREEMENTS

Relevant in this context are technical assistance agreements and contracts with respect to cooperation in scientific and technical research.

1. Technical Assistance Agreement

Technical assistance agreements may accompany licensing agreements; business firms have less frequent recourse to technical assistance agreements alone.

Whether a technical assistance agreement accompanies a licensing agreement or not, it must be drafted with the greatest care. In particular, the parties must try to indicate as precisely as possible the nature and the extent of the assistance to be furnished by the grantor.

2. Contracts for Cooperation in Scientific and Technical Research

This type of contract exists, but it is rarely used. It assumes the existence of two firms in identical businesses wishing to join forces to reduce research costs. Such contracts must include confidentiality clauses by each of the partners with respect to the results obtained from the research; similarly, the contracts should specify the owner of the results of the research, and in particular, in whose name will be taken out the patents covering such results. Obviously the contract may well provide that the patents will be taken out jointly with identical rights of utilization for each co-owner.

C. SPECIAL CONTRACTS CONCLUDED AFTER LICENSING AGREEMENTS OR WHOSE ENTRY INTO EFFECT IS SUBSEQUENT TO THIS DATE

Such contracts, generally concluded after the execution of the licensing agreement, may be distribution agreements.

Licensing agreements must normally give rise to utilization by the licensee of the technique transferred. Thus, the licensee comes to face the problem of marketing the goods arising from utilization of the patent.

Such marketing may be conducted with or without the help of the grantor of the license.

First, the marketing may be conducted with the help of the grantor of the license who facilitates distribution of the products by granting a license with respect to his trademark. It is to be assumed that the mark in question is known on the market to be targeted by the grantee of the license. Otherwise, the licensee would have no interest in taking a license with respect to the trademark of a third party but would rather prefer to create his own trademark. In order to place his products, the licensee may have recourse to several formulae.

For one thing, he may set up a network of salesmen to cover the market.

The licensee may also set up, where the products are suitable, a network of franchises. Franchising agreements are contracts by which a business firm on the one hand authorizes another firm to utilize its trademark and its trade name, and, on the other hand, supplies the latter with industrial or marketing know-how, or both. Such arrangements are advantageous to both parties. The franchiser by imposing upon the franchisee a minimum level of revenues may plan his production; moreover, the franchiser will have the advantage of a distribution network at low cost. The franchisee has the advantage of territorial exclusivity, due to the possibility of making use of a trademark and a trade name that are well known, and because the franchisee will be assured of delivery from the franchiser.

When the licensee decides to distribute its product on a foreign market, it encounters difficulties if it wishes to distribute directly. In effect, it may have to establish, in the foreign country, either a sales outlet, or a marketing subsidiary, or a branch. Moreover, it runs the risk of running up against the obstacles which arise from lack of knowledge of the market.

Or the franchiser may have an interest in creating in the foreign country a network of exclusive dealers. Commercial dealership agreements are contracts according to which a manufacturer, builder or producer grants exclusive sales rights for a certain territory to a firm called the dealer. The latter for its part undertakes not to have any interests in other products. Moreover, the grantee of the license often contents itself with a single dealer for a country, who undertakes to find other dealers in the territory of the said country. This arrangement is advantageous for the grantee of the license, as it makes it possible to deal with a single dealer who is presumed to have good knowledge of its market. It is also advantageous for the dealer who is thus assured of territorial exclusivity.

Commercial dealership agreements are especially advantageous where the products to be marketed have a certain degree of technical significance and entail the supply of high quality after-sales servicing. In exchange for exclusivity, the grantor may require from its dealer that it maintain a certain quality of after-sales service and that it hold a sufficient stock of parts so that the clientele may be satisfied as quickly as possible.

* * *

SCHEME

I. PREAMBLE AND DEFINITION OF THE IMPORTANT TERMS OF AN AGREEMENT

1. Identification of the parties

- Company's name, company's form, registered office, qualification of the representatives of the parties

2. Title of the agreement

- Qualification of the subject of the agreement

3. Date

- Date of signature and effective date

4. Statement of the grounds

- Interest of this statement
- Origin of property of the titles under consideration
- Historical recital of the relations between the parties
- Definition of what is brought by each party; competencies and wishes

5. Definitions

- Statement of the technical terms used in the subject of the agreement
- Statement of the legal terms covering particular clauses of the agreement or concerning the parties
- Particular importance of referring here to what could be called "know-how"
- Accurate designation of the patent rights which will be assigned in the license
Precision of the net and gross sale price

II. NATURE OF THE RIGHTS ASSIGNED**1. Definition of the subject of the agreement**

- Grant of a patent license
- Exclusive license, semi-exclusive or non-exclusive license
- Which are the patents assigned?
- Territories: countries where patents have been filed, and other countries
- Transmission of the know-how
- Technical assistance

2. Character of the license

- Manufacture, use, sell
- Territory limitations for one or the other of these activities
- Consequences of these limitations: prohibition to export

3. Definition of the field of technical application

- Fixation of the limits of the technical field in which the two parties will be bound by their obligation with respect to the other parties

4. Obligation of the lessor to supply

- The patents
- Depending on the case, the technique
- Necessity to specify exactly the nature of the elements transferred (plans, samples, machines, laboratory books), depending on the case: the technical assistance, specifying in what form it will be supplied

III. GUARANTEES

1. Guaranty of means

- Physical existence of the patent
- Nature and quality of the know-how elements
- Good faith as to the validity of the patent
- Quality of the raw materials supplied
- Consequence of this guaranty: compensations, nullity of the agreement

2. Guaranty of result

- Industrial result and even commercial result
- Is it given in all cases?
- It may result from a more complete prestation of the lessor, including technical assistance

3. Guaranty of free possession

- Good faith of the lessor (nullity of the patent)
- Defence of the patent and proceedings against infringing third parties
- Defence of the licensee against infringement of third parties' patents

IV. RIGHT TO IMPROVEMENTS

1. Definition of improvements

- Reference to the technical field of application
- Fixation of limits beyond which there will no longer be improvements due
- Communication and improvements license

2. Improvements brought by the lessor

- Are they due to the licensee?
- With or without modification of the agreement (payment)
- Absence of general rule; reply depending on the nature of the agreement (heavy or light)

3. Improvements brought by the licensee

- Are they due to the patentee?
- Their remuneration?
- Clause discussed to a large extent by a number of instances (Reply depending on a number of factors: a number of licensees in the world taking advantage of the improvements made by one of them)

V. OBLIGATION OF THE LICENSEE TO EXPLOIT THE PATENT

1. Licence by right
2. The difficulties for achieving exploitation enter within the field of guaranties
3. Obligation to respect the quality standards
4. Minimum of exploitation
5. Clause of non-competency concerning the subject of the agreement

VI. CLAUSE OF SECRECY

1. Definition of secrecy of the information transmitted
2. Evolution of the secrecy in time
3. Duration of the secrecy obligation
4. Penalty for non-respect of secrecy
5. Importance of the definition of the transmitted information which is secret
6. Secrecy extending to a substantial part of the personnel of the licensee
7. Secrecy related to technical assistance and formation of the personnel of the licensee

VII. CLAUSE OF THE MOST PRIVILEGED LICENSEE

1. Engagement of the lessor not to grant a license to a second licensee in better conditions than those granted to the first licensee
2. Territory limits of this clause
3. Respective competition of the licensees, in their country and in other countries

VIII. LIFE OF THE AGREEMENT

1. Selection between short life and long life
2. Motivation of the two parties
3. Possibility for the agreement to exceed the life of the patent
4. In the case of a short-life agreement: extension and renewal by tacit agreement
5. Possibilities given to each party to terminate the agreement if the other party does not fulfill a fundamental obligation: examination of the various cases
6. Certain obligations may persist after expiration of the agreement
7. Possibility of revising the agreement (for events initially anticipated)

IX. SITUATION OF THE PARTIES ON EXPIRATION OF THE AGREEMENT

1. Suppression of the license
2. Will the licensee keep the know-how?
3. Can the licensee enter in competition with the lessor?
4. Respect of the secrecy (and non-use) clause

X. REMUNERATION

1. Various forms of remuneration
 - Contractual payment
 - Initial payment
 - Proportional payment: royalties, rate and establishment of royalties
2. Minimum royalties
3. Payment of the technical assistance
4. Clause of revision of the prices
5. Date on which payment is due
6. Transfer of the sums due (currency)

7. Accounts checking
 - Books of the licensee
 - Inspection of the books

XI. PARTICULAR ARRANGEMENTS

1. Administrative requirements
 - Registration
 - Recording
 - Exchange Office
2. Election of legislation
3. Election of jurisdiction
4. Arbitration clause (International Chamber of Commerce)
5. Arbitration and its development
6. Force majeure
7. Transfer of the agreement
 - By the lessor
 - By the licensee
8. Right of the licensee to grant sub-licenses
9. Right of the licensee to subcontract part of the productions
10. Designation of the license on the products manufactured and sold by the licensee

XII. PARTICULAR TYPES OF AGREEMENTS

1. Secrecy agreement
2. Transmission of the first knowledge
3. Licence option and engagements prior to a final agreement
4. Agreement with suspensive condition
5. Cooperation for research and development
6. Distribution or exemption agreement

7. Engineering and factory supply agreement
8. Agreement for the grant of trademark licenses
9. Combination of several types of these agreements

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Strasbourg, September 7 to 25, 1992

FRANCHISING

by

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FRANCHISING AND INDUSTRIAL PROPERTY

Summary

The topic of this paper is franchising or, to be more exact, the relationship between franchising and industrial property.

How may we define franchising, "a word that has become magic over a short number of years and which today represents one of the major assets for a successful and necessary renovation of the commercial fabric"? (Benjamin Amstutz-Mahler, former President of the French Franchising Federation).

Among the numerous definitions that exist, I may quote the one given in the French Standard AFNOR NF Z 20-000 of July 16, 1987, in respect of franchising:

"Franchising is a form of cooperation between the enterprise that grants the franchise (the franchisor) and one or more franchisee enterprises.

Franchising implies that the franchisor enterprise should first enjoy ownership or rights in one or more signs that attract the customer (such as its registered designation, its trade name, its trading sign, its trademark, its service mark...) and should hold know-how that can be transferred to the franchisee enterprises, represented by a collection of products and/or a set of services

- of an original and specific nature
- exploited in accordance with well-proven techniques."

We may also look at Commission Regulation (EEC) No. 4087/88 of 30 November 1988 on the application of Article 85(3) of the Treaty to categories of franchise agreements, which defines a franchising agreement, in Article 1, as

"an agreement whereby one undertaking, the franchisor, grants the other, the franchisee, in exchange for direct or indirect financial consideration, the right to exploit a franchise for the purposes of marketing specified types of goods and/or services; it includes at least obligations relating to:

-the use of a common name or shop sign and a uniform presentation of contract premises and/or means of transport,

-the communication by the franchisor to the franchisee of know-how,

-the continuing provision by the franchisor to the franchisee of commercial or technical assistance during the life of the agreement."

the franchise itself being defined in the Regulation as

"a package of industrial or intellectual property rights relating to trade marks, trade names, shop signs, utility models, designs, copyrights, know-how or patents, to be exploited for the resale of goods or the provision of services to end users."

This present paper comprises two parts:

- I. Franchising in general
- II. Relationship between franchising and industrial property
(trademarks--signs--trade names--registered designations-- patents--industrial designs--know-how)

I. Franchising in General

1. Background

Franchising originated in the United States as a result, in part, of the anti-trust laws and of the considerable distances.

In France, the first franchises appeared around 1930 (Rodier--Laines du Pingouin), but the system developed above all after the Second World War, particularly in the area of services and more especially in that of fast food.

Presently there are some 2,000 franchising networks, with 250,000 franchisees, in the USA, and 700 networks, with 70,000 franchisees, in Canada.

France is the European country with the most franchises, there being at present some 750 networks with 32,500 franchisees.

The turnover generated in France through franchising amounts to some 6% of the whole turnover in retail trade.

2. Reasons for the success of franchising

Various factors can favor the success of franchising, such as the fact that the market is becoming increasingly homogeneous and international (with the same trading structures across frontiers), and a corresponding increase in the sameness of the consumers' expectations. The European consumer is already a living fact, although, on the other hand, attachment to the roots of a country or a region is developing. The outcome of this is a mixture of conservatism and internationalization: "Even if you cultivate your garden in Ardèche, the clouds above come from outside." (Bernard Cathelat). This produces a segmentation of distribution circuits with a tendency towards, vertical, integration. An isolated tradesman will be heading for trouble. It is in his interest to break his isolation and to take shelter behind a stronger enterprise that will look after many of his worries whilst at the same time leaving him a degree of freedom.

Franchising can be one of the keys to exports: "it affords a privileged route towards a place in the sun in a foreign market. The only thing is that it is a road paved not with good intentions but with a knowledge of every stone, a knowledge which, far from materializing like a bolt from the blue, is built according to a plan with the talent of a mosaic artist, the patience of a monk and the assiduity of an ant ... The main thing, as ever, is awareness and anticipation: every market, whether or not it has a legal framework for franchising, has its own peculiar features ... Everywhere, the law of the market operates and inexorably penalizes amateurism." (Rodica Elena Muth: "Franchise Export--faits et expériences").

Not all countries will lend themselves to franchising, however. In those that do, it will be a question of adapting to the host market, out of respect for its customs and traditions, setting up capable structures, complying with the prescribed legal formalities, abstaining from infringement and piracy and seeking counsel from specialists; in a word: "to know is to anticipate is to achieve" (Auguste Comte).

Franchising is therefore the mode of the day, it is in tune with its times, although itself not remaining static. The present tendency is to depart from excessively hierarchical structures and to develop towards a greater degree of flexibility within the framework of a partnership based on greater synergy between the parties involved.

3. Types of franchising

There are varying types of franchising, particularly:

- industrial franchising
- production franchising
- distribution franchising
- service franchising.

4. Purpose and structure of franchising

The aim of franchising is to enable the franchisor to distinguish himself from his competitors by setting up, starting from a "pilot," a network grouping a number of franchisees, generally enjoying territorial exclusiveness. When setting up the network, the franchisor will have already acquired his experience, will have already succeeded since indeed "to franchise is to enable others to succeed as one has succeeded oneself. Franchising is the repetition of success. The example of the franchisor is followed and that example shows the way. If the way is well planned then the voyage is a prosperous one." (J.M. Leloup, lawyer at the Bar of Poitiers).

From a legal point of view, franchising will lead, after a pre-contractual phase, to the conclusion of a written contract established between the franchisor and the franchisee. In most cases, this will be a contract of accession, reiteration, collaboration, training and assistance (know-how), with an obligation on both parties to contribute by common accord to the development and maintenance of the "image" enjoyed by the network.

II. Relationship Between Franchising and Industrial Property

1. Closeness of the relationships

This exists in particular:

- between franchising and patents (particularly in respect of industrial franchising)
- between franchising and trademarks, with the neighboring rights: signs, trade names, registered designations
- between franchising and industrial designs (particularly designs common to the various franchising points)
- between franchising and know-how.

These components of franchising are essential, indeed crucial elements. They are central to franchising, they are its keystone.

Trademarks, signs, trade names, more particularly if they are already known, will provide franchisees with an additional advantage.

For that reason, trademarks and signs are elements of considerable importance for the attractiveness of the franchising network, both as regards

- future franchisees
- and
- future customers.

2. Industrial property rights involved

It is, however, characteristic of franchising that the industrial property rights made available by the franchisor to the franchisees are and remain the property of the franchisor.

The franchisees will enjoy those rights, but will never become their owners; they are generally licensees, although franchising is more than just a license since it covers a package deal to be enjoyed by the franchisee against payment of a counterpart--frequently a lump sum paid on signature of a contract (entrance fee); charges on the basis of the turnover, laying down minimum amounts; participation in the advertising budget which the franchisor allots to the network.

3. Development of the links between franchising and industrial property

Development over three essential and successive stages in franchising, that is to say its beginning, its development and its end.

(a) Beginning of the franchise

At the time the franchise begins, the franchisor will normally already possess the necessary industrial property rights, particularly in the trademark and the sign, which are then made contractually available to the franchisees, generally on an exclusive basis.

This contract will set out in detail the above-mentioned rights (see the AFNOR French Standard referred to above) together with the obligation at the pre-contractual phase to communicate the registration number of the trademark and, in the contract itself, the same particulars together with those of the owner of the trademark and of the property rights or the rights of use of which the franchisor is the owner together with transfer to the franchisee of an official copy of the trademark registration certificate, giving also details on the licensing contract where the franchisor is himself the licensee of the trademark.

- -See also Law No. 85-1008 of December 31, 1989 (Doubin Law), with its implementing decree No. 91-337 of April 4, 1991, which is applicable to any person who makes a trade name, trademark or business sign available to another person, at the same time requiring of that person a commitment of exclusiveness or quasi-exclusiveness in the performance of his activity. This imposes the obligation to communicate to the person of whom the exclusiveness

or quasi-exclusiveness is required, at least 20 days prior to the signature of the agreement, a document that has to contain a certain amount of information, especially on the above-mentioned rights made available to him. The draft franchise agreement is to be communicated within the same period (see also the corrigendum to the above-cited decree - Official Journal of May 4, 1991, page 5983).

An order of February 21, 1991, concerning consumer information in the franchising sector, should also be cited. Under that order, "any person selling products or providing services, who is bound by a franchising contract to a franchisor, must inform the consumer of his situation as an independent undertaking, in a legible and visible manner, on all information documents, particularly those of an advertising nature, as also inside and outside the point of sale."

The purposes of these provisions is to impart "morality" to franchising, in order that certain abuses may be avoided.

It is also with this in mind that certain codes of practice have been introduced, such as the European Code of Ethics of the European Franchise Federation (EFF), which came into effect on January 1, 1991, and which among other things requires the parties to "exercise fairness in their dealings with each other," and "resolve complaints, grievances and disputes with good faith and good will."

The know-how, which the above-mentioned EEC Regulation No. 4087/88 defines as "a package of non-patented practical information, resulting from experience and testing by the franchisor, which is secret, substantial and identified," will also be set out in a contract and the physical elements that reveal the know-how will be communicated. Failing that, the franchising contract is likely to be lacking in object.

The contract must also comply with the principles of French and European competition law (see in particular the Pronuptia decision of the Court of Justice of the European Communities, Luxembourg, of January 28, 1986, and also the above-mentioned EEC Regulation 4087/88, Official Journal of the European Communities No. L359 of December 28, 1988).

Following signature of the contract, a number of formalities have to be complied with, at least as far as France is concerned: tax registration, notification to the National Register of Patents or Trademarks (depending on the industrial property rights involved); notification of the franchise to the franchisee's Register of Commerce; where the contract is signed between French residents and foreign residents, a declaration of the contract to the Office of International Technical Transfers, Paris, within one month of signature of the contract, together with a declaration, before March 31 of each year, of the amounts received and expended during the preceding year.

(b) Development of the franchise

Reflected in reciprocal collaboration, based on a mutual relationship of confidence that must exist between the franchisor and the franchisees, in a synergetic relationship, the franchise will normally develop under cover of commitments on the part of each of the parties whose respect for those commitments will help to create and develop the image of the franchise with the uniformity that is characteristic of the latter.

The franchisor will ensure that his franchisee enjoys undisturbed exploitation of the industrial property rights granted to him with a commitment for the franchisor to maintain those rights (e.g., renewal on expiry of the registration of a trademark; regular payment of patent renewal fees).

The franchisee will exploit the rights he enjoys in a consistent and loyal manner and will do all possible to maintain and if possible increase their impact. He will abstain from using signs that recall those of the franchisor and, of course, will not register the trademark or sign of the franchisor in his own name, on pain of fraud.

The uniformity attaching to the franchise and the resultant image will be reflected in the external and internal fittings that are common to all the franchising points and of which the appearance and structure are uniform throughout the whole network and which, subject to novelty and originality, can be protected by means of registered designs, possibly in connection with copyright.

In the event of counterfeiting or imitation of the industrial property on which the franchise is based, linked, where appropriate, to act of unfair competition, the franchisee would be obliged to report them to the franchisor to enable the latter to take action to protect the integrity of those rights.

Recommendation

As soon as the contract is signed, the franchisor will make available to the franchisee the trademark and the neighboring rights of which he is, and normally remains, the owner.

The franchisee will be required to exploit them in such a way that the image of the mark is respected.

It will therefore be in his interests to carry out surveillance of the mark and of the sign in order to discover possible trademark registrations or entries in the register of commerce that may be made by others subsequently. Possible action against counterfeiters or defense against third parties who claim ownership of prior rights are to be carried out as far as possible in collaboration between the franchisor and the franchisee.

(c) End of the franchise

The franchise will terminate either naturally, that is to say as a result of expiry of the planned term of the contract or, if one of the parties feels that the other has not been fulfilling his commitments, with recourse to the courts.

As regards the natural expiry of the contract, most franchising contracts are concluded for a fixed period. In some rare cases, the contract is concluded for an open-ended term and may, in such cases, be terminated unilaterally at any time by one or other of the parties subject to meeting a reasonable period of notice.

The expiry, whether natural or forced, of the franchising contract is likely to raise a number of problems in respect of the trademark and the sign.

The franchisee will therefore have to forgo any future use of the mark or the sign that he has been exploiting under cover of the contract.

Failure by the franchisee to do so, will make him liable to counterfeiting or fraudulent imitation of a mark and thus, of acts of unfair or parasite competition.

The franchisee will therefore be suddenly deprived of enjoyment of the mark and the sign, which can be awkward for him since he will frequently also be bound by a non-competition clause that will be applicable subject to the usual limits in time and space.

Some franchisees will therefore resist their abandoning of the mark and the sign by continuing to use them unduly or by adopting other signs which may be confusingly similar with those of the ex-franchisor.

In such cases, the franchisor will have the possibility of acting by an order in chambers.

Recommendation

The contract must set out a precise term, with the possible inclusion of tacit extension for specified periods.

It should from the outset lay down what is to happen to the mark and the sign on termination of the contract.

Wherever possible, the parties should endeavor to separate harmoniously.

Conclusion

Franchising is a complex system which, if based on reciprocal confidence between franchisor and franchisee, will constitute an effective means for developing trade and the provision of services.

As for the industrial property rights that play a major part, it may well be claimed that for them, particularly for trademarks, the franchise will be an appropriate occasion to develop their various functions, but also to project the image that will give them their force after having first attracted the candidate franchisees and then the future customers.

As a result of these industrial property rights, particularly trademarks and signs, the franchise will prosper under cover of those rights that will serve to create a "captive" market, to develop it and then to join together franchisors, franchisees, customers--an exceptional amalgam--on the pathway of joint success.

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Strasbourg, September 7 to 25, 1992

INDUSTRIAL PROPERTY, ENTERPRISES AND DEVELOPMENT

by

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1. Innovation as a promoter of technological progress and instrument of economic development; the role of industrial property protection in the stimulation of innovative activity

We are aware that the growth, indeed the very survival of any company and even of whole nations depends essentially on their ability to sustain themselves of course but also to progress, not only in the national context but also, and daily more so, in the international one. As a result of the ever-growing pace of technological development which is the fruit of man's innovative activity, competitors are constantly launching new products and/or processes on a market in a perpetual spate of progress, improvement and renewal.

Any company unwilling to take on the competition at all times is therefore bound to stagnate gradually until the day when it becomes vulnerable to challenges from national or international competitors in what it might have thought was its backyard. This is how it will be for companies large and small, whether private, semi-public or public, and indeed also for oligopolies or monopolies, both national and even within a group of nations.

It is essential here to realize that, while it is still relatively easy to stand up to simple commercial competition--provided that sufficient financial resources are available when required--what could be called "grey matter competition" is on the other hand far more dangerous. What happens in fact is that the victim is not aware of the danger until after a certain time, whereupon he has to come to terms with what is effectively the encirclement that has taken place; there is still a certain lag--albeit becoming steadily shorter--between the act of invention and the marketing of the results. This undermining work would then have protracted after-effects due, among other things, to the industrial property rights protecting the invention, its developments and its improvements, which would enable the holders to exclude the competition at least temporarily. We can thus see that such intellectual sclerosis, such failure to experiment and innovate, rapidly becomes a serious, indeed sometimes incurable condition.

On the other hand, if the company has managed to move forward and weather the storm of international competition, it will have successfully anticipated the danger and worked out a means of either overcoming or offsetting it, for instance by means of a successful incursion in another area.

1.1 The time factor and the development of the invention

It seems that we could usefully remind ourselves at this point, briefly, of the role of the time factor before considering that of industrial property.

It is interesting to observe that the findings of research conducted by well-known specialists are entirely consistent on the subject of time.

For instance, while E. Jantsch¹ regards it as generally accepted nowadays that the total time that elapses before the invention is publicized (accepted on a large scale) is 15 years for efficient technology transfer processes, S.I. Doctors² for his part considers that, while a speeding up of technological development may have been noted in an appreciable number of cases, the time lag is nevertheless still long: he observes that major technological breakthroughs can take up to 14 years before they reach the stage of their commercial launch, even on a small scale, and sometimes five further years before having any real economic impact.

The table below, which illustrates the findings of S.I.-Doctors, is the result of a study made by the National Planning Association:

Average Rate of Development of Selected Technological Innovations¹

Factors Influencing the Rate of Technological Development	Mean Lapsed Time (years)		
	Incubation Period ²	Commercial Development ³	Total Development
Time Period			
Early 20th century (1885-1919)	30	7	37
Post-World War I (1920-44)	16	8	24
Post-World War II (1945-64)	9	5	14
Type of Market Application			
Consumer	13	7	20
Industrial	28	6	34
Source of Development Funds			
Private Industry	24	7	31
Federal Government	12	7	19

¹ Based on study of 20 major innovations whose commercial development started in the period 1885-1950.

² Begins with basic discovery and establishment of technical feasibility, and ends when commercial development begins.

³ Begins with recognition of commercial potential and the commitment of development funds to reach a reasonably well-defined commercial objective, and ends when the innovation is introduced as a commercial product or process.

It could be interesting to consider the consistency of the above figures with those derived from other sources when, in respect of a product, a global analysis is made of the average time necessary for a product to be replaced with another on the market (see the work by F. Mahieux³, "Substitution").

This is illustrated by the table below, published by J.S. Fisher and R.H. Pry.⁴

' Substitution time Δt and mid-point "to"
for a certain number of cases of substitution

Substitution	Units	Δt years	"to" years	Reference++
Synthetic/natural rubber	Pounds	58	1956	1
Synthetic/natural fibers	Pounds	58	1969	1
Artificial/natural leather	Equ. Hides	57	1957	1
Margarine/butter	Pounds	56	1957	1
Special steels electric arc/ open hearth	Tons	47	1947	2
Household paint water/oil	Gallons	43	1967	3
Steel: open-hearth/ Bessemer	Tons	42	1907	2
Sulfate/tapped Turpentine	Pounds	42	1959	3
TiO ₂ /PbO-ZnO pigments	Pounds	26	1949	3
Plastic/wood flooring	Square feet	25	1966	1
Hulls of pleasure boats: plastic/other materials	Hulls	20	1966	4
Organic/mineral insecticides	Pounds	19	1946	3
Synthetic/natural fibers for tires	Pounds	17.5	1948	1
Plastic/metal automobiles	Pounds	16	1981	4
BOF/open-hearth steels	Tons	10.5	1968	2
Detergent/natural soap (USA)	Pounds	8.75	1951	5
Detergent/natural soap (Japan)	Pounds	8.25	1962	5

1.2 The role of industrial property protection

Experience forces us to recognize that, in a self-supporting economy, incentives for innovation very often no longer exist, as research is virtually considered an unnecessary luxury. Moreover foreign competition cannot expect to penetrate such an economy and open new markets in it.

So, in the shelter of such artificially created barriers, oligopolies and then monopolies gradually establish themselves, sometimes private but more often semi-public or State; not being exposed to the constraints of competition, they slowly but surely form impenetrable layers, causing a deterioration in the standard of living in the area concerned.

Thus it is that in France it took the trauma of the Second World War for the creeping impoverishment that preceded it to give way to an age of reconstruction at all costs, during which we had first to restore our industrial potential before we could progress beyond the point that we had reached before the outbreak of war.

It became clear also that the attributes on which economic power was based had changed very substantially, and that mere possession of or control over raw materials was no longer sufficient. The power went to those who possessed great innovative potential, which enabled them to take and keep the initiative in the discovery of new goods or processes, their development and their marketing, and to remain in control.

It is striking in this connection to note that, since the 1950s and more especially since the creation of the European Economic Community, the importance of research has made itself palpably felt under the ever-greater pressure of international competition, not only in France but throughout the world, and not only in the more industrialized countries.

The energy crisis at the beginning of the 1970s made this need more and more keenly felt, and moreover imposed objectives that were more immediately profitable; the effect of this is that research effort, which slowed somewhat during the second part of the 1960s, has just found not only its "second wind," but also a compelling reason for accelerating towards tangible results in the medium and even in the short term.

This awareness of the importance of research and its exploitation on an industrial scale has also led, of course, to a new awareness of the part played by industrial property.

After all, what industrial property has to offer research is not only protection but also its role as a sort of vanguard and as a negotiating and bargaining tool; in a word, it is insurance for the investments made in the course of research and development.

It is often surprising to observe that there seem to be many who are insufficiently aware of the economic implications of industrial property, which after all are its essential aspect, if not its actual *raison d'être*. Patents, know-how, trademarks and industrial designs are weapons, admittedly varying in strength and effectiveness, available for both technical (or commercial) and legal purposes; they do not however have any practical value or interest unless, in economic terms, they are capable of promoting the industrial and commercial exploitation of what they protect (goods or processes), to the temporary exclusion of all competition.

Industrial property rights make it possible for innovations (goods, processes, apparatus, etc.) to establish themselves more readily, to penetrate

new markets with a minimum of risk, and in that way to amortize the investments made in the research that led to them. In a practical sense, therefore, they are the spearhead of some of the most advanced technology. This is of course becoming more and more apparent in a modern world increasingly dominated by technology.

We would mention at this point that it seems right to us, in this connection, to regard industrial property rights as "goods." They are admittedly goods of a rather special nature, constituting as they do intellectual rights for the protection of that raw material inherent in mankind that has come to be commonly known as "grey matter."

One could perhaps even draw some parallels between industrial property rights and those connected with stocks and shares. For is it really wrong to say that in effect a real worldwide "industrial property exchange" exists for the rights that protect the various forms of current or potential technology? Industrialists do indeed "play" the industrial property market in practice, as every day, in the research that they undertake personally and protect, in the technology that they buy or sell and in the licenses that they take out, grant or exchange, they are endeavoring to possess or control the technology that seems the most profitable to them.

2. The role of information on industrial property protection in the establishment of a corporate technology development policy and in the preparation of management decisions on development

It is of course obvious that any research in the medium or long term has to be preceded by market research projected over a period of given length. We are not concerned here with research work that has no immediate purpose other than that of meeting the competition directed against the sale of goods already manufactured by the company, but rather with the kind that prepares the company's future by developing new goods or processes.

We are placing ourselves here in the position of a market economy country, and consequently in the position of the private company, one of whose vital functions is to produce sufficient profit, the only thing likely to enable it to develop and progress and stand up effectively to competition.

The "state of the art"

Alongside the market research, a special industrial property study must therefore be made, its purpose being to look for and where appropriate to evaluate any blockages that may be obstructing the path along which the prospection is to take place. By systematically assessing the "state of the art" in the area of interest, one can determine with the utmost assurance whether there are already industrial property rights that belong to third parties and, if there are, what their value is in technological terms, as well as their legal soundness and their territorial scope.

This study, which should at the outset generally cover quite a large area, should, once the research has been put in hand, be carried on and where appropriate extended according to whatever emphasis, specification, limitation and redefinition may prove necessary in the research program. What attitude should then be adopted in the face of these both technically and legally strong rights controlled by a third party? Should one do the research oneself, take over the results or abandon the project?

Such a question is influenced by too many elements for there to be one answer. It does however seem essential not to decide until all the facts are known and until a careful and rigorously objective analysis has been made of the situation. Any subjective attitude, or ignorance of the problem, is bound to be irrational, ineffectual, dangerous and often very costly in the long or not-so-long term!

Contrary to what we were saying earlier on the subject of market research, the question seems to arise in more or less the same form for the State and for private enterprise, at least in the majority of cases involving technological research culminating in industrial applications: the industrial property position of the State, when it does research or has research done, is then practically the same as that of the private company.

Moreover, synthesized analytical screening of patents published throughout the world, especially those of the competition, has also to be done systematically and with the utmost care, so that the areas of interest and research priorities of that competition may be detected as promptly as possible.

Unfortunately, the delay that usually precedes such publication in the main industrialized countries seriously limits the scope of state-of-the-art studies in certain areas.

It is no less essential, however, to undertake the studies, which make it possible to draw up what one might call "research identity cards" for the competition and to keep them up to date, affording insight into courses of action followed or abandoned and, by deduction from the geographical scope given to the rights applied for, the economic importance attributed to those courses of action.

Such information, if gathered sufficiently rapidly and subjected to close, synthesized analytical inspection, seems to be of definite interest to us for the direct or indirect influence that it can have on the company's research program; it would have to be taken into account in the choice of what projects to go ahead with and, as we mentioned earlier, what courses of action to adopt or alternatively to abandon.

"Documentary media"⁶

We would merely mention here that, in this connection and if certain delays are discounted, the exceptional means made available to us by computer technology--provided of course that not-too-great demands are made on it--allow patents to be readily used as technical instruments of documentation.

Systems do exist, but progress still has to be made, not only to improve the performance of those systems and ensure the near-exhaustiveness of their contents, but also to lower their cost. Moreover, while it would be unrealistic to expect users one day to see their needs met by a single body--especially when a multitude of areas of technology are involved--it is to be hoped that the various organizations that disseminate computerized patent documentation will quickly harmonize their individual data bases in the interest of their clients.

We must nevertheless be aware of the fact that computer technology does have its limits, at least if its products are to be profitable. In this respect it seems to us that we would be very liable to reach those limits should we wish to have the legal aspects of patents taken in hand by automated

documentation systems, even if that were confined to mere anticipation searching. It seems to us indeed that modern technology offers little hope in the medium term.

The role of information, and more especially that of patent documentation, seems to be a truly fundamental one: reverting to our question of the choice between doing the research, acquiring it from a third party or abandoning the project, it seems obvious to us that information is indeed an important factor of progress, because, by allowing such a choice to be made rationally and in full knowledge of the facts,

- on the one hand it makes for a substantial saving of resources, through maximum avoidance of unprofitable duplication of research work, and
- on the other hand it promotes the industrial development of all countries through the technology transfers that it automatically facilitates, precisely as a result of the dissemination of the appropriate information.

The practical importance of this modern patent documentation seems moreover to be all the greater for constituting--let us not forget this--the normal quid pro quo and indeed the justification for the very special right conferred on the holder of the patent. For it is through the rapid publication of the invention that the knowledge thereby imparted to all, which thus encourages the development of "science and the arts" generally (to use a well-known formula), fully legitimizes the conferment of a special right and, as we mentioned earlier, the temporary exclusion of competition.

3. Organization of innovation--in-house development or purchase of technology--role of State policy in innovation processes

Should we not first ask ourselves what the driving forces of invention and innovation are, before we actually organize it?

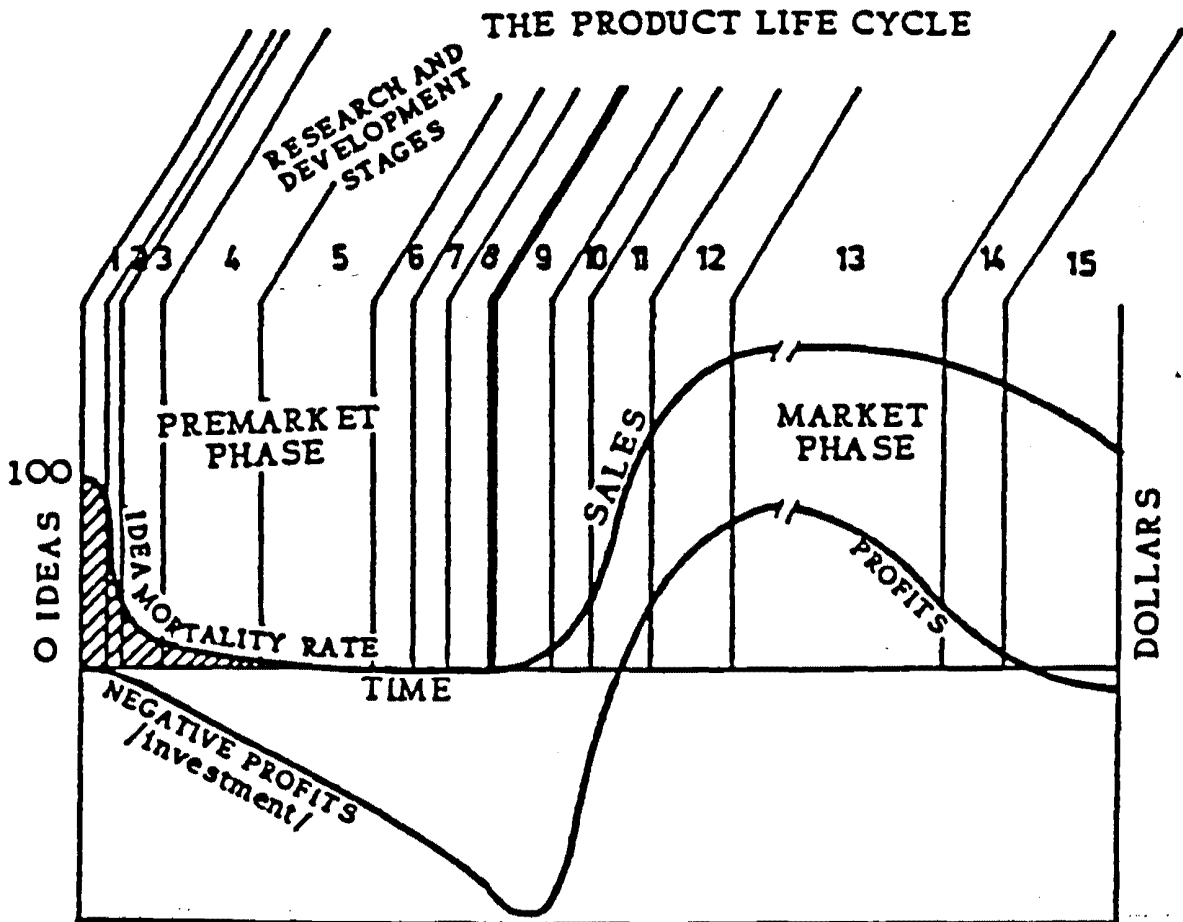
Here, unlike the problems that we have just outlined (for which rational analysis seems to us to be called for before any synthesized formula can be devised), irrationality seems to have a leading role to play. It is an accepted truth to say that invention and innovation are the result of a set of factors activated by man not only consciously but above all unconsciously. On the other hand, it is far less straightforward to analyze these factors, their importance and the means of exploiting them with any accuracy. That is not our concern, however.

Even though eminent specialists have devoted a great many studies to it, we still seem to be only at the beginnings of this human science. And yet it is to be feared that in such a delicate area, which has to do with the very innermost parts of the human personality, some (no doubt considering themselves far more advanced in this knowledge) may sometimes be inclined to play the sorcerer's apprentice and exploit so-called "creativity methods" which, taken to their extreme, result in veritable violations of the personality that they are manipulating, more often than not without producing any very convincing results in terms of actual innovation.

We would merely mention, for the record, the period from the second half of the 1960s up to the energy crisis (to which we referred earlier) during which there was a wealth of studies on the various possible forms of managing R and D, and of sometimes very sophisticated methods of technology forecasting, or again techniques (many of which were often quite surprising) for promoting creativity.

The results achieved do not seem to have measured up to the hopes placed in them, so much so that a certain number of new studies were put in hand to diagnose the causes of these failures, and if possible to find remedies for them.

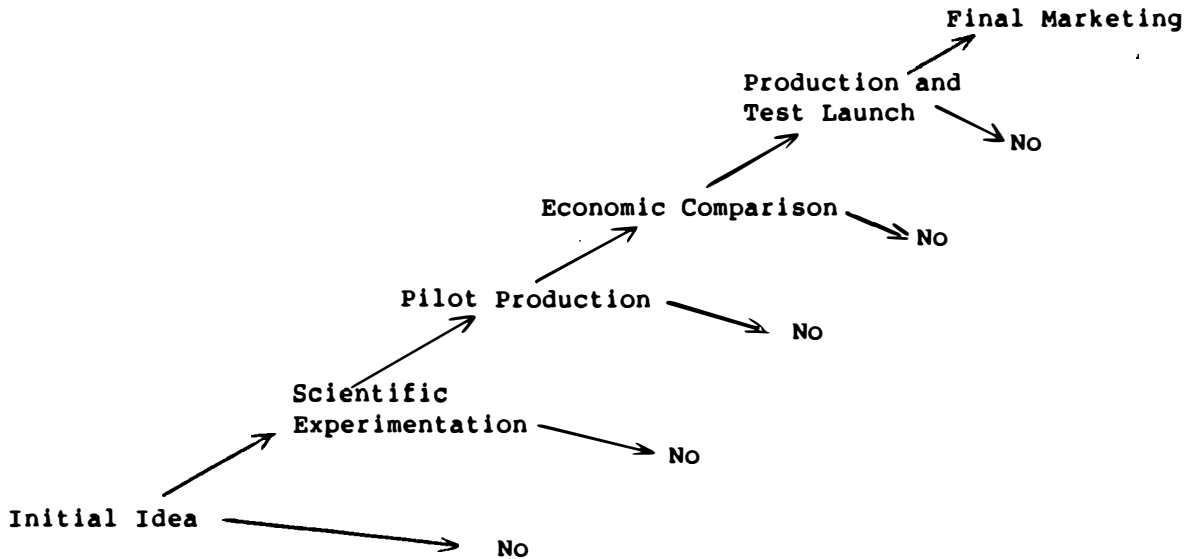
We are bound to acknowledge that the process that innovation goes through is complex, and brings a great many elements into play, those elements being not only very varied but sometimes even contradictory within themselves; this is illustrated, for instance, by the work carried out by the Innovation Center of the University of Oregon,⁷ from which we have taken the diagram reproduced below:



SOURCE: INNOVATION CENTER, UNIVERSITY OF OREGON, EUGENE, OREGON 97403

- | | |
|--|----------------------------------|
| 1. Idea generation stage | 7. Market testing stage |
| 2. Idea evaluation stage | 8. Commercial production stage |
| 3. Business/technical feasibility analysis stage | 9. Introduction stage |
| 4. Technical research and development stage | 10. Market development stage |
| 5. Product/market/research and development stage | 11. Rapid growth stage |
| 6. Preliminary production stage | 12. Competitive turbulence stage |
| | 13. Maturity stage |
| | 14. Decline stage |
| | 15. Abandonment stage |

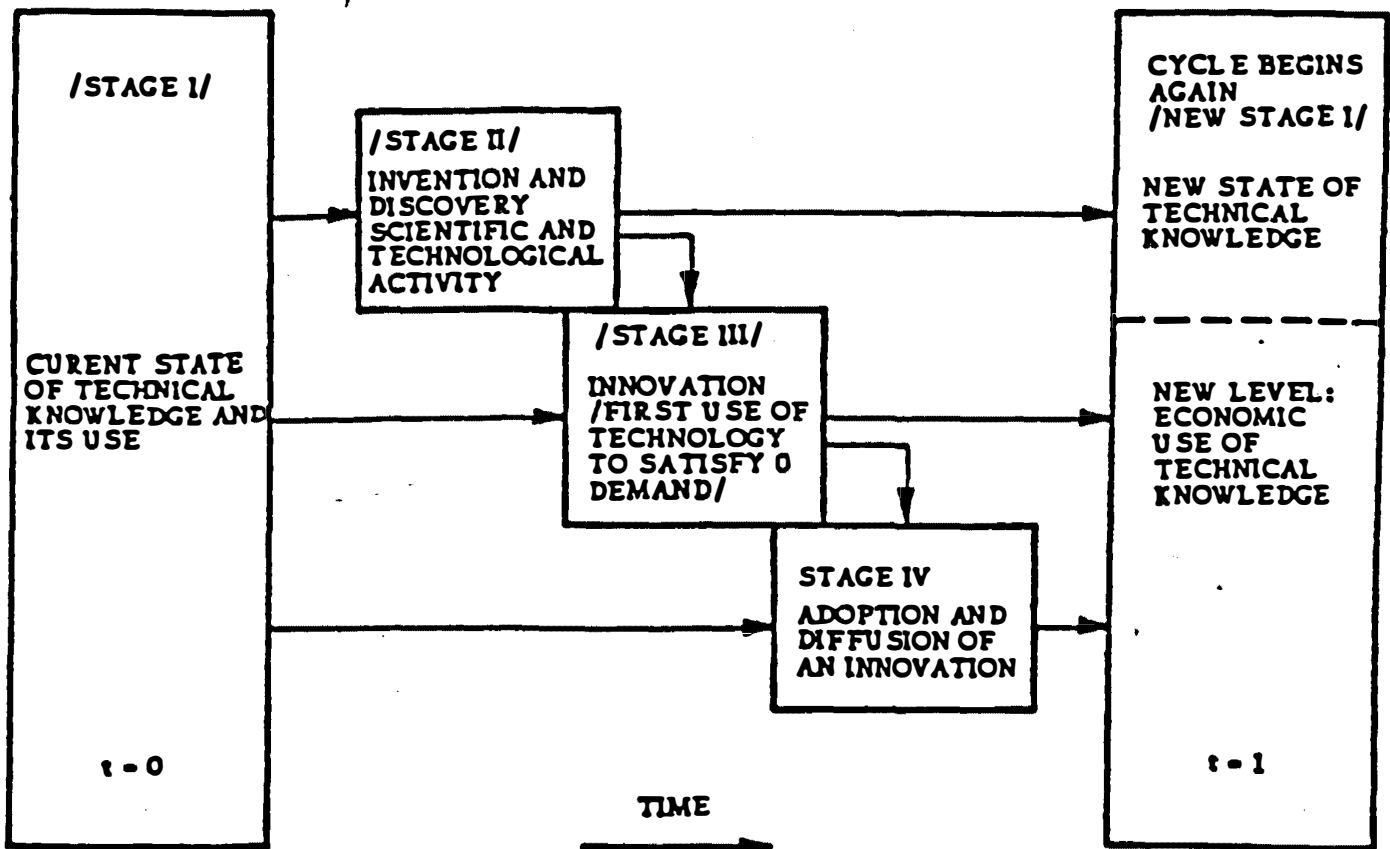
It seems useful to compare the above diagram with the simplified one shown below:⁸



We would mention in passing that W.H. Gruber and D.G. Marquis,⁹ concluding a 1966 lecture series at Massachusetts Institute of Technology on technology transfer, already drew attention to the predominant influence of human factors, referring to the failure of the Bell Telephone Laboratories project (according to Norton) for millimeter wave transmission.

They mentioned in that context that there could be such a thing as technological advance without the possibility of economic application, as shown in the following graphic presentation of "a four-stage process of technical advance, technical advance being defined as an increase in the level of technical knowledge and/or an increase in the economic uses of technical knowledge."

The diagram shows that at a given time (= 0) there is a current state of the art or store of technical knowledge:



All these studies show that, while the creative potential of mankind is immense (as has been clearly demonstrated throughout history), the organization of innovation is on the other hand not an easy task.

We shall not of course go to the same lengths as the conclusion to an article that appeared in the American press recently, which said that "research management stifles innovation,"¹² but we must nevertheless be aware that, in this area, innovation could readily be compared to the nightingale of Andersen's tale which supposedly brought happiness, and which the Emperor of China caged in order to have its song for himself alone, whereupon the bird stopped singing and died.

In-house Development or Purchase of Technology?

We have already put the question of the choice between carrying out research oneself or acquiring it from a third party when we dealt earlier with the problem of the role of information in the establishment of a development policy. We said at the time that there was no one reply, but that it was essential not to take a decision until after the situation had been objectively analyzed.

It is moreover our experience that, in practice, one is never really faced with such a dilemma (with each element cancelling out the other), as every case has to be considered on its own merits and could very well accommodate two or more possible solutions.

Indeed, as G.G. Udell points out, an innovator should possess or have access to interdisciplinary abilities and skills to take on the innovative process (as described above). For instance,

- at the ideas stage, creativeness is the essential element, whereas
- at the R and D stage, knowledge and technical expertise are indispensable, and
- at the market-launch stage, mastery of marketing skills is of the utmost importance.

It is thus the findings of the state-of-the-art study that we mentioned earlier on the one hand, and the real ability possessed by the company at every stage of the innovation process on the other, that determine the most reasonable reply to the question of in-house creation and/or in-house development and/or acquisition of the creative idea and/or of the corresponding research and/or of the technological and/or commercial developments pertaining thereto.

Role of State policy in innovation processes

This chapter does not seem to call for much development, as the part that the State can play in this respect is so well known, whatever the economic system involved; the role can moreover be one of either inducement or dissuasion, but practically never be neutral.

We would mention first, for the record and by way of example, the military and space research undertaken direct on behalf of States, which have contributed decisively to well-known spin-offs in advanced electronics and special materials technology among other things. By the same token, nuclear power would not have reached its present industrial stage if States had not at the outset taken charge personally of the corresponding research (albeit unfortunately, as far as its military applications were concerned).

Clearly the major options taken or commitments made by States in R and D matters, which automatically lead to specific financing, are a considerable stimulus for innovation.

For instance, would "Route 128" in the United States of America have had the success that it did have in the 1960s if the American Government had not given substantial financial assistance to the small and medium-sized businesses that established themselves there, and if moreover they had not found there an environment as conducive to their establishment and development as they in fact did?¹⁰

If States are not aware of the part that they can play in the innovative process by the following means, among others:

- by financial inducements (R and D contracts fully or partly financed, loans at preferential rates for R and D, repayable only in the event of successful development, etc.);

tax inducements (tax relief and rapid writing-off of R and D investment, R and D operating expenses put down as general expenses, etc.),

why then would a government such as the French Government also introduce a "national innovation program," as it has just done?¹¹

4. International development cooperation, and special problems of affording industrial property protection to the results of joint development schemes

This important and sometimes delicate problem certainly deserves to have a whole lecture devoted to it alone. We shall not therefore presume to go into it thoroughly in this chapter alone, which will moreover be all the shorter for our having already taken generous advantage of your patience (and even overrun our allotted time).

We shall therefore confine ourselves on the one hand to recalling a certain number of facts (which are probably well known to you), and on the other hand to giving some statistical material that shows the importance of technology transfer between certain major geographical areas.

International cooperation

United Nations (UN)

Let us just remind ourselves of the work being done and the action being undertaken by certain organizations of the UN family, such as, to name just a few:

- the United Nations Industrial Development Organization (UNIDO), the United Nations Conference on Trade and Development (UNCTAD) and
- the World Intellectual Property Organization (WIPO), with regard to the transfer of technology to developing countries,
- the World Health Organization (WHO) for cancer research and
- Unesco for the arts field in particular.

International and multilateral treaties

Apart from this, some of the more industrialized countries (grouped into a particular economic zone) have on occasion entered into specific treaties with a variety of countries with which they may have had privileged connections for historical reasons, with a view to promoting the development of those countries through multilateral cooperation. This is true for instance of the countries of the European Economic Community, which on January 30, 1976, signed what is known as the Lomé Convention with some 30 States of Africa, the Caribbean and the Pacific.

Another example of a multilateral treaty is the EURATOM Convention, under which the countries party to the Convention cooperate in the fundamental research essential for the enhancement of man's knowledge in matters pertaining to the atom.

Similarly, a certain number of States, especially France, the Federal Republic of Germany and the United Kingdom, have together designed and developed new aircraft such as the Airbus, and then used a certain number of countries to further the commercial development of the aircraft.

Bilateral skeleton agreements between States

It is well known moreover that, very often, the governmental authorities of two countries decide, in the interest of international cooperation, to develop both commercial and technology exchanges between themselves. We shall simply mention the skeleton agreements concluded by France with socialist economies such as those of the former USSR and Romania, or with developing countries such as Mexico or certain African States.

Intercorporate contracts

Finally, we shall mention the cooperation contracts between private, semi-public or public companies of two States, the purpose of such contracts being not only the mere transfer of technology but also assistance and cooperation in related technological development.

This type of contract is too well known to all of us to be dwelt upon at length here.

However, merely by way of example, we would mention the agreements made by my group, Pechiney Ugine Kuhlmann, with organizations in Socialist countries such as the former USSR or Romania in the field of aluminium production, or with Hungary in the aluminium processing field (Magyar Aluminium Trust), or again with private companies in countries such as the United States of America, Japan, Brazil and others.

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