WIPO/IP/CAR/91/Inf. 1
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GOVERNMENT OF
JAMAICA

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO CARIBBEAN REGIONAL COURSE ON INDUSTRIAL PROPERTY

organized by

the World Intellectual Property Organization (WIPO)

in cooperation with

the Government of Jamaica

Kingston, April 22 to 26, 1991

PROGRAM

prepared by the International Bureau of WIPO

MONDAY, APRIL 22

Morning:* Opening ceremony
Address by the Representative of the Government

Address by the Representative of the United Nations Development Programme (UNDP)

Address by the Representative of the Director General of WIPO

The Main Elements of Industrial Property (patents, trademarks, industrial designs, utility certificates, geographical indications)

Lecturer: Mr. James Quashie-Idun, Director, Developing Countries (Industrial Property) Division, WIPO

Background document: "The Elements of Industrial Property" (WIPO/IP/CAR/91/1)

Afternoon:* The Protection of Inventions: Patents and Other Titles of Protection

Lecturer: Mr. Anthony McDonough, Director, Patent Examination Branch, Canadian Patent Office

Background document: "The Protection of Inventions: Patents and other Titles of Protection" (WIPO/IP/CAR/91/2)

TUESDAY, APRIL 23

Morning: The Protection of Distinctive Signs Used in Trade: Trademarks and Appellations of Origin

Lecturer: Mr. James Quashie-Idun

Afternoon: The Role of Trademarks in Commerce: selection, use and protection of marks, franchising, consumer concerns and counterfeiting

Lecturer: Mr. James Quashie-Idun

Background document: "The Protection of Distinctive Signs Used in Trade (Trademarks and Appellations of Origin); the Role of Trademarks in Commerce" (WIPO/IP/CAR/91/3)

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* Morning sessions will be from 9 a.m. to noon; afternoon sessions will be from 2 p.m. to 4:30 p.m.

WEDNESDAY, APRIL 24

Morning: Patents as a Source of Technological Information: The Role of Patents in an Industrial Development Strategy

Lecturer: Mr. Anthony McDonough

Background document: "Patents as a Source of Technological Information: The Role of Patents in an Industrial Development Strategy" (WIPO/IP/CAR/91/4)

Industrial Property in Jamaica and Implications for Development

Lecturer: Mrs. Merline Bardowell, Director, Information and Coordination Service, Jamaica, Scientific Research Council

Afternoon: Patent Information and Documentation Centers for Developing Countries

Lecturer: Ms. Ana Regina de Holanda Cavalcanti, Deputy Head, International Affairs, National Institute of Industrial Property, Brazil

Background document: "Patent Information and Documentation Centers for Developing Countries" (WIPO/IP/CAR/91/5)

THURSDAY, APRIL 25

Morning: The International System for the Protection of Industrial Property

Lecturer: Mr. James Quashie-Idun

Background documents: "The Paris Convention for the Protection of Industrial Property: Main Features and Revision" (WIPO/IP/CAR/91/6); "The Patent Cooperation Treaty and its Importance to Developing Countries" (WIPO/IP/CAR/91/7); "The Madrid Agreement, concerning the International Registration of Marks and the 1989 Protocol" (WIPO/IP/CAR/91/8)

Afternoon: The Functions of an Industrial Property Office

Lecturer: Ms. Ana Regina de Holanda Cavalcanti

Background document: "The Functions of an Industrial Property Office" (WIPO/IP/CAR/91/9)

FRIDAY, APRIL 26

Morning: Patents as a Vehicle for the Transfer of Technology. Licensing Agreements

Lecturer: Ms. Ana Regina de Holanda Cavalcanti

Background document: "Patents as a Vehicle for the Transfer of Technology. Licensing Agreements" (WIPO/IP/CAR/91/10)

Afternoon: WIPO's Development Cooperation Program; WIPO's Activities in the Caribbean Region

Lecturer: Mrs. Renate Stille, Senior Program Officer, Development Cooperation and External Relations Bureau for Latin America and the Caribbean, World Intellectual Property Organization

Background document: "The World Intellectual Property Organization (WIPO) and its Development Cooperation Program" (WIPO/IP/CAR/91/11)

Evaluation and closing

[End of document]

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prepared by the International Bureau of WIPO

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WIPO/IP/CAR/91/2	The Protection of Inventions: Patents and Other Titles of Protection
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WIPO/IP/CAR/91/11	The World Intellectual Property Organization (WIPO) and its Development Cooperation Program

[End of Document]

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prepared by the International Bureau of WIPO

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THE ELEMENTS OF INDUSTRIAL PROPERTY

prepared by the International Bureau of WIPO

1503S/IPD

OUTLINE

Subject Matter of the Document

Intellectual Property

The Two Branches of Intellectual Property
- Copyright
- Industrial Property

Inventions
- Patents for Invention
- Utility Models
- Inventors' Certificates

Industrial Designs

Trademarks

Trade Names

Indications of Source and Appellations of Origin

Protection Against Unfair Competition

[Subject Matter of the Document]

1. This document deals with the elements of industrial property. It gives a brief introduction to the essential features of industrial property protection. More detailed explanations can be found in the other documents.

[Intellectual Property]

2. When speaking of "industrial property" it is important to note that this forms part of the broader concept of "intellectual property." Thus, "industrial property" is not something tangible like factories, equipment and material for industrial production but something intangible though in most cases extremely valuable.

3. Before describing in more detail the substantive aspects of industrial property, one should first explain what "intellectual property" means. This is a special kind of property.

4. In general, the most important feature of property is that the proprietor or owner may use his property as he wishes and that nobody else can lawfully use his property without his authorization. Of course, there are generally recognized limits of the exercise of that right. For example, the owner of a piece of land is not always free to construct a building of whatever dimensions he wishes, but must respect the applicable legal requirements and administrative decisions.

5. Roughly speaking, three kinds of property may be distinguished.

6. One is property consisting of movable things, such as a wristwatch or a car. No one except the owner of the wrist watch or the car may use those objects. This is a legal situation which is called an exclusive right, namely, the exclusive right, belonging to the owner, to use the thing which is his property. Naturally, the proprietor may authorize others to use his property. But such authorization is legally necessary, and use without the owner's authorization is illegal. Moreover, the right to use is not unlimited: when exercising that right, rights of other persons, for example, in the situation where a road is privately owned by another person, and administrative regulations, for example, speed limits for cars, must be respected.

7. Now we come to the second kind of property. It is immovable property, namely, land and things permanently fixed on it, such as houses. We have already seen an example of the limitations of such property, namely, the requirements to be respected when constructing a building.

8. The third and last kind of property is intellectual property. The objects of intellectual property are the creations of the human mind, the human intellect. This is why this kind of property is called "intellectual" property. In a somewhat simplified way, one can state that intellectual property relates to pieces of information which can be incorporated in tangible objects at the same time in an unlimited number of copies at different locations anywhere in the world. The property is not in those copies but in the information reflected in those copies. Similar to property in movable things and immovable property, intellectual property, too, is characterized by certain limitations, for example, limited duration in the case of copyright and patents.

[The Two Branches of Intellectual Property]

9. Intellectual property is usually divided into two branches, namely "industrial" property and "copyright."[1)]

[Copyright]

10. Copyright relates to artistic creations, such as poems, novels, music, paintings, cinematographic works, etc. In most European languages other than English, copyright is called author's rights. The expression "copyright" refers to the main act which, in respect of literary and artistic creations, may be made only by the author or with his authorization. That act is the making of copies of the literary or artistic work, such as a book, a painting, a sculpture, a photograph, a motion picture. The second expression, "author's rights" refers to the person who is the creator of the artistic work, its author, thus underlining the fact, recognized in most laws, that the author has certain specific rights in his creation, for example, the right to prevent a distorted reproduction, which can be exercised only by himself, whereas other rights, such as the right to make copies, can be exercised by other persons, for example, a publisher who has obtained a license to this effect from the author.

[Industrial Property]

11. As regards industrial property, it has already been mentioned that this expression is sometimes misunderstood as relating to movable or immovable property used for industrial production, such as factories, equipment for production, etc. However, industrial property is a kind of intellectual property and thus relates to creations of the human mind. Typically, such creations are inventions and industrial designs. Simply stated, inventions are solutions to technical problems, and industrial designs are aesthetic creations determining the appearance of industrial products. In addition, industrial property includes trademarks, service marks, commercial names and designations, including indications of source and appellations of origin, and the protection against unfair competition[2)]. Here, the aspect of intellectual creations--although existent--is less prominent, but what counts here is that the object of industrial property typically consists of signs transmitting information to consumers, in particular, as regards products and services offered on the market, and that the protection is directed against unauthorized use of such signs which is likely to mislead consumers, and misleading practices in general.

12. The expression "industrial" property may appear as not entirely logical because it is only as far as inventions are concerned that the main segment of economy that is interested in them is industry. Indeed, in the typical situation, inventions are exploited in industrial plants. But trademarks, service marks, commercial names and commercial designations are of interest not only to industry but also and mainly to commerce. Notwithstanding this lack of logic, the expression "industrial property" has acquired, at least in the European languages, a meaning which clearly covers not only inventions but also the other objects just mentioned.

13. In the hall of the WIPO building in Geneva, there is an inscription in the cupola whose text[3)] tries, in a few words, implicitly to define intellectual works. It also tries to convey the reasons for which

intellectual works should be "property," that is, why their creators should enjoy advantages secured by law. Finally, the inscription invokes the duty of the State in this field. Naturally, the inscription makes no claim to legal exactitude. Its intent is to stress the cultural, social and economic importance of protecting intellectual property.

[Inventions]

14. As has already been said, inventions are new solutions to technical problems. This is not an official definition. Most laws dealing with the protection of inventions do not define the notion of inventions. However, in the WIPO Model Law for Developing Countries on Inventions (1979), there is a definition. That definition, too, is not binding on anyone. It reads as follows: "'Invention' means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology." The Japanese patent law is one of the rare laws that contains a definition; it says that an invention is a "highly advanced creation of technical ideas by which a law of nature is utilized."

[Patents for Invention]

15. Inventions are characteristically protected by patents, also called "patents for invention." Every country which gives legal protection to inventions--and there are about 140 such countries--gives such protection through patents although there are a few countries in which protection may also be given by means other than patents, as will be seen below.

16. But first, let us consider what a patent is.

17. The word "patent," at least in some of the European languages, is used in two senses. One of them is the document that is called "patent" or "letters patent." The other is the content of the protection that a patent confers[4)].

18. First of all, let us deal with the first sense of the word "patent," that is, when it means a document.

19. If a person makes what he thinks is an invention, he, or if he works for an entity, that entity, asks the Government--by filing an application with the Patent Office--to give him a document in which it is stated what the invention is and that he is the owner of the patent. This document, issued by a Government authority, is called a patent or a patent for invention.

20. Not all inventions are patentable. Generally, laws require that, in order to be patentable, the invention must be new, it must involve an inventive step (or it must be non-obvious), and it must be industrially applicable. These three requirements are sometimes called the requirements or conditions of patentability. Furthermore, the laws of some countries exclude certain specific kinds of inventions from the possibility of patenting, for example, inventions which are incorporated in substances obtained by nuclear transformation.

21. The conditions of novelty and inventive step must exist on a certain date. That date, generally, is the date on which the application is filed.

However, in a certain case it will not matter if the conditions no longer exist on that date. That case is regulated in the Paris Convention for the Protection of Industrial Property and concerns the situation where the application of a given applicant concerning a given invention is not the first application of that applicant for that invention, but a later application by the same applicant (or his successor in title) for the same invention. For example, the first application was filed in Japan and the second in France. In such a case, it will be sufficient that the conditions of novelty and inventive step exist on the date on which the first (the Japanese) application was filed. In other words, the second (the French) application will have a priority over any applications filed by other applicants in France between the date of the first (Japanese) and the second (French) application, provided the period between the two dates does not exceed 12 months. Because of such priority, the advantage thus assured to the applicant is called "right of priority."

22. It is customary to distinguish between inventions that consist of products and inventions that consist of processes. An invention that consists of a new alloy is an example of a product invention. An invention that consists of a new method or process of making a known or new alloy is a process invention. The corresponding patents are usually referred to as a "product patent for invention," and a "process patent for invention," respectively.

23. Now, let us deal with the other sense of the word "patent," namely when the word "patent" relates to the content of the protection that the patent confers.

24. The protection that a patent for invention confers means that anyone who wishes to exploit the invention must obtain the authorization of the person who received the patent--called "the patentee" or "the owner of the patent"--to exploit the invention. If anyone exploits the patented invention without such authorization, he commits an illegal act. One speaks about "protection" since what is involved is that the patentee is protected against exploitation of the invention which he has not authorized. Such protection is limited in time. In most countries, it is between 15 and 20 years, computed from the date of filing of the application or from the date of grant of the patent.

25. The rights, the protection, are not described in the document called a "patent." Those rights, that protection, are described in the patent law of the country in which the patent for invention was granted. The rights, usually called "exclusive rights of exploitation" generally consist of the following:

in the case of product patents, the right to prevent third parties from making, using, selling and importing the product that includes the invention, and

in the case of process patents, the right to prevent third parties from using the process that includes the inventtion, and to prevent third parties from making, using, selling and importing products which were made by the process that includes the invention.

26. It has been mentioned earlier that if anyone exploits the patented invention without the authorization of the owner of the patent for invention, he commits an illegal act. However, as already stated, there are exceptions to this principle, because patent laws may provide for cases in which a patented invention may be exploited without the patentee's authorization, for example, exploitation in the public interest by or on behalf of the government, or exploitation on the basis of a compulsory license. A compulsory license is an authorization to exploit the invention, given by a governmental authority, generally only in very special cases, defined in the law, and only where the entity wishing to exploit the patented invention is unable to obtain the authorization of the owner of the patent for invention. The conditions of the granting of compulsory licenses are also regulated in detail in laws which provide for them. In particular, the decision granting a compulsory license usually has to fix a remuneration for the patentee, and that decision usually may be the subject of an appeal.

27. In conclusion, it can be stated that, among all the means by which inventions are protected, patents are by far the most important. In some countries, there are also means other than patents for the protection of inventions. Two of them will be mentioned.

[Utility Models]

28. One of these two other means or forms of protection consists in the registration of or the granting of a patent for a "utility model."[5] Utility models are found in the laws of some 16 countries in the world, and in the OAPI regional agreement. In addition, four other countries (Australia, France, Lesotho and Malaysia) provide for titles of protection which may be considered similar to utility model patents. They are called "petty patents" or "utility certificates." The expression "utility model" is merely a name given to certain inventions, namely--according to the laws of most countries which contain provisions on utility models--inventions in the mechanical field. This is why the objects of utility models are sometimes described as devices or useful objects. Utility models usually differ from inventions for which ordinary patents for invention are available mainly in three respects: first, in the case of an invention called "utility model," the inventive step required is smaller than in the case of an invention for which a patent for invention is available; second, the maximum term of protection provided in the law for a utility model is generally shorter than the maximum term of protection provided for an ordinary patent for invention; and third, the fees required for obtaining and maintaining the right are generally lower than those applicable to ordinary patents. Moreover, in certain countries there is also a substantial difference in the procedure for obtaining protection for a utility model: this procedure is generally shorter and simpler than the procedure for obtaining patents for invention.

[Inventors' Certificates]

29. The second of the two means, other than patents for invention, for protecting inventions is called an "inventor's certificate." It is provided for in the laws of Algeria, Bulgaria, Czechoslovakia, Cuba, the Democratic People's Republic of Korea, Mongolia, the Soviet Union* and Viet Nam. The requirements that an invention has to fulfil in order to qualify for an inventor's certificate are generally the same as for an invention for which a patent for invention is available. The difference between the two lies in the fact that whereas in the case of a patent for invention the invention may be exploited by the patentee, in the case of an inventor's certificate, the State has an exclusive right of exploitation of the invention, whereas the inventor has a right to a fixed remuneration.

[Industrial Designs]

30. Generally speaking, an industrial design is the ornamental or aesthetic aspect of a useful article[7]. Such particular aspect may depend on the shape, pattern or color of the article. The design must appeal to the sense of sight. Moreover, it must be reproducible by industrial means; this is the essential purpose of the design, and is why the design is called "industrial." If this element is missing, the creation may rather come under the category of a work of art whose protection is assured by the law of copyright rather than by a law on industrial property.

31. In order to be protectible, an industrial design must, according to some laws, be new and, according to other laws, original.

32. Industrial designs are usually protected against unauthorized copying or imitation. The protection usually lasts between 5 and 15 years, computed either from the date of filing of the application or from the date of registration of the design.

33. The document which certifies the protection may be called a registration certificate or a patent. If it is called a patent, one must, in order to distinguish it from patents for invention, always specify that it is a patent for industrial design.

[Trademarks]

34. A trademark is a sign used on, or in connection with the marketing of, goods. Saying that the sign is used "on" the goods, means that it may appear not only on the goods themselves but on the container or wrapper in which the goods are when they are sold. Saying that the sign is used "in connection with the marketing" of the goods, refers mainly to the appearance of the sign in advertisements (newspaper, television, etc.) or in the shop windows of the shops in which the goods are sold. Where a trademark is used in connection with services, it may be called "service mark." For example, service marks are used by hotels, restaurants, airlines, tourist agencies, car-rental agencies, laundries and cleaners. All that has been said about trademarks applies also, mutatis mutandis, to service marks[8].

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* In the draft law of December 1988 on patents and related questions, inventors' certificates are not mentioned anymore as a title of protection for inventions.

35. In general, it may be said that a trademark performs four main functions. These functions relate to the distinguishing of marked goods or services, their origin, their quality and their promotion in the market place.

36. The first function of a trademark is to distinguish the products or services of an enterprise from products or services of other enterprises and to distinguish products or services of an enterprise from other products or services of the same enterprise. Trademarks facilitate the choice to be made by the consumer when buying certain products or making use of certain services. The trademark helps the consumer to identify a product or service which was already known to him or which was advertised.

37. In view of the fact that a trademark has the function of distinguishing, only distinctive signs are capable of serving as trademarks, and the main purpose of protecting trademarks is to ensure that only distinctive signs are used and that confusion among trademarks is prevented.

38. The second function of a trademark is to refer to a particular enterprise which offers the products or services on the market, i.e., give an indication as to the origin of the goods or services for which the mark is used.

39. Trademarks do not only or not always distinguish products or services as such. They distinguish them in their relationship to a particular enterprise, namely, the enterprise from which the products or services originate. Thus trademarks distinguish products or services from one source, from identical or similar products or services from other sources, namely, the various enterprises which offer such products or services. This function is important in the definition of the scope of protection of trademarks. The decisive test for that protection is whether the average consumer, in view of identical or similar trademarks relating to products or services of the same kind or of similar kinds, may believe that those products or services originate from one and the same enterprise.

40. The third function of trademarks is to refer to a particular quality of the products or services for which the trademark is used. This function is not always recognized. In fact, the quality function of trademarks is one of the most controversial issues of trademark law.

41. The reasons for maintaining that trademarks have the function of referring to a particular quality of the products or services for which they are used may be summarized as follows: a trademark frequently is not used by only one enterprise since the trademark owner may grant licenses to use the trademark to other enterprises; it is accordingly essential that licensees respect the quality standards of the trademark owner. Moreover, trading enterprises often use trademarks for products which they acquire from various sources. Thus, products, although not originating from one and the same enterprise, nevertheless have to correspond to certain common characteristics and quality standards which are applied by the trademark owner. A trademark owner therefore guarantees that only products that correspond to those standards and quality requirements will be offered under the trademark. In such cases, the trademark owner is not responsible for producing the products but rather--and this may be equally important--for selecting those that meet these standards and requirements. This argument is supported by the fact that even where the trademark owner is the manufacturer of a particular product, in the manufacturing process parts are frequently used which have not been produced by the trademark owner but which have been selected by him.

42. The question whether a quality-guarantee function for trademarks is to be recognized has practical significance in connection with trademark licensing. In this connection, it is generally agreed that the licensee must respect certain quality standards set by the trademark owner.

43. A controversial issue arises in respect of the question whether the trademark owner himself may change the quality and, if he does so, what are the consequences with respect to the trademark. Various approaches to solve this question are at present under discussion but there does not yet exist a generally accepted solution.

44. The fourth and last function of trademarks is to promote the marketing and sale of products and the marketing and rendering of services.

45. This function recently has become more and more important. Trademarks are not only used to distinguish or to refer to a particular enterprise or a particular quality but also to stimulate sales. A trademark which is to fulfill that function must be carefully selected. It must appeal to the consumer, create interest and inspire a feeling of confidence. This is why this function sometimes is called the "appeal function."

46. Trademarks which overemphasize the appeal function may run the risk of being misleading. This is to be kept in mind in the selection of trademarks, for misleading trademarks are excluded from protection.

47. The sign constituting the trademark may consist of one or more distinctive words, letters, numbers, pictures, or drawings. Most countries require that trademarks for which protection is desired be registered with a government authority. The protection that laws give to a trademark consists essentially of making it illegal for any entity other than the owner of the trademark to use the trademark or a sign similar to it, at least in connection with goods for which the trademark was registered or with goods similar to such goods.

[Trade Names]

48. Another category of objects of industrial property is "commercial names and designations."

49. A commercial name or trade name--the two expressions mean the same thing--is the name or designation which identifies the enterprise[9]. In most countries, trade names may be registered with a government authority. Protection generally means that the trade name of one enterprise may not be used by another enterprise either as a trade name or as a trademark or service mark and that a name or designation similar to the trade name, if likely to mislead the public, may not be used by another enterprise.

[Indications of Source and Appellations of Origin]

50. Finally, among commercial designations there are also indications of source and appellations of origin[10].

51. An indication of source is constituted by any denomination, expression or sign indicating that a product or service originates in a country, a region or a specific place (for instance, "made in ..."). As a general rule, the use of false or deceptive indications of source is unlawful.

52. An appellation of origin is constituted by the denomination of a country, a region or a specific place which serves to designate a product originating there, the characteristic qualities of which are due exclusively or essentially to the geographical environment, in other words to natural and/or human factors. The use of an appellation of origin is lawful only for a certain circle of persons or enterprises located in the geographical area concerned and only in connection with the specific products originating there (for instance, "Bordeaux," "Champagne"). It should be noted that indications of source and appellations of origin together form what are sometimes called "geographical indications."

[Protection Against Unfair Competition]

53. The last object of the protection of industrial property is the protection against unfair competition. Such protection is directed against acts of competition that are contrary to honest practice in industry or commmerce. The following in particular constitute acts of unfair competition which relate directly to industrial property: all acts of such a nature as to create confusion with the establishment, the goods or the industrial or commercial activities of a competitor; 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; and indications or allegations the use of which in the course of trade is liable to mislead the public as to the characteristics of goods.

54. The protection against unfair competition supplements the protection of inventions, industrial designs and trademarks. It is particularly important for the protection of know-how, that is: technology which is not protected by a patent but which may be required in order to make the best use of a patented invention.

[Footnotes follow]

FOOTNOTES

1) The Convention Establishing the World Intellectual Property Organization (WIPO), concluded in Stockholm on July 14, 1967, provides that "'intellectual property' shall include rights relating to

[1] literary, artistic and scientific works

[2] performances of performing artists, phonograms, and broadcasts

[3] inventions in all fields of human endeavor

[4] scientific discoveries

[5] industrial designs

[6] trademarks, service marks, and commercial names and designations

[7] protection against unfair competition

and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields." (Article 2(viii).)

The objects mentioned under [1] belong to the copyright branch of intellectual property. The objects mentioned in [2] are usually called "neighboring rights," that is, rights neighboring on copyright. The objects mentioned under [3], [5] and [6] constitute the industrial property branch of intellectual property. The object mentioned under [7] may also be considered as belonging to that branch, the more so as Article 1(2) of the Paris Convention for the Protection of Industrial Property (Stockholm Act of 1967) (hereinafter referred to as "the Paris Convention") includes "the repression of unfair competition" among the objects of "the protection of industrial property"; the said Convention states that "any act of competition contrary to honest practices in industrial and commercial matters constitutes an act of unfair competition" (Article 10bis(2)). The object mentioned under [4]--scientific discoveries--belongs to neither of the two branches of intellectual property. According to one opinion, scientific discoveries should not have been mentioned among the various forms of intellectual property since no national law or international treaty gives any property right in scientific discoveries. Scientific discoveries and inventions are not the same. The Geneva Treaty on the International Recording of Scientific Discoveries (1978) defines a scientific discovery as "the recognition of phenomena, properties or laws of the material universe not hitherto recognized and capable of verification" (Article 1(1)(i)). Inventions are new solutions to specific technical problems. Such solutions must, naturally, rely on the properties or laws of the material universe (otherwise they could not be materially ("technically") applied), but those properties or laws need not be properties or laws "not hitherto recognized." An invention puts to new use, to new technical use, the said properties or laws, whether they are recognized ("discovered") simultaneously with making the invention or whether they were already recognized ("discovered") before, and independently from, the invention.

2) The Paris Convention provides that "the protection of industrial property has as its object [1] patents, [2] utility models, [3] industrial designs, [4] trademarks, [5] service marks, [6] trade names, [7] indications of source or [8] appellations of origin, and [9] the repression of unfair competition" (Article 1(2)).

Another object of protection not dealt with in this document is know-how. Know-how is technical information, data or knowledge resulting from experience or skills which are applicable in practice, particularly in industry.

Object [1] obviously means patents for invention since utility models (object [2]) and industrial designs (object [3]) are mentioned as separate objects although the document certifying their protection may be, and in some laws is, called a "patent."

3) The inscription is in Latin. Its English translation is the following: "Human genius is the source of all works of art and invention. These works are the guarantee of a life worthy of men. It is the duty of the State to ensure with diligence the protection of the arts and inventions".

4) In a document, written by the Director General of WIPO, for the preparatory work on the revision of the Paris Convention (WIPO document PR/GE/II/2 of September 5, 1975), the notion of patent is described as follows: "A patent is a document, issued, upon application, by a government office (or a regional office acting for several countries), which describes an invention and creates a legal situation in which the patented invention can normally only be exploited (manufactured, used, sold, imported) with the authorization of the owner of the patent. The protection conferred by the patent is limited in time (generally 15 to 20 years). 'Invention' means a solution to a specific problem in the field of technology. An invention may relate to a product or a process. An invention is 'patentable' if it is new, involves an inventive step (i.e., it is not obvious) and is industrially applicable." (Paragraph 11(i)).

5) In document PR/GE/II/2, referred to in the preceding footnote, there is the following statement concerning utility models: "In a few countries ...., inventions are protectable, upon application, also through the registration, by a government office, of the description, drawing or other picture and/or filing of a model, under the name of 'utility model.' The requirements are somewhat less strict than for 'patentable' inventions, the fees are lower than for patents, and the duration of protection is shorter than in the case of patents, but otherwise the rights under the utility model are similar to those under a patent." (Paragraph 11(ii)).

6) The Preparatory Intergovernmental Committee on the Revision of the Paris Convention defined both "patents" and "inventors' certificates" and proposed that the definitions be included in the text of the Paris Convention. See the draft of Article 1(2)(b), document PR/DC/22 of June 25, 1979, and the Notes of the Director General concerning that draft (pages 22, 23, 25 and 27 of the

said document). One will have to wait until the Diplomatic Conference on the Revision of the Paris Convention completes its work in order to see whether definitions of the two notions will be included in the Paris Convention as revised and, if they are included, to what extent they will differ from the said drafts.

7) The Paris Convention contains no definition of industrial designs. The WIPO Model Law for Developing Countries on Industrial Designs (1970) contains the following definition: "(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. (2) The protection under this Law does not extend to anything in an industrial design which serves solely to obtain a technical result." (Section 2).

8) In document PR/GE/II/2, referred to in footnote 4), above, the following appears under the heading "Trademarks and Service Marks": "A trademark is a sign which serves to distinguish the goods--as does the service mark with regard to the services--of an industrial or commercial enterprise. (It thereby indicates their origin and carries with it the guarantee of a certain permanent quality.) The sign may consist of one or more distinctive words, letters, numbers, drawings, pictures, etc. Although, in some countries and in some situations, marks are protected without registration, it is generally necessary for effective protection that the mark be registered in a government office (or in a regional office acting for several countries, or with the International Bureau of WIPO as far as countries members of the Madrid Union are concerned). Actual use of the mark, or a declared intention of actual use of the mark, is a condition of registration in the laws of some countries; and, in most countries, actual use of the mark is required for the maintenance of the registration or at least as a condition for defending the mark. If a mark is protected, no person or enterprise other than its owner may use it--or any mark so similar to it that its use would lead to confusion in the mind of the public--at least not on or in connection with goods or services regarding which such confusion may arise. The protection of a mark is not limited in time but is usually subject to the periodical renewal (generally, every 5 or 10 years) of the registration and, in many countries, to the continued actual use of the mark." (Paragraph 11(iv)).

9) In document PR/GE/II/2, referred to in footnote 4), above, the following appears under the heading "Trade Names": "A trade name is the name or designation identifying the enterprise of a natural person or legal entity. Trade names are usually registrable in a government office but in order to be protected they do not require to be registered. Protection generally means that the trade name of one enterprise may not be used by another enterprise either as a trade name or as a mark and that a designation similar to the trade name, if likely to mislead the public, may not be used by another enterprise." (Paragraph 11(v)).

10) In document PR/GE/II/2, referred to in footnote 4), above, the following appears under the heading "Indications of Source and Appellations of Origin": "An indication of source is any expression or sign used to indicate that a product or service originates in a country, a region or a specific place. An appellation of origin means the geographical name of a country, a region or a specific place which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors or both natural and human factors. Protection of the former consists of prohibiting their use if they do not correspond to the truth of, even if they do, in prohibiting their use in a way which is likely to mislead the public, whereas protection of the latter consists of allowing their use only by a certain circle of persons for specific products." (Paragraph 11(vi)).

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WORLD INTELLECTUAL
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WIPO CARIBBEAN REGIONAL COURSE ON INDUSTRIAL PROPERTY

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THE PROTECTION OF INVENTIONS: PATENTS AND OTHER TITLES OF PROTECTION

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TABLE OF CONTENTS

I. INTRODUCTION

The creation and adoption of new technology is becoming an increasingly important factor in determining the growth and strength of a nation's economy. The patent system provides several benefits and incentives that encourage innovators to both create new technologies and to develop and commercialize those inventions that are most suitable to a nation's industrial level.

No nation is technologically independent in terms of being in a position of using only domestically developed technology. All countries depend to varying degrees on the transfer of technology from abroad. Patents, which both protect and publicly disclose the most recent technologies, serve as an important tool for transferring technology, both domestically and from abroad.

New technologies can be protected in several ways but the patent system is the method most widely used to encourage technological progress. The patent system provides exclusive rights to the creator for a limited period of time while at the same time disclosing the technology to the public.

Primarily, this paper discusses the various aspects and benefits of the patent system. At the same time, reference is made to other generally lesser-used forms of protection such as, utility models and industrial designs, to the extent that they differ from the patent system.

II. HISTORICAL ASPECTS

Most countries in the world provide by law for the grant of patents to inventors of new and useful inventions. Frequent correlations have been made to show the relationship between the industrialization of countries and the protection provided to innovators by patents and other forms of industrial property. The original objective for the granting of patent protection was to encourage the industrial development of domestic industries, and correlations have been made back to those times in order to show the relationship between the patent system and the industrialization of the economy of a country.

The birth and gradual development of a system of laws designed to contribute to industrial growth through the granting of patents occurred in the Middle Ages. Patents in England were originally granted, not by statute, but by the prerogative of monarchs who conveyed privileges and grants to their subjects in the form of "letters patent." Thus, in the 1330s, England granted letters patent to foreign weavers, dyers and fullers in order to transfer technology in the textile sector to the realm. In 1474, the first European patent law, passed by Venice, provided protection for inventions.

The Statute of Monopolies, approved by the British Parliament in 1624 set out the principle that all monopolies were to cease except those granted to the first and true inventor of any manner of new manufacture. It was based on the principle that a patent to a first and true inventor took nothing from the public which it already possessed, in contrast to other types of monopolies granted by the monarchs prior to the passage of the Statute which tended to exclude the public from doing things that it had previously possessed and which were already in the public domain. The Statute of Monopolies has frequently been referred to as the "Magna Carta rights of inventors."

III. THE PATENT SYSTEM

Patents are multi-faceted in nature in that they touch on such diverse elements as law, access to technology, transfer of technology, proprietary property rights and industrial competitiveness. In order to fully appreciate the effect of the system, it is useful to briefly examine both the main objectives and the importance of the patent system with respect to the economy of a country.

1. Objectives

Various objectives or reasons have been put forward in support of a patent system to show that it confers a benefit to society and in particular, to the industrial sector of an economy. A series of objectives have been identified by various authorities but, arguably, the three primary ojectives are to:

(i) stimulate innovation,

(ii) encourage investment, and

(iii) promote the public disclosure of new technologies.

Stimulates Innovation

By providing inventors with exclusive rights for a limited term, the patent system aims to stimulate both invention and the never-ending search for new applications of knowledge. The protection that is provided serves as an incentive for innovators to create and develop new technologies.

Encourages Investment

The patent system creates an environment which encourages the investment of venture funds to finance the commercialization of new devices or processes. This is accomplished by protecting industrial pioneers for a limited time against the uncontrolled competition of those who have not taken the initial financial risks associated with creating and developing innovative ideas. The protection afforded by the patent system reduces the likelihood of imitators using a protected, new technology without the owner's permission. This enhances the climate for investment, and warrants the expenditure of funds necessary to produce innovative technologies.

Promotes Public Disclosure

The patent system aims to prevent the creation of an atmosphere of secrecy which characterized the medieval guilds, and which can only retard the public benefits that result from scientific progress and technological growth. In order to promote the public disclosure of new technologies, the patent system provides exclusive rights for a fixed period of time to those who, in return, provide a full disclosure of their inventions. As a result, the public is kept informed of scientific and technical progress and those who are skilled in a particular field can benefit from the knowledge contained in patent documents.

2. Importance

The justification for a patent system is primarily economic in nature because it stimulates technological progress which in turn translates into industrial growth and economic strength. The adoption of a patent system, which provides both protection to the innovator and technological information to the public, stimulates technological progress in several ways in that it:

- promotes research which ultimately leads to technological and industrial growth;
- induces inventors to disclose their inventions instead of keeping them secret;
- offers a reward in the form of market protection for the expense of developing new technologies to the stage at which they are commercially viable;
- provides an inducement to invest capital in new lines of production which might not be profitable if many competing producers embarked on them simultaneously;
- encourages people to improve existing technologies and thereby contribute to technological progress;
- provides comprehensive technological information which offers solutions to existing technical problems; and
- promotes public education in science and technology.

IV. WHAT IS A PATENT?

A patent is seen to represent a bargain between, on the one hand, the inventor or applicant, and, on the other hand, the government, acting on behalf of the public interest. The bargain is a two-way street. The grant of a patent confers exclusive rights, for a limited period of time, to the owner of the technology described in the patent. The term of a patent varies from country to country, but typically extends to 20 years from the filing date of the patent application.

In return for the grant of a patent, inventors must provide a description that is complete and accurate so as to enable a worker skilled in the art to which the invention relates to construct or use that invention.

Even though almost all new technologies can, in theory, be protected under the patent system, some limitations exist and national laws generally dictate what technologies can receive patent protection. Some variations exist between countries with respect to the patentability of certain subject matters, and to a smaller degree, with respect to the criteria that must be met in order for an invention to be considered patentable.

1. Invention

The term invention is difficult to define in a precise manner. One definition is provided in the WIPO Model Law for Developing Countries on Inventions, wherein it is defined as an idea which permits the solution of a specific problem in the field of technology.

An invention is usually composed of two parts. The first part consists of the mental part namely, the conception of the idea. The second part, which may be termed the physical part, consists of the practical application or embodiment of the conceived idea.

In order to create an invention, a high degree of imagination, work and foresight is usually required on the part of the inventor, although some inventions have come about through accidental discoveries. For example, Mr. Coodyear was transferring a blob of rubber and sulphur over a hot plate to a workbench when a piece fell on the plate and transformed the material. He immediately noticed that the heat of the plate had vulcanized the rubber.

It should also be mentioned that the terms invention and discovery are neither synonymous nor mutually exclusive. Discoveries, which relate to finding out or ascertaining something that exists, but was previously unknown or unrecognized, are not generally considered to be patentable.

Perhaps, one of the better definitions of an invention was set out in a court case wherein the judge stated that an invention was:

> "the creation of something that did not exist before, possessing the elements of novelty and utility in kind and measure different and greater than what the art might expect from its skilled workers."

2. Patentability Criteria

Even though patent statutes, which normally define the patentability requirements for an invention, vary in their specifics from country to country, it is commonly accepted that an invention to be patentable must be

(i) new,

(ii) inventive, and

(iii) useful or industrially applicable.

First, in order to be patentable, an invention must be novel. Inventions are considered to be new or novel if it is not publicly known prior to the filing date of the patent application. Although the novelty of a particular invention is usually judged as of the filing date, the laws of some countries provide a grace period that allows the invention to be disclosed to the public prior to the filing date without fear of the inventor losing the rights to a patent.

Second, an invention must also be useful or industrially applicable in the sense that it can be put into practice by a person skilled in the art, and that it will accomplish what the invention promises to do. An invention is considered industrially applicable if it can be made or used in any kind of industry. "Industry" in this context, is understood in its broad sense, as

including any physical activity of technical character, i.e. belonging to the useful or practical arts. This requirement excludes from patent protection purely theoretical concepts that cannot be implemented in a practical sense, as well as devices that are inoperable or for which no practical use or application is known or disclosed.

The third criteria that an invention must meet in order to be patentable is that it must have required inventive ingenuity or that it must be non-obvious. No objective standard exists that precisely explains or defines this concept. In general, an invention is considered to be non-obvious or to possess inventive ingenuity if, in view of the prior art known to the public, it would not be obvious to a person skilled in that field of technology to have made the invention. In other words, for an invention to be patentable, it must have required a level of inventive ingenuity above that normally expected from a person skilled in the particular field of technology.

3. Subject Matter

In addition to the above three criteria, countries also limit the technologies or subject matter that can be protected by patents. For several reasons, including public interest, inventions relating to for example, medicines, foods, agriculture, and procedures which use nuclear reactions, have been placed outside the field of patentability by some countries. Similarly, inventions relating to subjects that are not considered to be of a technical nature, such as methods of doing business or computer programs per se, are not normally protectable through patents.

Patents for life forms, such as plants and animals, are not universally accepted as being patentable. Although some countries, such as the U.S.A., provide patent protection for both plants and animals, a number of countries limit the patent protection afforded in this field to microorganisms and other lower life forms.

V. PATENT PROTECTION

The rights granted under a patent allow the owner of the patent to prevent or exclude others from practising the invention during the term of the patent. The rights can be enforced in court against third party infringers who practice the invention without permission from the patentee.

Owners of patents need not necessarily exploit their patent rights themselves but can license others to use their invention. The licensing of patent rights can be advantageous to both the licensor and the licensee in that the patentee is spared the time and expense to commercialize the invention, whereas the licensee is able to utilize a new technology without having to shoulder all of the risk and effort involved in developing it.

At the end of the period of protection, which may be either when the term of the patent expires or when a patent has lapsed due to a failure to pay the required maintenance fees, the rights under the patent cease to exist. At this point, the technology described in the patent becomes available for public use and commercial exploitation, as long as no other dominating patents are still in force.

A number of countries have provisions for the granting of compulsory licenses on patents in the case of non-working of the invention protected by the patent. Under these provisions, failure to exploit the invention domestically may be regarded as an abuse of patent rights, as set out in Article 5A of the Paris Convention for the Protection of Industrial Property, and may result in the granting of a compulsory license to work the patent.

Other countries provide for a system for the voluntary endorsement of patent licenses of right. Under this procedure the patentee can voluntarily agree to license others to work the patent, in return for compensation. The incentive for patentees to endorse their patents is that, following the endorsement, the maintenance fees payable on the patent are reduced.

VI. PATENT INFORMATION

As mentioned above, patent applicants must, in their application for a patent, fully describe their invention. Since patents are granted for technologies that represent the latest and most up-to-date results of research and development efforts around the world, the information contained in patent documents is therefore both current and complete. The technological information in patents becomes publicly available, in most countries, 18 months after the application is filed or, at the latest, at the time of the grant of the patent.

Most discussions of the patent system fail to fully acknowledge the contribution that patent information makes towards industrial development and the transfer of technology. Many authorities look at the system only in terms of the exclusive rights that are granted to patentees and pay insufficient attention to the benefits that are available to those who utilize the information side of the patent system.

Patent offices around the world publish an annual total of more than one million patent documents. Since patent applications are normally filed in more than one country, and are therefore published by more than one patent office, the above number of published documents actually relates to an estimated more than 400,000 individual inventions. Each invention represents a new solution in a field of technology or a new approach in a given field. Research has indicated that patent documents contain technological information which is often not disclosed in other publications. Studies have shown that most patents describe technology that is not disclosed or only partially disclosed in non-patent literature.

The historical obligation which originally required a patentee to actually introduce the technology of the patent into the country that granted the rights, has evolved into the present-day practice that explicitly requires a patentee to fully describe the invention in the patent. Since almost all technologies are patentable, industrial enterprises and research organizatons can effectively use these documents to identify new technologies that are of special interest or are appropriate for their purposes.

Transfer of Technology Role

It is generally recognized that one of the principal impediments to the acquisition and use of new industrial technology is the identification or

selection of the most approriate technology for a particular situation. Patent documents are an inexpensive and comprehensive source of technical information and, as such, are an important tool for identifying, describing and transferring technology.

The transfer of technology, like most commercial transactions, is encouraged by a stable environment governed by familiar laws and practices. The patent system provides industry with the type of climate that encourages innovation by means of:

(i) a legal framework of patent laws that are relatively consistent from country to country;

(ii) patent documents that clearly define the particular technology involved;

(iii) protection against competition for the patentee and any licensees.

VII. OTHER TITLES OF PROTECTION

Persons or enterprises which create a new technology have a choice of adopting one of three basic courses of action in regard to their proprietary interests in the technology, as follows:

(i) protect the technology by obtaining a patent and/or other titles of protection, e.g. utility model;

(ii) protect the technology by keeping it secret, e.g. the formula for Coca-Cola or Chanel No. 5 perfume;

(iii) dedicate the technology to the public without protecting it against use by others, e.g., Salk polio vaccine.

Patent statistics indicate that the first option is by far the most popular choice among innovators. By obtaining a patent or similar title of protection, the technology is disclosed to the public but the owner reserves the rights and has the opportunity to exploit the invention, virtually free from competition, for a fixed period of time.

Trade secrets do not provide a specific title of protection since no legal instrument is in fact issued by a government authority. Nevertheless, technological advances in certain fields can be kept confidential and in the event that the secret is improperly disclosed to others, proprietary rights associated with the technology can usually be enforced against third parties in court. Certain technologies such as processes of manufacture, and ingredients or compositions of matter lend themselves to trade secrets in that they can be kept confidential through employee contracts. On the other hand, technologies that can be easily identified or reverse-engineered for example, those embodied in the structure or shape of consumer products, are not normally protectable through trade secrets.

The process of dedicating an invention to the public deliberately forfeits any protection or monetary gain with respect to the technology.

There are different means by which this can be accomplished such as, deliberate publications which are intended to prevent others from obtaining patent protection, and formal declarations which dedicate the exclusive rights under a particular patent to the public.

A number of other titles of protection similar to patent protection exist, and some of the more popular ways to protect new technologies are discussed below.

1. Utility Models or Petty Patents

About one-third of the countries that have adhered to the Paris Convention for the Protection of Industrial Property have adopted a utility model law or petty patent system which protects inventions that do not quite meet the level of inventive ingenuity required for a patent. Under this system, protection is generally only provided for the shape or configuration of a useful object and does not extend to processes or methods.

It is difficult to clearly draw the line between inventions that are patentable and those that represent a more limited technical advance and are therefore only protectable by a utility model or petty patents. In both cases, however, technical progress and a certain degree of inventive effort must exist in order to obtain protection. In some countries, the scope and protection afforded under a utility model system is only slightly inferior to that provided by a patent, whereas in others, the scope and protection is substantially less than for a patent.

Utility model type of protection, most popular in Germany and Japan, is normally intended to favour small firms and independent inventors. Typically it provides for a relatively short term of protection, e.g. a total of six years in Germany, and ten years in Japan. The protection is more limited in scope than that of a patent.

A utility model regime is intended to provide an inexpensive and speedy system for obtaining protection for new technologies. If, however, utility model applications receive the same substantive examination that is applied to patent applications, the length of time that it takes to obtain utility model protection can approach that for a patent application.

2. Industrial Designs

Since much creative time and effort is frequently expended in producing a product with a particularly pleasing design, almost all industrialized countries provide protection for the design of industrially produced articles. Modern technology, such as the use of computer controlled manufacturing equipment or computer assisted design technology, permits a broader range of design possibilities than has been the case in the past.

The specific regimes relating to the protection afforded to the designs of industrially produced, useful, articles varies from country to country. Most countries, such as Canada, have a system, similar to the patent system, to the extent that it requires the designer to apply for protection and results in the granting of exclusive rights, albeit for a relatively short period. Some countries, on the other hand, provide copyright type protection for industrial designs, whereas others, such as the U.S.A., provide full patent protection for industrial designs and require that the design be not

only original but also meet the patent standards of novelty and unobviousness. Finally, some countries, such as the U.K. under its 1988 Act relating to an unregistered design right, also extend industrial design protection to utilitarian features of an article.

Normally, the protection provided for an industrial design covers the appearance of an industrially produced article or those aspects of a design that are intended to make the article more pleasing to the eye. It normally distinguishes between the functional and aesthetic aspects of an article. Even though the design features may also have utility, conventional industrial design legislation is not directed towards the protection of the utilitarian aspects of an article, since those are protectable by patent or utility model laws.

3. Inventor's Certificates

Inventor's certificates have been used by socialist or non-market economies to acknowledge the authorship of and provide state awards to inventors. Under an inventor's certificate system, the right to exploit the invention resides with the state, and the inventor receives a certificate that entitles him to compensation or other rights and privileges. The amount received by the inventor can be a lump-sum incentive payment or a sum calculated in reference to the savings, if any, that are realized by the enterprise using the invention.

4. Patents of Addition or Improvement

The majority of patents that are granted annually around the world are patents that improve or enhance an existing patented technology. This practice produces a particular relationship between the rights given to the owner of a patent that describes a basic or main invention and those given to the owner of a later patent which improves or perfects the first or basic invention. The owner of the basic patent can prevent the "improvement patentee" from using the improvement patent, since the scope of the first patent covers the improvement described in the later patent. At the same time, the improvement patentee can also prevent the owner of the basic patent from using the improvement patent but cannot prevent the owner of the main patent from using that invention.

In some countries, a special regime is provided for and the patent laws define this relationship by granting what are specifically termed improvement patents or patents of addition. In these cases, the owner of a patent who has made an improvement, modification or alteration to the invention granted in an earlier patent may obtain a patent of improvement or patent of addition.

The term of such a patent differs between countries, but is normally limited to the unexpired term of the basic patent. As a general rule, only the original patentee can obtain this type of patent but some countries also allow others to receive the patent, either with the consent of the original patentee, or with the restriction that neither patentee can work the invention of the other, without permission.

5. Dependent Patents

As indicated in the above discussion on improvement patents or patents of addition, improvements to inventions are patentable and are granted

independent of the earlier basic or main patent. The laws of some countries, such as Japan and France, have special provisions for the granting of compulsory licensing that are based on the interdependence between a basic or main patent and an improvement patent.

Under this regime, if a patentee cannot work his patent without infringing someone else's prior patent, the owner of the later patent can request a compulsory license to work his own patent. The earlier patentee may, under these circumstances, request a cross-license to work the later patent. Normally, provisions exist that require compensation to be paid to the patentee whose patent is the subject of a compulsory license.

VIII. CONCLUSION

The above discussion has dealt with the main features of the patent system and other closely related regimes that exist in various legislations around the world to provide protection for new technoloty.

The recent adoption of a system to protect integrated circuit topographies shows that the intellectual property system is flexible enough to accommodate new technologies. As other new technologies emerge, it is probably safe to say that appropriate systems of protection will be developed in order to encourage innovators and thereby promote industrial progress.

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WORLD INTELLECTUAL
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THE PROTECTION OF DISTINCTIVE SIGNS USED IN TRADE (TRADEMARKS AND APPELLATIONS OF ORIGIN); THE ROLE OF TRADEMARKS IN COMMERCE

prepared by the International Bureau of WIPO

1521S

Contents

I. Marks

History of Marks

1. The concept of a mark is not a new one. For centuries, merchants and manufacturers in various parts of the world have labelled their products with signs of one kind or another to distinguish them from those of their competitors. However, the use made of marks long remained a limited phenomenon relating only to certain types of goods that were sold far from their place of production. Most goods were consumed at the place they were produced and no marks were used. The modern concept of a mark, that is to say the mark as we know it today, first appeared in the 18th century as a result of the increased possibilities for communication and the adoption of laws guaranteeing freedom of commerce and industry. As from that time, trade became more developed, both within States and between States, and the increased circulation of goods of all kinds made it necessary to place marks on those products so that they could be identified, both in the interests of producers and traders and also those of the consumers.

2. Since the end of the Second World War, the unprecedented development of international trade has led to an even greater use of marks in all countries and in all fields of activity. Although we are not always aware of the fact, marks today assume an ever greater place in our day-to-day life and we enter into contact with a host of marks, not only in supermarkets and public places where we are faced with posters, but also in the press, on radio and on television, that enter into the home.

3. It should be borne in mind that enterprises not only deal with goods, they also render services. Services may be of almost any kind: travel, advertising, transport, insurance, treatment of materials, etc. A "service mark" is thus a sign used by enterprises offering services (hotels, restaurants, airlines, travel agencies, car-rental agencies, laundries and dry-cleaners) in order to identify their services on the market.

Function of Marks

4. In general, it may be said that a trademark performs four main functions. These functions relate to the distinguishing of marked goods or services, their origin, their quality and their promotion in the market place.

5. The first function of a trademark is to distinguish the products or services of an enterprise from products or services of other enterprises and to distinguish products or services of an enterprise from other products or services of the same enterprise. Trademarks facilitate the choice to be made by the consumer when buying certain products or making use of certain services. The trademark helps the consumer to identify a product or service which was already known to him or which was advertised.

6. In view of the fact that a trademark has the function of distinguishing, only distinctive signs are capable of serving as trademarks, and the main purpose of protecting trademarks is to ensure that only distinctive signs are used and that confusion among trademarks is prevented.

7. The second function of a trademark is to refer to a particular enterprise which offers the products or services on the market, i.e., give an indication as to the origin of the goods or services for which the mark is used.

8. Trademarks do not only or not always distinguish products or services as such. They distinguish them in their relationship to a particular enterprise, namely, the enterprise from which the products or services originate. Thus trademarks distinguish products or services from one source, from identical or similar products or services from other sources, namely, the various enterprises which offer such products or services. This function is important in the definition of the scope of protection of trademarks. The decisive test for that protection is whether the average consumer, in view of identical or similar trademarks relating to products or services of the same kind or of similar kinds, may believe that those products or services originate from one and the same enterprise.

9. The third function of trademarks is to refer to a particular quality of the products or services for which the trademark is used. This function is not always recognized. In fact, the quality function of trademarks is one of the most controversial issues of trademark law.

10. The reasons for maintaining that trademarks have the function of referring to a particular quality of the products or services for which they are used may be summarized as follows: a trademark frequently is not used by only one enterprise since the trademark owner may grant licenses to use the trademark to other enterprises; it is accordingly essential that licensees respect the quality standards of the trademark owner. Moreover, trading enterprises often use trademarks for products which they acquire from various sources. Thus, products, although not originating from one and the same enterprise, nevertheless have to correspond to certain common characteristics and quality standards which are applied by the trademark owner. A trademark owner therefore guarantees that only products that correspond to those standards and quality requirements will be offered under the trademark. In such cases, the trademark owner is not responsible for producing the products but rather--and this may be equally important--for selecting those that meet these standards and requirements. This argument is supported by the fact that even where the trademark owner is the manufacturer of a particular product, in the manufacturing process parts are frequently used which have not been produced by the trademark onwer but which have been selected by him.

11. The question whether a quality-guarantee function for trademarks is to be recognized has practical significance in connection with trademark licensing. In this connection, it is generally agreed that the licensee must respect certain quality standards set by the trademark owner.

12. A controversial issue arises in respect of the question whether the trademark owner himself may change the quality and, if he does so, what are the consequences with respect to the trademark. Various approaches to solve this question are at present under discussion but there does not yet exist a generally accepted solution.

13. The fourth and last function of trademarks is to promote the marketing and sale of products and the marketing and rendering of services.

14. This function recently has become more and more important. Trademarks are not only used to distinguish or to refer to a particular enterprise or a particular quality but also to stimulate sales. A trademark which is to fulfill that function must be carefully selected. It must appeal to the consumer, create interest and inspire a feeling of confidence. This is why this function sometimes is called the "appeal function."

15. Trademarks which overemphasize the appeal function may run the risk of being misleading. This is to be kept in mind in the selection of trademarks, for misleading trademarks are excluded from protection.

Economic Importance of Marks

16. Marks are nowadays widely used in practically all countries - whether developing or industrialized countries, market-economy or planned-economy countries - and they play an important economic part in marketing and trade. Marks serve equally the purposes of those who offer goods or services on the market - such as manufacturers, producers, distributors, wholesalers and retailers - and the interests of consumers, public authorities and the economy in general.

17. A mark enables the enterprise that uses it to draw the attention of possible consumers to the existence of the goods bearing that mark, to hold their attention once they have become acquainted with the products and, finally, to distinguish them from products of the same type that are offered on the market. An enterprise may, in this way, acquire a reputation for the products it offers under a given mark. The value represented by the mark derives from this association between a mark and a product and thereby enables demand for the goods bearing that mark to be maintained and expanded and to compete with other enterprises that offer goods of the same type. Once a mark has already acquired a firm reputation it also makes it easier to penetrate new markets and thus to stimulate export activities.

18. Marks also meet the interests of consumers, in various ways and to a not inconsiderable extent. The use and promotion of marks helps to make consumers aware of the goods and services available on the market, to more readily identify their origin and to effect a choice between similar goods and services. These are all factors that stimulate competition. In the long term, this may lead to an increase in the number and types of consumer goods and bring about an eventual drop in prices. The use of marks may also stimulate competition between users in respect of quality, which, in the long term, can help to improve the overall quality of goods and services.

19. An effective trademark system likewise contributes to the protection of consumers against various forms of unfair trading practices (for example, the use of misleading marks or of confusingly similar marks). Many countries do not have specific legislation on consumer protection or, where such legislation does exist, the consumers are frequently not in a position to assert their rights. In such cases, trademark legislation can constitute one of the rare sources of law available to protect the consumer.

20. Marks are equally useful to the national authorities, particularly to those responsible for verifying the quality and other characteristics of goods and services. The use of marks may assist them, for example, in identifying, as a result of complaints that have been received or of tests that have been carried out, those goods and services that do not comply with the statutory requirements, from amongst the goods and services that are identical or that belong to the same category. Finally, the registration of marks constitutes a useful source of statistical and economic information for the national authorities.

21. Every country has therefore an interest in setting up an effective system to ensure that marks are protected and used in a way that satisfies the legitimate interests of producers and consumers and which enables the best use to be made of the contribution trademarks can make to economic development.

Definitions

[Marks: Trademarks and Service Marks]

22. A "mark" is a sign or a combination of signs capable of distinguishing, in the course of trade, the goods or services, of one person from those of other persons. Thus, the concept of a "mark" encompasses both "trademarks" and "service marks."

23. A trademark is a sign affixed by a producer, manufacturer or trader on natural or manufactured goods, or used in connection with the marketing of such goods. When it is said that the sign is used "on" the goods, it means that the sign may appear not only on the goods themselves but on the container or wrapper in which the goods are when they are sold. When it is said that the sign is used "in connection with the marketing" of the goods, it means mainly the appearance of the sign in advertisements (newspaper, television, etc.).

24. Signs capable of forming marks fall into at least two categories, verbal and figurative. Verbal or word marks consist of letters or numbers. Figurative marks are made up of elements other than letters or numbers. They may be designs, pictures or abstract representations reproducing persons, things, animals or parts of animals, landscapes, coats of arms, colors or color combinations, shapes, etc. As a mark may consist of combinations of signs, it may of course contain both verbal and figurative elements.

25. Visible signs can also be divided into those which are of two dimensions and those which are of three dimensions. Consequently, marks can be either two-dimensional or three-dimensional. Three-dimensional marks are those which consist of the shape of the goods themselves or their containers.

26. A trademark may consist, for example, of any one of the following elements--which all constitute visible signs:

- arbitrary or fancy denominations: "Coca-Cola," "Kodak," "Xerox;"
- surnames: "Ford," "Peugeot," "Levi's;"
- emblems: the Mercedes-Benz star, the flying lady mascot on Rolls-Royce;
- numbers: "4711;"
- letters: "RCA," "MG;"
- images or symbols: the Lacoste crocodile, the dog on Greyhound buses;
- combinations or arrangements of colors: the red spot on the heel of Kicker's shoes, the colors of the Contac influenza capsule;
- characteristic shape of the recipient or product: the Coca-Cola bottle, the heart-shaped pills of a well-known brand of amphetamine;

- slogans: "Furniture from LEVITAN is guaranteed for a long time" or "AIRLANKA a taste of Paradise" for an airline company.

This list is in no way exhaustive since a mark may also consist of a combination of various signs. The range of possibilities is therefore extremely broad, if not to say unlimited.

[Collective Mark]

27. The next term requiring definition is "collective mark." A collective mark is any visible sign which serves to distinguish the origin or any other common characteristic of goods or services of different enterprises which use the mark under the control of the registered owner.

28. A collective mark, like a trademark or a service mark, distinguishes the goods or services. Yet a collective mark differs from the other two types in that it distinguishes not the goods or services of a particular enterprise from those of other enterprises but the origin or other common characteristics of goods and services of different enterprises. In other words, a collective mark indicates that the goods or services of the different enterprises using that mark have a common origin, have other important characteristics in common or meet certain standards. The owner of a collective mark may be a cooperative, an association of enterprises or an institution of public character, charged with controlling the use of the collective mark. Collective marks are designed to make consumers appreciate that the goods or services to which they are applied conform to a particular standard or possess a characteristic that may help them to choose from the goods or services on offer.

29. Collective marks can be of great service in developing countries where many enterprises do not at present possess sufficient economic importance to derive full benefit from the use of individual marks. In these cases, it can be of considerable value to indicate, by means of collective marks, that certain goods have been manufactured in the country itself or are natural products of the country, or that they satisfy certain standards of quality, or that certain services--for example, services concerning insurance or transport--are rendered in the country by different enterprises under the control of the State or of some public institution.

[Trade Names]

30. A distinction has to be made between "mark" and "trade name". A trade name is the name or designation that identifies the enterprise. In most countries, trade names may be registered with a government authority. Generally speaking, the protection granted means on the one hand that the trade name of a given enterprise may not be used by another enterprise as a trade name or trademark, or service mark, and on the other hand that a name or designation so resembling the trade name as to mislead the public may not be used by another enterprise.

31. It should also be borne in mind that a trade name can also constitute a trademark. That is true for instance of the Coca-Cola Company and the Société Peugeot--two trade names-- the former selling its non-alcoholic beverage under the "Coca-Cola" trademark and the latter producing motor cars under the "Peugeot" trademark.

[Appellations of Origin and Indications of Source]

32. A distinction has also to be made between "marks" and "appellations of origin" and "indications of source." Appellations of origin and indications of source are both forms of geographical indications; however, they have different connotations.

33. An appellation of origin is the geographical name of a country, region or locality which serves to designate a product originating therein the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors. To understand this definition clearly, it should be broken down into its component parts. The first part of the definition is that an appellation of origin is the name of a geographical area--either a country, a region or any geographical place--in which the poduct originates. The second component part is that the quality or characteristics of that product are due exclusively or essentially to the geographical environment of that geographical area. In other words, there must be a link between the characteristic qualities of the product and the geographical area covered by the appellation of origin. The third component part is that the factors influencing the geographical environment may be either natural or human factors or a combination of both. Thus the link between the characteristic qualities of the product and the geographical area covered by the appellation of origin may arise from natural factors, such as the soil or the climate, or from human factors, such as the special professional traditions of the people who live in the geographical area, or from a combination of both factors.

34. Perhaps the best known examples of appellations of origin are those used for French wines. A Bordeaux wine which comes only from the Bordeaux region of France, is the result of that region's soil and climatic conditions as well as the professional traditions of the people who live in the region. If the same grapes that are grown in the Bordeaux region were planted in another geographical area possessing different geographical conditions, the resulting wine would not be the same. But appellations of origin are not only applicable with respect to wine; they can also be applied to many other natural and agricultural products, as well as to products of handicraft and industry, as long as the characteristic qualities of those products are due either exclusively or essentially to the geographical environment of the area covered by the appellation of origin. Other examples of appellations of origin include Cognac brandy, Limoges china, Cashmere wool and Ceylon tea.

35. It should be noted that a product can be marketed both under an appellation of origin and under a mark or trade name--or even under all three. An example of a product marketed under all three distinctive signs is "Mumm Cordon Rouge Champagne," which is a famous brand of champagne. G.H. Mumm and Co. is a trade name, "Cordon Rouge" (which in English means "red ribbon") is a trademark, and Champagne is an appellation of origin for a bubbly wine from the French Champagne region.

36. The definition of an "indication of source" is wider than that for an appellation of origin. A indication of source is any expression or sign used to indicate that a product or service originates in a given country, group of countries, region or locality. The difference between an indication of source and an appellation of origin is that an indication of source does not require the characteristic qualities of the product to be linked to the geographical environment. It is sufficient that a product originates in a given geographical area. Like appellations of origin, indications of source are applicable to natural and agricultural products and to products of industry and handicraft.

Acquiring Rights in a Mark

37. Now that the terms which are basic to this lecture on marks have been defined, the principal question of these discussions can be tackled. That question is how are marks protected and regulated?

38. According to most legislations, exclusive rights in a mark are acquired by registering the mark in the country's Register of Marks. The requirements for registration, the registration procedure, the effects of registration, and an analysis of the exclusive rights granted by registration will all be discussed in this context.

39. But first, it is necessary to note that in a few countries exclusive rights in a mark may be acquired merely by using that mark on goods or in connection with services. The trademark law of the United States of America, for example, provides for the acquisition of exclusive rights through the use of a mark. The use of a mark generally means the application of a mark to goods and the offering for sale of those goods--in the case of trademarks--and the application of a mark to literature, advertisements, signs, etc., to promote and sell services as well as the offering to render those services--in the case of service marks.

40. The reason why most countries provide for the acquisition of exclusive rights in a mark through registration--and why WIPO recommends a system of registration--is that registration seems to be the most solid basis for constituting the grant of exclusive rights. In most countries, especially in developing ones, it is sometimes very difficult to ascertain when use of a mark has occurred; therefore, the administration of a system of marks could become unduly complicated if exclusive rights were acquired only through use.

Registrable Trademarks

41. In the context of current practice, it is therefore necessary to register a trademark in order to obtain exclusive rights in that mark. But can all marks be validly registered? Are there marks that do not satisfy the conditions for registration? The answer to these questions is that not all marks can be validly registered. Some marks are inadmissible--that is to say, they do not satisfy the conditions of registration--on objective grounds or because they conflict with third party rights. We shall first look at the objective grounds on which a mark may be deemed inadmissible and subsequently examine the third party rights that may lead to the inadmissibility of a mark.

[Marks Inadmissible on Objective Grounds]

42. The first objective principle is that a mark cannot be validly registered if it consists solely of a sign which may serve, in the course of trade, to designate the kind, quality, quantity or purpose of the goods and services involved. In other words, a mark is not held to be valid if it simply constitutes a description of the goods or services that it is intended to distinguish. The reason for this restriction is twofold: firstly, the use of such terms cannot be monopolized; secondly, if a sign is descriptive, it is inherently incapable of distinguishing one product or one service from another, whereas the very purpose of a mark is exactly to distinguish between goods or services.

43. A descriptive sign may generally be considered a sign which would be employed normally and naturally by an enterprise to describe the goods or services for which the mark is used. As examples of marks which would be deemed inadmissible as a result of their descriptive nature, we may cite "Rich in Chocolate" for chocolate fudge, "Chunky Cheese" for a salad dressing containing pieces of cheese, "Noclamp" for glue not requiring clamps to work effectively or "24-Hour Service" for a dry-cleaner who will clean and return garments next day.

44. According to a second objective principle, a mark cannot be validly registered when it consists exclusively of a sign which, in current language or established trade practice in the country concerned, has become the customary designation of the goods or services concerned. Put simply, this means that the common or generic name of a product cannot be validly registered as a mark. The common or generic name has to be understood as the word used by the dictionary for a given product or service. Common or generic names are totally incapable of distinguishing the goods and services for which they are used from other goods and services. In fact, such names have been described as "the ultimate in descriptiveness." The examples of generic names which cannot be registered as marks are limitless. We may just mention "hair lotion," "car rental," "soda pop," to name but a few.

45. It should be noted that a mark that is distinctive at the time it is registered may subsequently lose that characteristic as a result of use by the general public and become the generic name of the product or service it describes if the owner of the mark permits such usage to develop. Where that happens, the owner of the mark loses his exclusive rights in the mark.

46. In addition to descriptive or generic marks, any other mark which, for any other reason, does not enable a distinction to be made between the goods of one enterprise and those of other enterprises is also inadmissible and cannot be validly registered. Such may be the case of visible signs that are too simple, such as a star, a circle or a single letter.

47. A final observation should be made on distinctive marks. At the time of ascertaining whether a mark may be registered or not on the basis of adequately distinguishing the goods or services involved, it is not enough to simply look at the visible sign itself, but consideration must also be given to all the relevant circumstances, particularly the time during which the mark has been in use. It is very frequent for a mark to have been used in a country before having been filed in that country. It sometimes happens that, as a result of a large-scale advertising campaign or of exclusive use over a long period, a mark that was not originally distinctive, that is to say which did not enable the goods or services involved to be distinguished, assumes in the public's mind what is generally known as a "secondary meaning." This means that, as a result of prolonged use, the mark concerned no longer simply describes the product or service involved, but, in the mind of the public, serves to indicate the origin of the specific product or service in relation to other goods or services in the same category. Briefly, a mark which was originally descriptive may acquire a secondary meaning and, consequently, a distinctive nature. Signs that acquire a secondary meaning can be accepted as marks and therefore be registered.

48. An example makes for easier understanding of the concept of secondary meaning. Let us take the case of the "Dollar-a-Day" car rental agency which filed an application to register its service mark "Dollar-a-Day" in the United States of America. Although it was descriptive, since it sets out the conditions on which the agency provides its services, this service mark was registered in view of that concept of secondary meaning. It was held that the mark had acquired a secondary meaning following an advertising campaign throughout the country and the fact that the agency had opened offices at numerous locations, that it had hundreds of thousands of customers and that the expression "Dollar-a-Day" had not been used by any of its competitors. The mark was therefore held to be effectively distinctive.

49. To return to the list of objective grounds on which a mark may or may not be registered, those marks that are contrary to morality or "public order" or which may mislead the trade or consumers on the nature, source, characteristics or suitability for the purpose of the goods or services concerned, are inadmissible and may therefore not be validly registered. A mark contrary to morality, for instance, may be a mark containing an obscene picture. What constitutes an obscene picture depends, of course, on domestic law. A mark may be held contrary to "public order" if it imitates the emblem of a public authority, if it is offensive to religious sensitivities, such as the mark "Jesus" for perfume or "Golgotha" for wine, or uses the name of a prohibited substance, such as "Opium" for scent. As far as those marks that may mislead the trade or the general public as to the properties of a product or of a service are concerned, a telling example would be that where the representation of a cow is used as a mark for margarine. Since a cow would give the impression that the product referred to contained butter or some other milk product--whereas in fact margarine contains none or practically none--the picture of a cow could not be accepted as a mark in such case.

50. There are further objective grounds on which the registration of a mark may be refused; indeed, a mark cannot be validly registered if it reproduces or imitates the armorial bearings, flags, emblems, initials, names or abbreviations of a State or of an intergovernmental organization. Likewise, where a mark reproduces or imitates an official sign or hallmark adopted by a State, it cannot be validly registered unless the owner of the mark has been authorized by the relevant authorities of that State.

51. The reason for this is obvious; such marks cannot be admitted since they would give a false impression of an official link between the goods and services concerned and the State or organization whose flag, emblem, name, sign or the like were reproduced or imitated. It may be noted that the Paris Convention for the Protection of Industrial Property, with which we shall subsequently deal, provides the States and intergovernmental organizations with a procedure--under its Article 6ter--by which they can communicate to the States party to that Convention the emblems, signs and so on, they wish to protect.

[Marks Inadmissible by Reason of Third-Party Rights]

52. Marks may be held inadmissible not only on objective grounds, but also because they conflict with the rights of third parties. The term "third party" is taken here to mean a party other than the one that wishes to register a mark or the office responsible for marks. In those cases that we shall look at subsequently, a third party is a person who has acknowledged rights in an identical mark or one that is similar enough to lead to confusion with the filed mark.

53. The first case of inadmissibility due to third party rights is that of a mark liable to mislead the public due to its resemblance to another mark previously and validly filed by a third party or previously and validly registered on behalf of a third party or filed subsequently by a third party validly claiming priority, for the same goods or services, or for other goods or services for which use of such marks could mislead the public.

54. The above-mentioned rule is easier to understood if we break it down into its various elements. Firstly, we must be quite aware of the fact that registration of a mark can only be afforded validly to the first person who satisfies the conditions of registration. If differing enterprises could register two identical marks for the same goods or services, the system of marks, which aims at distinguishing the goods or services of one enterprise from those of other enterprises, would be quite pointless. The result is therefore that a mark is inadmissible if the same mark has already been registered on behalf of a third party or filed by a third party in respect of the same goods or services. To give an example, enterprise X cannot register the trademark "Alpha" for tyres if enterprise Y has already registered that same mark for tyres.

55. This leads us to the second aspect. What would happen if the two marks concerned were not identical, but were very similar? Would not the use of similar marks for the same goods or services lead to confusion for the consumer? This second question must be answered in the affirmative. Consequently, a mark is inadmissible not only if it is identical to a mark that has already been registered on behalf of a third party, but also where it resembles another mark already registered or filed to the extent that it can be confused with that latter mark. A mark is said to be "confusingly similar" when it resembles another mark to such an extent that it can mislead the public.

56. A final case of inadmissibility as a result of conflict with third party rights that we shall look at here concerns the special case of well-known marks. A mark cannot be validly registered if it constitutes the reproduction, in whole or in part, the imitation or the translation, liable to mislead the public, of a well-known mark belonging to a third party. Examples that may be given of well-known marks are "Coca-Cola," "Hertz" or "Rolls-Royce." It would run against the interests of consumers to permit registration of a mark that imitated a well-known mark or resembled such mark to the extent of confusion. This is true in all cases, irrespective of whether the well-known mark has been registered or not, or even used, in the country concerned. The existence of a well-known mark is very likely to mislead the consumer by making him believe that all the goods or services bearing that mark or a mark that is confusingly similar originate from the owner of the well-known mark. The affixing of a well-known mark on any products other than those to which the mark applies may therefore deceive the consumer. For that reason, inadmissibility in the case of well-known marks is not limited to identical or similar goods or services, but applies also to all goods or services since the use of a well-known mark by any unauthorized person, even for totally different goods or services, may mislead the consumers by making them believe that there exists a link between the various goods and services.

57. Before closing this chapter on inadmissibility by reason of conflict with third-party rights, it must be added that the cases of inadmissibility that we have considered do not constitute an exhaustive list; any mark violating any other right of a third party, for instance a mark consisting of a picture infringing the copyright of another person or any mark contrary to rules on prevention of unfair competition, for example, a mark containing a representation of a building housing the headquarters of a competitor, would also be inadmissible.

58. After having shown that the exclusive rights in a mark are obtained by registration and after having looked at the various marks which may or may not be registered, the question now to be answered is that of the procedure for registering a mark.

Registration Procedure

[Application Requirements]

59. To have a trademark registered, one has of course first to file it with the competent administration. A trademark application generally has to include the following: a request for registration; the name and address of the applicant and, if the applicant's address is outside the country where the application is filed, an address for service within that country; sufficient copies of the representation of the mark in question; and a clear and complete list of the goods or services in respect of which registration of the mark is sought.

60. With regard to an applicant whose address is outside the country where the application is filed, an address within that country is necessary to ensure that any communication addressed to him, either before or after the registration of his mark, will reach him. Ordinarily, the address for service will be the address within the country of a trademark agent employed by a foreign applicant to process the application for registration in that country. Whenever an application is filed by an agent, be it for a local or foreign applicant, it is necessary that the applicant sign a power of attorney authorizing the agent to act on his behalf.

61. With regard to the requirement to file representations of the mark, the question of what constitutes a representation of a mark must be answered. In the case of a word mark, the registration could be a copy of the word; in the case of a figurative mark, an example of the mark together with a printing block.

62. In a country party to the Paris Convention for the Protection of Industrial Property, it is possible, as stated earlier, to claim the priority of an earlier filing in another country. Where the Paris Convention priority is claimed, the applicant must also specify this fact in the application by indicating the date and number of the earlier application and the country in which the application was filed. The applicant in such cases is also required to furnish a copy of the earlier foreign application within three months of the later filing.

63. Last, but certainly not least, as far as application requirements are concerned, the applicant must pay the prescribed application fee. An application is not accepted until the application fee is paid; therefore, if the fee is paid after the application has already reached the Trademark Office, the effective date of filing will not be the date on which the application arrived but rather the date on which the fee was paid.

[Examination as to Form]

64. The examination as to form is carried out by employees of the Trademark Office. The examination consists in checking whether the application requirements have been carried out correctly; that is, it must be examined whether the application contains a correct request for registration, the correct name and address of the applicant, the necessary copies of a proper representation of the mark, the correct list of goods and services in respect of which registration is sought with an indication of the corresponding class or classes of the International Classification and, where the application was filed by an agent, a correct and duly signed power of attorney.

[Examination as to Substance]

65. Assuming that an application for registration has met all the formal requirements and thus has not been rejected on the basis of the examination as to form, what is the next step in the registration procedure? The answer to that question varies from country to country. In many countries, the next step in the procedure is that the mark in question is subjected to an examination as to substance. In other words, the mark is examined to make sure that it is not inadmissible on any objective ground or because it conflicts with any third-party right. As far as objective grounds are concerned, the mark must be examined to make sure that it is distinctive and not descriptive, that it is not the generic name for the product or service in question, that it is not contrary to morality or public order or likely to deceive trade circles or consumers, that it does not reproduce or imitate flags, emblems or the names of States, etc. With regard to third-party rights, it must be ensured that the mark is not identical or confusingly similar to a mark previously filed or registered for identical or similar goods or services. Examination of prior marks can be carried out ex officio by the national office or in cases of third-party opposition.

[Opposition Procedure]

66. The fact of providing an opposition procedure reflects a concern to afford parties that may suffer damage through the registration of a mark the possibility of asserting their objections. This possibility of opposition is also useful in that it maintains a check on the examination system. In practice, the office publishes applications for marks in the national official gazette and invites anyone concerned to advise it of the reason for which they oppose registration of the mark when they feel that the mark is inadmissible for some objective reason or on account of conflict with third party rights.

67. How does the opposition procedure work? First of all, the application must be published; this first stage consists in the publication of a reproduction of the mark and a list of the goods or services to which the filed mark applies. However, the application can only be published if the applicant has paid the prescribed publication fee. Where this fee is not paid in good time, registration of the mark is refused.

68. Once the application has been published, anyone may, within the stipulated time limit--generally three months--enter opposition to registration of a given mark by providing justification. The person filing opposition must pay the corresponding fee.

69. If no opposition is entered within the stipulated time limit, the mark is then registered. However, in the event of opposition, the applicant must have the possibility of making observations and the trademark office must determine whether the opposition is admissible or not. The office examines the grounds presented to support the opposition together with the observations submitted in reply by the applicant and takes a decision whether or not to register the mark. This decision may naturally be appealed from before the courts.

Duration and Renewal of Registration

70. The registration of a mark does not automatically last indefinitely. It would be unjust if it did for, if such were the case, marks which were no longer of any legitimate interest to their owners would continue to remain protected while the use of identical or similar marks by others would be prohibited. For this reason the duration of registration is limited in time: very often the duration provided by the national law is ten years.

71. This does not mean that the total period of protection is ten years, however. The registered owner of a mark may renew the registration of that mark for indeterminate additional periods of ten years upon payment of a renewal fee. This gives the registered owner of a mark the opportunity to evaluate whether it is worthwhile to maintain protection for his mark or whether it would be more practical to abandon protection.

72. Renewals of registrations are recorded in the Register and are published in the official national gazette.

Exclusive Rights Conferred by Registration

73. These discussions have so far concentrated on acquiring exclusive rights in a mark. It is now time to examine what those exclusive rights are.

74. The term "exclusive right," in the context of these discussions, means the right of the registered owner of a mark to preclude others from doing certain acts in connection with that mark. Exclusive rights are "negative" rights; registration does not confer upon the owner only the "positive" right to use the mark but also the "negative" right to preclude others. To understand what a registered owner's exclusive rights are, it is therefore necessary to analyze what are the acts in connection with his mark which the registered owner may preclude others from doing.

75. The owner of a mark may prohibit third parties from using his mark, or any confusingly similar mark, for goods or services in respect of which the mark is registered or for similar goods or services if such use is likely to mislead consumers. He may also prohibit third parties from any other use of the mark or of a trade name that resembles it without just cause and under conditions likely to be prejudicial to his interests.

License Contracts

76. Another very important right attached to a mark is that a registered owner may grant to any person or enterprise a license contract to use his mark for either all or part of the goods or services in respect of which the mark is registered. License contracts play a particularly important role in developing countries as the establishment and development of commercial enterprises often depend on the support provided by license contracts. It is accordingly advisable that license contracts be regulated to ensure that the conditions concerning the use of licensed marks are consistent with the commercial and economic aims of a developing country while, at the same time, allowing the registered owner a reasonable return on his investment.

Conclusion on Marks

77. The economic development of a country depends on numerous factors. Although the use and protection of marks is certainly not the most important element in that process, a system of marks may nevertheless exert a non-negligible influence on the economic development of a country. We may note that marks enable enterprises to market their goods more effectively and that they stimulate competition. Such competition leads to an improvement in the quality of products and an increase in production, employment and demand. These factors, in turn, will generally have advantageous taxation implications for the country concerned, just as they will contribute to improving the quality of life of the population in general and stimulate commercial, social and industrial development (and even agricultural development where the growth of production is reflected in an increased demand for raw materials). Marks therefore represent an important factor in commerce and trade, both nationally and internationally. If covered by effective legal protection, marks are able to satisfy the legitimate interests of enterprises, consumers and nationals authorities and thereby promote the development of national economies and international trade.

II. Franchising

Definition of Franchising

78. Franchising is an agreement whereby one person (the franchisor), who has devloped a system for conducting a particular business, licenses another person (the franchisee) to use the system, in exchange for a fee and subject to the franchisor's control. The relationship is a continuing one as the franchisee operates in accordance with standards and practices established and

monitored by the franchisor and with the continuing assistance of the franchisor. The heart of a franchise system is usually the franchisor's trademark or trademarks, and the heart of a franchise agreement is a trademark license. Thus, the factors that support a franchise relationship include:

License to Use System For a fee, the franchisee is granted a license to use the franchisor's "franchised system" in the advertising and sale of its goods or services. A franchised system, also referred to as simply "the system," is a package of industrial or intellectual property rights relating to trademarks, trade names, industrial designs, copyrights, know-how, trade secrets and/or patents, to be exploited for the re-sale of goods or the provision of services to end users. The heart of all such systems are usually trademarks and the license of the trademarks is the heart of the franchise agreement.

On-going Relationship The relationship is on-going, whereby the parties intend to enter a relationship that will involve multiple sales of the franchised product (or offering of franchised services) over a period of time and wherein the franchisor will give continuous assistance to the franchisee in establishing, maintaining, and promoting the franchised unit. Moreover, the franchisee has a continuing obligation to pay fees to the franchisor for the use of the franchised system.

Franchisor's Right to Control Franchisee The franchisee agrees to abide by regulations established by the franchisor, directing the operation of the franchise. Such regulations may include quality control, territorial restrictions, operational details, and a host of other regulations governing the conduct of the franchisee.

79. At the center of a franchising arrangement is a license, granted by the franchisor to the franchisee, to use the franchised system. This is essential to allow the franchisee to conduct his business in the manner developed by the franchisor. A large part of such a license in the context of franchising invariably is directed to trademarks.

Distinction Between Franchising and Standard Licensing

80. The distinction between a franchise arrangement and a standard license agreement is a subtle one. It has been stated that franchising is simply a sophisticated form of a standard license arrangement. This is because a franchising agreement goes beyond a mere license of individual rights, such as trademarks, as in the case of a standard license agreement, to a license to use a system. Thus, in a franchise arrangement, the franchisor is not simply manufacturing and selling goods or providing services under the trademark of another. That is surely part of the agreement, but it goes further than that in allowing the franchisee to manufacture and sell such goods or provide such services as part of a larger system.

81. In a franchising relationship, the franchisor teaches each franchisee how to exploit the system and, in exchange, acquires its income by receiving a portion of the franchisee's income, such as a percentage of sales. Similarly, in a standard license arrangement, license fees to the licensor are normally computed on the basis of a percentage of sales by the licensee.

82. In a standard licensing or franchising relationship, the parties are independent but have a close working relationship defined by the terms of the license agreement or franchise agreement, respectively. The income of each party is dependent on the combined efforts of both parties. The more successful the licensee's or franchisee's business becomes, the greater the income for all parties.

83. In contrast to a standard license agreement, however, the franchisee's success is also dependent on the franchisor's ability to develop a profitable system, train the franchisee in the proper operation of the system, improve and promote the system, and support the franchisee throughout the life of the franchise agreement to achieve continued success. Thus, in a franchise arrangement, at least part of the on-going nature of the relationship contemplates that the franchisor will continue to develop the franchised system and communicate those new developments to the franchisee.

84. As discussed, in a license agreement, and, in particular, a trademark license, whether alone or as part of a franchise agreement, it is essential that the owner of the trademark exercises quality control. This is necessary under the legal systems of some countries to establish such rights, and is essential under the legal systems of many countries to enforce and avoid abandoment of such rights.

85. With respect to a franchise agreement specifically, the franchisor will control not only the manner in which specific rights, such as trademark rights, are used by the franchisee, but also the manner in which the entire franchised system is implemented. Thus, the scope of control by the franchisor over the franchisee is greater than that of a licensor over a licensee under a standard trademark license agreement.

III. Counterfeiting and Piracy

Definition of Counterfeiting and Piracy

86. Simply stated, counterfeiting means the manufacture, sale, etc., of goods in contravention of industrial property rights (rights in a trademark, etc.), whereas piracy means the manufacture, sale, etc., of copies in contravention of rights protected by copyright. In both cases, the manufacture, sale, etc., must be on a commercial scale. Given such a broad definition, it is clear that problems of counterfeiting may have applicability not only to trademark rights alone, but also with respect to such rights being exploited in the context of a franchise relationship.

87. It is perhaps best to consider questions of counterfeiting and piracy together since they share some common features as to their legal nature and since the measures for combating counterfeiting and piracy are similar. Furthermore, one and the same illegal act frequently violates both industrial property rights ("counterfeiting") and rights protected by copyright and neighboring rights ("piracy"). Such is the case, for example, when illegally manufactured copies of a phonogram that contain the performance of a musical work protected by copyright ("pirate copies") are offered for sale under a label that is the imitation of a protected trademark ("counterfeit trademark").

Effects of Counterfeiting

88. The counterfeiting of trademarked products has reached epidemic proportions in recent years. The practice occurs where an unauthorized representation of a legally registered trademark is carried on goods which are similar to the product for which the trademark is registered. The object of the counterfeiter is to deceive the purchaser into believing that he or she is buying a legitimately branded product. Commercial counterfeiting may thus involve patent infringement and passing off, as well as infringements of registered trademarks and copyright.

89. Commercial counterfeiting is a superficially attractive proposition; it provides a source of foreign revenue and a means of penetrating trade barriers. Passing themselves off as producers who are legitimately using a trademark, the counterfeiters do not have to incur either the research or development costs of the legitimate producers and, of course, the pirates can have a free ride on the promotional efforts of those producers.

90. The deception involved in commercial counterfeiting has an obvious adverse effect on consumers and trademark owners. However, notwithstanding the short-term commercial attractiveness of counterfeiting certain long-run adverse effects on the country of origin of counterfeit products have been identified as follows:

91. First, foreign firms are seriously deterred from placing valuable foreign investments in countries which do not have and enforce stringent intellectual property laws.

92. Secondly, once a country becomes known as a significant source of counterfeit products, the reputation of all products emanating from that country becomes tainted. A consumer may shy away from products which indicate they were made in a country which also makes a substantial quantity of counterfeit goods, for fear that his purchased product will also turn out to be counterfeit.

93. Thirdly, counterfeiting of trademarked products stifles the creation and development of original trademarks and original products. To the extent that a country's manufacturers are merely imitating the marks and products of others, and doing so lucratively, there is little incentive for them to invest in research, development and marketing of new products and marks. As a result, the development process of a country can be hampered.

94. Fourthly, as is true of all illicit activities, the counterfeiting "industry" is very successful in evading the payment of taxes. Operating on a cash basis, the counterfeit business is not likely to pay income or employment taxes. Similarly, sales taxes often are evaded.

Remedies for Counterfeiting

95. A range of remedies are available under most trademark statutes and under the general law to deal with the various aspects of commercial counterfeiting. Obviously, all the remedies associated with trademark infringement (injunction, damages etc.) provide a primary sanction. Additionally, some statutes provide criminal sanctions and specific remedies, such as border measures, upon those who import or traffic in counterfeit goods.

Provisions of Paris Convention Relating to Counterfeiting

96. The Paris Convention contains three specific articles that concern commerical counterfeiting: Article 6 prohibits the use and registration of confusing trademarks; Article 9 prohibits the importation of goods bearing unlawful trademarks and authorises their seizure; and Article 10 provides protection against unfair competition.

Activities of WIPO Concerning Counterfeiting and Piracy

97. Among the activities of WIPO aimed at achieving increased protection against counterfeiting and piracy, the following are to be noted in particular. In the field of counterfeiting, the International Bureau of WIPO has twice convened a committee of experts in industrial property law (under the title "Committee of Experts on the Protection Against Counterfeiting"), namely in 1986 and 1987 (the relevant documents are those of the WIPO series PAC/CE/I and PAC/CE/II). In the field of piracy, it has held two world-wide forums, namely the WIPO Worldwide Forum on the Piracy of Sound and Audiovisual Recordings and the WIPO Worldwide Forum on the Piracy of Broadcasts and of the Printed Word, in 1981 and 1983, respectively (the relevant documents are those of the WIPO series PF/I and PF/II). Furthermore, two committees of experts in copyright and neighboring rights law, jointly convened by WIPO and Unesco, have given special attention to measures against piracy, namely those on "Audiovisual Works and Phonograms" (June 1986) and on "The Printed Word" (December 1987) (the relevant documents are those of the series UNESCO/WIPO/CGE/AWP and UNESCO/WIPO/CCE/PW). Moreover, in 1988 WIPO convened a meeting of a "Committee of Experts on Measures Against Counterfeiting and Piracy" (the relevant documents are of the WIPO series C&P/CE).

98. The committees of experts expressed their advice on draft model provisions (in the case of counterfeiting) or on draft "principles" (in the case of piracy), both intended to achieve the following two main aims: (i) to make legislators, governments and the general public aware of the need to combat counterfeiting and piracy, and (ii) to create material that should be useful to those who prepare national laws, and to those who adopt them, when they consider what provisions national laws should contain as measures for effectively and efficiently combating counterfeiting and piracy.

99. The documents presented to the said committees of experts dealt not only with model provisions or principles (see, WIPO document C&P/CE/2) but also analyzed or referred to the provisions of international treaties, in particular the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works (see, WIPO document C&P/CE/3). Those treaties, unlike the model provisions or principles, do establish obligations for the States that are party to them.

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PATENTS AS A SOURCE OF TECHNOLOGICAL INFORMATION: THE ROLE OF PATENTS IN AN INDUSTRIAL DEVELOPMENT STRATEGY

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I. INTRODUCTION

Patent information can be discussed from a multitude of aspects. This paper addresses the topic from a technological perspective in that it looks at the characteristics of patent information which contribute to its use thereof by industry, research and development (R&D) organizations, and innovators in general. From this aspect, patent information plays a direct role in promoting the scientific and technological progress of a nation.

Various aspects of the system are responsible for making patent documents a leading source of patent information. In order to fully grasp the role that patent documents play in satisfying the need for an up-to-date and comprehensive information system, it is necessary to examine the characteristics of the patent system itself which contribute to its success in diffusing technological information to its users.

Finally, the paper will touch on the highlights of a Canadian study on the economic relevance of patented technological information to economic progress.

II. PATENT INFORMATION

Technological information can be obtained from many sources, but none provide as broad and as up-to-date coverage of technological information as do patents. They provide descriptions of not only key inventions such as, the telephone, television and more recently integrated circuits and computers that have dramatically altered the manner in which society operates, but also reveal the many incremental advances which gradually improve and perfect a particular technology over a period of time. Various aspects of patent documents contribute to their use as a source of information for technological purposes and they all derive from or are part of the patenting process. Publication of the content of patent documents and economic incentives for innovators to patent new technolgoies are key components which make patent information an excellent source of technological information.

1. Public Aspects

The strength of the patent system as a source of information derives from the fact that the documents that it generates are published.

Patent documents are open to the public and are freely exchanged internationally. These characteristics positively distinguish the patent system from other proprietary rights relating to technical subject matter such as, trade secrets or know-how. Public disclosure of how to make and use an invention is mandated by patent law as a condition to obtaining the rights granted by national governments or regional or international bodies.

The concept of openness can be traced to the early days of patent history. In fact the etymology of the word "patent" and the phrase "letters patent" are derived from the Latin meaning "to be open" and "an open letter" respectively. Early letters patent for invention provided only scanty descriptions of the technology which gave rise to the grant of rights. It soon became evident, however, that a voluntary system of disclosure was far from satisfactory and that the basic principle of the patent system, namely

that an inventor is granted certain rights for a limited period in regard to the use of the invention in return for disclosing the nature and details of the invention to the public, was not being fully met.

In time, the requirement to provide a full disclosure of the invention in sufficient detail to enable persons "skilled in the art" to practice the invention became mandatory, thereby resulting in the published specification or issued patent of today. The official technical description of the patented invention which accompanies each patent along with a recitation of the rights and scope of the patent makes it both a scientific and legal document. Thus, a patent contains information of public record which is both technical and legal in nature. Whenever the phrase "patent information" is used it normally refers to the technical as opposed to the legal aspect of patents and relates to all the useful technological information that can be derived by industrialists and researchers.

One of the many myths associated with the patent system by the uninitiated is that a patent is of little benefit other than to provide exclusive rights to the patentee. The value of having the complete document available to the public, including a comprehensive and legally required description of the new technology, is notalways known or fully appreciated.

2. Economic Aspects

The ultimate purpose of the patent system is economic in nature. The system encourages individuals and organizations to invent and innovate bhy offering incentives which are commercially attractive in the belief that the talents of inventors and innovators will enhance the public welfare through technological progress.

This concept finds its roots in the early history of the patent system when governments used patents to stimulate not only local devisors of inventions but also to entice foreign workers to leave their own country and bring their work and skills with them in order to teach domestic craftsmen the latest tchnologies. This dual objective of encouraging local innovation while at the same time attracting foreign technologies is still true today, as countries compete in the race for technological and industrial advantages.

Technical innovation is seen as the key to economic growth and social prosperity, and patent information is a key source of technological information that industrial and research organizations have at their disposal. As competition in international trade becomes more and more intensive, the value of patent information becomes more obvious to those who are forced to compete in order to maintain or improve their position in the marketplace.

In the pre-industrial era, the concept that patent information should be regularly used as a source of technical information was not an obvious one. In fact, in an age when international trade was somewhat primitive, countries tended to operate under policies which discouraged the exporting of technology. This tended to diminish the value of the patent system as a technological information source and as tool for the transfer of technology. Under today's industrial practices, the relationship between patents and a nation's economic objectives seem clearer than ever before as investment and business decisions become increasingly technology driven.

The economic value of patent information resides primarily in its ability to provide industrialists with technological and market information which can be used to their advantage in a commercial sense.

3. Advantages

Patents have several other characteristics which contribute to their usefulness as an information tool.

The large number of patent documents that are published annually around the world, a recent estimate puts the number at approximately one million, can be intimidating and perhaps discouraging to a searcher. In reality, however, it is a major reason why patent documents are a key source of industrial or economic information since the large number of documents is a clear reflection of the importance and substantial use made of the patent system by innovators and industrialists around the world. If only a small number of patent documents were published annually, the importance of patent documentation would be greatly diminished.

Depending on the national law of the issuing country, patent documents are published at various times between the filing date of the application and the grant of the patent. Inventions filed with almost all of the patent offices around the world are published before the grant of the patent, usually 18 months after the filing date. The national laws of several countries require more than one publication per application, while others publish only at the time when the patent is granted. The fact that a particular invention is frequently filed in a number of countries and the fact that some countries publish an invention more than once, means that the number of inventions created annually is less than one million, and has been estimated at some 400,000. Multiple filings in several countries are advantages from a searcher's point of view since they make patent information available in a number of different languages and allow a searcher to select a document in the language most familiar to him.

In addition to the two advantages discussed above, many other characteristics of patent documents make them uniquely suitable as an information resource. The following four are the most important from an information point of view.

First, patent documents generally convey the most recent information. Since the great majority of countries grant patents on a first to file basis, applicants cannot afford to delay the patenting procedure for fear of having their patent denied on the grounds of an earlier filing for the same invention by another person. This incentive to file an application as soon as possible together with the practice of early publication ensures that the latest and most up-to-date information can be obtained from patents. In fact, it has been shown that some well known and important inventions were disclosed in patent documents several years before their appearance in other publications.

Second, patent documents more often than not contain information which is not available to the public in any other form of literature. Thus, failure to search patent documents will generally produce search results which are less than complete. An investigation carried out by the U. S. Patent and Trademark Office in the late 1970s revealed that as mucyh as 70% of the technology disclosed in U.S. patents during a five year period from 1967 to 1972 had not been published in non-patent literature.

Third, the information found in patent documents is generally presented in a fairly uniform format. The documents highlights the essence of what is new together with a description of the background of the invention, i.e., the prior art, together with, in many cases, a review of the recent technological progress in the particular field of the invention. In addition, certain documents are published together with a search report which normally shows a series of closely related or pertinent references that were identified during the patentability search. Each document, therefore, discloses not only the new technology but also provides a useful and sometimes complete background of closely related technological information.

Fourth, patent documents cover, almost without exception, every branch of technology and all documents bear a classification notation. These two factors allow all of technology to be accessed from a subject matter point of view. Moreover, a patent search in a particular branch of technology can, unlike a search of most other technological sources which tend to focus on a single subject, also uncover relevant documents from another branch.

The above described characteristics of patent documentation make it a particularly distinctive source of information which has the added advantage of being updated, by most countries, on a weekly basis.

III. TECHNOLOGICAL CONTENT

Technological progress consists, mainly, of a series of developments and changes which gradually improve and refine a particular product, process or machine in order to perfect its operation or performance. One idea builds on another and an earlier concept which may not have been feasible at the time it was invented due to limitations of materials, costs or other factors may well serve as the building block of a later development which is able to overcome the earlier restrictions.

A search of patent literature easily reveals the above step by step nature of technological progression. A patent document invariably refers to the existing technology in a given field, and then goes on to describe the invention which improves the known knowledge in that particular field. Consequently, a patent search in a particular subject matter shows the evolution of science and technology in that particular field and makes available to a searcher a range of technologies spread over time, from different countries around the world. This permits a searcher to identify both trends in research and development as well as the most recent and leading-edge technologies.

Technological information is an element of fundamental importance in the process of technology transfer. It is vital not only in the creation of indigenous technologies but also in the identification, evaluation and selection of foreign technologies for local adoption purposes. Since patent documents include the major advances of almost all technologies, the information found therein is invaluable in providing up-to-date and reliable knowledge, both of domestic and foreign origin, in relation to a particular technology transfer transaction.

In general, one might say that until recently there has been a failure to fairly recognize the existence of technological information in patent

literature. The patent system has for too long been regarded purely as a legal system which generates legal documents that are occasionally referred to a court in order to settle a dispute concerning the boundaries or scope of privately held property rights.

Too many people have generally believed that once a patent has been granted it belongs exclusively within the realm of the patentee and that the description of the technology in the patent serves no other purpose than to define the patentee's rights. The role of a patent as an up-to-date source of technological information, as a document which can be used in the diffusion of technological information and as a tool for the transfer of technology has in the past been largely ignored. In an age where information is being viewed as an important resource, countries who are looking to maximize their industrial potential cannot afford to merely view the patent system from a narrow legal perspective.

IV. CANADIAN STUDIES ON PATENT INFORMATION

In 1986, the Canadian Patent Office started its initiative to automate the operations of the Office, including the establishment of a Canadian patent data base. One of the prime purposes of the project is to provide more effective and efficient access to patent information and wider dissemination of the technological information contained in the patent documents. As part of this process, the Office commissioned a series of studies, one of which addressed the economic impact of improved access to patent information on the Canadian economy, and a second assessed the market demand for that information in Canada.

The study which analyzed the economic benefits of an enhanced information retrieval system had as its broad objective to identify incremental benefits, quantitatively or qualitatively, that were specifically attributable to a system that would facilitate access to the information.

From this perspective it is clear that the economic study did not deal with the manner in which patent information should be automated but rather with the benefits to the Canadian economy which would result from easier access and more efficient use of patent information. The analysis and findings are, therefore, not dependent on the establishment of an automated patent information system. They apply equally well to any information system, either paper or microform based, which makes access to the information easier, more attractive, and quicker. To this extent, the benefits that are identified are directly attributable to the role that patent information plays in supporting technological and economic progress.

The consultants who conducted the studies effectively had three specific objectives which were to:

- identify the incremental benefits that were specifically attributable to an enhanced information retrieval system, as distinct from the background value of the patent system itself;
- provide quantitative estimates of the benefits that were identified to the extent that this was possible; and
- provide a qualitative analysis of those benefits for which quantitative estimation is not currently feasible.

The basic approach that was adopted was to identify the major categories of economic benefits, and then attempt as much as possible to quantify or analyze the attendant benefits. During their deliberations the consultants addressed the following issues:

- the importance of different types of benefits to the Canadian economy and the feasibility of assessing these benefits quantitatively;

- the direct savings to firms resulting from reduced labour time to acquire patent information based on present access levels;

- the effects on the Canadian economy of reinvesting the above labour savings;

- the qualitative effects of increased patent information use by new and existing users;

- the benefits which would be lost if the patent system lost its viability due to a failure to effectively access the information contained in patents; and

- the relative extent to which Canadian and foreign interests will benefit from an enhanced patent information system.

The consultants' Report identified five distinct categories of economic benefits, and these are discussed below.

1. Time Savings from Improved Access

This source of benefits focuses upon the value of productive resources that are freed up as a result of enhanced access to patent information. Two groups of clients are expected to directly benefit: the Canadian Patent Office itself and external users of patent information.

2. Increased Patent Information Use by Current Users

The statistical results from the market demand assessment survey, commissioned by the Patent Office, indicated that overall patent use would roughly triple as a result of improved access. Table I summarizes the results and shows the expected distribution with respect to the increased use of patent information among the various clients, with some 36 per cent of the increase attributed to current users of patent information.

3. Increased Use of Patent Information Due to New Users

The statistics shown in Table I also provide an estimate of a substantial increase in demand from potential users who currently do not use patent information. The Table indicates the relative importance of the increased activity from new users, with some 64 per cent of the increase expected to come from new users due to improved access to the information.

4. More Effective Use of Patent Information

An improved information system, by increasing the speed and reliability with which the usual types of patent searches are performed, will provide users

with better quality and new kinds of patent searches. These new types of searches will increase the scope of patent information use in such areas as strategic planning and present new analytical opportunities for organizations that develop, use or invest in commercial technologies.

An increase in searching effectiveness will mean that searches which are currently performed by using the existing system will be quicker and less costly under an enhanced system. Systematic analysis of technological and economic trends will become practical on a much wider scale.

Also, searches which are currently performed only under limited conditions will be performed under a wider range of circumstances, and searches not previously practical will be possible. The expanded patent information that will be available will be unique in that it will provide data on Canadian as opposed to foreign business, and technological and economic trends.

5. Maintenance of a Viable Canadian Patent System

In addition to various kinds of business cost savings which will accrue directly to patent information users, the Report stated that general benefits will also accrue to various sectors of the economy if patent information can be accessed efficiently and effectively. These benefits are associated with the maintenance of a viable Canadian patent system as an important component of the economic and technological infrastructure of the country.

Increasing the effectiveness of the patent information system is seen as a necessity in order to maintain a viable patent system in Canada. Administrative pressures such as a continuing increase in patent filings and the size of the search file, the integrity and central location of the search file, represent issues that must be addressed in the context of a patent information system which is presently not as accessible as it should be. These difficulties, if allowed to continue, may easily lead to questions concerning the validity of Canadian patents, the quality of a Canadian patent search, and the contribution of the Canadian patent system to industrial growth, research and development activities, and technology transfer.

The Report indicated that the benefits associated with a viable Canadian patent system should be considered within an international context. Figure 1 provides a qualitative description of the international patent system and identifies four categories of participants namely:

- Canadian patent information users
- Canadian patent holders
- Foreign patent information users
- Foreign patent holders

The Figure shows a two way flow between participants involving:

- a flow of fees from technology purchases and licensing fees from users to holders of patents (solid line arrows); and

- a flow of information and licensing rights from patent holders to users (solid line arrows).

The Canadian and foreign patent systems act to encourage the exchange process by providing a regulatory framework and by facilitating the exchange

of patent information (dashed line arrows). The participants are attracted to the process by economic benefits. A series of Canadian benefits (dotted line arrows) have been identified which are derived from:

- the positive effects of the patent system on the export of Canadian technology;

- increased domestic research and development by both Canadian and foreign firms;

- the enhanced reputation of Canadian technology suppliers as a result of the use by foreign organizations of information from Canadian held patents; and

- Canadian goodwill resulting from the benefits received by foreign patent holders in return for the disclosure of technology.

Quantitative Estimates

In addition to identifying the five distinct sources of economic benefits, the study also estimated the time savings attributable to a patent information system that can be accessed more quickly. The time savings, which represent the value of resources freed up as a result of a saving in access time, was converted to cost savings using salary data. This amount was entered as an increase to production input factors into an econometric forecasting model, built and maintained by the Conference Board of Canada.

The outputs of the model are based on the assumption that the resources freed up by labour savings were proportionally redistributed as increases in other production factors. This resulted in an estimate of direct labour savings of some $19 million annually. Based on this level of input, the model calculated the total expected effect on the economy, as shown in Table II, expressed as an increase to the Gross Domestic Product (GDP) over the first five years of system operation. The net present value of this five year flow of benefits, assuming a ten per cent discount rate, is $163 million of total direct and indirect benefits. These benefits, which are due only to the increased efficiency of searching operations at current levels of use, are reflected in increases in employment, investment, corporate profits and net exports.

Furthermore, Table III shows the predicted cumulative increases in the GDP over five years by industry sector for small, medium and large businesses. The manufacturing sector is expected to experience the greatest increase in output, some $57 million or roughly one third of the total.

V. CONCLUSION

It is generally accepted that in order for an economy to grow and develop, a society must be innovative, and innovation must be encouraged. To be innovative, almost inherently means that people need to be well-informed, and to be well-informed a country must support and promote the production, distribution and use of information and knowledge. While knowledge and information are also desirable for purposes other than innovation, these concepts define a general framework and a set of relationships that can be used to judge the value of one key species of information and knowledge namely, patent information.

Production and use of knowledge and information, particularly as part of the innovative process, are closely intermingled to the extent that highly effective producers of knowledge are also typically highly effective users of it, and vice versa. This leads to the conclusion that the role of knowledge producer cannot easily be separated from that of a knowledge user. To this extent, national policies or practices which encourage the use of technological information, such as patent information, will at the same time support and contribute to national goals on innovation and industrial progress.

The economic benefits study was only able to quantify one of the five identified benefits arising from improved access to Canada's patent information system. Nevertheless, the estimated economic benefits, $163 million over the first five years of operation for only one of the five benefits, are substantial. The Report also predicts that the benefits arising from the four other categories, although currently not quantifiable, are likely to be significant.

The market demand study, on the other hand, concluded that the use of patent information in Canada would roughly triple, from some one million users to more than three million, if patent information were made more accessible. Even though the benefits of the patent system, and patent information in particular, have always been difficult to quantify, the above two results provide a numerical measure of the importance of patent information in its role as a technological source of information for industrial purposes and research and development purposes.

[Table I follows]

TABLE I

DISTRIBUTION OF INCREASED PATENT USE

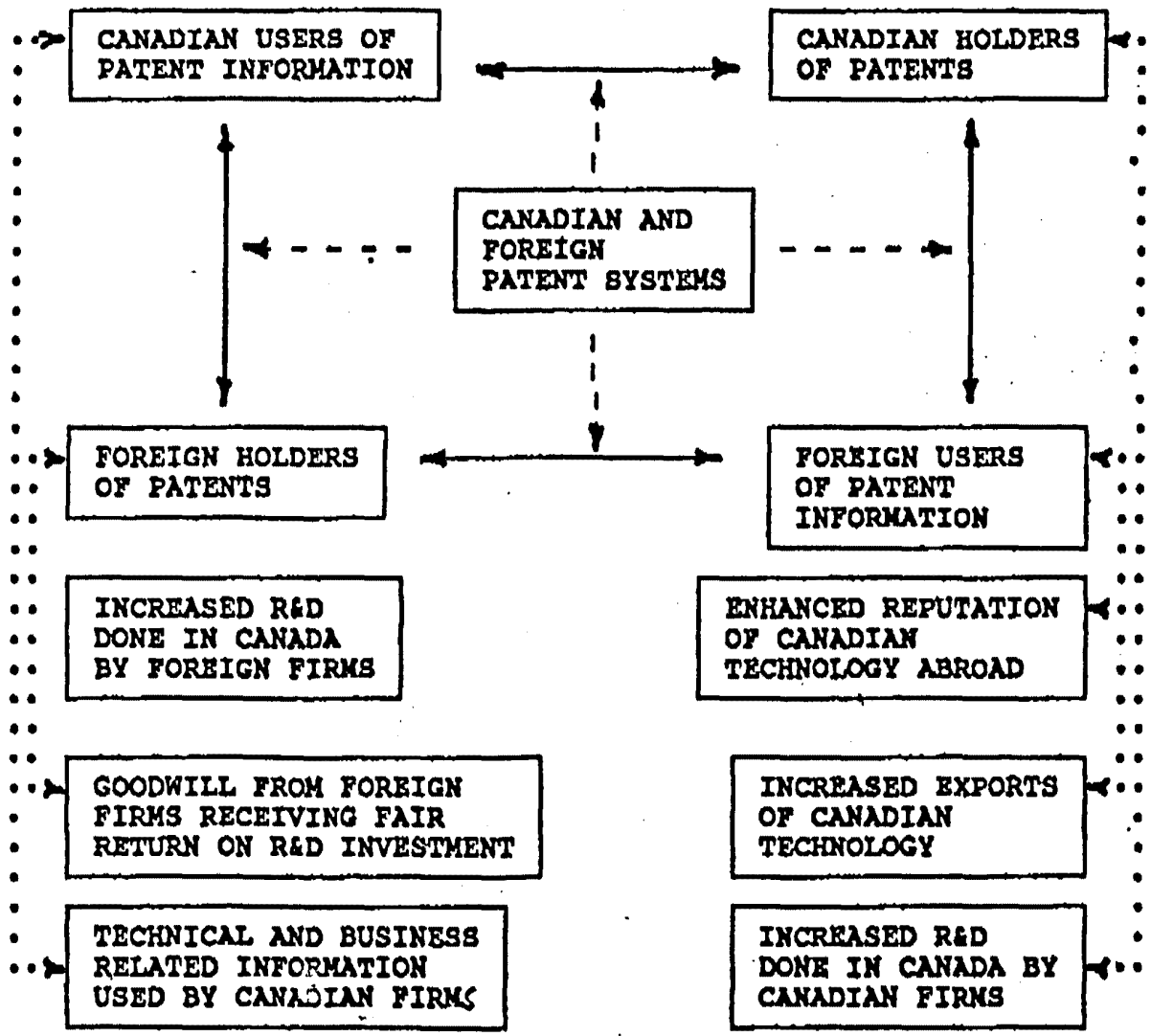
PATENT USE (000's)

	CURRENT	PROJECTED	INCREASE	% INCREASE FROM CURRENT USERS	% INCREASE FROM NEW USERS
SMALL BUSINESS	54.3	431.40	377.10	47%	53%
MEDIUM BUSINESS	23.3	41.60	18.30	33%	67%
LARGE BUSINESS	40.3	46.72	6.42	92%	8%
R&D FIRMS	8.6	12.31	3.71	37%	16%
CHEMISTS	208.5	240.70	32.20	37%	63%
ENGINEERS	788.7	2,383.90	1,595.20	33%	67%
ALL USERS	1,123.7	3,156.53	2,032.93	36%	64%

[Figure 1 follows]

FIGURE 1

ROLE OF PATENT SYSTEMS



———————— Patent information and use of patent rights

- - - - - - - - - Facilitator/Regulatory role

..... Benefits to Canadians economy

[Table II follows]

TABLE II

INCREASE IN TOTAL OUTPUT (GDP) PER YEAR
FROM LABOUR SAVINGS DUE TO REDUCE PATENT SEARCH COSTS

(IN MILLIONS OF CONSTANT 1988 DOLLARS)

YEAR	INCREASE IN GDP
1	$ 29.7
2	$ 39.4
3	$ 47.0
4	$ 51.6
5	$ 53.2

[Table III follows]

TABLE III

DISTRIBUTION OF BENEFITS
BY INDUSTRY SECTOR AND COMPANY SIZE

CUMULATIVE FIVE YEAR GDP INCREASE (NPV)
MILLIONS OF CURRENT DOLLARS

	INDUSTRY SIZE			
INDUSTRY SECTOR	SMALL	MEDIUM	LARGE	TOTAL
MINING	$ 0.0	$ 0.0	$ 0.1	$ 0.1
MANUFACTURING	$ 3.2	$ 8.6	$ 45.9	$ 57.7
CONSTRUCTION	$ 3.5	$ 2.3	$ 1.9	$ 7.7
UTILITIES	$ 0.4	$ 0.3	$ 2.9	$ 3.6
WHOLESALE/RETAIL	$ 4.1	$ 5.0	$ 8.8	$ 17.9
FINANCE/INSURANCE/REAL ESTATE	$ 3.8	$ 2.0	$ 1.4	$ 7.2
COMMUNITY BUSINESS-/PERS. SERVE	* $ 24.4	$ 9.2	$ 11.5	$ 45.1
PUBLIC ADMIN./DEFENCE	$ 0.0	$ 0.0	$ 23.5	$ 23.5
TOTAL	$ 395.5	$ 27.5	$ 96.0	$ 163.0

* Includes engineering and management services.

[End of tables and document]

WIPO/IP/CAR/91/ 5
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GOVERNMENT OF
JAMAICA

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO CARIBBEAN REGIONAL COURSE ON INDUSTRIAL PROPERTY

organized by

the World Intellectual Property Organization (WIPO)

in cooperation with

the Government of Jamaica

Kingston, April 22 to 26, 1991

PATENT INFORMATION AND DOCUMENTATION CENTERS FOR DEVELOPING COUNTRIES

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I. INTRODUCTION

In 1954, the Organization for Economic Cooperation and Development (OECD), in its report on technological and scientific information policy, considered that every country, whatever its size and degree of industrialization, needed to possess and to make systematic use of scientific and technical documentation.

Scientific and technological progress means rapid updating and improvement of production means and manufacturing processes, as well as the implementation of the latest scientific and technological achievements in the national economy, and it depends to a considerable extent on efficient utilization of scientific and technical information.

Since it is not possible to evaluate the entire scientific and technical literature, even if the greatest efforts are made, an important consideration is always the selection of suitable sources of information. In this regard, patent documents have an important role to play. Moreover, patent documentation is considered the most complete and, at the same time, the most readily accessible technical documentation material still existing.

Traditionally, patent documents have been used as a source of information for examiners in patent offices in order to determine the State-of-the-Art when examining patent applications, or in case of infringements, etc.

During recent years, patent documentation has become internationally accepted as an important source of technological information for industries, research centers, etc.

II. THE IMPORTANCE OF INFORMATION CONTAINED IN PATENT DOCUMENTS

When compared with other sources of technological information, patent documents have some considerable advantages.

1. Characteristics of patent information

i) The contents of the invention are described in detail in the patent document (which is a requirement of the Patent System).

ii) Patented documents have a uniform structure, making it easy for a reader familiar with the structure to extract certain kinds of information from them.

iii) Patent documents contain information which is often not divulged in any other form of literature.

iv) Patent documents contain the symbols of the International Patent Classification (IPC), which allows to perform search of a certain technology in an easy way.

v) Patent documents can be stored in a computerized data base.

vi) Patent documents indicate the name and address of the applicant, the patentee, and the inventor. Such information indicates a potential licensor

to be contacted, if it is the case. Also, it identifies which countries and corporations are active in developing new technologies.

2. Technical function of the patent information

i) The up-to-date level of the related technology can be easily understood by studying the developed technology, so that the subject item for new technology can be effectively selected.

ii) The related technology or the specific technology trends can be found easily by searching the information according to the International Patent Classification (IPC).

3. Kinds of patent information

i) Patent gazettes (examined or unexamined patent applications)

ii) Abstracts

iii) Full texts of the patent documents

In summary, through patent information, it is possible to develop new ideas and different angles of approach to a given problem when it is required to:

- develop an idea;
- provide information for research activities;
- identify possible solutions to a specific problem;
- identify technologies which could replace a known technology;
- identify enterprises which are active in a specific field of technology;
- improve a product;
- follow technical development in certain countries of particular interest;
- find out what is already protected by patents in a particular field;
- have an invention examined as to novelty even before the filing of a patent application.

III. THE PATENT INFORMATION AND DEVELOPING COUNTRIES

The role of the information contained in patent documents was summarized in item II. This role has been widely recognized by industrialized countries which have taken profit from such kind of information.

The importance of patent documents in the transfer of technology is also becoming increasingly recognized. Consequently, it becomes necessary for developing countries to consult and explore patent documents. The question

of access to such documentation in developing countries presents some difficulties, as the facility to select and consult patent documents has to be cheap and efficient.

This requirement could be met by an organization in which all the necessary patent documents are available and which can supply the desired information. Developing countries usually do not have this type of organization.

IV. PURPOSE OF A PATENT DOCUMENTATION CENTER

The main objective of a patent documentation center, in general, is to supply the users, in an efficient way, with technological information contained in patents.

The role to be played by a patent documentation and information center should also take into account the economic and social development, and technological and industrial progress of the country, bearing in mind its development programs and priorities.

Therefore, it is necessary to establish:

1. kinds of services to be offered;

2. selection of the necessary documentation;

3. type or format of the documentation

1. Kinds of services the center can provide

Potential users of patent information generally are: industrial enterprises, scientific research centers and universities.

The services required by the needs of these users are:

a) searches (State-of-the-Art Searches, SDI Searches, etc.);

b) supplying copies of patent documents;

c) information on bibliographic data of patents;

d) monitoring of new technological developments;

e) consultancy services.

a) Searches

State-of-the-Art Searches: information about what is known concerning a certain aspect of a technological problem;

Novelty Searches: searches for the purpose of ascertaining wether an invention fulfills the conditions of patentability as regards novelty and inventivity;

SDI Searches: the selective dissemination of information on newly published documents in a particular field of technology;

Infrigement Searches: searches to find out if some technical subject matter is protected by patents in a particular country.

b) Supplying Copies of Patent Documents

One of the major tasks of the Center is to be able to furnish, on request, copies of patent documents, in an efficient way.

c) Information on Bibliographic Data of Patents

A worldwide patent bibliographic information data base which meets all the requirements already exists, namely the European Patent Office (EPO), Suboffice in Vienna. Through this data base, Documentation and Information Centers are able to include services such as:

Patent Family Service: search for patents or pending applications belonging to a certain patent family (the same invention filed in many countries).

Patent Applicant Service: through the name of the applicant, a list of his patents or pending applications in various countries can be provided.

Patent Inventor Service: given the name of the inventor, a list of his patents and pending applications, in various countries, can be provided.

Patent Classification Service: given a certain IPC class, a list covering patents within this class, from various countries, can be provided.

d) Monitoring of New Technological Developments

This service is important not only for investigating the trends of emerging technologies, but also to get information on the activities of R&D of competitors.

e) Consultancy Services

This kind of service could be offered particularly for users who do not have a good knowlege of the structure and composition of patent documents, and often have difficulties in understanding the documents. Assistance on licensing contracts could also be offered as a service by the Center.

2. Selection of the Necessary Documentation

Depending on its objectives, the Center may cover anything from specific areas selected in accordance with the interests of the country's own technological development.

Besides the criteria of selecting patent documents by technological areas, the time period criteria to be covered by the documentation is important as well. The Center has to decide upon a time period, in a strategic way, in order not to collect a too great volume of documentation, avoiding going back to very remote dates, but also not being limited only to

very recent publications, in which case much information could be lost. In the case of Centers with documentation limited to specific technologies, documents will have to cover a reasonable period, going, at least, approximately up to the date when the technologies in question started being developed.

The third point that has to be considered in the selection, is the language aspect. Depending on the particular country, certain languages are "difficult", meaning that they are not commonly read and understood for a researcher. In view of the fact that the documents of a small number of countries and Organizations, e.g. United States, United Kingdom, France, Germany, WIPO (PCT documents), EPO, cover a great part of patented inventions, the Center has to decide upon limiting the size of the collection, also taking the language problem into account.

Independently of the collection chosen, each patent documentation collection could be supplemented by abstract services. In the case of Japanese patents, for instance, English version abstracts are available from the Japan Patent Information Center.

For patent documents with priority data, the EPO Suboffice in Vienna is also an alternative for identifying a patent document in a more suitable language for the users of the Center.

3. Determination of the Type or Format of the Documentation

Another decision that has to be taken by the Center is with regard to the type or format of the documentation.

Patent documents nowadays are avilable on paper form, microforms (16 or 35mm rolls, microfiches, etc.), "online" through international data bases, and more recently, in the form of optical discs (CD-ROM).

V. THE PATENT INFORMATION AND DOCUMENTATION CENTER IN BRAZIL

The Brazilian Patent Information and Documentation Center (CEDIN), is part of the Brazilian Patent Office (INPI/BR).

CEDIN's structure today comprises four Divisions:

1. Patent Documentation Division (DIDOCP) the so-called Patent Bank;

2. Non-Patented Technology Documentation Division (DITENP);

3. Information Division (DINFOR); and

4. Technological Dissemination Division (DIVULTEC).

1. The Patent Documentation Division (Patent Bank)

The main objective that led to the establishment of the Patent Bank, in 1972, was to provide assistance to examiners of the Brazilian Patent Office in the performance of searches in order to examine patent applications as to worldwide novelty (absolute novelty) and inventiveness.

A second objective was to make the patent documentation available to research centers and industrial enterprises.

Via a WIPO/UNDP Project, it was possible to set up the so-called INPI Patent Bank, which contains a complete collection of patent documents of several industrialized countries.

The Patent Bank of INPI/BR contains about 18 million patent documents in paper form, (domestic and foreign documentation) arranged according to the International Patent Classification. To this collection, 30 thousand new documents from several countries are added each month.

Through bilateral agreements between INPI/BR and industrialized countries such as the United States, Germany and the Netherlands, the Patent Bank has been supplied with patent documents on exchange basis. Other countries charge a fraction of the cost of its documentation plus transportation. Others supply their documentation free of charge and without any payment, even for transportation, on a cooperation basis.

Since Brazil is a member State of the Patent Cooperation Treaty (PCT), the Patent Bank is also supplied with PCT documents.

Patent documents in microfilms, from several countries, complement or, in some cases, duplicate the collection in paper form.

The microfiche services of the EPO Suboffice in Vienna, which comprise a worldwide collection of pending applications and/or patents, since 1964, are suscribed to by INPI/BR. Besides the use of patent family information, such microforms are used according to: numerical order, by country; IPC, up to subgroup level; applicants names, in alphabetical order; and inventors names, also in alphabetical order.

Annex I summarizes the content of patent documentation in the Patent Bank of INPI/BR.

a) Services rendered by the Patent Bank for External Users

Individual searches: consists of searches which are carried out by interested parties themselves.

Isolated searches: consists of in-depth searches carried out by engineers of the Patent Bank (DINFOR), at the request of users, to determine the State-of-the-Art; to study a particular technology, etc.

b) Supplying copies of documents

The Patent Bank furnishes copies of specific documents (on paper form or microforms) of domestic or foreign patent documents, upon request.

2. The Non-Patented Technology Documentation Division (DITENP)

Complementing the documentation contained in the Patent Bank, the Non-Patented Technology Documentation Division maintains a Technical Library and a Documentation Sector. The Library stores reference materials, industrial property gazettes from many countries and is also a specialized

library on industrial property (books, papers, periodicals, etc.). The Documentation Sector subscribes about 500 titles of worldwide technical periodicals, monographs, hearings of congresses, meetings, etc. in all fields of technology.

3. The Information Division (DINFOR)

This Division is actually the link between the Center and the outside users of patent and other technological information.

It provides assistance and orientation to individuals from industry, research institutes, government as well as to inventors, students, etc, in the State-of-the-Art searches.

4. The Technological Dissemination Division (DIVULTEC)

Aware of the importance of the effective use of the patent system, INPI/BR has established since 1984, "Special Programs", in order to promote the spreading of the Industrial Property System for the benefit of the technological development in the country.

Thus, ways to maximise access to, and utilization of patent information have been developed through the Program of Automatic Supply of Technological Information (PROFINT), with the aim of stimulating domestic companies that develop R&D activities, updating them in a specific technology. This Program provides for the automatic monthly receipt of copies of patent documents from the main industrialized countries, in keeping with the previously selected technological area(s). Thus, companies/research centers are updated about what is happening abroad and, as a result, assume a better position to improve the conditions of their researches by avoiding unnecessary outlays for already developed technologies.

The PROFINT started in 1984, with the participation of eight enterprises and from 1985 its growth has accelerated, as it can be observed in the table in Annex II.

The follow-up Program of Technical Evolution Industry (PROATEC), included in the same philosophy of "technological updating", is a program wherein, through a survey of the State-of-the-Art based on patent documents and non-patent literature, an analysis of this State-of-the-Art is carried out by pointing out technology holders and their countries of origin. It is possible through PROATEC to estimate the trend of the technologic development in question. A compared study between the State-of-the-Art of the considered technologies in Brazil and abroad is made with the final objective of indicating possible solutions to overcome or reduce the technological gap.

- The Program of Selective Dissemination on Patent Information

This program consists of specific studies on emerging technologies. It is based on selecting patent abstracts, after eliminating the patent families, and publishing the results in a brochure.

A Program for Establishing Sectorial Patent Banks was also established with the objective of facilitating, in different places of Brazil, access to patent documents in a specific industrial sector, with the aid of Industrial Federations, etc. Three sectorial patent banks have been established in

different areas, in different regions: the sectors are leather and shoe making technology, electro-electronics and foundry technology.

DIVULTEC is a Division whose objective is to coordinate and carry out the Special Programs, established by INPI/BR, in the area of dissemination of information.

The Center is also dealing with an on-line service (NIOL - ON-LINE INFORMATION NUCLEOUS), created very recently, which maintains contracts with important worldwide data banks, such as DIALOG, ORBIT and QUESTEL.

The use of information in optical discs has been initiated a few months ago, and the Center is testing the CD-ROM Cassis, thanks to the cooperation of the United States Patent and Trademark Office which is also providing INPI with updated discs.

VI. CONCLUSIONS

The information contained in patent documents has been demostrated to be an excellent and, sometimes, a unique source of information. The need for developing countries to consult such documentation is crucial, in spite of the difficulties which often exist regarding the access to such documentation.

In planning the establishment and operation of a Patent Information and Documentation Center, developing countries should take into consideration their real needs, which have to be analysed case by case, and should choose its size in accordance with specific objectives.

Where there exist common needs and objectives of a group of developing countries, the establishment of a regional documentation center could be a solution.

The relevance of international cooperation (multilateral and/or bilateral) in the process of establishing a Patent Documentation and Information Center should be emphasized, mainly as regards the set-up of documentation, the exchange of patent documents and industrial property gazettes, the acquisition of equipments and training of staff.

[Annex I follows]

ANNEX I

SUMMARY OF THE FILES IN THE PATENT BANK

Archive Countries and Organizations	Search Files (Files)	Numerical File (Paper)		Microforms	
	Since	From	To	From	To
Australia*	1980	-	-	-	-
Brazil	1924	1978	1989	1924	1972
Canada*	1980	-	-	-	-
Spain	-	-	-	1984	1989
United States	1969	1911	1966	1950	1982
France	1972	-	-	1917	1972
Great Britain	1940	1940	1967	1936	1955
Netherlands*	1982	-	-	-	-
Japan	1977	-	-	-	-
OAPI	1980	-	-	-	-
EPO	1979	-	-	-	-
WIPO (PCT)	1978	-	-	-	-
F. R. of Germany	1972	-	-	1969	1972
Switzerland	1976	-	-	-	-
Dem. Rep. Germany	1966-1974	-	-	-	-
URSS	-	-	-	1957	1964
TOTAL (No. of Documents)	7.500.000	6.000.000		4.500.000	

* Without priority.

CEDIN/1990

[Annex II follows]

ANNEX II

PERFORMANCE OF PROFINT, FROM 1985 TO 1989

	No. of Enterprises	Growth %
1985	25	212,5
1986	73	192,0
1987	118	61,6
1988	133	12,7
1989	142	6,8

* In 1984, PROFINT started with eight industrial enterprises.

[Annex III follows]

ANNEX III

THE PATENT INFORMATION AND DOCUMENTATION CENTER (CEDIN)

STRUCTURE

- Patent Documentation Division (Patent Bank)
- Non-Patented Technology Documentation Division (DITENP)
- Information Division (DINFOR)
- Technological Dissemination Division (DIVULTEC)

SERVICES

Patent Bank	- individual searches - isolated searches - copies of patent documents
DITENP	- services to internal/external users of non-patented literature - surveys on industrial property (articles, legislations, etc.)
DINFOR	- services of technical orientation for external users (IPC, etc.) - services of carring out searches
DIVULTEC	- PROFINT - PROATEC - SDI - SECTORIAL PATENT BANKS
NIOL	- On-Line Information Nucleus

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[End of Annexes, References and Document]

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Kingston, April 22 to 26, 1991

THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY: MAIN FEATURES AND REVISION

prepared by the International Bureau of WIPO

IPD/1485S

OUTLINE

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 100 member countries (see list contained in the Annex of this document). Swaziland will become party to the Stockholm Act of the Convention on May 12, 1991 and Chile on June 14, 1991, bringing membership of the Convention to 102 countries.

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 countries is now a party to the latest Act, that of Stockholm of 1967.

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

(1) General

10. The provisions of the Paris Convention may be subdivided into four main categories.

11. A first category of provisions contains rules of substantive law which guarantee a basic right known as the right to national treatment in each of the member countries.

12. A second category of provisions establishes another basic right known as the right of priority.

13. A third category of provisions defines a certain number of common rules in the field of substantive law which contain either rules establishing rights and obligations of natural persons and legal entities or rules requiring or permitting the member countries to enact legislation following those rules.

14. A fourth category of provisions deals with the administrative framework, which has been set up to implement the Convention, and includes the final clauses of the Convention.

(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 would 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.

(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 which 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) Failure to work and compulsory licenses

53. 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.

54. 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.

55. The main argument for enforcing working of the invention in a particular country is the consideration that, in order to promote the industrialization of the country, patents for invention should not be used merely to block the working of the invention in the country or to monopolize 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.

56. 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.

57. 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.

58. 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.

59. 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.

60. 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.

61. 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 earlier patent for invention 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.

62. 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

63. 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.

64. 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.

65. 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

66. 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.

67. 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.

68. 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.

69. 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

70. 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.

71. 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.

72. 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.

73. 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.

74. 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

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

76. 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.

77. 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.

78. 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.

79. 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.

80. 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*

81. 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.

82. 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

83. 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.

84. 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.

85. 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

86. 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.

87. 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.

88. 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.

89. 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

90. 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.

91. 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.

92. 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.

93. 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.

94. 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

95. 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.

96. 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.

97. 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.

98. 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.

99. 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.

100. 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

101. 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.

102. 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.

103. 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.

104. 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

106. 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.

107. 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.

108. 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.

109. 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.

110. 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.

111. 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.

112. 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.

113. 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.

114. 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.

115. 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.

116. 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.

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

118. 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

119. 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).

120. 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.

121. 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

122. 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.

123. 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.

124. 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

125. 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.

126. The purpose of this rule, and also the comparable rule in Article 4quater 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.

127. 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.

128. 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.

(l) Collective Marks

129. 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.

130. Article 7bis 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.

131. In order that Article 7bis 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.

132. 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 7bis 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

133. 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.

134. 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.

135. 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.

136. 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

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

138. 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.

139. 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.

140. 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.

141. 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

142. 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.

143. 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.

144. 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

145. 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)).

146. 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.

147. 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.

148. 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.

149. 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.

150. 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.

151. The Convention provides that action may be taken not only by the public prosecuter but also by any interested party. In this connection, Article 10bis states 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 10ter, states that the countries 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

152. The Convention provides in Article 10bis 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.

153. Article 10bis 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.

154. 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 proprietory 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.

155. 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.

156. 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

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

158. 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.

159. 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

160. 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.

161. 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.

162. 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).

163. 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.

164. 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.

165. 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.

166. 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

167. 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. The highest class I corresponds to a share of 25 units, the lowest class S to a share of one-eighth of a unit. Each member country determines freely the class to which it wishes to belong (except that class S is automatically applicable to the least developed countries), but it may also change class afterwards.

168. 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 1991, the contribution corresponding to each of the countries in Class I is S.Fr. 644,256, and that of the countries in Class S, S.Fr. 3,221.

(c) Amendments and Revision

169. 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.

170. 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

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

172. 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.

173. 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.

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

174. 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.

175. 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

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

177. 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

178. 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.

179. Any country acceeding 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

180. 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, Russion and Spanish.

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

III. THE ONGOING REVISION OF THE PARIS CONVENTION

(1) History of the Revision

182. The idea of a further revision of the Paris Convention was put forward in 1974, when the WIPO Coordination Committee requested the Director General of WIPO to provide in the draft budget for 1975 for the creation and convocation of an Ad Hoc Committee of Experts to study the possibilities of revising the Paris Convention in order that it contain additional provisions of special benefit to developing countries.

183. This request was later on, during the same year 1974, endorsed by the competent governing bodies of WIPO and the Paris Union, who instructed the Director General to create and convene the said Ad Hoc Group of Experts.

184. Pursuant to the decision mentioned in the foregoing paragraph, the Ad Hoc Group of Governmental Experts of the Revision of the Paris Convention was set up. The Group of Experts held three sessions between February 1975 and June 1976. All member States of the Paris Union and members of WIPO were invited to the first and second sessions of the Ad Hoc Group of Experts, and all States members of the United Nations, WIPO or any other specialized agency of the United Nations were further invited to the third session.

185. At its first session the Ad Hoc Group of Experts selected 14 questions to be discussed in connection with the Revision of the Convention and asked the Director General of WIPO to study them and submit to it the results of such study. At its second session the Group of Experts adopted a Declaration of the Objectives of the Revision of the Paris Convention. This Declaration of Objectives comprised inter alia the following objectives to be achieved by the revision:

(i) to give full recognition to the needs for economic and social development of countries and to ensure a proper balance between these needs and the rights granted by patents;

(ii) to promote the actual working of inventions in each country;

(iii) to facilitate the development of technology by developing countries and to improve the conditions for the transfer of technology under fair and reasonable terms;

(iv) to encourage inventive activity in developing countries;

(v) to increase the potential in developing countries in judging the real value of inventions for which protection is requested, in screening and controlling licensing contracts and in improving information for local industry;

(vi) to ensure that all forms of industrial property be designed to facilitate economic development and to ensure cooperation between countries having different systems of industrial property protection.

186. The Declaration of Objectives also stated that, as far as the Revision of the Paris Convention was concerned, consideration should be given to certain defined cases in which exceptions and/or correctives to the principles of national treatment and independence of patents and preferential treatment for developing countries should be allowed. Moreover, special services for developing countries should be established within the Paris Union to provide the necessary technical assistance for helping the said countries strengthen their scientific and technological infrastructure, and to train their specialists. Finally, it was stated in the Declaration of Objectives that the international treaties within the competence of WIPO, in particular the Paris Convention, should be framed in such a manner so as to leave a maximum degree of liberty to each country to adopt appropriate measures on the legislative and administrative levels, consistent with its needs and its social and economic development policies.

187. On the basis of a recommendation adopted by the Ad Hoc Group of Experts, the Assembly of the Paris Union established in 1976 the Preparatory Intergovernmental Committee on the Revision of the Paris Convention. The Preparatory Committee held five sessions in Geneva between November 1976 and December 1978. To the sessions of the Preparatory Committee were invited all the States members of the Paris Union, of WIPO, of the United Nations and its specialized agencies, as well as a certain number of intergovernmental and non-governmental organizations.

188. The Executive Committee of the Paris Union set up a Provisional Steering Committee of the Diplomatic Conference which established the provisional Rules of Procedure of the Diplomatic Conference and took the relevant decisions concerning the preparation of the documents for the Diplomatic Conference. These documents, which were drafted by the Director General of WIPO, contain the basic proposals submitted to the Diplomatic Conference on the Revision of the Paris Convention.

(2) The Basic Proposals Submitted to the Diplomatic Conference

189. The proposals submitted to the Diplomatic Conference consist of drafts adopted and/or forwarded to the Conference by the Preparatory Intergovernmental Committee which contain amendments to articles already existing in the Stockholm Act of the Paris Convention (namely, Articles 1, 5A, 5quater, 6ter, 13, 20, 21, 22, 23, 24, 26, 27, 28, 29 and 30) or proposals for new articles (namely, Articles 10quater, 12bis, 12ter and 22bis, and Articles A and B). Depending on the results of the Conference, it can be expected that the finally adopted Articles may be renumbered and that, in particular, the provisional designations "A" and "B" would be replaced by numbers.

(a) Article 1

190. Article 1 deals with the scope of industrial property as this concept is to be defined and understood in the Convention.

191. The proposed Article 1 introduces, as the main change in the current text of the Convention, the recognition of inventors' certificates as a title of industrial property to be accepted on the same footing as the other titles of industrial property, in particular patents for inventions. The proposed text includes a definition of inventors' certificates for these purposes, as well as a definition of patents for inventions, in order to assert a parallelism and balance between both titles.

192. The proposed new text of Article 1 contains alternatives with respect to the question whether the recognition of inventors' certificates should in all cases depend on a free choice between a patent and an inventor's certificate or whether exceptions from the "free choice principle" could be permitted.

(b) Article 5A

193. Article 5A of the Paris Convention is one of the articles of greater interest for developing countries. The proposal to amend this Article deals particularly with the importation of articles covered by patents, failure to work patents, abuses of patent rights, exploitation of patents in the public interest, and special provisions for developing countries.

194. The proposed new text of Article 5A contains provisions authorizing national laws to take certain measures under three types of cases, namely: where the patent rights are abused; where the patented invention is not, or not sufficiently, worked in the country where the patent was granted; and where the public interest is involved. In each case, the laws and competent authorities in the countries of the Union would be able to apply several measures, according to the situations referred to previously, within certain limitations. For the case of failure to work or insufficient working, it would be possible for any country to provide for the grant of non-voluntary licenses to work the patented invention. Other measures include, in particular, forfeiture and revocation of the patent in the case of abuse of the patent rights, and--as a subsidiary measure--forfeiture and revocation also for the case of non-working or insufficient working of the patented invention. Finally, where the public interest requires exploitation of the invention, it is proposed to allow national laws to provide for the grant of authorization to exploit or work the invention by the state or by any person designated by the competent national authorities.

195. It is an important feature of the draft new text of Article 5A that some of its provisions have been specifically intended for developing countries. For these countries, shorter periods and easier requirements have been submit ted, in order that they may regulate more freely the grant of non-voluntary licenses and the application of sanctions and other measures to deal with fai lure to work and abuse of patent rights.

(c) Article 5quater

196. This Article, in the current text of the Paris Convention (Stockholm Act), provides that when a product is imported into a country of the Union where there exists a patent protecting a process for the manufacture of the said product, the patentee has all the rights, with regard to the imported product, that would be accorded to him by the law of the country of importation on the basis of the process patent, with respect to products manufactured in that country. The basic proposal submitted to the Diplomatic

Conference with respect to this Article is that it be ommitted entirely from the Convention, or at least that developing countries be exempted from the obligation to apply the said Article.

197. The existing provision contained in Article 5quater refers essentially to the issue of whether a country which, according to its law, grants process patents (with an extension of the protection to the products manufactured by such process), should regard the sale of the product manufactured by such process as illegal only when the product is manufactured in that country, or if such sale would also be illegal if the product has been manufactured abroad and subsequently imported.

(d) Articles A and B

198. The proposal to include new Articles A and B was made by the Group of Developing Countries in order to implement certain measures of preferential treatment in favor of nationals of developing countries.

199. Article A deals with the preferential treatment to be given for nationals of developing countries in respect of the fees they have to pay in order to obtain industrial property rights in other countries of the Union. The Article provides that where the owner of the industrial property right is a national of a developing country, the amount of any fee payable to another country of the Union for obtaining an industrial property right would be one half of the fees payable by the nationals of the latter country.

200. Article B would establish a preferential treatment for nationals of developing countries in respect of the right of priority. It provides that where the applicant for an industrial property right is a national (or resident) of a developing country, and the application whose priority is claimed was filed in or for that country, the priority periods established in the Convention for the ordinary cases (Article 4C(1)) shall be extended by one half of the applicable priority period corresponding to the type of title. In these cases, therefore, the priority period for patents would be extended to 18 months, and that for trademarks to nine months.

(e) Articles 6ter and 10quater

201. Article 6ter of the Convention provides for the protection of three kinds of subject-matters: the state emblems, including the armorial bearings and flags, of any State which is a member of the Paris Union; the official signs and hallmarks indicating control and warranty where adopted by a State which is a member of the Paris Union; and the armorial bearings, flags, other emblems, abbreviations and names of any international intergovernmental organization of which at least one member is a State member of the Paris Union. The Convention affords protection to the state emblems, official signs and hallmarks by requiring the countries to refuse or to invalidate their registration as trademarks or as elements of trademarks, as well as to prohibit by appropriate measures their use without authorization of the competent authorities.

202. The amendments proposed for this Article means, in essence, that the protection provided for in the present text be extended to the official names of States which are countries of the Union. Thus there would be an express prohibition of the use of the official name of a State by an unauthorized

person--prohibition which at present in most cases would only result from the protection against unfair competition. The effect of these amendments would be that the official names of States would receive the same protection as is afforded by the present text of Article 6ter to the armorial bearings of States that are countries of the Union.

203. With respect to Article 10quater, it is to be noted that there is no corresponding provision in the present text of the Paris Convention. This proposal deals essentially with the conflict between geographical indications, in particular appellations of origin, and trademarks, and would provide for the following:

(i) Geographical indications may not be allowed to be registered as trademarks, and may not be allowed to be used in connection with goods, if they are of such a nature as to mislead the public as to the true country of origin of the goods.

(ii) Geographical indications may not be allowed to be registered as trademarks, and may not be allowed to be used in connection with goods--even if they are not of such a nature as to mislead the public as to the true country of origin of the goods--if the following two conditions are fulfilled: the indication has acquired a reputation in relation to goods originating in the denominated country, region or locality, and the reputation is generally known in the relevant business circles of the country in which the indication's registration or use is challenged.

(iii) The above prohibitions concerning registration and use need not be applied by a given country where the use of the indication was begun in good faith before the entry into force in that country of the proposed new Article 10quater.

(iv) The foregoing principles would not prevent any State from negotiating the protection of its geographical indications for situations in which Article 10quater offers no protection.

(v) Any developing country may in advance reserve for itself the use of a certain number of geographical indications for certain periods of time and under certain conditions.

(f) Article 12bis

204. Article 12bis submitted to the Diplomatic Conference is also a new Article which does not exist in the present text of the Paris Convention. This Article relates to the furnishing of information, concerning patent applications filed for the same invention abroad, to the industrial property office of the country in which a patent of invention has been applied for.

205. The first paragraph of the proposed Article provides that where any country of the Union requires a patent applicant or a patentee to furnish information concerning a corresponding application or patent for the same invention in another country of the Union, the latter country shall, through the intermediary of its national office, furnish to the applicant or patentee such information provided that the information is available in the national office and that the applicant or patentee is entitled to receive such information. It may be noted that in this case the information must be

requested by, and would be furnished to, the applicant or the patentee and not to the national office or other authority which required the information. Typically, the information which could be requested under this Article, and to which the applicant or patentee would be entitled, would be the search reports, examination reports, and other documentation regarding the novelty or patentability of the invention in question.

206. The second paragraph of the proposed new Article provides that where the industrial property office seeking the information doubts the authenticity, correctness or completeness of the information transmitted to it by the applicant or patentee, it may ask for the information direct from the office of the country requested to furnish the information, and that in this case the office of the other country would be obliged to furnish the information, but only in the case where that information is publicly available. This would mean that information which was not available to the public, but only to the applicant or patentee, could not be provided by the office of the other country to the office of the country requesting the information.

(g) Articles 12ter and 13

207. The proposed Article 12ter also represents an innovation for the Paris Convention. It reflects one of the main preoccupations of international cooperation, mainly within the framework of the United Nations system of organizations. This Article, as well as Article 12bis, was proposed at the instance of the developing countries participating in the preparatory work for the revision conference.

208. The first paragraph of this new Article states that the Paris Union shall endeavour, within its field of competence, to contribute to the development of developing countries by means of industrial property. This section therefore states as a general principle that the Paris Union should contribute to the development of developing countries by means of industrial property. In this connection it should be mentioned that WIPO, being a specialized agency of the United Nations system as well as the international organization administering the Paris Convention, has the mandate and the duty of conveying assistance to developing countries in order to contribute to their efforts to achieve development, this particularly in the field of industrial property.

209. The second paragraph of Article 12ter spells out some instances in which the cooperation activities can take place. It mentions that the Paris Union's efforts should bear in particular on the modernization of industrial property laws and their administration, on the establishment of national and regional organizations responsible for the promotion of the use of industrial property, on the best use of patent documentation, on the encouragement of domestic and inventive and innovative activity, and on the best use of industrial property in connection with the acquisition of foreign technology and the export of domestic technology and domestic products.

210. In order that the provisions contained in Article 12ter can be adequately complied with, and that the cooperation may be duly executed, it would be necessary to amend Article 13(2) of the Paris Convention regarding the functions and competence of the Assembly of the Paris Union. This latter Article would be complemented with a new paragraph providing for an additional task of the Assembly of the Paris Union, namely that of recommending to the Conference of WIPO--which is the body competent for establishing the program

of legal technical assistance for developing countries--items relating to industrial property for inclusion in the said program and, in the light of that program, determine the sum to be made available by the Union to the budget of the Conference. The budget of the WIPO Conference is financed, among other sources, from any sums made available to that budget by the Unions (including the Paris Union), and the amount of that sum has to be fixed by the Assembly of the Union that makes the contribution.

(h) Administrative and final provisions

211. In addition to the proposals concerning matters of substance which have been referred to in the preceeding paragraphs, the basic proposals submitted to the Diplomatic Conference also contain suggestions for the amendment of various articles regarding the administrative and final provisions contained in the Paris Convention. The proposals put forth 11 articles of the Convention for amendment. These articles concern the following: signature, ratification and accession (Article 20); entry into force of the new revised Act of the Convention (Article 21); consequences of ratification of the new Act, or of accession thereto (Article 22); closing of earlier acts (Article 23); provisions relating to territories of countries members of the Union (Article 24); denunciation of the Convention (Article 26); application of the new Act (Article 27); disputes concerning the interpretation and application of the Convention, and the settlement of such disputes (Article 28); provisions concerning the original and official texts of the Convention, and the depositary functions of WIPO and of the governments of member countries (Article 29); and transitional provisions regarding the relations between the World Intellectual Property Organization and the Paris Union (Article 30).

(3) The First Session of the Diplomatic Conference

212. The first session of the Diplomatic Conference on the Revision of the Paris Convention took place in Geneva from February 4 to March 4, 1980. At this session only a few matters of substance were dealt with since the Conference initially ran into some difficulties in approving the Rules of Procedure according to which the Conference would have to function.

213. The discussions on the required majority for the adoption of the revised Act took up most of the duration of the Conference. During the debates several different proposals were submitted concerning the required majorities. A compromise was finally reached accepting that the revised Act could be adopted with up to 12 votes against. However, when the compromise was adopted, the Delegation of the United States of America stated that it could not accept the compromise and that the adoption of this rule would have required unanimity.

214. Concerning the matters of substance contained in the basic proposals, in the first session of the Conference, Articles 12bis, 12ter and 13(2)(a)(xiv) were adopted by the competent Main Committee.

(4) The Second Session of the Diplomatic Conference

215. The second session of the Diplomatic Conference on the Revision of the Paris Convention took place in Nairobi (Kenya) from September 28 to October 24, 1981.

216. This session dealt mainly with Article 5A of the Convention. After prolonged debates a new text of Article 5A was provisionally agreed upon by the Group of Developing Countries, the majority of Group B (Industrialized Countries) and Group D (Socialist Countries), the United States of America, in particular, opposing some of the provisions contained in the said text of this Article.

217. In addition to Article 5A, Article 1 was also discussed at Nairobi in a number of meetings of the competent Main Committee, however without reaching a conclusion.

(5) The Third Session of the Diplomatic Conference

218. The third session of the Diplomatic Conference on the Revision of the Paris Convention was held in Geneva from October 4 to 30, 1982, and from November 23 to 27, 1982.

219. During that session the competent Main Committee adopted the proposal to extend the protection provided for by Article 6ter to official names of States which are countries of the Union. Moreover, in-depth discussions took place within this Committee and a Working Group created by it on Article 10quater, which deals with the question of conflict between an appellation of origin and a trademark.

220. Negotiations on Article 5A continued, however not in the competent Main Committee but in an informal body.

221. As far as Article 1 was concerned, several proposals were submitted to the competent Main Committee and were carefully examined. However, no decision was taken on this question.

(6) The Fourth Session of the Diplomatic Conference

222. The fourth session of the Diplomatic Conference on the Revision of the Paris Convention was held in Geneva from February 27 to March 24, 1984.

223. At that session, the countries of Group B submitted a proposal in respect of Article 10quater which was the subject of intensive discussion.

224. Following deliberations within a working group, the competent Main Committee pursued its debates on Article 5A. Certain ideas were put forward by the Group of Developing Countries but no agreement could be reached.

225. As regards Article 1, the competent Main Committee discussed two new documents containing proposals concerning the definition of patents and of inventors' certificates.

(7) The Fifth Session of the Diplomatic Conference

226. At the close of its fourth session, the Conference adopted a resolution recommending the Assembly of the Paris Union for the Protection of Industrial Property to convene the Diplomatic Conference for what would be its fifth session as soon as it saw prospects of positive results. In that resolution, the countries participating in the Conference asked that the Assembly of the Paris Union be convened in extraordinary session in September 1984 to consider the setting up of a machinery for consultation designed to prepare, on substance, the next session of the Diplomatic Conference.

227. In accordance with the said resolution the Assembly of the Paris Union held an extraordinary session from September 24 to 28, 1984, in order to set up a machinery for consultation designed to prepare, on substance, the next session of the Diplomatic Conference on the Revision of the Paris Convention for the Protection of Industrial Property. The Assembly decided that the said machinery would consist of Consultative Meetings of up to ten representatives of States, including the Spokesman, for each group of countries, plus China.

228. The First Consultative Meeting took place from June 24 to 28, 1985. At this meeting, which dealt only with Article 5A of the Paris Convention, representatives from each of the three groups reiterated their positions vis-à-vis the provisions which should be included in that Article, explaining the principles that supported each of their proposals. No agreement, however, was reached during that meeting in respect of Article 5A.

229. The Second Consultative Meeting took place from January 26 to February 3, 1987. It dealt with Articles 1, 5A and 5quater. The discussions on Article 1 focused on the introduction in the text of the Paris Convention of inventor's (or invention) certificates, as a title for the protection of inventions, on an equal footing with patents. No agreement was reached in this respect. The discussions on Article 5A and 5quater were marked by the submission, by the Group of Developing Countries, of four new ideas aimed at breaking the deadlock which had so far prevented any progress regarding these Articles. One of the ideas submitted was that the notion of exclusivity in an exclusive non-voluntary license would be interpreted as meaning a "simple" or "relative" exclusivity (not an absolute exclusivity), with the consequence that the patent owner would be allowed to work the patent, if he so wished, parallel to the exclusive non-voluntary licensee. The other ideas referred to the deletion of certain parts of the proposed text of Article 5A, as well as the deletion of Article 5quater.

230. The Third Consultative Meeting took place from May 18 to 26, 1987. At this meeting the four ideas submitted by the Group of Developing Countries at the Second Consultative Meeting were discussed in further detail. Group B raised several specific questions aimed at clarifying the scope and meaning of those ideas. It was noted, however, that further study was needed before a decision could be taken in respect of Article 5A. The meeting also discussed Articles 10quater, A and B. These are all new Articles containing provisions for preferential treatment (i.e. without reciprocity) to developing countries. Group B referred to some of the problems which would be posed by the inclusion of these new articles in the Paris Convention, and it was found that further discussions would still be needed on these provisions.

231. The Fourth Consultative Meeting took place from September 14 to 22, 1987. At this meeting the discussions focused on Article 1, and, in particular, on the new proposals submitted by Group D. As with previous proposals on Article 1, the new proposals sought to include in the Paris Convention provisions on inventors' certificates. However, the issue of free choice for the inventor as regards the form of protection for his invention (i.e. either a patent or an inventor's certificate) was not solved, and no agreement was reached on the definitions which should be included in Article 1 for "patent" and "inventor's certificate".

232. The Fifth Consultative Meeting took place from September 11 to 23, 1988. It dealt with Articles 1, 5A, 5quater and, briefly, 10quater. Discussions on Article 5A were based on a proposal for this article presented by the Group of Developing Countries, reflecting the ideas expressed on this matter by that Group at previous Consultative Meetings. That proposal included special provisions allowing developing countries to grant non-voluntary licenses or grounds of non-working of the patented invention after 30 months from the grant of a patent, to grant relatively exclusive non-voluntary licenses in case of abuse of patent rights, and to revoke a patent if after five years from grant it had not been worked in the country. The question of whether it was desired to give developing countries greater freedom under the Paris Convention to legislate on the measures which may be taken for failure to work an invention was also raised. Group B, while appreciating the new proposals submitted by the Group of Developing Countries, did not express a final position, pending consultations with their governments and private circles. Discussions on Article 5quater were based on the proposal of the Group of Developing Countries that such article be deleted from the Convention, and on a new proposal put forth by Group D. With respect to Article 1, Group D presented a new proposal, which superseded the one they had presented at the Fourth Consultative Meeting. In respect to Article 10quater, the groups of countries merely recalled their positions on this article, which deals with geographical names and their protection, without reaching any conclusions.

233. In its session of September/October 1989, the Assembly of the Paris Union considered a recommendation made to it by the Sixth Consultative Meeting (which took place from September 18 to 22, 1989) and adopted a resolution in which it decided that the preparations for the conclusion of the Diplomatic Conference on the Revision of the Paris Convention will be pursued with the aim that the Diplomatic Conference of revision should take place in the biennium 1990-91; invited the Director General to prepare new proposals for amending the articles of the Paris Convention which are under consideration for revision; decided that it would meet in extraordinary session in January 1991 to fix the further procedural steps and to take cognizance of the aforementioned proposals of the Director General, that session being preceded by meetings of countries members of the Paris Union for an exchange of views on the said proposals; and decided that amongst the procedural steps there will be at least one preparatory meeting in the first half of 1991 to consider the proposals of the Director General.

234. In November 1990, however, the Assembly of the Paris Union decided to review the procedure outlined above at its next ordinary session, in September/October 1991. By that time, the results of the Multilateral Trade Negotiations undertaken in the framework of GATT (the so-called "Uruguay Round"), which deal, among other things, with intellectual property, and could have an influence on the revision of the Paris Convention, should be known.

IV. CONCLUSION

235. The Paris Convention for the Protection of Industrial Property celebrated its centenary in 1983. During the last 100 years the Convention, as periodically amended, has proved--by the ever increasing number of applicants and owners of industrial property rights that claim the benefit of its provisions all over the world, and by the continual growth of its membership--to be an effective international legal instrument for the protection and dissemination of technical achievements and distinctive signs through the industrial property system.

[Annex follows]

ANNEX

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)

Status on January 1, 1991

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	*Lisbon: 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	VII	July 10, 1973	*Lisbon: July 10, 1973* Stockholm, Articles 13 to 30: March 10, 1977
Bangladesh	S	March 3, 1991	Stockholm: March 3, 1991[2]
Barbados	VII	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	*The Hague: 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	VII	May 10, 1964	Stockholm: April 20, 1975
Canada	III	June 12, 1925	*London: 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
China	III	March 19, 1985	Stockholm: March 19, 1985[2]
Congo	VII	September 2, 1963	Stockholm: December 5, 1975
Côte d'Ivoire	VII	October 23, 1963	Stockholm: May 4, 1974
Cuba	VII	November 17, 1904	Stockholm: April 8, 1975[2]
Cyprus	VII	January 17, 1966	Stockholm: April 3, 1984
Czechoslovakia	IV	October 5, 1919	Stockholm: December 29, 1970[2]
Democratic People's Republic of Korea	VII	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
Dominican Republic	VI	*July 11, 1890*	*The Hague: April 6, 1951*
Egypt	VII	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	VII	February 29, 1964	Stockholm: June 10, 1975
Germany	I	May 1, 1903	Stockholm: September 19, 1970
Ghana	VII	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
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]

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
Iceland	VII	May 5, 1962	*London: May 5, 1962* Stockholm, Articles 13 to 30: December 28, 1984
Indonesia	VI	December 24, 1950	*London: December 24, 1950* Stockholm, Articles 13 to 30: December 20, 1979[2]
Iran (Islamic Republic of)	VI	*December 16, 1959*	*Lisbon: January 4, 1962*
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	VII	July 17, 1972	Stockholm: July 17, 1972
Kenya	VI	June 14, 1965	Stockholm; October 26, 1971
Lebanon	VII	September 1, 1924	*London: September 30, 1947* 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	VII	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	VII	October 20, 1967	*Lisbon: October 20, 1967* Stockholm, Articles 13 to 30: December 12, 1977[2]
Mauritania	S	April 11, 1965	Stockholm: September 21, 1976
Mauritius	VII	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	VII	April 21, 1985	Stockholm: April 21, 1985[2]
Morocco	VI	July 30, 1917	Stockholm: August 6, 1971
Netherlands[6]	III	July 7, 1884	Stockholm: January 10, 1975
New Zealand[7]	V	July 29, 1931	*London: July 14, 1946* Stockholm, Articles 13 to 30: June 20, 1984
Niger	S	July 5, 1964	Stockholm: March 6, 1975
Nigeria	VI	*September 2, 1963*	*Lisbon: September 2, 1963*
Norway	IV	July 1, 1885	Stockholm: June 13, 1974
Philippines	VI	September 27, 1965	*Lisbon: September 27, 1965* 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]
Rwanda	S	March 1, 1984	Stockholm: March 1, 1984
San Marino	VI	*March 4, 1960*	*London: March 4, 1960*
Senegal	VII	December 21, 1963	Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3] Stockholm, Articles 13 to 30: April 26, 1970
South Africa	IV	December 1, 1947	Stockholm: March 24, 1975[2]
Soviet Union	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]
Spain	IV	July 7, 1884	Stockholm: April 14, 1972
Sri Lanka	VII	December 29, 1952	*London: December 29, 1952* Stockholm, Articles 13 to 30: September 23, 1978

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
Sudan	S	April 16, 1984	Stockholm: April 16, 1984
Suriname	VII	November 25, 1975	Stockholm: November 25, 1975
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	VI	*September 1, 1924*	*London: September 30, 1947*
Togo	S	September 10, 1967	Stockholm: April 30, 1975
Trinidad and Tobago	VII	August 1, 1964	Stockholm: August 16, 1988
Tunisia	VII	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[8]	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[9]	I	May 30, 1887	Stockholm, Articles 1 to 12: August 25, 1973 Stockholm, Articles 13 to 30: September 5, 1970
Uruguay	VII	March 18, 1967	Stockholm: December 28, 1979
Viet Nam	VII	March 8, 1949	Stockholm: July 2, 1976[2]
Yugoslavia	VI	February 26, 1921	Stockholm: October 16, 1973
Zaire	VI	January 31, 1975	Stockholm: January 31, 1975
Zambia	VII	April 6, 1965	*Lisbon: April 6, 1965* Stockholm, Articles 13 to 30: May 14, 1977
Zimbabwe	VII	April 18, 1980	Stockholm: December 30, 1981

(Total: 100 States)

* Contributions in classes I to VII correspond to 25, 20, 15, 10, 5, 3 and 1 units, respectively. In class S, they correspond to 1/2 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.

[8] 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.

[9] 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]

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GOVERNMENT OF
JAMAICA

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO CARIBBEAN REGIONAL COURSE ON INDUSTRIAL PROPERTY

organized by

the World Intellectual Property Organization (WIPO)

in cooperation with

the Government of Jamaica

Kingston, April 22 to 26, 1991

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

prepared by the International Bureau of WIPO

1486S/IPD

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 thirteen Contracting States. Today, 49 States* have ratified or acceded to the PCT, 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 1990, the record copies of 96,871 international applications were received by the International Bureau of WIPO. Over 19,000 international applications were filed in 1990, replacing approximately 400,000 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:

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* 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

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* 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, Icelandic, 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 Swedish Patent Office, the United States Patent and Trademark Office and the USSR State Committee for Inventions and Discoveries.

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 under 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 SYSTEM

Advantages 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 either 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 seen 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. In this connection, it is important to note that the PCT fees have not increased since 1985.

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 in the PCT --23 out of a total of 49.

[Annex follows]

PCT CONTRACTING STATES*
(49)

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, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Poland, Romania, Soviet Union, Spain, Sweden, Switzerland, United Kingdom.(23)

* On June 20, 1991, the Contracting States of the PCT will be 49 with the accession of the following four States becoming effective on the dates indicated in brackets: Côte d'Ivoire (April 30, 1991), Guinea and Mongolia (May 27, 1991) and Czechoslovakia (June 20, 1991).

[End of Annex and of document]

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GOVERNMENT OF
JAMAICA

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO CARIBBEAN REGIONAL COURSE ON INDUSTRIAL PROPERTY

organized by

the World Intellectual Property Organization (WIPO)

in cooperation with

the Government of Jamaica

Kingston, April 22 to 26, 1991

THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS AND THE 1989 PROTOCOL

prepared by the International Bureau of WIPO

1510S/IPD

CONTENTS

PART B: THE 1989 PROTOCOL

PART A: THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS

1. The major international agreement of worldwide scope dealing with the international registration of trademarks is the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891. This Agreement was concluded as a "special agreement" under Article 19 of the Paris Convention for the Protection of Industrial Property.

Acts Applicable

2. 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. New regulations were adopted on April 22, 1988 and come into force on January 1, 1989.

Member Countries

3. There are currently 29 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, Romania, San Marino, Soviet Union, Spain, Sudan, Switzerland, Viet Nam, Yugoslavia.

4. As can be noted, the aforementioned States differ widely with respect to their geographical situation, their level of development and the size of their population.

The Principle of International Registration

5. 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.

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* The combined territories of these countries in Europe are to be regarded as a single country for the purposes of the Madrid Agreement.

Entitlement to Make an International Registration

6. 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 establishement in a country party to the Madrid Agreement on the same footing as nationals of the countries party to the Madrid Agreement.

Registration Procedure

(a) National Registration in the Country of Origin

7. 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, however, since 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;

- 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

8. 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

9. The application must be accompanied by the required fees, namely:

- the basic fee of 720 Swiss francs,

- the complementary fee of 80 Swiss francs,

for each country for which protection is requested, and

- the supplementary fee of 80 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.

10. The basic fee, currently 720 Swiss francs, is intended to cover the costs of the International Bureau, while the proceeds of the other two fees of 80 Swiss francs each 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).

11. 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

12. 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; Registration, Notification and Publication

13. On receipt of the application for international registration, the International Bureau checks whether it complies with the provisions of the Agreement and the Regulations.

14. When the International Bureau is in possession of a correct and complete application for registration (i.e., which complies with the Madrid Agreement and its Regulations), it proceeds with the registration of the trademark, its notification to the States concerned and its publication in the periodical "Les Marques internationales."

(i) Irregularities in General

15. When the International Bureau is not in possession of a correct and complete application for registration, it defers registration and notifies the national Office.

16. If the application is not put in order within three months from the date of the notification, the International Bureau allows a further period of three months for the application to be put in order; in addition to the national Office, it notifies the applicant or his agent. In this case too, the reply should be addressed to the International Bureau by the national Office.

17. If the application is not put in order within the second period of three months, it is considered abandoned and any fees already paid are reimbursed (Rule 11(3)).

(ii) Classification of Goods and Services

18. 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)). If, as a result of the International Bureau's proposals, a supplementary fee must be paid, the International Bureau will inform the applicant or his agent, or the national Office if the required fees have been paid through the intermediary of that Office (Rule 12(1)).

19. 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)). 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 (Rule 12(4)), provided that the required fees have been paid and that the application complies in other respects with the Agreement and the Regulations.

20. 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.

21. If a supplementary fee has to be paid and is not paid within three months, the application is considered abandoned and any fees already paid are reimbursed (Rule 12(6)). In this case, the Agreement itself (Article 8(3), second sentence) forbids the granting of a second period of three months to put the application in order, as Rule 11(2) allows in other cases of irregularity. If, however, a classification fee has to be paid and is not paid within three months, Rule 11(2) is applicable, and the International Bureau allows a second period of three months; if the application is not put in order by the expiration of this second period, the application is considered abandoned and any fees already paid are reimbursed (Rule 12(7)).

(iii) List of Goods and Services Containing Too Vague, Incomprehensible or Linguistically Incorrect Terms

22. If the International Bureau considers that the goods and services are indicated in the application for international registration in too vague, incomprehensible or linguistically incorrect terms, it shall advise the national Office, and where appropriate shall submit amendment proposals to it, with the invitation that it put the application for international registration in order within a period of three months from the date of the advice. In the event of failure to put the application for international registration in order within the period of three months, the International Bureau shall allow a period of the same duration for the said application to be put in order; it shall advise the applicant as well as the national Office. If the application for international registration is not put in order within the second period of three months, the International Bureau shall register the mark with the too vague, incomprehensible or linguistically incorrect term, provided that the national Office has specified the class in which the term should be classified, and shall indicate that, in its opinion, the said term is too vague, incomprehensible or linguistically incorrect. Where no class has been specified by the national Office, the International Bureau shall delete the said term ex officio and inform the national Office and the applicant accordingly.

(6) The Effects of International Registration

(a) Territorial Effect

23. 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.

24. 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

25. 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

26. 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

27. 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.

28. 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.

29. 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. On the expiration of the period of five years from the date of the international registration, the latter becomes independent of the national protection afforded to the mark in the country of origin (subject to the case of legal proceedings mentioned above); the protection resulting from the international registration is therefore no longer affected, in other Madrid Union countries, by loss of protection in the country of origin.

(7) Refusal of Protection

30. 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. The notification of refusal of protection must be sent to the International Bureau, together with a statement of all the grounds, at the latest, before the expiration of one year from the date on which the mark was actually recorded in the International Register. 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.

(a) Grounds for Refusal

31. 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, normally, the same as those it could invoke against the national filing of the same mark.

32. Article 6quinquies of the Paris Convention, however, stipulates that every trademark duly registered in the country of origin (and that is always the case of marks entered in the International Register) must be accepted for filing and protected "as is" in the other countries party to the Convention and that refusal may only concern a limited number of cases, namely:

(i) when it is of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;

(ii) when it is devoid of any distinctive character, or consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods or the time of production, or has become customary in the current language or in the bona fide and established pratices of the trade of the country where protection is claimed;

(iii) when it is contrary to morality or public order and, in particular, of such a nature as to deceive the public.

(b) Time Limit for Notification to the International Bureau

33. 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

34. 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.

35. 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.

36. 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).

Changes Affecting the International Registration

37. Various changes may be entered in the International Register during the validity of the registration.

(a) Territorial Extension After Registration

38. 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.

39. Territorial extension after registration has the same effect as the international registration in those countries for which it is requested. Pursuant to Article 5 of the Madrid Agreement, a territorial extension can be refused by a national Office within one year from the date it was entered on the International Register. Grounds for refusal must be based on reasons that are valid on the date the territorial extension would take place.

(b) Other Changes

40. 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.

41. 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).

42. 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)).

Renewal

43. 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

44. 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

45. 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.

46. Under Rule 25(2) of the Regulations, the required fees may not be paid earlier than one year before the date of expiration of the current period of the registration to be renewed. They must be paid, at the latest, on the date of expiration of that period or within a period of grace of six months following that date, subject, in the latter case, to payment of a surcharge amounting to 50% of the required fees.

(c) Nature and Effects of Renewal

47. 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).

48. Since renewal constitutes a simple prolongation of the registration and not a new registration which could include changes to the mark itself or new goods and services, the Offices of the countries concerned may not pronounce a refusal in respect of a renewal. If a refusal were nevertheless to be notified to the International Bureau, it could not, in any event, be recorded in the International Register since it would necessarily be sent more than one year after the date on which the mark was entered, 20 years earlier, in the International Register.

Notifications Addressed to National Offices and Publications

49. 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."

50. 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.

Conclusion

51. Since the entry into force of the Madrid Agreement in 1892, over 550,000 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 50,000 changes entered in the International Register. By 1990, a total of more than 14,500,000 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 (99 years of existence) and the advantages, both practical and financial, which the member States may derive.

PART B: THE 1989 PROTOCOL

I. THE PRESENT SITUATION RELATING TO THE INTERNATIONAL REGISTRATION OF MARKS

52. There are presently two international Treaties in force which enable the international registration of a mark. One, the Trademark Registration Treaty (TRT) only groups five countries and, although officially in force, it is not applied (two registrations have been effected since it came into effect in 1980). The other, the Madrid Agreement Concerning the International Registration of Marks, which is the subject of a separate document (see document WIPO/IP/CAR/90/9), is a strong reality which should be taken into account. Over 555.000 international registrations (260.000 still being in force) have been made in accordance with this Treaty. Each year, more than 20.000 new registrations and renewals are made in an average of 10 countries.

II. THE PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS

53. The absence from the Madrid Agreement of some of the major countries in the trademark field--including the United States of America, the United Kingdom and Japan -- is a long standing problem that WIPO has been trying to solve. Different attemps have been made to create a new system concerning the International Registration of Marks in the last decade. Finally, it was decided to try to amend the Madrid system to make it acceptable to more countries.

54. In June 1989, the Diplomatic Conference for the Conclusion of a Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, convened and organized by WIPO, was held at facilities offered by the Government of Spain, at the "Instituto Nacional de Industria (INI)", in Madrid.

55. The Diplomatic Conference unanimously adopted on June 27, 1989, the "Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks." The text of the Protocol is annexed to the present document.

56. The main changes introduced by the Protocol to the Madrid system are as follows:

- The Protocol allows that, at the option of the applicant, international registrations be based on national applications (and not only on national registrations) (Article 2(1)(a)).

- The Protocol allows, as option for the Contracting Parties, 18 months (instead of one year) for refusals and an even longer period in the case of oppositions (Article 5(2)(b) to (d)).

- The Protocol provides that the national office of a designated country may, if it so desires, receive the amount of the fees that it charges for national registration or renewal, the said amount being diminished by the savings resulting from the international procedure (Article 8(7)).

- The Protocol allows the transformation of a failed international registration--failed, for example, because of central attack--into national applications in each designated country, and such national applications will have the filing date and, where applicable, the priority date of the international registration (Article 9quinqies).

57. These changes are intended to remove certain impediments to a wider acceptance of the Madrid system. Another objective of the Protocol is usually referred to as "the establishment of a link" between the Madrid system and the future regional trademark system of the European Communities. The Community Trade Mark will be a mark registered in the Community Trade Mark Office, and each registration in that Office will have effect in all the member countries (presently 12) of the European Communities. The link would mean that a Madrid registration could be based on a Community application or registration and that the European Communities could be designated in a Madrid registration. This results from Article 2 of the Protocol. In order to make the participation of the European Communities in the Madrid system full and to put the Community Trade Mark Office in exactly the same position as the national

offices of the member countries, the Protocol provides that not only States but also certain intergovernmental organizations can become party to the Protocol (Article 14(1)(b). The European Communities will, once it establishes the Community Trade Mark system, be such an organization.

58. It has to be noted that the Protocol contains an Article entitled "Safeguard of the Madrid (Stockholm) Agreement". The reason for the safeguard clause resides in the often repeated statements of the governments of the present member States of the Madrid Union, and the representatives of private associations using the present Madrid system, that the present system fully satisfies them as it is and that they wish that it continue, among themselves, without any change whatsoever.

59. The safeguard clause provides that where the Office of origin of an international application or registration is the Office of a State that is party to both the Protocol and the Madrid (Stockholm) Agreement, the provisions of the Protocol have no effect (i.e., the Protocol is inapplicable and, consequently, only the Madrid (Stokholm) Agreement --that represents the status quo--applies) as regards a State that is also party to both the Protocol and the Madrid (Stockholm) Agreement. In other words, in such a case, no request for territorial extension can be made under Article 3ter (1) or (2) of the Protocol with respect to such State. It is to be noted that, naturally, the Protocol does apply in the relations between a State that is party to both the Protocol and the Madrid (Stockholm) Agreement and any State or Organization that is party to the Protocol but is not party to the Madrid (Stockholm) Agreement (Organizations cannot even become a party to the Madrid (Stockholm) Agreement.

60. Among the consequences of such a maintaining of the status quo between parties to both the Stockholm Act and the Protocol are the following: (i) an international application cannot be based on a national application (but only on a national registration) (see Article 2(1) of the Protocol), (ii) the time limit of the refusal cannot be longer than one year (see Article 5(2)(b) and (c) of the Protocol), (iii) the designated Office cannot receive an "individual fee" (but only a share in the revenue produced by supplementary and complementary fee) (see Article 8(2) of the Protocol) and (iv) one cannot "transform" an international registration into national applications (see Article 9quinquies of the Protocol).

61. It should finally be noted that the Assembly of the Madrid Union may, by a three-fourths majority, repeal the safeguard clause or restrict its scope, after the expiry of a period of ten years from the entry into force of the Protocol, but not before the expiry of a period of five years from the date on which the majority of the countries to the Madrid (Stockholm) Agreement have become party to this Protocol.

62. By the date until which it was open for signature (that is, December 31, 1989), the following 28 States had signed the Protocol: Austria, Belgium, Democratic People's Republic of Korea, Denmark, Egypt, Finland, France, German Democratic Republic, Germany (Federal Republic of), Greece, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Mongolia, Morocco, Netherlands, Portugal, Romania, Senegal, Soviet Union, Spain, Sweden, Switzerland, United Kingdom, Yugoslavia.

63. In order to prepare the entry into force of the Protocol, a "Working Group on the application of the Madrid Protocol of 1989" has been instituted. That Working Group, which is preparing draft Regulations for the implementation of both the Madrid Agreement and the Protocol, will hold its third session from May 21 to 27, 1991.

[Annex follows]

Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

List of the Articles of the Protocol

Article 1

Membership in the Madrid Union

The States party to this Protocol (hereinafter referred to as "the Contracting States"), even where they are not party to the Madrid Agreement Concerning the International Registration of Marks as revised at Stockholm in 1967 and as amended in 1979 (hereinafter referred to as "the Madrid (Stockholm) Agreement"), and the organizations referred to in Article 14(1)*(b)* which are party to this Protocol (hereinafter referred to as "the Contracting Organizations") shall be members of the same Union of which countries party to the Madrid (Stockholm) Agreement are members. Any reference in this Protocol to "Contracting Parties" shall be construed as a reference to both Contracting States and Contracting Organizations.

Article 2

Securing Protection through International Registration

(1) Where an application for the registration of a mark has been filed with the Office of a Contracting Party, or where a mark has been registered in the register of the Office of a Contracting Party, the person in whose name that application (hereinafter referred to as "the basic application") or that registration (hereinafter referred to as "the basic registration") stands may, subject to the provisions of this Protocol, secure protection for his mark in the territory of the Contracting Parties, by obtaining the registration of that mark in the register of the International Bureau of the World Intellectual Property Organization (hereinafter referred to as "the international registration," "the International Register," "the International Bureau" and "the Organization," respectively), provided that,

(i) where the basic application has been filed with the Office of a Contracting State or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of that Contracting State, or is domiciled, or has a real

and effective industrial or commercial establishment, in the said Contracting State,

(ii) where the basic application has been filed with the Office of a Contracting Organization or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of a State member of that Contracting Organization, or is domiciled, or has a real and effective industrial or commercial establishment, in the territory of the said Contracting Organization.

(2) The application for international registration (hereinafter referred to as "the international application") shall be filed with the International Bureau through the intermediary of the Office with which the basic application was filed or by which the basic registration was made (hereinafter referred to as "the Office of origin"), as the case may be.

(3) Any reference in this Protocol to an "Office" or an "Office of a Contracting Party" shall be construed as a reference to the office that is in charge, on behalf of a Contracting Party, of the registration of marks, and any reference in this Protocol to "marks" shall be construed as a reference to trademarks and service marks.

(4) For the purposes of this Protocol, "territory of a Contracting Party" means, where the Contracting Party is a State, the territory of that State and, where the Contracting Party is an intergovernmental organization, the territory in which the constituting treaty of that intergovernmental organization applies.

Article 3

International Application

(1) Every international application under this Protocol shall be presented on the form prescribed by the Regulations. The Office of origin shall certify that the particulars appearing in the international application correspond to the particulars appearing, at the

time of the certification, in the basic application or basic registration, as the case may be. Furthermore, the said Office shall indicate,

(i) in the case of a basic application, the date and number of that application,

(ii) in the case of a basic registration, the date and number of that registration as well as the date and number of the application from which the basic registration resulted.

The Office of origin shall also indicate the date of the international application.

(2) The applicant must indicate the goods and services in respect of which protection of the mark is claimed and also, if possible, the corresponding class or classes according to the classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. If the applicant does not give such indication, the International Bureau shall classify the goods and services in the appropriate classes of the said classification. The indication of classes given by the applicant shall be subject to control by the International Bureau, which shall exercise the said control in association with the Office of origin. In the event of disagreement between the said Office and the International Bureau, the opinion of the latter shall prevail.

(3) If the applicant claims color as a distinctive feature of his mark, he shall be required

(i) to state the fact, and to file with his international application a notice specifying the color or the combination of colors claimed;

(ii) to append to his international application copies in color of the said mark, which shall be attached to the notifications given by the International Bureau; the number of such copies shall be fixed by the Regulations.

(4) The International Bureau shall register immediately the marks filed in accordance with Article 2. The international registration shall bear the date on which the international application was received in the Office of origin, provided that the international

application has been received by the International Bureau within a period of two months from that date. If the international application has not been received within that period, the international registration shall bear the date on which the said international application was received by the International Bureau. The International Bureau shall notify the international registration without delay to the Offices concerned. Marks registered in the International Register shall be published in a periodical gazette issued by the International Bureau, on the basis of the particulars contained in the international application.

(5) With a view to the publicity to be given to marks registered in the International Register, each Office shall receive from the International Bureau a number of copies of the said gazette free of charge and a number of copies at a reduced price, under the conditions fixed by the Assembly referred to in Article 10 (hereinafter referred to as "the Assembly"). Such publicity shall be deemed to be sufficient for the purposes of all the Contracting Parties, and no other publicity may be required of the holder of the international registration.

Article 3bis

Territorial Effect

The protection resulting from the international registration shall extend to any Contracting Party only at the request of the person who files the international application or who is the holder of the international registration. However, no such request can be made with respect to the Contracting Party whose Office is the Office of origin.

Article 3ter

Request for "Territorial Extension"

(1) Any request for extension of the protection resulting from the international registration to any Contracting Party shall be specially mentioned in the international application.

(2) A request for territorial extension may also be made subsequently to the international registration. Any such request shall be presented on the form prescribed by the Regulations. It shall be immediately recorded by the International Bureau, which shall notify such recordal without delay to the Office or Offices concerned. Such recordal shall be published in the periodical gazette of the International Bureau. Such territorial extension shall be effective from the date on which it has been recorded in the International Register; it shall cease to be valid on the expiry of the international registration to which it relates.

Article 4

Effects of International Registration

(1)*(a)* From the date of the registration or recordal effected in accordance with the provisions of Articles 3 and 3[ter], the protection of the mark in each of the Contracting Parties concerned shall be the same as if the mark had been deposited direct with the Office of that Contracting Party. If no refusal has been notified to the International Bureau in accordance with Article 5(1) and (2) or if a refusal notified in accordance with the said Article has been withdrawn subsequently, the protection of the mark in the Contracting Party concerned shall, as from the said date, be the same as if the mark had been registered by the Office of that Contracting Party.

(b) The indication of classes of goods and services provided for in Article 3 shall not bind the Contracting Parties with regard to the determination of the scope of the protection of the mark.

(2) Every international registration shall enjoy the right of priority provided for by Article 4 of the Paris Convention for the Protection of Industrial Property, without it being necessary to comply with the formalities prescribed in Section D of that Article.

Article 4bis

Replacement of a National or Regional Registration by an International Registration

(1) Where a mark that is the subject of a national or regional registration in the Office of a Contracting Party is also the subject of an international registration and both registrations stand in the name of the same person, the international registration is deemed to replace the national or regional registration, without prejudice to any rights acquired by virtue of the latter, provided that

(i) the protection resulting from the international registration extends to the said Contracting Party under Article 3ter(1) or (2),

(ii) all the goods and services listed in the national or regional registration are also listed in the international registration in respect of the said Contracting Party,

(iii) such extension takes effect after the date of the national or regional registration.

(2) The Office referred to in paragraph (1) shall, upon request, be required to take note in its register of the international registration.

Article 5

Refusal and Invalidation of Effects of International Registration in Respect of Certain Contracting Parties

(1) Where the applicable legislation so authorizes, any Office of a Contracting Party which has been notified by the International Bureau of an extension to that Contracting Party, under Article 3ter(1) or (2), of the protection resulting from the international registration shall have the right to declare in a notification of refusal that protection cannot be granted in the said Contracting Party to the mark which is the subject of such extension. Any

such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark deposited direct with the Office which notifies the refusal. However, protection may not be refused, even partially, by reason only that the applicable legislation would permit registration only in a limited number of classes or for a limited number of goods or services.

(2)*(a)* Any Office wishing to exercise such right shall notify its refusal to the International Bureau, together with a statement of all grounds, within the period prescribed by the law applicable to that Office and at the latest, subject to subparagraphs *(b)* and *(c)*, before the expiry of one year from the date on which the notification of the extension referred to in paragraph (1) has been sent to that Office by the International Bureau.

(b) Notwithstanding subparagraph *(a)*, any Contracting Party may declare that, for international registrations made under this Protocol, the time limit of one year referred to in subparagraph *(a)* is replaced by 18 months.

(c) Such declaration may also specify that, when a refusal of protection may result from an opposition to the granting of protection, such refusal may be notified by the Office of the said Contracting Party to the International Bureau after the expiry of the 18-month time limit. Such an Office may, with respect to any given international registration, notify a refusal of protection after the expiry of the 18-month time limit, but only if

(i) it has, before the expiry of the 18-month time limit, informed the International Bureau of the possibility that oppositions may be filed after the expiry of the 18-month time limit, and

(ii) the notification of the refusal based on an opposition is made within a time limit of not more than seven months from the date on which the opposition period begins; if the opposition period expires before this time limit of seven months, the notification must be made within a time limit of one month from the expiry of the opposition period.

(d) Any declaration under subparagraphs *(b)* or *(c)* may be made in the instruments referred to in Article 14(2), and the effective date of the declaration shall be the same as the date of entry into force of this Protocol with respect to the State or intergovernmental organization having made the declaration. Any such declaration may also be made later, in which case the declaration shall have effect three months after its receipt by the Director General of the Organization (hereinafter referred to as "the Director General"), or at any later date indicated in the declaration, in respect of any international registration whose date is the same as or is later than the effective date of the declaration.

(e) Upon the expiry of a period of ten years from the entry into force of this Protocol, the Assembly shall examine the operation of the system established by subparagraphs *(a)* to *(d)*. Thereafter, the provisions of the said subparagraphs may be modified by a unanimous decision of the Assembly.

(3) The International Bureau shall, without delay, transmit one of the copies of the notification of refusal to the holder of the international registration. The said holder shall have the same remedies as if the mark had been deposited by him direct with the Office which has notified its refusal. Where the International Bureau has received information under paragraph (2)*(c)*(i), it shall, without delay, transmit the said information to the holder of the international registration.

(4) The grounds for refusing a mark shall be communicated by the International Bureau to any interested party who may so request.

(5) Any Office which has not notified, with respect to a given international registration, any provisional or final refusal to the International Bureau in accordance with paragraphs (1) and (2) shall, with respect to that international registration, lose the benefit of the right provided for in paragraph (1).

(6) Invalidation, by the competent authorities of a Contracting Party, of the effects, in the territory of that Contracting Party, of an international registration may not be pronounced without the holder of such international registration having, in good time,

been afforded the opportunity of defending his rights. Invalidation shall be notified to the International Bureau.

Article 5bis

Documentary Evidence of Legitimacy of Use of Certain Elements of the Mark

Documentary evidence of the legitimacy of the use of certain elements incorporated in a mark, such as armorial bearings, escutcheons, portraits, honorary distinctions, titles, trade names, names of persons other than the name of the applicant, or other like inscriptions, which might be required by the Offices of the Contracting Parties shall be exempt from any legalization as well as from any certification other than that of the Office of origin.

Article 5ter

Copies of Entries in International Register; Searches for Anticipations; Extracts from International Register

(1) The International Bureau shall issue to any person applying therefor, upon the payment of a fee fixed by the Regulations, a copy of the entries in the International Register concerning a specific mark.

(2) The International Bureau may also, upon payment, undertake searches for anticipations among marks that are the subject of international registrations.

(3) Extracts from the International Register requested with a view to their production in one of the Contracting Parties shall be exempt from any legalization.

Article 6

Period of Validity of International Registration; Dependence and Independence of International Registration

(1) Registration of a mark at the International Bureau is effected for ten years, with the possibility of renewal under the conditions specified in Article 7.

(2) Upon expiry of a period of five years from the date of the international registration, such registration shall become independent of the basic application or the registration resulting therefrom, or of the basic registration, as the case may be, subject to the following provisions.

(3) The protection resulting from the international registration, whether or not it has been the subject of a transfer, may no longer be invoked if, before the expiry of five years from the date of the international registration, the basic application or the registration resulting therefrom, or the basic registration, as the case may be, has been withdrawn, has lapsed, has been renounced or has been the subject of a final decision of rejection, revocation, cancellation or invalidation, in respect of all or some of the goods and services listed in the international registration. The same applies if

(i) an appeal against a decision refusing the effects of the basic application,

(ii) an action requesting the withdrawal of the basic application or the revocation, cancellation or invalidation of the registration resulting from the basic application or of the basic registration, or

(iii) an opposition to the basic application

results, after the expiry of the five-year period, in a final decision of rejection, revocation, cancellation or invalidation, or ordering the withdrawal, of the basic application, or the registration resulting therefrom, or the basic registration, as the case may be, provided

that such appeal, action or opposition had begun before the expiry of the said period. The same also applies if the basic application is withdrawn, or the registration resulting from the basic application or the basic registration is renounced, after the expiry of the five-year period, provided that, at the time of the withdrawal or renunciation, the said application or registration was the subject of a proceeding referred to in item (i), (ii) or (iii) and that such proceeding had begun before the expiry of the said period.

(4) The Office of origin shall, as prescribed in the Regulations, notify the International Bureau of the facts and decisions relevant under paragraph (3), and the International Bureau shall, as prescribed in the Regulations, notify the interested parties and effect any publication accordingly. The Office of origin shall, where applicable, request the International Bureau to cancel, to the extent applicable, the international registration, and the International Bureau shall proceed accordingly.

Article 7

Renewal of International Registration

(1) Any international registration may be renewed for a period of ten years from the expiry of the preceding period, by the mere payment of the basic fee and, subject to Article 8(7), of the supplementary and complementary fees provided for in Article 8(2).

(2) Renewal may not bring about any change in the international registration in its latest form.

(3) Six months before the expiry of the term of protection, the International Bureau shall, by sending an unofficial notice, remind the holder of the international registration and his representative, if any, of the exact date of expiry.

(4) Subject to the payment of a surcharge fixed by the Regulations, a period of grace of six months shall be allowed for renewal of the international registration.

Article 8

Fees for International Application and Registration

(1) The Office of origin may fix, at its own discretion, and collect, for its own benefit, a fee which it may require from the applicant for international registration or from the holder of the international registration in connection with the filing of the international application or the renewal of the international registration.

(2) Registration of a mark at the International Bureau shall be subject to the advance payment of an international fee which shall, subject to the provisions of paragraph (7)*(a)*, include,

(i) a basic fee;

(ii) a supplementary fee for each class of the International Classification, beyond three, into which the goods or services to which the mark is applied will fall;

(iii) a complementary fee for any request for extension of protection under Article 3[ter].

(3) However, the supplementary fee specified in paragraph (2)(ii) may, without prejudice to the date of the international registration, be paid within the period fixed by the Regulations if the number of classes of goods or services has been fixed or disputed by the International Bureau. If, upon expiry of the said period, the supplementary fee has not been paid or the list of goods or services has not been reduced to the required extent by the applicant, the international application shall be deemed to have been abandoned.

(4) The annual product of the various receipts from international registration, with the exception of the receipts derived from the fees mentioned in paragraph (2)(ii) and (iii), shall be divided equally among the Contracting Parties by the International Bureau, after deduction of the expenses and charges necessitated by the implementation of this Protocol.

(5) The amounts derived from the supplementary fees provided for in paragraph (2)(ii) shall be divided, at the expiry of each year,

among the interested Contracting Parties in proportion to the number of marks for which protection has been applied for in each of them during that year, this number being multiplied, in the case of Contracting Parties which make an examination, by a coefficient which shall be determined by the Regulations.

(6) The amounts derived from the complementary fees provided for in paragraph (2)(iii) shall be divided according to the same rules as those provided for in paragraph (5).

(7)*(a)* Any Contracting Party may declare that, in connection with each international registration in which it is mentioned under Article 3[ter], and in connection with the renewal of any such international registration, it wants to receive, instead of a share in the revenue produced by the supplementary and complementary fees, a fee (hereinafter referred to as "the individual fee") whose amount shall be indicated in the declaration, and can be changed in further declarations, but may not be higher than the equivalent of the amount which the said Contracting Party's Office would be entitled to receive from an applicant for a ten-year registration, or from the holder of a registration for a ten-year renewal of that registration, of the mark in the register of the said Office, the said amount being diminished by the savings resulting from the international procedure. Where such an individual fee is payable,

(i) no supplementary fees referred to in paragraph (2)(ii) shall be payable if only Contracting Parties which have made a declaration under this subparagraph are mentioned under Article 3[ter], and

(ii) no complementary fee referred to in paragraph (2)(iii) shall be payable in respect of any Contracting Party which has made a declaration under this subparagraph.

(b) Any declaration under subparagraph *(a)* may be made in the instruments referred to in Article 14(2), and the effective date of the declaration shall be the same as the date of entry into force of this Protocol with respect to the State or intergovernmental organization having made the declaration. Any such declaration may also be made later, in which case the declaration shall have effect three months after its receipt by the Director General, or

at any later date indicated in the declaration, in respect of any international registration whose date is the same as or is later than the effective date of the declaration.

Article 9

Recordal of Change in the Ownership of an International Registration

At the request of the person in whose name the international registration stands, or at the request of an interested Office made *ex officio* or at the request of an interested person, the International Bureau shall record in the International Register any change in the ownership of that registration, in respect of all or some of the Contracting Parties in whose territories the said registration has effect and in respect of all or some of the goods and services listed in the registration, provided that the new holder is a person who, under Article 2(1), is entitled to file international applications.

Article 9bis

Recordal of Certain Matters Concerning an International Registration

The International Bureau shall record in the International Register

(i) any change in the name or address of the holder of the international registration,

(ii) the appointment of a representative of the holder of the international registration and any other relevant fact concerning such representative,

(iii) any limitation, in respect of all or some of the Contracting Parties, of the goods and services listed in the international registration,

(iv) any renunciation, cancellation or invalidation of the international registration in respect of all or some of the Contracting Parties,

(v) any other relevant fact, identified in the Regulations, concerning the rights in a mark that is the subject of an international registration.

Article 9ter

Fees for Certain Recordals

Any recordal under Article 9 or under Article 9bis may be subject to the payment of a fee.

Article 9quater

Common Office of Several Contracting States

(1) If several Contracting States agree to effect the unification of their domestic legislations on marks, they may notify the Director General

(i) that a common Office shall be substituted for the national Office of each of them, and

(ii) that the whole of their respective territories shall be deemed to be a single State for the purposes of the application of all or part of the provisions preceding this Article as well as the provisions of Articles 9quinquies and 9sexies.

(2) Such notification shall not take effect until three months after the date of the communication thereof by the Director General to the other Contracting Parties.

Article 9quinquies

Transformation of an International Registration into National or Regional Applications

Where, in the event that the international registration is cancelled at the request of the Office of origin under Article 6(4), in respect of all or some of the goods and services listed in the said registration, the person who was the holder of the international registration files an application for the registration of the same mark with the Office of any of the Contracting Parties in the territory of which the international registration had effect, that application shall be treated as if it had been filed on the date of the international registration according to Article 3(4) or on the date of recordal of the territorial extension according to Article 3ter(2) and, if the international registration enjoyed priority, shall enjoy the same priority, provided that

(i) such application is filed within three months from the date on which the international registration was cancelled,

(ii) the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration in respect of the Contracting Party concerned, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

Article 9sexies

Safeguard of the Madrid (Stockholm) Agreement

(1) Where, with regard to a given international application or a given international registration, the Office of origin is the Office of a State that is party to both this Protocol and the Madrid

(Stockholm) Agreement, the provisions of this Protocol shall have no effect in the territory of any other State that is also party to both this Protocol and the Madrid (Stockholm) Agreement.

(2) The Assembly may, by a three-fourths majority, repeal paragraph (1), or restrict the scope of paragraph (1), after the expiry of a period of ten years from the entry into force of this Protocol, but not before the expiry of a period of five years from the date on which the majority of the countries party to the Madrid (Stockholm) Agreement have become party to this Protocol. In the vote of the Assembly, only those States which are party to both the said Agreement and this Protocol shall have the right to participate.

Article 10

Assembly

(1)*(a)* The Contracting Parties shall be members of the same Assembly as the countries party to the Madrid (Stockholm) Agreement.

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

(c) The expenses of each delegation shall be borne by the Contracting Party which has appointed it, except for the travel expenses and the subsistence allowance of one delegate for each Contracting Party, which shall be paid from the funds of the Union.

(2) The Assembly shall, in addition to the functions which it has under the Madrid (Stockholm) Agreement, also

(i) deal with all matters concerning the implementation of this Protocol;

(ii) give directions to the International Bureau concerning the preparation for conferences of revision of this Pro-

tocol, due account being taken of any comments made by those countries of the Union which are not party to this Protocol;

(iii) adopt and modify the provisions of the Regulations concerning the implementation of this Protocol;

(iv) perform such other functions as are appropriate under this Protocol.

(3)*(a)* Each Contracting Party shall have one vote in the Assembly. On matters concerning only countries that are party to the Madrid (Stockholm) Agreement, Contracting Parties that are not party to the said Agreement shall not have the right to vote, whereas, on matters concerning only Contracting Parties, only the latter shall have the right to vote.

(b) One-half of the members of the Assembly which have the right to vote on a given matter shall constitute the quorum for the purposes of the vote on that matter.

(c) Notwithstanding the provisions of subparagraph *(b)*, if, in any session, the number of the members of the Assembly having the right to vote on a given matter which are represented is less than one-half but equal to or more than one-third of the members of the Assembly having the right to vote on that matter, the Assembly may make decisions but, with the exception of decisions concerning its own procedure, all such decisions shall take effect only if the conditions set forth hereinafter are fulfilled. The International Bureau shall communicate the said decisions to the members of the Assembly having the right to vote on the said matter 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 expiry of this period, the number of such members having thus expressed their vote or abstention attains the number of the members 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.

(d) Subject to the provisions of Articles 5(2)*(e)*, 9^{sexies}(2), 12 and 13(2), the decisions of the Assembly shall require two-thirds of the votes cast.

(e) Abstentions shall not be considered as votes.

(f) A delegate may represent, and vote in the name of, one member of the Assembly only.

(4) In addition to meeting in ordinary sessions and extraordinary sessions as provided for by the Madrid (Stockholm) Agreement, the Assembly shall meet in extraordinary session upon convocation by the Director General, at the request of one-fourth of the members of the Assembly having the right to vote on the matters proposed to be included in the agenda of the session. The agenda of such an extraordinary session shall be prepared by the Director General.

Article 11

International Bureau

(1) International registration and related duties, as well as all other administrative tasks, under or concerning this Protocol, shall be performed by the International Bureau.

(2)*(a)* The International Bureau shall, in accordance with the directions of the Assembly, make the preparations for the conferences of revision of this Protocol.

(b) The International Bureau may consult with intergovernmental and international non-governmental organizations concerning preparations for such conferences of revision.

(c) The Director General and persons designated by him shall take part, without the right to vote, in the discussions at such conferences of revision.

(3) The International Bureau shall carry out any other tasks assigned to it in relation to this Protocol.

Article 12

Finances

As far as Contracting Parties are concerned, the finances of the Union shall be governed by the same provisions as those contained in Article 12 of the Madrid (Stockholm) Agreement, provided that any reference to Article 8 of the said Agreement shall be deemed to be a reference to Article 8 of this Protocol. Furthermore, for the purposes of Article 12(6)*(b)* of the said Agreement, Contracting Organizations shall, subject to a unanimous decision to the contrary by the Assembly, be considered to belong to contribution class I (one) under the Paris Convention for the Protection of Industrial Property.

Article 13

Amendment of Certain Articles of the Protocol

(1) Proposals for the amendment of Articles 10, 11, 12, and the present Article, may be initiated by any Contracting Party, or by the Director General. Such proposals shall be communicated by the Director General to the Contracting Parties at least six months in advance of their consideration by the Assembly.

(2) Amendments to the Articles referred to in paragraph (1) shall be adopted by the Assembly. Adoption shall require three-fourths of the votes cast, provided that any amendment to Article 10, and to the present paragraph, shall require four-fifths of the votes cast.

(3) Any amendment to the Articles referred to in paragraph (1) shall enter into force one month after written notifications of acceptance, effected in accordance with their respective constitutional processes, have been received by the Director General from three-fourths of those States and intergovernmental organizations which, at the time the amendment was adopted, were members of the Assembly and had the right to vote on the amendment.

Any amendment to the said Articles thus accepted shall bind all the States and intergovernmental organizations which are Contracting Parties at the time the amendment enters into force, or which become Contracting Parties at a subsequent date.

Article 14

Becoming Party to the Protocol; *Entry into Force*

(1)*(a)* Any State that is a party to the Paris Convention for the Protection of Industrial Property may become party to this Protocol.

(b) Furthermore, any intergovernmental organization may also become party to this Protocol where the following conditions are fulfilled:

(i) at least one of the member States of that organization is a party to the Paris Convention for the Protection of Industrial Property;

(ii) that organization has a regional Office for the purposes of registering marks with effect in the territory of the organization, provided that such Office is not the subject of a notification under Article 9^{quater}.

(2) Any State or organization referred to in paragraph (1) may sign this Protocol. Any such State or organization may, if it has signed this Protocol, deposit an instrument of ratification, acceptance or approval of this Protocol or, if it has not signed this Protocol, deposit an instrument of accession to this Protocol.

(3) The instruments referred to in paragraph (2) shall be deposited with the Director General.

(4)*(a)* This Protocol shall enter into force three months after four instruments of ratification, acceptance, approval or accession have been deposited, provided that at least one of those instruments has been deposited by a country party to the Madrid

(Stockholm) Agreement and at least one other of those instruments has been deposited by a State not party to the Madrid (Stockholm) Agreement or by any of the organizations referred to in paragraph (1)*(b)*.

(b) with respect to any other State or organization referred to in paragraph (1), this Protocol shall enter into force three months after the date on which its ratification, acceptance, approval or accession has been notified by the Director General.

(5) Any State or organization referred to in paragraph (1) may, when depositing its instrument of ratification, acceptance or approval of, or accession to, this Protocol, declare that the protection resulting from any international registration effected under this Protocol before the date of entry into force of this Protocol with respect to it cannot be extended to it.

Article 15

Denunciation

(1) This Protocol shall remain in force without limitation as to time.

(2) Any Contracting Party may denounce this Protocol by notification addressed to the Director General.

(3) Denunciation shall take effect one year after the day on which the Director General has received the notification.

(4) The right of denunciation provided for by this Article shall not be exercised by any Contracting Party before the expiry of five years from the date upon which this Protocol entered into force with respect to that Contracting Party.

(5)*(a)* Where a mark is the subject of an international registration having effect in the denouncing State or intergovernmental organization at the date on which the denunciation becomes effective, the holder of such registration may file an application for the registration of the same mark with the Office of the denounc-

ing State or intergovernmental organization, which shall be treated as if it had been filed on the date of the international registration according to Article 3(4) or on the date of recordal of the territorial extension according to Article 3[ter](2) and, if the international registration enjoyed priority, enjoy the same priority, provided that

(i) such application is filed within two years from the date on which the denunciation became effective,

(ii) the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration in respect of the denouncing State or intergovernmental organization, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

(b) The provisions of subparagraph *(a)* shall also apply in respect of any mark that is the subject of an international registration having effect in Contracting Parties other than the denouncing State or intergovernmental organization at the date on which denunciation becomes effective and whose holder, because of the denunciation, is no longer entitled to file international applications under Article 2(1).

Article 16

Signature; Languages; Depositary Functions

(1)*(a)* This Protocol shall be signed in a single copy in the English, French and Spanish languages, and shall be deposited with the Director General when it ceases to be open for signature at Madrid. The texts in the three languages shall be equally authentic.

(b) Official texts of this Protocol shall be established by the Director General, after consultation with the interested governments and organizations, in the Arabic, Chinese, German, Italian,

Japanese, Portuguese and Russian languages, and in such other languages as the Assembly may designate.

(2) This Protocol shall remain open for signature at Madrid until December 31, 1989.

(3) The Director General shall transmit two copies, certified by the Government of Spain, of the signed texts of this Protocol to all States and intergovernmental organizations that may become party to this Protocol.

(4) The Director General shall register this Protocol with the Secretariat of the United Nations.

(5) The Director General shall notify all States and international organizations that may become or are party to this Protocol of signatures, deposits of instruments of ratification, acceptance, approval or accession, the entry into force of this Protocol and any amendment thereto, any notification of denunciation and any declaration provided for in this Protocol.

[End of Annex and of document]

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GOVERNMENT OF
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WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO CARIBBEAN REGIONAL COURSE ON INDUSTRIAL PROPERTY

organized by

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in cooperation with

the Government of Jamaica

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THE FUNCTIONS OF AN INDUSTRIAL PROPERTY OFFICE

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I. INTRODUCTION

Nowadays, industrial property is considered an essentially economic matter, specific to each society. It was earlier conceived as a merely legal problem, but later it started to perform an important role in the national industrial strategy.

Of course, national industrial strategies differ in industrialized countries and developing countries. Moreover they differ within these two groups depending on the specific situation of each country.

In the case of Brazil, industrial property protection was firstly initiated about more than a hundred years ago. We were one of the first eleven countries in the world to sign the Paris Convention on Industrial Property, in 1883.

The importance of the Brazilian participation in the International System of Patents can be observed through data presented below, and this importance is also a highly positive factor in promoting awareness of the importance of the System for national companies. Data concerning the number of filings between 1922 and 1926, in Brazil, show nearly 700 applications, which is a very small number as compared with that of other member countries of the Paris Convention. Nowadays, the average filing is 12,000 patent applications yearly.

In addition, these data show a very significant factor, that is, the existance of a certain balance between national and foreign patent applications filed nowadays.

These results are associated to a certain extent to some changes which occurred in Brazil during the 1960 decade leading to a growing awareness of the importance of technology for economic and social development.

The role of the government is of crucial importance to determine the functions of the industrial property office of each country. The establishment of a legal system to protect inventors as such and the registering of trademarks, without a well defined policy for development, does not result in technological progress.

The functions of an industrial property office depend on the industrial property law of each country. In the Brazilian case, these functions are established basically in the Industrial Property Code (Law 5.772/71) and the Law which creates the National Institute of Industrial Property (INPI/BR) (Law 5.648/70). Besides the traditional attributions of granting patents and registering trademarks, these legal texts also establish as responsibility of the Patent Office, the examination, analysis and registering of technology transfer contracts.

In developing countries the functions of an industrial property office are, generally, concentrated mainly in granting titles of protection (Patents of Invention, Utility Models and Industrial Designs) and registering trademarks.

At the end of this paper, other important functions to be performed by a patent office are discussed.

II. INVENTIONS

There is no worldwide recognized definition of an invention. However, it is usual to say that an invention is a new solution applied to a specific technical problem. An invention consists of a product or a process or even an improvement of an existing product or process.

Depending on the law of a country, protection can be granted not only by patents of invention, but also by utility models.

1. Processing of an application in a Patent Office

The applicant should find out which category (Patent of Invention, Utility Model, Design) he applies for protection, in order to fulfill the requirements of each one, and to present the corresponding application according to the standards and forms adopted in the Office, and pay the respective fee.

There are specialized professionals (patent attorneys) in this field, who can assist the applicant in order to facilitate the filing and follow-up the processing, mainly for applicants from abroad.

The task of the industrial property office, at this step, is to check and accept the documentation which is presented, and accord the appropriate filing date to the application.

In the next step, the application is subjected to examination as to form, (formal examination) according to the existing regulations, e.g. to check if it contains a description, claims, abstract (if required by law) and drawings (if it is the case), and also, data concerning priority (if the application is filed abroad and claims for priority under the Paris Convention) as well as the corresponding payment of fees (filing fee and others).

If corrections are required, the applicant is invited to make the respective corrections.

Many offices, and this is the case of the Brazilian Patent Office, publish, automatically, the application after a period of 18 months from the date of the filing or the earliest priority. In Brazil, such publication may be effected earlier at the request of the applicant.

INPI/BR, as well as offices that use such a system, has to prepare the application for publication in the form of a pamphlet that consists of the text of the application, claims, abstract and drawings (if it is the case). Offices (also the Brazilian Office) have to prepare a cover page that presents internationally adapted bibliographic data, which are of special importance when exchanging patent documents from country to country. Such bibliographic data are associated to a corresponding number for: name and address of the applicant; name and address of the inventor (if inventor and applicant are not the same); name and address of the patent attorney; data on the filing (number and date); data of priority claimed (date, place and number of the earliest application filed abroad); the serial number of the application; and the IPC symbols (International Patent Classification), which is the responsibility of the technical staff of the patent office.

Usually the publication of such bibliographic data is done in the Official Gazette of the Patent Office.

In Brazil, once the notice in the Official Gazette ("Revista da Propriedade Industrial") is published, the complete copy of the application (leaflet) may be obtained by any interested party. The Official Gazette of INPI is published weekly and all official acts, dispatches and decisions on Industrial Property in Brazil are announced by it.

Copies of the complete application should also be sent to other industrial property offices on the basis of exchange.

One of the most important tasks of an industrial property office is to decide upon the granting or not of a patent for the invention. If the legislation prescribes that an application has to be examined as to substance (this is also the case of the Brazilian law, according to which a request for examination shall be presented in a fixed time-limit from the date of publication), the industrial property office needs to have a competent staff of engineers, chemists, biologists, trained to deal with this task. These specialists are known as "patent examiners". They have to compare the claimed invention with the State-of-the-Art, in order to check if the claimbed invention fulfills the conditions of patentability (novelty, inventive step, and industrial application). Search and substantive examination can be performed by one industrial property office for another office.

Such examination procedure allows patent offices to refuse to grant patents for "inventions" which do not fulfill those conditions, and consequently, assures greater credibility to the patents which were granted.

Therefore, the risks for the patentees or their licensees are reduced, in the case of proceedings regarding lack of patentability before the courts.

In Brazil, the principle of "absolute novelty" (meaning novelty in terms of worldwide knowledge) is applied for determining the "State-of-the-Art".

Patent offices that require "absolute novelty" to grant a patent, must have means to access technological information, mainly patent documents, on a worldwide basis, comprising all fields of technology.

Having such documentation, duly classified in accordance with the International Patent Classification, is the best form to carry out searches on the State-of-the-Art in the process of examining patent applications.

For patent offices that do not have collections of patent documents, and adequate search files to carry out efficient searches, there are other means to establish the State-of-the-Art. Patent applications filed under the PCT (Patent Cooperation Treaty) contain an international search report and in certain cases, also an international preliminary examination report, prepared by competent industrial property offices, designated for these purposes.

Another way is through international cooperation, mainly the services offered to developing countries. The World Intellectual Property Organization (WIPO) offers State-of-the-Art Novelty search reports under its project entitled "International Cooperation in the Search and Examination of Inventions" (ICSEI) for developing countries.

In the case of foreign applications, an industrial property office may also request the results of search and examination carried out in the country of origin or any other country where the application claims for priority.

The result of the examination can lead to the granting of a patent or sometimes, to a request for clarification based on the documents cited in the search or even to the rejection of the application. In the case where the requirement for clarification is duly complied with, a patent can be granted. In both cases, either the granting of a patent or the rejection of the application, usually the possibility of an administrative appeal exists. According to the Brazilian legislation, appeals comprise a written statement, presented by any interested party against a decision granting or refusing an application.

The maintenance of a patent is made by means of fees (annual fees) during the time period of validity of the patent, usually a period of 15 to 20 years depending on the law. In the majority of the patent systems, the amount of the annual fee increases as one approaches the end of the maximum term of protection.

The term of a protection in Brazil varies according to the type of privilege (counted from the filing date).

Patent of Invention	15 years
Utility Model	10 years

The maintenance of the annual fee starts from the beginning of the third year from the date of filing.

Compulsory licenses - some countries provide the granting of compulsory licenses (which means, licences granted by a governmental authority for the working of the patented invention in the country) as a means to prevent abuse. The Stockholm Act of the Paris Convention contains, in its Article 5A, provisions regarding compulsory licenses.

Industrial property offices are generally involved with the task of receiving requests for compulsory licenses and have to investigate such requests, case by case, before deciding upon the matter.

III. TRADEMARKS

A mark is a sign or expression, or a sign and expression jointly, which serves to distinguish products or services of an enterprise.

Traditionally two main functions performed by trademarks are: to identify, for consumers, the level of uniform quality of products and services and to protect vendors from unfair competition of imitators.

Processing a trademark application in the industrial property office

Generally, after receiving applications for the registration of trademarks and service marks, the office carries out a formal preliminary examination and the application is filed if all formalities have been complied with. Name and address of the applicant and, if it is the case of being represented by an attorney, the name and address of the attorney.

Industrial property offices usually have special forms for the request for registration of a trademark. When requesting a trademark one should indicate the word, drawing or other sign that are asked to be registered. Also, it must list the goods and/or services for which registration of the trademark is asked for. This list must be accompanied by the indication of that class or those classes, among the existing classification of trademarks adopted in the office. Together with formal preliminary examination, the payment of the corresponding filing fee is checked by the office.

The industrial property office is also required to examine the trademark as to whether there are absolute grounds which prevent its registration. This examination considers if the requested mark has no distinguishing character or is offensive to the moral sense, or is offensive to religious or patriotic feelings. If any such characteristics are found, the application for registration is refused by the office.

Offices are also required to carry out examination as to relative grounds which prevent the registration of a trademark. Such examination is carried out by comparing the sign requested to be registered with an existing trademark.

After examinations are completed, the industrial property office will either reject the application or will accept it. In the latter case, a certificate of registration is issued by the office which will be kept by the applicant. Such registration is also published in the Official Gazette.

The registration of a trademark is usually valid for 10 or 20 years. However, validity of any registration may be extended through a renewal, that may be requested any number of times.

In Brazil, the registration of a trademark is valid for ten years, the extention of the said term being possible for new periods of ten years, unlimitedly.

IV. OTHER IMPORTANT FUNCTIONS

As it was said in the begining of this paper, the functions of industrial property offices, in the past, were limited only to granting patents and registering trademarks.

Industrialized countries found out diversified and dynamic ways to develop other functions to support national policy of development in their industrial property offices.

Besides the traditional tasks already referred to, an industrial property

office should establish atractive services for enterprises, research centers, universities and inventors in general, namely:

i) technological updating;

ii) encouragement of domestic inventiveness;

iii) transfer and absorption of external technology;

iv) training courses and seminars;

v) intense cooperation activities.

Technological updating through acquisition and dissemination of patent documents could be included as an activity in the patent office, in order to aid industry to find solutions for their problems and to serve as a source for consultation by external users, with regard to State-of-the-Art searches, as well as to provide information on alternatives for the acquisition of technology.

Also the encouragement of domestic inventiveness by patent offices is becoming, nowadays, more and more important as a service, through the planning of visits to enterprises and research centers, in order to help them to detect possible patentable inventions. In this context, training courses and the promotion of seminars are useful tools to develop an industrial culture on industrial property in each country.

In addition, one should stress the relevance of the international activities to be developed in industrial property offices to reach some of these diversified objectives and even more in the case of developing countries.

In this context, international activities shall be understood as the international cooperation among patent offices or the latter and international agencies, as well as the participation in international treaties on industrial property that present advantages for developing countries. Concerning the latter aspect, for instance, the Patent Cooperation Treaty (PCT) presents important advantages for countries where the industrial property offices do not have enough personnel and documentation to carry out search reports.

All member countries of the PCT receive a copy of all international applications filed under the Treaty, which contains an international search report. Applications filed under the PCT are increasing very fast, so that, the industrial property offices, in general, can benefit from receiving such documentation, and in the particular case of developing countries, they can use the results of the international search report (and, if it is the case, also the international preliminary examination report) to consider applications filed under the PCT in their countries.

Regarding international cooperation among patent offices and/or international agencies our experience in INPI/BR has been very positive.

INPI/BR has a broad range of international activities, both at the multilateral, as well as bilateral levels.

These cooperation activities, directed mainly towards the developing countries, aim at diffusing Brazil's recent experience in the field of industrial property and transfer of technology.

They are materialized chiefly through the cooperation agreement with WIPO* which includes a yearly seminar for participants from Latin America and the Caribbean region (in the Spanish language). On the other hand, INPI/BR is able to promote on-the-job training for small groups of participants, and provides consultancy and exchange of information and documentation with other industrial property offices.

In the frame of multilateral cooperation, a UNDP Project BRA/71/559, for modernization of the Patent System was executed in Brazil from 1971 to 1982. This project received technical support from WIPO (that provided for missions of experts from several developed countries) and financial support from the UNDP. This project had the objective of improving technical and administrative procedures related to the patent system.

More recently, a project for the modernization of the Technical Information and Documentation Center (CEDIN) comprising modern means of access to patent documents, has been carried out with the same support from WIPO and UNDP.

In terms of bilateral cooperation, INPI/BR has signed cooperation agreements with the Industrial Property Offices of France, Spain and the European Patent Office, among others.

INPI's patent collection is constantly updated with new patent documents received each month from industrialized countries in the frame of bilateral cooperation (some countries send such documents on a free of charge basis; other countries, on exchange basis).

Thus, through international cooperation, industrial property offices could be motivated and receive support to offer services to users, in such a way as to disseminate the industrial property system (Patents and Trademarks) and to encourage inventors and entrepreneurs to file patent or trademark applications.

Initiatives that may lead to the effective use of the Industrial Property System, utilizing all its inherent advantages and attenuating possible adverse effects that may derive from it, must be the goal of developing countries.

However, this goal will certainly be reached only through a perfect integration of all government agencies responsible for and involved in development and technology, and with the active and conscious participation of businessmen, the scientific community and other potential users of the system.

This is not very simple. Conditions in developing countries are peculiar due, very often, to political, economical and social instability and the lack of adequate human and material resources. Therefore, the local enviroment may not be so favorable as it should be in order to attain such perfect interaction. The cooperation among developing countries must also be aimed at common objectives and interests in such a way that the system and all resources may be used to reach the desirable degree of developement.

The Brazilian Patent Office is at your disposal to cooperate and to transmit the experience acquired in the course of these years.

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* Brazil became a member of the WIPO Convention in 1975.

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organized by

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in cooperation with

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PATENTS AS A VEHICLE FOR THE TRANSFER OF TECHNOLOGY; LICENSING AGREEMENTS

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I. INTRODUCTION

It is well known that technical progress, which has always been the basic factor in the growth of the economies of countries, is a gradual process, brought about not only by domestic activity, but also to a large extent, through the acquisition of new ideas, mainly technical knowledge and experience from more developed countries.

Depending on the levels of development, the way of transferring technology to developing countries will differ from one country to another. It depends on the partners and their relationship, mainly with regard to the selection and acquisition of appropriate technology, and on the ability of the local economy to adapt and absorb such technology and to integrate it with an ever growing indigenously created technology, in order to obtain optimal exploitation of technology and maximal utilization of the results of that exploitation in all sectors of the economy.

This paper takes into account the role of patent systems in the process of transferring technology according to two points of view. One aspect concerns the transfer of technology and its relationship with patent protection; the other aspect concerns the role of patent information and its use in the transfer of technology.

II. TRANSFER OF TECHNOLOGY AND ITS RELATIONSHIP WITH PATENT PROTECTION

It has been recognized that the patent sistem is an important factor required for transferring technology.

The aim of the patent system is to promote economic growth through the development of technology, by providing exclusive rights to those who disclose their inventions. Objections have been raised to the patent system throughout its history. These objections cannot be entirely dismissed. However, the experiences of many countries are generally in agreement with the positive contribution made by the system to technological development.

An examination of the patent system nowadays reveals that it motivates research, development and technological improvements.

It has been said that for developing countries, the most satisfactory way of achieving the intended aim of progress is to stimulate the transfer of technology by setting up a good legal framework of patent protection rights.

On one hand, there should exist legal protection for inventions, and on the other hand, provisions are needed to prevent possible abuses of the granted rights.

Countries should also establish means for encouraging domestic inventive activity. Transfer of technology is not only a commercial transaction but also an exchange of technological knowledge, within a country, between companies or research centers. Therefore, countries with more intensive programs for the transfer of technology are also supposed to encourage endogenous inventions, industrial investment, and scientific and technical research connected with on a large scale within the country itself. Such development should be one of the main objectives of a patent system in developing countries as well.

However, it should be emphasized that patents merely by themselves, do not transform a country automatically into an industrialized nation.

The experiences of industrialized countries show that the introduction of patent legislation offers a legal framework for the transfer of technology, which is internationally recognized and has become well known.

The patent gives a precise definition of the protected technology which may be transferred. In an arrangement for the transfer of technology between two separate enterprises in different countries, the existence of patents in both countries prove to be essential in giving security to the transaction and in making it possible to develop a contract without complicated provisions concerning guarantees. Therefore, the patent more often than not constitutes the backbone of an agreement which may otherwise be rather difficult to formulate.

Transfer of technology is stimulated by the rights conferred by a patent, since the patent protects both the patentee and the licensee. The protection of the latter is important to ensure, to the gratest possible extent, that patented technology is commercialized, as a result of the transfer from the patentee to the licensee, and then worked in the country itself. Thus, the patent takes on an economic function for the protection of investments made against possible abuse by competing products.

III. THE ROLE OF PATENT INFORMATION IN THE TRANSFER OF TECHNOLOGY

Since the grant of a patent constitutes an exchange between the patentee (inventor) and society, during the period of validity of the patent, the public (society) provides to the inventor protection of his intellectual property. In other words, it provides him the exclusive right to make use of his invention. In return, the inventor has to disclose to the public, the content of his invention (the information which constitutes a patentable matter). This technological information is contained in the description, claims and drawings of the patent document in such a way to comply with the requirement of patent laws, such as a sufficiently clear and comprehensive disclosure in order to enable a person skilled in the art in that particular technical field, to carry out the invention.

To comply with those requirements, usually a background of the invention (the existing state-of-the-art), is indicated in the document in order to emphasize the novelty and/or inventive step of the invention. Thus, the information contained in patent documents is a source of information not only on what is new, but also on what is already known, presenting, in many cases, the technological progress in the field to which it relates.

Patent documents are generally the most recent publications since an applicant is always in a hurry to protect his invention, through filing it in a patent office. Usually, the applicant who, among several applicants applying for similar inventions, was the first to file, gets the patent, whereas the later filed applications of the others will be denied (first-to-file system).

There are some well known studies which show that important inventions were disclosed in patent documents several years before their publication in other forms of literature. Also, in many cases, patent documents often

contain information which is not divulged in any other form of literature. This was shown, for instance, by a study carried out by the U.S. Patent and Trademark Office, which found that 70% of the technology disclosed in US patent documents, from 1967 to 1972, had not been disclosed in any non-patent literature.

There are many other advantages in consulting patent documents as a source of technological information. For the purpose of this paper, the importance of the bibliographic data should be pointed out, such as the International Patent Classification (IPC) symbol, that identifies the technology in question (name and address of the patentee as well as the inventor, etc.). This information identifies potential licensors that can be contacted in order to find out under what conditions the invention may be exploited, for example, by means of licensing.

It should also be emphasized that the information based on patent literature helps in evaluating and following-up technological developments, and carrying out sectorial studies on technological forecasts and assessments, etc.

Technology is a marketable commodity and as with any other commodity, the fundamental rule of trade applies that an optimum bargaining position can be held only by one who has the most complete knowledge of the prevailing situation of supply and demand. Therefore, for the acquisition of technology, patent documentation constitutes a "buyer's guide" providing relevant information.

Considering what was mentioned before on the importance of patent information, it seems appropriate to recount the experience of a small firm in Sweden, operating in electro-mechanical field, that was seeking a new product line utilizing state loans and had entered into negotiations with a multinational corporation which offered a license for the manufacturing of a pneumatic control system for automatic process controlling. The Swedish firm was ready to sign a contract with the corporation, but the idea came up to have the technical solution searched at the Swedish Patent Office to provide the assurance that there were no superior alternatives known. They asked for a search that was carried out by the Office in that specific technical field.

The search confirmed that the pneumatic system offered was a reliable and well established method for the purposes intended and nothing changed the intention of the Swedish firm to buy the license. However, something else was found. The same corporation had recently patented a new electronic system, which in the future was expected to replace the pneumatic method, and this discovery led to a considerable reduction in the price of the license.

It was in view of the importance of patent information for the evaluation of transfer of thechnology contracts, that in 1983 the Brazilian Patent Office (INPI/BR)* established regulations regarding contracts of transfer of technology. These regulations establish that enterprises that wish to contract foreign technology, should justify in a prior consultation to INPI/BR the need for importation and the selection of the supplier. This justification will be analized taking intó account a comparative technological-economic evaluation between the technology to be imported and other available sources, according to a search on patent documents, carried out by the staff of the Patent Bank of INPI/BR.

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* The acts and transactions corresponding to transfer of technology contracts, in Brazil, are controlled by INPI/BR.

IV. LICENSING AGREEMENTS

There are many ways of acquiring technology, and one of them is the classical way, through licensing agreements. Another way is the commercial transfer and acquisition of technology, which consists in selling and buying technology and know how contained in the patents.

A license is the means by which the right of the owner of an industrial property right, such as a patented invention, is conferred to another, for the use of the invention.

Licenses can be granted in the form of:

i) exclusive license

ii) non-exclusive license

The exclusive license means that the licensor undertakes not to offer any license to another licensee regarding the same object and that he refrains from exploiting the licensed rights himself.

The non-exclusive license means that the licensor keeps the right to grant licenses to other licensees regarding the same object and that he retains the possibility of exploiting the licensed rights himself.

License agreements involve legal acts or transactions, such as the permission given by the owner of the patented invention to another person or entity, to perform one or more of the acts covered by the exclusive rights over the patented invention. Licenses are granted subject to certain conditions which have to be established by the parties, in a written document by which the license is granted to the licensee.

In many countries the legal form of license agreements and other formalities are prescribed by the industrial property law or by the commercial law. The procedure and regulations for license agreements differ from country to country.

Generally, the use of licensed inventions and the commercial conditions depend on the provisions established in a contract.

A license agreement usually implies a long-term relationship between the licensor and the licensee. For that reason, it is often preceded by exhaustive negotiations. The nature of such negotiations varies according to many factors, such as the subject matter of the agreement, the nature and maturity of the technology and the legal rules governing the licensing operations, the payment of royalties, the duration of the contract, etc.

When considering the terms of a patent license agreement, the licensor should explicitly state that he has registered patents in the territory covered by the agreement and list the patents that have been issued, their dates of granting and unexpired life.

V. GENERAL COMMENTS

Transfer of technology for development has to be carefully planned, taking into consideration the requirements and resources of the recipient country. The question of the basic national infrastructure of science and technology has to be considered for this purpose. Institutions in developing countries often lack information on sources of technology and opportunities for its exploitation according to their needs. Patent information is among the most important technological information sources. For developing countries, it is of crucial importance to consult such source of information in order to be able not only to identify and select appropriate technology but also to improve their bargaining power in its acquisition.

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THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)
AND ITS DEVELOPMENT COOPERATION PROGRAM

prepared by the International Bureau of WIPO

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INTRODUCTION

1. This document is divided into three parts. The first part deals, briefly, with the history of WIPO; the second with the main features of the Convention establishing WIPO; the third with development cooperation in the framework of WIPO. Additional information is contained in the WIPO General Information Brochure, copies of which have been distributed to all participants in this Course.

I. HISTORY OF WIPO

2. First, a piece of history. There are many multilateral treaties which secure international respect for intellectual property. Two of them are far more important than all the others: they are the Paris Convention for the Protection of Industrial Property, and the Berne Convention for the Protection of Literary and Artistic Works (that is, protection by copyright law). The first was concluded in 1883; the second in 1886. At that time, as far as their administration was concerned, both treaties were placed under the supervision of the Swiss Federal Government, and the few officials who were needed to carry out the administration of the two treaties were in Berne, in Switzerland.

3. At the very beginning there were two offices for the administration of the two treaties: one for industrial property and one for copyright. In 1893, the two offices were united. The name of the organization now known as WIPO has undergone several changes in the course of its history. The most recent of its names, before it became WIPO, was BIRPI: the initial letters of the French language version of the name: United International Bureau for the Protection of Intellectual Property. In 1960, BIRPI was moved from Berne to Geneva.

4. In 1967, there was a diplomatic conference in Stockholm at which all the administrative clauses of all the then existing multilateral treaties administered by BIRPI were revised and a new convention was signed. This was the Convention which established the World Intellectual Property Organization. The Convention went into effect in 1970, after the required number of ratifications had been obtained.

5. The administrative clauses of all the then existing multilateral treaties had to be revised because member States wished to make the Organization--which is, of course, an organization of Governments, an intergovernmental organization--independent of the Swiss Government, to give it the same status as all the other comparable intergovernmental organizations, and to pave the way for the Organization to become a specialized agency of the United Nations system, or family, of inter-governmental organizations.

6. WIPO is a specialized agency of the United Nations since 1974. It is one of the 16 such specialized agencies. Among the others, the best known are the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO) and the Food and Agriculture Organization (FAO). Why are they called "specialized agencies"? Because each of them has specialized knowledge and expertise, and has accumulated vast international experience, in a particular

subject or field of activity of importance to the international community. Thus, ILO is specialized in labour, Unesco in education, science and culture, WHO in health, FAO in food and agriculture and WIPO in intellectual property.

7. An intergovernmental organization becomes a specialized agency of the United Nations pursuant to an agreement between the the General Assembly of the United Nations and the general assembly of the organization. The agreement between the United Nations and WIPO concluded in 1974 recognizes WIPO as a specialized agency. Furthermore, the agreement recognizes that WIPO is responsible for taking appropriate action in accordance with its basic instrument, treaties and agreements administered by it, mainly in two respects. One is promoting creative intellectual activity. The other is facilitating the transfer of technology related to industrial property to the developing countries in order to accelerate economic, social and cultural development.

8. A specialized agency, although it belongs to the family of United Nations organizations, retains its independence. Each specialized agency has its own membership. All member States of the United Nations are entitled to become members of all the specialized agencies, but in fact not all member States of the United Nations are members of all the specialized agencies. Each State decides for itself whether it wants, or does not want, to become a member of any particular specialized agency. Nearly all States are members of the United Nations. A great majority of those States are also members of most of the specialized Agencies. Each specialized agency has its own constitution, its own governing bodies, its own elected executive head, its own income, its own budget, its own staff, its own programs and activities. Machinery exists for coordinating the activities of all the specialized agencies, among themselves and with the United Nations, but, basically, each agency remains the master of its own destiny, responsible, under its own constitution, to its own governing bodies which consist, of course, of States members of the organization.

II. MAIN FEATURES OF THE CONVENTION ESTABLISHING WIPO

9. The constitution, the "basic instrument," of WIPO is the Convention signed at Stockholm in 1967. A description of its main features forms the second part of this document. In describing these features, we will also be answering, in very general terms, the following questions: why is an intergovernmental organization needed? What are the Unions administered by WIPO? Which States are members of WIPO? What does WIPO do? How is it governed and managed?

10. Why is an intergovernmental intellectual property organization needed? Intellectual property rights are limited territorially; they exist and can be exercised only within the jurisdiction of the country or countries under whose laws they are granted. But works of the mind, including inventive ideas, cross frontiers with ease, and, in a world of interdependent nations, should be encouraged to do so. Therefore, governments have negotiated and adopted multilateral treaties in the various fields of intellectual property, each of which establishes a "Union" of countries which agree to grant to nationals of other countries of the Union the same protection as they grant to their own.

11. What are the Unions? The Unions administered by WIPO are founded on the treaties. A Union consists of all the States that are party to a particular treaty. The name of the Union is, in most cases, taken from the place where the text of the treaty was first adopted (thus the Paris Union, the Berne Union, etc.). The treaties fall into three groups.

12. The first group consists of treaties which establish international protection, that is to say, they are treaties which are the source of legal protection agreed between countries at the international level. Four treaties on industrial property fall into this group. They are the Paris Convention for the Protection of Industrial Property, the Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods, the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, and the Nairobi Treaty on the Protection of the Olympic Symbol. Two treaties in the field of copyright and neighboring rights fall into this group, namely the Berne Convention for the Protection of Literary and Artistic Works and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations. In May 1989, the Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits was signed in Washington. This treaty has not yet entered into force.

13. The second group consists of treaties which facilitate international protection. Six treaties on industrial property fall into this group. They are the Patent Cooperation Treaty which provides for the filing of international applications for patents, the Madrid Agreement Concerning the International Registration of Marks, the Trademark Registration Treaty, the Lisbon Agreement which has already been mentioned because it belongs to both the first and the second groups, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and the Hague Agreement Concerning the International Deposit of Industrial Designs. Two treaties in the field of neighboring rights may be considered as falling also into this group, namely the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Pronograms and the Brussels Convention relating to the Distribution of Programme-Carrying of Signals Transmitted by Satellite. In April 1989, the Treaty on the International Registration of Audiovisual Works was signed in Geneva. This treaty has not yet entered into force.

14. The third group consists of treaties which establish classification systems and procedures for improving them and keeping them up to date. Four treaties, all dealing with industrial property, fall into this group. They are the International Patent Classificaton Agreement (IPC), the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks and the Locarno Agreement Establishing an International Classification for Industrial Designs.

15. Revising these treaties and establishing new ones are tasks which require a constant effort of intergovernmental cooperation and negotiation, supported by a specialized secretariat. WIPO provides the framework and the services for this work. Recent examples of such work include the above-mentioned two treaties signed earlier in 1989 in Geneva and Washington. In addition, a Protocol to the Madrid Agreement Concerning the International Registration of Marks was signed in Madrid in June 1989. It has not yet entered into force.

16. Which States are members of WIPO? The Convention establishing WIPO declares that membership shall be open to any State which is a member of any of the Unions, and to any State which is not a member of any of the Unions, provided that it is a member of the United Nations, any of the specialized agencies of the United Nations, or the International Atomic Energy Agency, or is a party to the Statute of the International Court of Justice or is invited by the General Assembly of WIPO to become a member. Thus, only States can be members of WIPO or, indeed, of any other specialized agency of the United Nations. At present 125 States are members of WIPO. In addition, nine States are party to certain treaties administered by WIPO but have not yet become members of WIPO.

17. What does WIPO do? The activities of WIPO are basically of three kinds: registration activities, the promotion of intergovernmental cooperation in the administration of intellectual property, and substantive or program activities. All these activities serve the overall objectives of WIPO, to maintain and increase respect for intellectual property throughout the world, in order to favor industrial and cultural development by stimulating creative activity and facilitating the transfer of technology as well as the dissemination of literary and artistic works.

18. The registration activities of WIPO involve direct services to applicants for, or owners of, industrial property rights. These activities concern the receiving and processing of international applications under the Patent Cooperation Treaty or for the international registration of marks or deposit of industrial designs. Such activities are financed normally from the fees paid by the applicants, which account for more than half of the budget of WIPO.

19. The main activities in intergovernmental cooperation in the administration of intellectual property are concerned with the management of collections of patent documents used for search and reference, and devising means for making access to the information which they contain easier; the maintenance and updating of international classification systems; the compilation of more and more sophisticated statistics; collection of laws on, and regional surveys of, industrial property and copyright law administration.

20. The substantive or program activities of WIPO, which constitute the major part of its activities, include promoting the wider acceptance of existing treaties, updating--where necessary--such treaties through their revision, concluding new treaties, and organizing and participating in development cooperation activities (about which more will be said in subsequent lectures).

21. Promotion of the acceptance--or the wider acceptance--of treaties, whether they are in force or not, is a permanent, and extremely important, activity of WIPO.

22. Now we come to the question: how is WIPO governed and managed? The Convention establishing WIPO provides for four different organs: the General Assembly; the Conference; the Coordination Committee; the International Bureau (or Secretariat).

23. The General Assembly is the supreme organ of WIPO. Among its other powers and functions, the General Assembly appoints the Director General upon nomination by the Coordination Committee; it reviews and approves the reports and activities of the Coordination Committee as well as the reports of the Director General concerning WIPO; it adopts the financial regulations of WIPO

and the biennial budget of expenses common to the Unions; it approves the measures proposed by the Director General concerning the administration of the international agreements designed to promote the protection of intellectual property; it determines the working languages of the Secretariat taking into consideration the practice of the United Nations; and it also determines which States not members of WIPO and which intergovernmental and international non-governmental organizations shall be admitted to its meetings as observers.

24. The General Assembly consists of all the States which are members of WIPO and are also members of any of the Unions.

25. Unlike the General Assembly, the Conference consists of all the States which are members of WIPO whether or not they are members of any of the Unions. The main functions of the Conference could be divided into five groups. First, the Conference constitutes a forum for exchanges of views, between all States members of WIPO, on matters relating to intellectual property, and, in this context, the Conference can, in particular, make any recommendations on such matters, having regard to the competence and autonomy of the Unions. Secondly, the Conference is the body that establishes the biennial program of legal-technical assistance for developing countries and, thirdly, adopts a budget for that purpose. Fourth, the Conference is also competent to adopt amendments to the Convention establishing WIPO. Proposals for the amendment of the Convention may be initiated by any State member of WIPO, by the Coordination Committee or by the Director General. Fifth, the Conference, like the General Assembly, can determine which States and organizations will be admitted to its meetings as observers.

26. The Coordination Commitee is both an advisory organ on questions of general interest and the executive organ of the General Assembly and the Conference. In addition, it has some functions of its own. The first of these functions is an advisory one: the Coordination Committee gives advice to the various organs of the Unions and WIPO on matters of common interest to two or more of the Unions or to one or more of the Unions and WIPO itself, in particular regarding the budget of expenses common to the Unions. The Coordination Committee also prepares the draft agenda of the General Assembly and of the Conference, as well as the draft program and budget of the Conference.

27. The fourth organ of WIPO is the International Bureau or Secretariat. It is headed by the Director General, Dr. Arpad Bogsch, and, at the present time, consists of approximately 350 persons, from some 54 different countries, recruited according to the principle of equitable geographical distribution established in the United Nations system.

III. THE WIPO'S DEVELOPMENT COOPERATION PROGRAM IN FAVOR OF DEVELOPING COUNTRIES

28. The basis for WIPO's development cooperation program is enshrined in the 1967 Convention Establishing the World Intellectual Property Organization. All developing countries are eligible for legal-technical assistance in the field of intellectual property which is provided upon request.

Objectives

29. The main objectives of WIPO's development cooperation program are to assist developing countries in the establishment or modernization of intellectual property systems suited to their development goals through developing human resources; facilitate the creation or improvement of national or regional legislation (embodying internationally acceptable standards and principles) and their effective enforcement; encourage domestic inventive and creative artistic activity and the exploitation of its results; facilitate the acquisition of foreign patented technology, and the access to foreign works protected by copyright; facilitate the access to and the use of technological information contained in patent documents.

Types of Assistance

30. The legal-technical assistance which is provided to developing countries can be broken down into the following six categories.

1. Training

31. WIPO's training activities are meant to provide or enhance professional skills and capacities for the effective administration (including enforcement) and use of the intellectual property system. In 1989, training, both locally and abroad, was given to government officials and personnel from the technical, legal, judicial, industrial and commercial sectors.

32. Such training takes various forms. One is in the form of study attachments overseas of officials from developing countries and on-the-job supervision by international experts. This form of training involved the participation in 1989 of over 70 international experts deployed for varying periods of time in some 35 developing countries with, in many cases, repeated visits to the same countries.

33. Training is also provided in the form of courses, study visits, workshops and seminars. A total of 100 such events were organized at the national, subregional, regional and global levels in 1989. They provided, inter alia, basic knowledge of industrial property or copyright, or specialized information, both theoretical and practical, in areas such as search and examination for patents and trademarks, computerization of industrial property office administration, the use of computerized patent information data bases, the administration of the collection and distribution of copyright royalties and the promotion of innovative activities. Most of this form of training took place in developing countries themselves and allowed large numbers of people from the government and private sectors of those countries to learn about the subject of intellectual property and its role in the development process. In all, 44 developing countries hosted or co-organized (with WIPO) those events in 1989. Their contribution was in funds or in kind. Over 4,000 people from those countries attended as participants.

2. Legal Assistance and Standard Setting

34. The existence of appropriate national legislation embodying internationally acceptable standards and principles is a precondition for ensuring optimal benefits from the use of the intellectual property system by a country. WIPO therefore continued in 1989 to give advice and assistance to developing countries in this area. WIPO prepared draft laws and regulations

which, depending on the country in question, dealt with one or more aspects of intellectual property, or commented on drafts prepared by the countries themselves. In all, some 30 countries benefitted from this aspect of WIPO's development cooperation program. A number of governments informed WIPO that their executive or legislative branches had approved laws or regulations which were based on drafts drawn up by the International Bureau of WIPO or commented upon by it.

3. Advisory Missions

35. Each year, WIPO organizes and dispatches many advisory missions, comprising WIPO officials and WIPO consultants, to developing countries. In 1989, 285 advisory missions were undertaken to some 75 developing countries. Those missions, provided, inter alia, advice to government administrations on legislative and other legal matters, improvements to management of industrial property offices, the acquisition and use of computers and other equipment and documentation and the provision of better patent information services to the public. In planning and implementing such missions in a given country, WIPO relied, as in the past, on that country for the identification of needs and for guidance in relation to particular local conditions. In return, WIPO offered expertise blended with experience gained from practical knowledge of the situation in other countries. This ensured that the advice and assistance given by WIPO would be appropriate to the country in question.

4. Promotion of Innovative and Inventive Activity

36. In seeking to help developing countries in encouraging domestic inventive activity, WIPO offers advice in the drafting of legislative provisions for the establishment of suitable institutional arrangements in favor of inventors and organizes conferences and seminars to discuss policy measures designed to support inventors in their endeavors. A number of developing countries benefitted from such assistance in 1989, including the holding of national and inter-country seminars, organized by WIPO to train inventors to use the intellectual property system more effectively. Moral recognition of achievements remains a major source of satisfaction to these people; WIPO continued therefore with its WIPO Gold Medal Award scheme for exceptional work done by inventors, mainly in the context of special exhibitions which WIPO helped to organize in a number of countries.

5. Facilitation of Technology Transfer

37. The acquisition of foreign patented technology and access to foreign works protected by copyright, particularly in the context of new technologies (biotechnology, computer software, broadcasting by satellite, integrated circuits) and their protection under intellectual property laws is an important aspect of WIPO's development cooperation program. This question was the subject of three regional forums that WIPO especially organized for developing countries in 1989. The licensing of intellectual property was the focus of an international forum which WIPO organized on the role of intellectual property in economic cooperation arrangements between partners from different socio-economic systems.

38. Given the vast resource of technological information contained in patent documents, the use of such information is an important tool in technology transfer and development. WIPO's free state-of-the-art search program (under this program, WIPO supplies to requestors reports, based on the technological information contained in patent documents, dealing with the state of the art

of specific areas of technology) for developing countries provides developing countries, in this context, with a valuable service. In 1989, there was a steady increase in the demand for this service from developing countries. Over 560 search reports and 4,500 copies of patent documents were furnished to requesting governments and institutions in developing countries.

6. Dialogue Between Administrators and Users

39. The contribution of intellectual property to economic activity is partly dependant on a close, continuous dialogue between the government authorities which grant titles to such property and the owners and users of that property. In 1989, WIPO continued to promote a dialogue between intellectual property administrations and users, primarily users in the non-government sectors. Such a dialogue was often arranged in the form of participation by both sides in discussions provided for that purpose in the seminars and symposia organized by WIPO and in regular, routine contact between intellectual property offices and the business sector.

Beneficiaries and Donors

40. WIPO's development cooperation program is financed by the Organization's regular budget and by special contributions, in funds and in kind, by some member States and some intergovernmental and non-governmental organizations.

41. Participation by countries whether as donors or beneficiaries (or both) was almost universal: over 100 developing countries and more than 10 intergovernmental organizations benefit from that program while generous support, both in funds and in kind (expert services, equipment, documentation, training facilities, hosting of meetings), was given by developing and industrialized countries and intergovernmental and non-governmental organizations.

Review of the Development Cooperation Program.

42. WIPO's development cooperation program is subject to regular, systematic review and evaluation by the Organization's Governing Bodies and by two Permanent Committees established for that purpose: the WIPO Permanent Committee on Development Cooperation Related to Industrial Property and the WIPO Permanent Committee on Development Cooperation Related to Copyright and Neighboring Rights. Those two Committees, comprised of member States of WIPO and intergovernmental organizations, met in 1989 for the said purpose, and gave comments and suggestions for future activities.

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