

**Chapter 5**  
**International Treaties and Conventions on Intellectual Property**

**The Paris Convention for the Protection of Industrial Property**

**History**  
**Principal Provisions**  
**Administrative and Financial Provisions**

**The Berne Convention for the Protection of Literary and Artistic Works**

**History**  
**Principal Provisions**  
**The Latest (Paris) Act of the Convention**  
**Administration**  
**Developing Countries and the Berne Convention**

**The WIPO Copyright Treaty (WCT)**

**Introduction**  
**Legal Nature of the WCT and its Relationship with Other International Treaties**  
**Substantive Provisions of the WCT**  
**Administrative Provisions**

**The Patent Cooperation Treaty (PCT)**

**Introduction**  
**The Functioning of the PCT System**  
**Advantages of the PCT System**

**Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure**

**Background to the Treaty**  
**Summary of the Treaty**  
**Main Advantages of the Treaty**

## **The Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement**

**Introduction**

**The Functioning of the System of International Registration**

**Becoming Party to the Agreement or Protocol**

**Advantages of the System**

## **The Hague Agreement Concerning the International Deposit of Industrial Designs**

**Introduction**

**The Principle of International Deposit**

**Main Provisions of the Hague Agreement**

**Benefits of Accession to the Hague Agreement**

**The Geneva Act of the Hague Agreement**

## **The Trademark Law Treaty (TLT)**

**Introduction**

**Provisions of the Treaty and the Regulations**

## **The Patent Law Treaty (PLT)**

**Introduction**

**Provisions of the Treaty and the Regulations**

**Advantages of the PLT**

## **Treaties on Classification**

**Introduction**

**The Strasbourg Agreement Concerning the International Patent Classification**

**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**

**The Locarno Agreement Establishing an International Classification for Industrial Designs**

## **Special Conventions in the Field of Related Rights: The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations ("the Rome Convention")**

**Introduction**

**Relation between the Protection of Related Rights and Copyright**

**Principal Provisions**

**The Implementation of the Rome Convention**

**The Rome Convention and Developing Countries**

## **Other Special Conventions in the Field of Related Rights**

**The Other Special Conventions**

**Reasons for and Purposes of the Special Conventions**

**Main Features of the Special Conventions**

**Substantive Provisions of the Phonograms Convention**

**Substantive Provisions of the Satellites Convention**

## **The Phonograms and Satellites Conventions and Developing Countries**

### **The WIPO Performances and Phonograms Treaty (WPPT)**

#### **Introduction**

#### **Legal Nature of the WPPT and its Relationship with Other International Treaties**

#### **Substantive Provisions of the WPPT**

#### **Administrative Provisions**

#### **Audiovisual Performances**

### **The International Convention for the Protection of New Varieties of Plants**

#### **Introduction**

#### **The International Union for the Protection of New Varieties of Plants (UPOV)**

#### **The 1991 Act of the UPOV Convention**

#### **Developments in Plant Variety Protection**

### **The Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") and WIPO-WTO Cooperation**

#### **Introduction**

#### **General Provisions, Basic Principles and Final Provisions (Parts I and VII)**

#### **Standards Concerning the Availability, Scope and Use of Intellectual Property Rights (Part II)**

#### **Enforcement of Intellectual Property Rights (Part III)**

#### **Acquisition and Maintenance of Intellectual Property Rights and Related Procedures (Part IV)**

#### **Dispute Prevention and Settlement (Part V)**

#### **Cooperation between the World Intellectual Property Organization and the World Trade Organization**

### **Progressive Development of International Intellectual Property Law**

#### **Introduction**

#### **The Joint Recommendation Concerning Provisions for the Protection of Well-Known Marks**

#### **The Joint Recommendation Concerning Trademark Licenses**

#### **The Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet**



## The Paris Convention for the Protection of Industrial Property

### History

5.1 During the last century, before the existence of any international convention in the field of industrial property, it was difficult to obtain protection for industrial property rights in the various countries of the world because of the diversity of their laws. Moreover, patent applications had to be made roughly at the same time in all countries in order to avoid a publication in one country destroying the novelty of the invention in the other countries. These practical problems created a strong desire to overcome such difficulties.

5.2 During the second half of the last century the development of a more internationally oriented flow of technology and the increase of international trade made harmonization of industrial property laws urgent in both the patent and the trademark field.

5.3 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.

5.4 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. It elaborated a number of principles on which an effective and useful patent system should be based, and urged governments "to bring about an international understanding upon patent protection as soon as possible."

5.5 As a follow-up to the Vienna Congress, an International Congress on Industrial Property was convened at Paris in 1878. Its main result 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.

5.6 Following that Congress, a final draft proposing an international "union" for the protection of industrial property was prepared in France and was sent by the French Government to a number of other countries, together with an invitation to attend the 1880 International Conference in Paris. That Conference adopted a draft convention which contained in essence the substantive provisions that today are still the main features of the Paris Convention.

5.7 A 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 it came into effect on July 7, 1884, Great Britain, Tunisia and Ecuador had adhered as well, bringing the initial number of member countries to 14. El Salvador, Guatemala and Ecuador later denounced the Paris Convention to join again in the 1990s. It was only during the first quarter of the 20<sup>th</sup> century and then particularly after World War II that the Paris Convention increased its membership more significantly.

5.8 The Paris Convention has been revised from time to time after its signature in 1883. 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 (1897 and 1900) and Washington, D.C. (1911), which are no longer in force, all those earlier Acts are still of significance, although the great majority of the countries are now party to the latest Act, that of Stockholm of 1967.

## **Principal Provisions**

5.9 The provisions of the Paris Convention may be sub-divided into four main categories:

- a first category contains rules of substantive law which guarantee a basic right known as the right to national treatment in each of the member countries;
- a second category establishes another basic right known as the right of priority;
- a third category 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;
- a fourth category deals with the administrative framework which has been set up to implement the Convention, and includes the final clauses of the Convention.

### National Treatment

5.10 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. The relevant provisions are contained in Articles 2 and 3 of the Convention.

5.11 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 benefiting from an industrial property right.

5.12 This national treatment rule guarantees not only that foreigners will be protected, but also that they will not be discriminated against in any way. Without this, 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.

5.13 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 status 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. According to Article 2(1), the national treatment rule applies to all advantages that the various national laws grant to nationals.

5.14 This means furthermore, that any requirement of reciprocity of protection is excluded. Supposing 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 their own 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.

5.15 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.

5.16 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 that foreigners should either designate an address for service or appoint an agent in the country in which protection is requested. This latter is perhaps the most common special requirement imposed on foreigners.

5.17 Article 3 provides for the application of the national treatment rule also to nationals of non-member countries, if they are *domiciled* or have an industrial or commercial establishment in a member country.

5.18 The term "domiciled" is generally interpreted not only in the strict legal sense of the term. A mere residence, more or less permanent as distinct from a legal domicile, is sufficient. Legal entities are domiciled at the place of their actual headquarters.

5.19 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 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.

#### The Right of Priority

5.20 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 (six 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 earliest application. Hence, 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. The provisions concerning the right of priority are contained in Article 4 of the Convention.

5.21 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 six or 12 months at his disposal to decide in which countries to request protection. The applicant can use that period to organize the steps to be taken to secure protection in the various countries of interest in the particular case.

5.22 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.

5.23 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.

5.24 Article 4A(l) 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.

5.25 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. The same change of form of protection in both directions may also be possible, in accordance with national laws, between utility models and industrial designs.

5.26 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.

5.27 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.

5.28 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.

5.29 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.

5.30 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 them.

5.31 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.

5.32 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.

#### Provisions Concerning Patents

##### *Independence of Patents*

5.33 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. The rule concerning the "independence" of patents for invention is contained in Article 4*bis*.

5.34 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.

5.35 The underlying reason and main argument in favor of this principle is that 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 he or she 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.

5.36 A special feature of the principle of independence of patents for invention is contained in Article 4*bis*(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.

#### *The Right of the Inventor to be Mentioned*

5.37 A general rule states that the inventor must have the right to be mentioned as such in the patent for invention. This is stated in Article 4*ter*.

5.38 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 the United States of America, for example, it is even required that the applicant for a patent be the inventor himself.

#### *Importation, Failure to Work and Compulsory Licenses*

5.39 The questions of importation of articles covered by patents, of failure to work the patented invention and of compulsory licenses, are dealt with in Article 5A of the Convention.

5.40 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.

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

5.42 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.

5.43 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.

5.44 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.

5.45 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.

5.46 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.

5.47 Compulsory licenses for failure to work or insufficient working of the invention may not be requested before a certain period of time 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.

5.48 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 — for example, 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 a certain period. The time limit of three or four years is a minimum also in the sense that national law can provide for a longer time limit.

5.49 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 benefiting 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 a compulsory licensee from obtaining 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.

5.50 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 for which the national law is free to provide. Such other types may be granted to prevent other abuses, for example, excessive prices or unreasonable terms for contractual licenses or other restrictive measures which hamper industrial development.

5.51 Compulsory licenses may also be granted for reasons of the public interest, in cases where there is no abuse by the patent owner of his rights — for example, in the fields of military security or public health.

5.52 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, in certain circumstances, may have the right to request a compulsory license for 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.

5.53 All these other types of compulsory licenses can be grouped together under the general heading of compulsory licenses *in the public interest*. National laws are not prevented by the Paris Convention from providing 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.

5.54 It should be noted, however, that Article 31 of the TRIPS Agreement further provides a number of conditions with respect to the use of subject matter of a patent without the authorization of the right-holder.

#### *Grace Period for the Payment of Maintenance Fees*

5.55 Article 5*bis* 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.

5.56 In most countries the maintenance of certain industrial property rights, mainly the rights in patents for invention and trademarks, is subject to the periodical 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 to maintain the patent. That period is six months, and is established as a minimum period, leaving countries free to accept a longer period.

5.57 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.

#### *Patents in International Traffic*

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

5.59 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.

5.60 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.

5.61 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.

#### *Inventions Shown at International Exhibitions*

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

5.63 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.

5.64 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 from that date, say 12 months, and would expire if the application for protection does not follow the exhibition within that period.

5.65 Another means 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, based on the exhibition, by third parties.

5.66 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 "official" if it is organized by a State or other public authority, to consider it "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 "international" if goods from various countries are exhibited.

#### Provisions Concerning Trademarks

##### *Use of Trademarks*

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

5.68 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 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.

5.69 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 give 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.

5.70 The trademark owner's justification of non-use 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.

5.71 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 as it was when formerly 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 differences in the form of the mark as used in the country of its original registration.

5.72 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.

#### *Concurrent Use of the Same Trademark by Different Enterprises*

5.73 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 use.

5.74 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.

#### *Grace Period for the Payment of Renewal Fees*

5.75 Article 5*bis* 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.

5.76 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 paid 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.

5.77 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 with retroactive effect to the original date of expiration.

#### *Independence of Trademarks*

5.78 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.

5.79 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.

5.80 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 canceled, 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.

5.81 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.

#### *Well-Known Trademarks*

5.82 The Convention deals with well-known trademarks in Article 6*bis*. 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.

5.83 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. 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.

5.84 The trademark that is protected by Article 6*bis* must be a “well-known” trademark, as determined in a member country 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.

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

5.86 The protection of a well-known trademark under Article 6*bis* 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, refusal of the application for registration of the conflicting trademark;
- second, cancellation of the registration of a conflicting trademark, allowing 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, prohibition of the use of the conflicting trademark, the request for which may be within a period of time prescribed by a member country; however, no time limit may be fixed for such a request in the case of a conflicting trademark used in bad faith.

#### *State Emblems, Official Hallmarks and Emblems of International Organizations*

5.87 The Convention deals with distinctive signs of States and international intergovernmental organizations in Article 6*ter*. 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.

5.88 The purpose of Article 6*ter* 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.

5.89 The provisions of Article 6*ter* 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.

5.90 The distinctive signs of States that are referred to in Article 6*ter* 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.

5.91 The objective of the provisions of Article 6*ter*, 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. 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.

5.92 To give effect to the provisions of Article 6*ter*, 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.

#### *Assignment of Trademarks*

5.93 Article 6*quater* of the Convention deals with the assignment of trademarks. The rule of Article 6*quater* 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.

5.94 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.

5.95 Article 6*quater* 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.

5.96 It should be noted that Article 6*quater* 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 those 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.

#### *Protection of Trademarks Registered in one Country of the Union in other Countries of the Union*

5.97 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 6*quinquies* of the Convention.

5.98 The provisions of Article 6*quinquies* 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 6*quinquies* the opposite rule prevails, providing for extraterritorial effects of the registration in the country of origin.

5.99 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.

5.100 In order to diminish the impact of those differences on the registration of trademarks in respect of goods in international trade, Article 6*quinquies* 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 a certain uniformity of the law of the various countries as to the concept of trademarks.

5.101 For Article 6*quinquies* 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.

5.102 The rule established by Article 6*quinquies* provides that a trademark which fulfils 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 original French text) — in the other member countries, subject to certain exceptions. This rule is often called the “*telle quelle*” principle.

5.103 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 subject matter 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.

5.104 Article 6*quinquies*, 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.

5.105 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.

5.106 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.

5.107 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.

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

5.109 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.

#### *Service Marks*

5.110 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.

5.111 Article 6*sexies* 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 assimilate service marks to trademarks entirely. However, a member country is free to apply the same rules it applies for trademarks also to service marks in analogous situations or circumstances.

5.112 By virtue of Article 6*sexies*, 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.

#### *Registration in the Name of the Agent without the Proprietor's Authorization*

5.113 Article 6*septies* 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. 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.

5.114 In such cases, Article 6*septies* 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 6*septies* 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.

#### *Nature of the Goods to which a Trademark is Applied*

5.115 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.

5.116 The purpose of this rule, and also the comparable rule in Article 4<sup>quater</sup> 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.

5.117 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.

5.118 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 of 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.

#### *Collective Marks*

5.119 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.

5.120 Article 7<sup>bis</sup> 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.

5.121 In order that Article 7<sup>bis</sup> 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 the association is found to be contrary to that legislation.

5.122 Refusal of registration and protection of the collective mark is not possible on the ground that the association is not established in the country where protection is sought, or is not constituted according to the law of that country. Article 7<sup>bis</sup> 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.

#### *Trademarks Shown at International Exhibitions*

5.123 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.

5.124 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.

5.125 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 of 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.

5.126 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.

#### Provisions Concerning Industrial Designs, Trade Names, Appellations of Origin and Indications of Source and Unfair Competition

##### *Industrial Designs*

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

5.128 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.

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

5.130 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 in any circumstances be subject to any measure of forfeiture as a 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. "Working" means here the manufacture of products representing or incorporating the industrial design.

##### *Trade Names*

5.131 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.

5.132 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.

5.133 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 a requirement and criterion could be applied by that member country.

#### *Appellations of Origin and Indications of Source*

5.134 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)).

5.135 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.

5.136 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.

5.137 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.

5.138 The Paris Convention contains in Articles 10 and 10*bis* 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.

5.139 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.

5.140 The Convention provides that action may be taken not only by the public prosecutor but also by any interested party. In this connection, Article 10(2) 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 are used, is in any case deemed to be an interested party. Moreover, Article 10*ter*, requires the countries to enable 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.

### *Unfair Competition*

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

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

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

5.144 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 in what circumstances, discrediting allegations which are not strictly untrue may also be considered acts of unfair competition.

5.145 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.

## **Administrative and Financial Provisions**

### Organs of the Paris Union

5.146 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 between the various Acts of the Paris Convention.

5.147 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 it. 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 it, 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.

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

5.149 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 policymaking 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.

5.150 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.

5.151 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. However, certain administrative changes are now under consideration (see under Constitutional Reform, Chapter 1).

5.152 The provisions concerning the International Bureau are contained in Article 15. The International Bureau of WIPO 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.

### Finances

5.153 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 VII to a share of one unit. Each member country determines freely the class to which it wishes to belong, but it may also change class afterwards.

### Amendments and Revision

5.154 Article 18 contains the principle of periodical 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.

5.155 The preparations for the conferences of revision of the Paris Convention are carried out by the International Bureau of WIPO in accordance with the directions of the Assembly and in

cooperation with the Executive Committee. In doing so, the International Bureau of WIPO may also consult with other intergovernmental and with international non-governmental organizations.

#### Special Agreements

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

5.157 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.

5.158 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 of WIPO, or agreements prepared and administered by other intergovernmental organizations.

#### Becoming Party to the Convention

5.159 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.

5.160 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.

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

#### Disputes

5.162 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 of WIPO may not take a position in controversies concerning the interpretation or application of the Paris Convention among member countries.

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

5.164 The States party to the Paris Convention for the Protection of Industrial Property are listed in the appropriate document to be found inserted in the back flap of this volume.

## **The Berne Convention for the Protection of Literary and Artistic Works**

### **History**

5.165 Copyright protection on the international level began by about the middle of the nineteenth century on the basis of bilateral treaties. A number of such treaties providing for mutual recognition of rights were concluded but they were neither comprehensive enough nor of a uniform pattern.

5.166 The need for a uniform system led to the formulation and adoption on September 9, 1886, of the Berne Convention for the Protection of Literary and Artistic Works. The Berne Convention is the oldest international treaty in the field of copyright. It is open to all States. Instruments of accession or ratification are deposited with the Director General of the World Intellectual Property Organization (WIPO).

5.167 The Berne Convention has been revised several times in order to improve the international system of protection which the Convention provides. Changes have been effected in order to cope with the challenges of accelerating development of technologies in the field of utilization of authors' works, in order to recognize new rights as also to allow for appropriate revisions of established ones. The first major revision took place in Berlin in 1908, and this was followed by the revisions in Rome in 1928, in Brussels in 1948, in Stockholm in 1967 and in Paris in 1971.

5.168 The purpose of the Stockholm revision was to provide for rapid technological developments as well as the needs of newly independent developing countries, and to introduce administrative and structural changes. As for the preferential provisions for developing countries worked out in Stockholm, these were further taken up at the Paris Revision Conference in 1971, where new compromises were worked out.

5.169 The aim of the Berne Convention, as indicated in its preamble, is "to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works." Article 1 lays down that the countries to which the Convention applies constitute a Union for the protection of the rights of authors in their literary and artistic works.

### **Principal Provisions**

#### Basic Principles

5.170 The Convention rests on three basic principles. Firstly, there is the principle of "national treatment", according to which works originating in one of the member States are to be given the same protection in each of the member States as these grant to works of their own nationals. Secondly, there is automatic protection, according to which such national treatment is not dependent on any formality; in other words protection is granted automatically and is not subject to the formality of registration, deposit or the like. Thirdly, there is independence of protection,

according to which enjoyment and exercise of the rights granted is independent of the existence of protection in the country of origin of the work.

#### Works Protected

5.171 Article 2 contains a non-limitative (illustrative and not exhaustive) list of such works, which include any original production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression. Derivative works, that is those based on other pre-existing works, such as translations, adaptations, arrangements of music and other alterations of a literary or artistic work, receive the same protection as original works (Article 2(3)). The protection of some categories of works is optional; thus every State party to the Berne Convention may decide to what extent it wishes to protect official texts of a legislative, administrative and legal nature (Article 2(4)), works of applied art (Article 2(7)), lectures, addresses and other oral works (Article 2*bis*(2)) and works of folklore (Article 15(4)). Furthermore, Article 2(2) provides for the possibility of making the protection of works or any specified categories thereof subject to their being fixed in some material form. For instance, protection of choreographic works may be dependent on their being fixed in some form.

5.172 One of the important provisions is the one that covers works or expressions of what is called "folklore." Without mentioning the word, the Convention provides that any member country may give protection to unpublished works where the identity of the author is unknown, but where there is every ground to presume that the author is a national of that country, by designating, through the national legislation, the competent authority which should represent the author of unknown identity and protect and enforce his rights in the countries party to the Convention. By providing for the bringing of actions by authorities designated by the State, the Berne Convention offers to countries whose folklore is a part of their heritage, a possibility of protecting it.

#### Owners of Rights

5.173 Article 2(6) lays down that protection under the Convention is to operate for the benefit of the author and his successors in title. For some categories of works, however, such as cinematographic works (Article 14*bis*), ownership of copyright is a matter for legislation in the country where protection is claimed.

#### Persons Protected

5.174 Authors of works are protected, in respect of both their unpublished or published works if, according to Article 3, they are nationals or residents of a member country; alternatively, if, not being nationals or residents of a member country, they first publish their works in a member country or simultaneously in a non-member and a member country.

#### Minimum Standards of Protection

5.175 Certain minimum standards of protection have been prescribed relating to the rights of authors and the duration of protection.

#### Rights Protected

5.176 The exclusive rights granted to authors under the Convention include the right of translation (Article 8), the right of reproduction in any manner or form, which includes any sound or visual recording, (Article 9), the right to perform dramatic, dramatico-musical and musical works (Article 11), the right to broadcast and communicate to the public, by wire, rebroadcasting or

loudspeaker or any other analogous instrument, the broadcast of the work (Article 11*bis*), the right of public recitation (Article 11*ter*), the right to make adaptations, arrangements or other alterations of a work (Article 12) and the right to make cinematographic adaptations and reproductions of a work (Article 14). The so-called “droit de suite” provided for in Article 14*ter* (concerning original works of art and original manuscripts) is optional and applicable only if legislation in the country to which the author belongs permits.

5.177 Independently of the author’s economic rights, Article 6*bis* provides for “moral rights” — that is, the right of the author to claim authorship of his work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the work which would be prejudicial to his honor or reputation.

#### Limitations

5.178 As a sort of counterbalance to the minimum standards of protection there are also other provisions in the Berne Convention limiting the strict application of the rules regarding exclusive right. It provides for the possibility of using protected works in particular cases without having to obtain the authorization of the owner of the copyright and without having to pay any remuneration for such use. Such exceptions, which are commonly referred to as free use of protected works, are included in Articles 9(2) (reproduction in certain special cases), 10 (quotations and use of works by way of illustration for teaching purposes), 10*bis* (reproduction of newspaper or similar articles and use of works for the purpose of reporting current events) and 11*bis*(3) (ephemeral recordings).

5.179 There are two cases where the Berne Convention provides the possibility of compulsory licenses — in Articles 11*bis*(2), for the right to broadcast and communicate to the public, by wire, rebroadcasting or loudspeaker or any other analogous instrument, the broadcast of the work, and 13(1) for the right of recording musical works.

5.180 As far as the exclusive right of translation is concerned, the Berne Convention offers a choice, in that a developing country may, when acceding to the Convention, make a reservation under the so-called “ten-year rule” (Article 30(2)(b)). This provides for the possibility of reducing the term of protection in respect of the exclusive right of translation; this right, according to the said rule, ceases to exist if the author has not availed himself of it within 10 years from the date of first publication of the original work, by publishing or causing to be published, in one of the member countries, a translation in the language for which protection is claimed.

#### Duration of Protection

5.181 The minimum standards of protection provided for in the Berne Convention also relate to the duration of protection. Article 7 lays down a minimum term of protection, which is the life of the author plus 50 years after his death.

5.182 There are, however, exceptions to this basic rule for certain categories of works. For cinematographic works, the term is 50 years after the work has been made available to the public, or, if not made available, then 50 years after the making of such a work. For photographic works and works of applied art, the minimum term of protection is 25 years from the making of the work (Article 7(4)).

5.183 A majority of countries in the world have legislated for life plus a 50-year term of protection since it is felt fair and right that the lifetime of the author and the lifetime of his children should be covered; this could also provide the incentive necessary to stimulate creativity, and constitute a fair balance between the interests of the authors and the needs of society.

5.184 The term of protection, in so far as moral rights are concerned, extends at least until the expiry of the economic rights.

#### Application in time

5.185 The Protection under the Berne Convention is retrospective, since it applies to all works which, at the moment of its coming into force for a specific country, have not yet fallen into the public domain in the country of their origin through the expiry of the term of protection.

### **The Latest (Paris) Act of the Convention**

5.186 The Berne Convention was developed initially according to the standards and requirements of the industrialized countries in Europe. Particularly in the wake of the Second World War, when the political map of the world changed considerably, the Berne Convention also had to face new problems of development. Various newly independent countries had to consider the question of possible accession to the international system of copyright protection as contained in the Convention. They were free to join or not to join it or, where they were already members by virtue of a past colonial or similar status, to withdraw from the Convention.

5.187 While it was almost universally recognized that authors and other creators should be afforded the necessary protection for their intellectual creations, there was also a consciousness that the newly independent developing countries had genuine problems in gaining greater and easier access to works protected by copyright, particularly for their technological and educational needs, from the developed countries. Meanwhile, the advance of technology made more attractive the extension of the geographical scope of the international conventions and multilateral agreements to an increasingly larger number of countries.

5.188 Deliberations at the more recent revision conferences were therefore directed to adapting the systems of international protection of literary and artistic works to the needs of these newly independent countries.

5.189 The question of incorporating into the Convention special provisions for the developing countries was initially mooted at an African Copyright Meeting in Brazzaville in 1963. This matter was pursued at the Conference called in Stockholm in 1967 for revision of the Berne Convention, where a "protocol regarding developing countries" known as the Stockholm Protocol was added to the Convention.

5.190 However, it soon became clear that the solution (the Stockholm Protocol) proposed was unlikely to gain much acceptance among Union countries, particularly those whose works were likely to be made use of under the provisions of the Protocol.

5.191 The Revision Conference convened in Paris in 1971 was predominantly concerned with finding solutions in order to support the universal effect of the Convention and to establish an appropriate basis for its operation, particularly in relation to developing countries. The question was asked whether it was fair and workable to ask the developing countries to take on obligations under the Convention that were agreed upon by developed countries, without taking into consideration the special circumstances of the former. There was certainly a challenge then posed to international copyright itself and this was, in a manner, sorted out through the give-and-take that culminated in the special provisions concerning developing countries that were incorporated in an Appendix, which now forms an integral part of the Convention.

5.192 The Appendix to the Paris (1971) Act of the Berne Convention provides for special faculties open to developing countries concerning translation and reproduction of works of foreign origin. The Appendix augments the Convention's existing exceptions to the author's exclusive rights, including those of reproduction and translation (Articles *2bis*, 9(2), 10(2), *10bis*) and the ten-year rule (Article 30(2)(b)).

5.193 According to this Appendix, countries which are regarded as developing countries in conformity with the established practice of the General Assembly of the United Nations may, under certain conditions, depart from the minimum standards of protection provided for in the Convention. This exceptional regime concerns two rights, the right of translation and the right of reproduction. Details of such provisions in favor of developing countries appear below, in paragraphs 5.201 to 5.205.

## **Administration**

### Administrative Provisions

5.194 The provisions of the Berne Convention fall into two categories, those of substance covering the material law and the administrative and final clauses covering matters of administration and structure. In the latest text of the Convention as revised at Paris in 1971, Articles 1 to 21 and the Appendix contain the substantive provisions and Articles 22 to 38 the administrative and final clauses.

5.195 The Berne Convention is administered by the World Intellectual Property Organization (WIPO). The administrative tasks performed by WIPO include assembling and publishing information concerning the protection of copyright. Each member country communicates to WIPO all new copyright laws. WIPO conducts studies and provides services designed to facilitate protection of copyright; as the Secretariat, it participates in all meetings of the Assembly, the Executive Committee, the Standing Committee on Copyright and Related Rights or Working Groups. In accordance with the directions of the Assembly and in cooperation with the Executive Committee, it shall also, when required, make preparations for the conferences to revise the Convention.

5.196 The administrative provisions provide for an Assembly in which the Government of each member State shall be represented by one delegate. The Assembly determines the program, adopts the budget and controls the finances of the Union. It also elects members of the Executive Committee of the Assembly. One fourth of the number of member countries are to be elected to the Executive Committee. The Executive Committee meets once every year in ordinary session. However, certain administrative changes are now under consideration (see under Constitutional Reform, Chapter 1).

### Becoming Party to the Convention

5.197 In order to become a party to the Berne Convention, an instrument of accession has to be deposited with the Director General of WIPO (Article 29(1)). Accession to the Berne Convention and membership of the Berne Union becomes effective three months after the date on which the Director General of WIPO has notified the deposit of the above-mentioned instrument of accession (Article 29(2)(a)). In accordance with Article I of the Appendix, a developing country has to specifically declare, at the time of its ratification of or accession to the Paris Act, that it will avail

itself of the provisions in the Appendix concerning the compulsory licenses for translation and/or reproduction.

5.198 In becoming party to the Berne Convention, the State concerned becomes a member of the Berne Union. It would therefore be entitled:

- to full membership (right to vote) in the Berne Union Assembly (Article 22(3)(a));
- to the right to vote in elections of or to be elected to the Executive Committee of the Berne Union (Article 23(2)(a));
- to automatic membership in the WIPO Coordination Committee during the period of its membership in the Executive Committee of the Berne Union (Convention establishing WIPO, Article 8(1)(a)).

5.199 To become a member of the Berne Union is in the interest of every country that wants to establish healthy conditions for the development of its culture and economy, and it is particularly in the interest of every developing country.

### **Developing Countries and the Berne Convention**

5.200 The predominant concern at the last revision of the Berne Convention remained the reinforcement of the Convention, while continuing to address the preoccupations of developing countries. The latest (1971) Paris Act of the Berne Convention thus recognizes a special right in favor of developing countries. It provides that in the case of unpublished works, where the identity of the author is unknown, but where there is every ground to presume that he is a national of a country of the Union, the rights in such a work are to be acknowledged in all countries of the Union. By this provision the Berne Convention has rendered it possible for the developing countries to protect their folklore also abroad. It was made a matter for legislation in the country of origin of such works to designate the competent authority which should represent the unknown author and protect and enforce his rights in the countries of the Union. By providing for the bringing of actions by authorities designated by the State, the Berne Convention offers to developing countries, whose folklore is a part of their heritage, a possibility of protecting it.

5.201 In the Appendix which forms an integral part of the Paris Act, special provisions were included concerning developing countries. The Appendix provides for the possibility of granting non-exclusive and non-transferable compulsory licenses in respect of (i) translation for the purpose of teaching, scholarship or research, and (ii) reproduction for use in connection with systematic instructional activities, of works protected under the Convention. These licenses may be granted, after the expiry of certain time limits and after compliance with certain procedural steps, by the competent authority of the developing country concerned. They must provide for just compensation in favor of the owner of the right. In other words the payment to be made by the compulsory licensee must be consistent with standards of royalties normally in vogue in respect of licenses freely negotiated between persons in the two countries concerned. Provision has also to be made to ensure a correct translation or an accurate reproduction of the work, as the case may be, and to specify the name of the author on all copies of such translations or reproductions. Copies of translations and reproductions made and publication under licenses are not, however, allowed to be exported. Since the license is non-exclusive, the copyright owner is entitled to bring out and place on the market his own equivalent copies, upon which the power of the licensee to continue making

copies under the license would cease. However, in that event, the compulsory licensee's stock can be exhausted.

5.202 Compulsory licenses for translations can be granted for languages generally spoken in the developing country concerned. There is a distinction between languages in general use also in one or more developed countries (English, French and Spanish, for example) and those not in general use there (largely local languages of developing countries). In the case of a language in general use in one or more developed countries, a period of three years, starting on the date of the first publication of the work has to elapse before a license can be applied for, whereas for other languages the period has been reduced to one year. To this has to be added a period of six to nine months, as the case may be, for obtaining licenses according to the formalities provided for in the Convention. It is also important here to point out that the system of translation licenses includes licenses for broadcasting, and this is important when we take into account the part played in today's context by the radio and television for educational purposes. These licenses, however, are not for authorizing the broadcasting of a translated work; they relate only to translations made for broadcasting purposes.

5.203 In respect of reproduction, the period after which licenses can be obtained varies according to the nature of the work to be reproduced. Generally it is five years from the first publication. For works connected with the natural and physical sciences and with technology (and this includes mathematical works) the period is three years; while for works of fiction, poetry and drama, the period is seven years.

5.204 The possibility that the Appendix provides for the grant of a compulsory license, if authorization is desired, may favorably influence negotiation and may lead to increased scope for voluntary licensing.

5.205 In so far as compulsory licenses for translation are concerned, instead of availing itself of the facility offered by the system mentioned earlier, the Berne Convention offers a choice in that a developing country may, when ratifying or acceding to the Paris Act, make a reservation under the so-called "ten-year rule" (Article 30(ii) (b)), which provides for the possibility of reducing the term of protection as far as the exclusive right of translation is concerned; this right, according to the said rule, ceases to exist if the author has not availed himself of it within 10 years from the date of first publication of the original work, by publishing or causing to be published, in one of the countries of the Berne Union, a translation in the language for which protection is claimed. The Appendix to the Paris Act of the Berne Convention thus allows a choice between a compulsory license system and the possibility of limiting the right of translation to 10 years as provided for in this Convention. Any developing country may choose between those possibilities but cannot combine them. In other words, this "ten-year" system provides that for 10 years from the publication of the work the author's consent has to be sought before the right to translate is obtained; after this period the right of translation is in the public domain.

5.206 The States party to the Berne Convention for the Protection of Literary and Artistic Works are listed in the appropriate document to be found inserted in the back flap of this volume.

## The WIPO Copyright Treaty (WCT)

### Introduction

5.207 The Berne Convention for the Protection of Literary and Artistic Works, after its adoption in 1886, was revised quite regularly, approximately every 20 years, until revisions which took place in Stockholm in 1967 and in Paris in 1971. The revision conferences were convened, in general, in order to find responses to new technological developments, such as sound recording technology, photography, radio, cinematography and television.

5.208 In the 1970s and 1980s, a number of important new technological developments took place — reprography, video technology, compact cassette systems facilitating “home taping,” satellite broadcasting, cable television, the increase of the importance of computer programs, computer storage of works and electronic databases, etc.

5.209 For a while, the international copyright community followed the strategy of “guided development” by study and discussion, rather than trying to establish new international norms. The recommendations, guiding principles and model provisions worked out by the various WIPO bodies (in the beginning, sometimes in cooperation with Unesco) offered guidance to governments on how to respond to the challenges of new technologies. Those recommendations, guiding principles and model provisions were based, in general, on interpretation of existing international norms, particularly the Berne Convention (for example, concerning computer programs, databases, “home taping,” satellite broadcasting and cable television). But they also included some new standards (for example, concerning distribution and rental of copies). The guidance thus offered in the “guided development” period had an important impact on national legislation, contributing to the development of copyright all over the world. At the end of the 1980s, however, it was recognized that guidance would not suffice any longer.

5.210 The preparation of new, binding international norms began in two forums — within GATT, in the framework of the Uruguay Round negotiations, and at WIPO, first, in one committee of experts and later, in two parallel committees of experts.

5.211 After the adoption of the TRIPS Agreement under the auspices of GATT, the preparatory work of new copyright and related rights norms in the WIPO committees was intensified to deal with problems not addressed by the TRIPS Agreement. To this end, in 1996 the WIPO Diplomatic Conference on Certain Copyright and Related Rights Questions adopted two treaties, the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT).

### Legal Nature of the WCT and its Relationship with Other International Treaties

5.212 The first sentence of Article 1(1) of the WCT provides that “This Treaty is a special agreement within the meaning of Article 20 of the Berne Convention for the Protection of Literary and Artistic Works, as regards Contracting Parties that are countries of the Union established by that Convention.” Article 20 of the Berne Convention contains the following provision: “The Governments of the countries of the Union reserve the right to enter into special agreements among themselves, in so far as such agreements grant to authors more extensive rights than those granted by the Convention, or contain other provisions not contrary to this Convention.” Thus, the

above-quoted provision of Article 1(1) of the WCT makes clear that no interpretation of the WCT is acceptable which may result in any lowering of the level of protection granted by the Berne Convention.

5.213 Article 1(4) of the Treaty establishes a further guarantee for fullest possible respect of the Berne Convention, since it includes, by reference, all substantive provisions of the Berne Convention, providing that “Contracting Parties shall comply with Articles 1 to 21 and the Appendix of the Berne Convention.” Article 1(3) of the Treaty clarifies that, in this context, the Berne Convention means the 1971 Paris Act of that Convention. These provisions should be considered in the light of the provisions of Article 17 of the Treaty, discussed below, under which not only countries party to the said 1971 Paris Act, and, in general, not only countries party to any act of the Berne Convention, but also any member countries of WIPO, irrespective of whether or not they are party to the Convention, and also certain intergovernmental organizations, may adhere to the Treaty.

5.214 Article 1(2) of the Treaty contains a safeguard clause similar to the one included in Article 2.2 of the TRIPS Agreement: “Nothing in this Treaty shall derogate from existing obligations that Contracting Parties have to each other under the Berne Convention for the Protection of Literary and Artistic Works.” The scope of this safeguard clause differs from the parallel provision in the TRIPS Agreement. The TRIPS safeguard clause also has importance from the viewpoint of at least one article of the Berne Convention which contains substantive provisions — namely Article 6*bis* on moral rights — since that article is not included by reference in the TRIPS Agreement. Article 1(2) of the WCT only has relevance from the viewpoint of Articles 22 to 38 of the Berne Convention containing administrative provisions and final clauses which are not included by reference (either in the WCT or the TRIPS Agreement) and only to the extent that those provisions provide obligations for Contracting Parties.

5.215 The second sentence of Article 1(1) of the WCT deals with the question of the relationship of the WCT with treaties other than the Berne Convention. It states that “This Treaty shall not have any connection with treaties other than the Berne Convention, nor shall it prejudice any rights and obligations under any other treaties.” The TRIPS Agreement and the Universal Copyright Convention are examples of such “other treaties.”

5.216 It should also be pointed out that there is no specific relationship between the WCT and the WPPT either, and the latter is also an “other” treaty covered by the second sentence of Article 1(1) of the WCT. There is also no such relationship between the WCT and the WPPT equivalent to that between the Berne Convention and the Rome Convention. Under Article 24(2) of the Rome Convention, only those countries may adhere to that Convention which are party to the Berne Convention or the Universal Copyright Convention. While, in principle, any member country of WIPO may accede to the WPPT, it is not a condition that they be party to the WCT (or the Berne Convention or the Universal Copyright Convention). It is another matter that such a separate adherence is not desirable.

## **Substantive Provisions of the WCT**

### Provisions Relating to the So-called “Digital Agenda”

5.217 During the preparatory work, it became clear that the most important and most urgent task was to clarify existing norms and, where necessary, create new norms to respond to the problems

raised by digital technology, and particularly by the Internet. The issues addressed in this context were referred to as the “digital agenda.”

5.218 The provisions of the WCT relating to the “agenda” cover the following issues — the rights applicable to the storage and transmission of works in digital systems, the limitations on and exceptions to rights in a digital environment, technological measures of protection and rights management information. As discussed below, the right of distribution may also be relevant in respect of transmissions in digital networks; its scope, however, is much broader. Also due to its relationship with the right of rental, the right of distribution is discussed, together with the former right, below.

#### *Storage of Works in Digital Form in an Electronic Medium*

5.219 In June 1982, a WIPO/Unesco Committee of Governmental Experts clarified that storage of works in an electronic medium is reproduction. The Diplomatic Conference adopted an agreed statement which reads as follows: “The reproduction right, as set out in Article 9 of the Berne Convention, and the exceptions permitted thereunder, fully apply in the digital environment, in particular to the use of works in digital form. It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention.”

5.220 It follows from this first sentence that Article 9(1) of the Convention is fully applicable. This means that the concept of reproduction under Article 9(1) of the Convention, which extends to reproduction “in any manner or form” irrespective of the duration of the reproduction, must not be restricted merely because a reproduction is in digital form through storage in an electronic memory, and just because a reproduction is of a temporary nature. It also follows from the same first sentence that Article 9(2) of the Convention is also fully applicable, which offers an appropriate basis to introduce any justified exceptions such as the above-mentioned cases of transient and incidental reproductions in national legislation, in harmony with the “three-step test” provided for in that provision of the Convention (see below, in this section, under “Limitations and Exceptions”).

5.221 The second sentence of the agreed statement confirms the definition of storage of works. It is another matter that the word “storage” may still be interpreted in somewhat differing ways.

#### *Transmission on Digital Networks*

5.222 During the preparatory work, an agreement emerged that the transmission of works on the Internet and in similar networks should be the object of an exclusive right of authorization of the author or other copyright owner, with appropriate exceptions.

5.223 There was, however, no agreement concerning the right or rights which should actually be applied, although the rights of communication to the public and distribution were identified as the two major possibilities. It was also noted, however, that the Berne Convention does not offer full coverage for those rights; the former does not extend to certain categories of works, while explicit recognition of the latter covers only one category, namely that of cinematographic works.

5.224 Differences in the legal characterization of digital transmissions were partly due to the fact that such transmissions are of a complex nature, and that the various experts considered one aspect more relevant than another. However, the most fundamental reason was that coverage of the above-mentioned two rights differs to a great extent in national laws. It became evident that it would be difficult to reach consensus on a solution based on one right over the other.

5.225 A specific solution was therefore adopted, which provided that the act of digital transmission should be described in a neutral way, free from specific legal characterization; that such a description should not be excessively technical and, at the same time, should convey the interactive nature of digital transmissions; that, in respect of legal characterization of the exclusive right — that is, in respect of the actual choice of the right or rights to be applied — sufficient freedom should be left to national legislation; and, finally, that the gaps in the Berne Convention in the coverage of the relevant rights — the right of communication to the public and the right of distribution — should be covered. This solution was referred to as the “umbrella solution.”

5.226 The WCT applies this “umbrella solution” by extending applicability of the right of communication to the public to all categories of works, and clarifies that that right also covers transmissions in interactive systems described in a manner free of legal characterization. Thus Article 8 of the Treaty reads as follows: “Without prejudice to the provisions of Articles 11(1)(ii), 11*bis*(1)(i) and (ii), 11*ter*(1)(ii), 14(1)(ii) and 14*bis*(1) of the Berne Convention, authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.” It was stated in the Diplomatic Conference that Contracting Parties are free to implement the obligation to grant an exclusive right to authorize such “making available to the public” also through the application of a right other than the right of communication to the public or through the combination of different rights. By the “other” right, first of all, the right of distribution was meant, but “other” right might also be a specific new right such as that of making available to the public as provided for in Articles 10 and 14 of the WPPT.

5.227 An agreed statement was adopted concerning this Article 8. It reads as follows: “It is understood that the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Treaty or the Berne Convention. It is further understood that nothing in Article 8 precludes a Contracting Party from applying Article 11*bis*(2).” This statement is intended to clarify the issue of liability of service and access providers in digital networks like the Internet: it is evident that, if a person engages in an act not covered by a right provided in the Convention (and in corresponding national laws), such person has no direct liability for the act covered by such a right.

#### *Limitations and Exceptions in the Digital Environment*

5.228 An agreed statement was adopted in this respect, which reads as follows: “It is understood that the provisions of Article 10 [of the Treaty] permit Contracting Parties to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which have been considered acceptable under the Berne Convention. Similarly, these provisions should be understood to permit Contracting Parties to devise new exceptions and limitations that are appropriate in the digital network environment. It is also understood that Article 10(2) [of the Treaty] neither reduces nor extends the scope of applicability of the limitations and exceptions permitted by the Berne Convention.” The provisions of Article 10 of the Treaty referred to in the agreed statement are discussed below. It is obvious that extending limitations and exceptions into the digital environment, or devising new exceptions and limitations for such environment, is subject to the three-step test included in that Article (see below, in this section, under “Limitations and Exceptions”).

#### Technological Measures of Protection and Rights Management Information

5.229 No rights in respect of digital uses of works, particularly uses on the Internet, may be applied efficiently without the support of technological measures of protection and rights

management information necessary to license and monitor uses. The application of such measures and information are left to the interested right-owners, but appropriate legal provisions are included in Articles 11 and 12 of the Treaty.

5.230 Under Article 11 of the Treaty, Contracting Parties must provide “adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.”

5.231 Article 12(1) of the Treaty obliges Contracting Parties to “provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty or the Berne Convention, (i) to remove or alter any electronic rights management information without authority; (ii) to distribute, import for distribution, broadcast or communicate to the public, without authority, works or copies of works knowing that electronic rights management information has been removed or altered without authority.” Article 12(2) defines “rights management information” as meaning “information which identifies the work, the author of the work, the owner of any right in the work, or information about the terms and conditions of use of the work, and any numbers or codes that represent such information, when any of these items of information is attached to a copy of a work or appears in connection with the communication of a work to the public.”

5.232 An agreed statement was adopted by the Diplomatic Conference concerning Article 12 of the Treaty, which is in two parts. The first part reads: “It is understood that the reference to ‘infringement of any right covered by this Treaty or the Berne Convention’ includes both exclusive rights and rights of remuneration.” The second part reads: “It is further understood that Contracting Parties will not rely on this Article to devise or implement rights management systems that would have the effect of imposing formalities which are not permitted under the Berne Convention or this Treaty, prohibiting the free movement of goods or impeding the enjoyment of rights under this Treaty.”

#### Other Substantive Provisions

##### *Criteria of Eligibility for Protection*

5.233 The WCT settles certain issues — country of origin, national treatment, formality free protection, possible restriction of (“backdoor”) protection in respect of works of nationals of certain countries not party to the Treaty — in a simple way: in Article 3, it provides for the *mutatis mutandis* application of Articles 3 to 6 of the Berne Convention.

5.234 An agreed statement was also adopted by the Diplomatic Conference as guidance in the *mutatis mutandis* application of those provisions, which reads as follows: “It is understood that, in applying Article 3 of this Treaty, the expression ‘country of the Union’ will be read as if it were a reference to a Contracting Party to this Treaty in the application of those Berne Articles in respect of protection provided for in this Treaty. It is also understood that the expression ‘country outside the Union’ in those Articles in the Berne Convention will, in the same circumstances, be read as if it were a reference to a country that is not a Contracting Party to this Treaty, and that ‘this Convention’ in Articles 2(8), 2bis(2), 3, 4 and 5 of the Berne Convention will be read as if it were a reference to the Berne Convention and this Treaty. Finally, it is understood that a reference in Articles 3 to 6 of the Berne Convention to a ‘national of one of the countries of the Union’ will, when these Articles are applied to this Treaty, mean, in regard to an intergovernmental organization

that is a Contracting Party to this Treaty, a national of one of the countries that is member of that organization.”

#### Subject Matter and Scope of Protection

5.235 Article 3 of the Treaty, dealt with above, also prescribes the *mutatis mutandis* application of Articles 2 and 2*bis* of the Berne Convention. The scope of the subject matter covered by copyright, particularly in relation to computer programs and databases, was explored in the WCT. The Treaty shares the same concept of literary and artistic works as is found in the Berne Convention. The Treaty also includes, however, some clarifications on the matter in common with those in the TRIPS Agreement.

5.236 First, Article 2 of the Treaty clarifies that “Copyright protection extends to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.” This is virtually the same as the clarification included in Article 9.2 of the TRIPS Agreement. Nor is the principle reflected in Article 2 new in the context of the Berne Convention, since countries party to the Convention have always understood the scope of protection under the Convention in that way.

5.237 Second, Articles 4 and 5 of the Treaty contain clarifications concerning the protection of computer programs as literary works and of compilations of data (databases), which are similar to those included in Article 10 of the TRIPS Agreement. Two agreed statements specify that the scope of protection for computer programs under Article 4 of the Treaty and for compilations of data (databases) under Article 5 of the Treaty “is consistent with Article 2 of the Berne Convention and on par with the relevant provisions of the TRIPS Agreement.”

#### Rights to be Protected

5.238 Article 6(1) of the WCT provides an exclusive right to authorize the making available to the public of originals and copies of works through sale or other transfer of ownership, that is, an exclusive right of distribution. Under the Berne Convention, it is only in respect of cinematographic works that such a right is granted explicitly. Such a right, surviving at least until the first sale of copies, may be deduced as an indispensable corollary to the right of reproduction, and, in some legal systems, the right of distribution is in fact recognized on this basis. Article 6(1) of the WCT should be considered at least a useful clarification of the obligations under the Berne Convention (and also under the TRIPS Agreement, which includes by reference the relevant provisions of the Convention), and at the most as adding to both.

5.239 Article 6(2) of the Treaty deals with the issue of the exhaustion of the right of distribution. It does not oblige Contracting States to choose national/regional exhaustion or international exhaustion — or to regulate at all the issue of exhaustion — of the right of distribution after the first sale or other first transfer of ownership of the original or a copy of the work, with the authorization of the author.

5.240 Article 7 of the Treaty provides an exclusive right of authorizing commercial rental to the public in respect of the same categories of works — computer programs, cinematographic works and works embodied in phonograms, as determined in the national laws of Contracting Parties — as those covered by Articles 11 and 14.4 of the TRIPS Agreement, and with the same exceptions. The exceptions are in respect of computer programs which are not themselves the essential objects of the rental, in respect of cinematographic works unless commercial rental leads to widespread copying of such works, materially impairing the exclusive right of reproduction, and in respect of a Contracting Party which, on April 15, 1994, had and still has in force a system of equitable remuneration for rental of copies of works included in phonograms, instead of an exclusive right: in

the latter case the Contracting Party may maintain that system provided that commercial rental does not give rise to the material impairment of the exclusive right of authorization.

5.241 An agreed statement was adopted by the Diplomatic Conference on Articles 6 and 7 of the Treaty. It reads: "As used in these Articles, the expressions 'copies' and 'original and copies,' being subject to the right of distribution and the right of rental under the said Articles, refer exclusively to fixed copies that can be put into circulation as tangible objects."

#### Duration of Protection of Photographic Works

5.242 Article 9 of the WCT removes the unjustified discrimination against photographic works as to the duration of protection. It obliges Contracting Parties not to apply Article 7(4) of the Berne Convention, which, as also for works of applied art, prescribes a shorter term — 25 years — for photographic works than for the general 50-year term.

#### Limitations and Exceptions

5.243 Paragraph (1) of Article 10 determines the types of limitations on, or exceptions to, the rights granted under the Treaty which may be applied, while paragraph (2) of that Article provides criteria for the application of limitations of, or exceptions to, the rights under the Berne Convention.

5.244 Both paragraphs use the three-step test included in Article 9(2) of the Berne Convention to determine the limitations and exceptions allowed. That is to say, exceptions and limitations are only allowed in certain special cases:

- provided that they do not conflict with a normal exploitation of the work;
- provided that they do not unreasonably prejudice the legitimate interests of the authors.

5.245 Under Article 9(2) of the Berne Convention, this test is applicable only to the right of reproduction, while both paragraphs of Article 10 of the Treaty cover all rights provided for in the Treaty and the Berne Convention respectively. In this, the provisions of Article 10 are similar to Article 13 of the TRIPS Agreement, which applies the same test for all rights provided for in the TRIPS Agreement, either directly or through inclusion by reference to the substantive provisions of the Berne Convention.

#### Application in Time

5.246 Article 13 of the WCT refers simply to Article 18 of the Berne Convention to determine the works to which the Treaty applies at the moment of its entry into force for a given Contracting State, and stipulates that the provisions of that Article must also be applied to the Treaty.

#### Enforcement of Rights

5.247 Article 14, paragraph (1) is a *mutatis mutandis* version of Article 36(1) of the Berne Convention. It provides that "Contracting Parties undertake to adopt, in accordance with their legal systems, the measures necessary to ensure the application of this Treaty."

5.248 Paragraph (2) of Article 14 is a *mutatis mutandis* version of the first sentence of Article 41.1 of the TRIPS Agreement. It reads: "Contracting Parties shall ensure that enforcement procedures are available under their law so as to permit effective action against any act of infringement of

rights covered by this Treaty, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.”

### **Administrative Provisions**

5.249 The administrative provisions and final clauses, in general, are the same as or similar to the provisions of other WIPO treaties on the same issues. Two specific features should be mentioned, namely the possibility of intergovernmental organizations becoming party to the Treaty and the greater number of instruments of ratification or accession needed for entry into force of the Treaty.

5.250 Article 17 of the Treaty provides for eligibility for becoming party to the Treaty. Under paragraph (1), any Member State of WIPO may become party to the Treaty. Paragraph (2) provides that “The Assembly may decide to admit any intergovernmental organization to become party to this Treaty which declares that it is competent in respect of, and has its own legislation binding on all its Member States on, matters covered by this Treaty and that it has been duly authorized, in accordance with its internal procedures, to become party to this Treaty.” Paragraph (3) adds the following: “The European Community, having made the declaration referred to in the preceding paragraph in the Diplomatic Conference that has adopted this Treaty, may become party to this Treaty.”

5.251 The number of instruments of ratification or accession needed for the entry into force of the WCT was fixed at 30. The WCT entered into force on March 6, 2002. The States party to the WCT are listed in the appropriate document to be found inserted in the back flap of this volume.

## **The Patent Cooperation Treaty (PCT)**

### **Introduction**

#### The National Patent System

5.252 The national 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), the Eurasian patent system 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 when 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.

5.253 Filing of patent applications under the national system means that every single Patent Office with which an application is filed has to carry out a formal examination of every application filed

with it. Where Patent Offices examine patent applications as to substance, each Office 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.

5.254 The principal difference between the national patent system 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

5.255 In order to overcome some of the problems involved in the national system, in September 1966, the Executive Committee of the International (Paris) Union for the Protection of Industrial Property invited 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 the following years, a number of BIRPI meetings prepared drafts and a Diplomatic Conference held in Washington, D.C., 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 18 Contracting States.

5.256 The progress of the PCT demonstrates 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. Statistical indications of this success can be found in the relevant document in the back flap of this volume.

#### Objectives of the PCT

5.257 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 of and responsibility for granting 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 already party to that Convention.

5.258 The principal objective of the PCT is, by simplification leading to more effectiveness and economy, to improve on — 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 in several countries for patent protection for inventions.

5.259 To achieve its objective, the PCT:

- establishes an international system which enables 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;
- provides for centralized international publication of international applications with the related international search reports, as well as their communication to the designated Offices;
- provides an option for an international preliminary examination of the international application, which gives the applicant and subsequently the Offices that have to decide whether or not to grant a patent, a report containing an opinion as to whether the claimed invention meets certain international criteria for patentability.

5.260 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 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. In PCT terminology, a reference to “national” Office, “national” phase or “national” fees includes the reference to the procedure before a regional patent Office.

5.261 Especially in more developed countries with a greater number of patent applications, Patent Offices have been struggling for years with heavy workloads (leading to delays), and with questions of how best to allocate resources so as to ensure that the patent system yields the greatest return from the available manpower. Under the PCT system, by the time the international application reaches the national Office, it has already been examined as to form by the receiving Office, been searched by the International Searching Authority and possibly examined by an International Preliminary Examining Authority. These centralized procedures of the international phase thus reduce the workload of the national Patent Offices.

5.262 Further main objectives of the PCT are to facilitate and accelerate access by industry and other interested sectors to technical information related to inventions and to assist developing countries in gaining access to technology.

## **The Functioning of the PCT System**

### Filing an International Application

5.263 Any national or resident of a PCT Contracting State can file an international application. International applications can be filed in most cases with the national Office, which will act as a PCT receiving Office. In addition, the International Bureau can act as a receiving Office as an option for nationals and residents of all PCT Contracting States.

5.264 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 for a national patent in his application. It has the effect of a regional patent application in those PCT Contracting States which are party to a regional patent treaty, providing they are designated for a regional patent (that is, an ARIPO patent, a Eurasian patent, a European patent or an OAPI patent).

5.265 The PCT prescribes certain standards for international applications. An international application which is prepared in accordance with these standards will be acceptable, so far as the form and contents of the application are concerned, to all the PCT Contracting States, and no subsequent modifications because of varying national or regional requirements (and the cost associated therewith) will become necessary. No national law may require compliance with requirements relating to the form or contents of the international application different from or additional to those which are provided for by the PCT.

5.266 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.

5.267 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;
- the international fee, to cover the work of the International Bureau.

5.268 An applicant who is a natural person and who is a national of and resides in a State whose per capita national income is below a certain level, based on income figures used by the United Nations for determining its scale of assessments for contributions to it, is entitled to a sizable reduction of certain PCT fees, including the international fee. If there are several applicants, each must satisfy the above-mentioned criteria.

5.269 The language in which an international application can be filed depends upon the requirements of the receiving Office with which the application is filed and of the International Searching Authority which is to carry out the international search. The main languages in which international applications may be filed are Chinese, English, French, German, Japanese, Russian and Spanish; other languages also accepted, so far, are Danish, Dutch, Finnish, Norwegian and Swedish.

5.270 The receiving Office, after having accorded an international filing date and made a formal check, 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.

#### International Search

5.271 Every international application is subjected to an international search, that is, a high quality search of the patent documents and other technical literature in those languages in which most patent applications are filed (English, French and German, and in certain cases Chinese, Japanese, Russian and Spanish). The high quality of the international search is assured by the standards prescribed in the PCT for the documentation, staff qualifications 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.

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

5.273 Each International Searching Authority is 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.

5.274 The results of the international search are given in an international search report, which is normally made available to the applicant by the fourth or fifth month after the application is filed. The citations of documents 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, and to decide whether it is worth continuing to seek protection for his invention in the designated States.

5.275 An international search report which is favorable, that is, in which the citations of prior art would appear not to prevent the grant of a patent, assists the applicant in the subsequent prosecution of the application before the designated Offices. If a search report is unfavorable, the applicant has the opportunity to amend the claims in his international application to better distinguish the invention from the state-of-the-art or to withdraw the application before it is published.

5.276 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 applications and otherwise evaluating the inventions described.

5.277 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 the designated Offices.

#### International Publication

5.278 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 which may ultimately be obtained.

5.279 The International Bureau publishes a PCT pamphlet which contains 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 also the description, the claims, any drawings and the international search report. If the claims of the international application have been amended, the claims are published both as filed and as amended. International publication occurs, in general, 18 months after the priority date of the international application.

5.280 The pamphlet is published in the language of the international application as filed, if that language is Chinese, English, French, German, Japanese, Russian or Spanish. If, however, the international application is published in Chinese, 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 any other language, it is translated and published in English.

5.281 The publication of each pamphlet is announced in the *PCT Gazette*, which lists the published international applications in the form of entries reproducing data taken from 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.

5.282 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.

#### International Preliminary Examination

5.283 Once the applicant has received the international search report, he may make a specific request for international preliminary examination (by filing a "demand" in which designated States are "elected") 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. A fee for international preliminary examination is due when a demand is filed with the International Preliminary Examining Authority, together with a handling fee to cover the work of the International Bureau. Applicants from certain States are entitled to a sizable reduction of the handling fee (see paragraph 5.268, above).

5.284 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, with the exception of the Spanish Patent and Trademark Office. 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 into English, if required by any elected Office. The opinion on the patentability of the invention, on the basis of the international criteria mentioned above, provides the applicant with an even stronger basis for calculating his chance of obtaining a patent, and the elected Offices have an even better basis for their decision whether to grant a patent. In countries 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 patents.

5.285 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. The copy communicated will be used for the subsequent prosecution of the international application before those Offices since, as explained above, the PCT is only a system for filing and not for granting patents, the latter remaining the exclusive task and responsibility of the designated Offices. In practice, more than half of these Offices have waived the weekly communications of copies of published international applications and receive, instead, a free-of-charge complete collection on CD-ROM of all such applications. A CD-ROM workstation is also provided by the International Bureau. The main advantages of the CD-ROM format are rapid access via computer and the limited storage space required. It is noted that, in any case, a

designated Office is entitled to receive, upon specific request, copies (on paper) of the international applications and of related documents in which it is designated.

5.286 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 (the “National Phase”)

5.287 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 obtaining 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 application and the procedure will automatically come to an end. The applicant has in such a case saved himself great expense, namely, the costs involved in filing separate national applications under the traditional Paris Convention route. He has not paid for applications and translations for the national Offices, he has not paid fees to those Offices, and he has not appointed local agents: all this is required under the traditional Paris Convention route within 12 months from the priority date, and must be done without having the basis for evaluating the likelihood of obtaining a patent, which is afforded under the PCT by the international search report and, optionally, the international preliminary examination report.

5.288 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 months (or 30 months, if Chapter II is applicable) from the priority date. Once national processing starts, the normal national procedures apply, subject to 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.

5.289 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, relating to the national phase. Further information is regularly published in the *PCT Gazette*, (Section IV — Notices and Information of a General Character), and in the *PCT Newsletter*, a monthly publication which contains up to date news about the PCT. WIPO’s home page on the Internet includes the *PCT Applicant’s Guide* and the *PCT Newsletter* as well as other information of a general nature on the PCT. The World Wide Web address is: <http://www.wipo.int>

## **Advantages of the PCT System**

### Advantages for Patent Offices

5.290 More and more Patent Offices are having to consider how to employ their available manpower to the greatest advantage. This is true not only because of the number of patent applications which they must handle (in a country in the process of development, the number will surely rise considerably in the future as a consequence of an increase in the country’s industrial

activity) but also because of the expanding role that Patent Offices are being required to fulfil: they provide technical advisory services to local industry (because of available 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, outlined in the following paragraphs.

5.291 Patent Offices can expect to employ their available manpower to handle more patent applications, since those applications coming via the PCT have already been verified with regard to compliance with formal requirements during the international phase.

5.292 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 forgo 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.

5.293 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 is from annual or renewal fees, which are not affected by the Treaty.

5.294 Examining Patent Offices benefit, in respect of most applications filed by foreigners, from an international search report and an international preliminary examination report. Their search costs are also thereby reduced.

5.295 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 than under the 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.

5.296 Patent Offices of States party to the Harare Protocol, to the Eurasian Patent Convention or to the European Patent Convention which opt to close the national route are not involved in the processing of international applications designating such States. Choosing this option is therefore particularly advisable if the national Patent Office is less well equipped than the regional Office and is not prepared to receive and process increasing numbers of applications.

#### Advantages for the Applicant

5.297 Applicants may file their application in their own country (or, where applicable, with the competent regional Office, or with the International Bureau as receiving 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. In a typical case, they have spent much less money in the stage prior to a granted patent than otherwise.

5.298 If the applicant does not use the international procedure offered by the PCT, he must start preparations for filing abroad three to six months before the expiration of the priority period. He must prepare translations of his application and have them put into a different form for each country. Under the PCT, the applicant files only one application (the international application), within the priority year, with effect in all States he has designated; that application, which may be

filed until the last day of the priority year, may be identical both as to language and form with his own national application.

5.299 The cost of further translation has to be met eventually, but not until eight (or 18) months later than under a procedure which does not use the PCT, and only if the applicant, having evaluated the international search report and, where available, the international preliminary examination report also, is still interested in the countries concerned. If not, he saves all subsequent costs.

#### Advantages for the National Economy and for Industry

5.300 International applications will be pursued in the national phase only if the applicant believes, after seeing the results of the international search and usually also the international preliminary examination, that there are sound economical and technical reasons for doing so. Thus patents granted on the basis of international applications will usually provide a sounder basis for investment and transfer of technologies.

5.301 Technological progress is an essential factor of national economic development. It is recognized that real technological progress cannot be achieved or cannot continue in a country, however industrialized, without constant stimulation of domestic inventive activities and at the same time importation (via licenses) of advanced technologies from foreign countries. Since the PCT system greatly facilitates the obtaining of patent protection on an international level, and since the patents granted through the PCT route have been subjected to high-quality international search and usually also international preliminary examination, more and more applicants are seeking patent protection on an international level through the PCT, thus preparing the route for technology transfer and licensing agreements.

5.302 With more licensed technology, foreign investment will be stimulated. And with more advanced technologies and more investment, there will be increased levels of local employment and the technical skills of the local work force will be enhanced. As the level of economic and technological development rises, an increasing number of nationals will use and greatly benefit from the PCT system when they seek patent protection abroad for their inventions, thus aiding in the penetration of export markets by local industry.

5.303 The economies of many developing countries are growing rapidly; more investment and technology transfer in various areas, depending on the country concerned, are needed, as well as the creation and modernization, locally, of certain types of industries (manufacturers, etc.) and services. Since foreign investors and licensors are relatively more interested in investing in and transferring technologies to a country whose economy is growing and where production costs are relatively low, the PCT will often serve as an indispensable part of the country's strategy to foster its growing economy and to promote the steady rise of its economic and technological level.

#### Technical Information

5.304 A further important advantage of the PCT for developing countries lies in its information effect. It can be 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 from them. 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. Patent Offices of PCT Contracting States are entitled to receive, free of charge, a copy of all published international applications, of the *PCT Gazette* and of any other publication of general interest published by the International Bureau in connection with the PCT.

5.305 The PCT offers distinct advantages for developing countries participating in this system of international patent cooperation and requires no payment of contributions. That there is sufficient awareness of these advantages is confirmed by the impressive number of developing countries already party to the Treaty.

5.306 The States party to the Patent Cooperation Treaty are listed in the appropriate document to be found inserted in the back flap of this volume.

### **The Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure**

5.307 The Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (the Budapest Treaty), which is a special agreement under Article 19 of the Paris Convention, entered into force on August 9, 1980. The States party to the Treaty are listed in the appropriate document in the back flap of this volume.

#### **Background to the Treaty**

5.308 Disclosure of the invention is a generally recognized requirement for the grant of patents. Normally, an invention is disclosed by means of a written description. Where an invention involves a microorganism, or the use of a microorganism, which is not available to the public, such a description is not always sufficient for disclosure. That is why in the patent procedure of an increasing number of countries it is necessary not only to file a written description but also to deposit, with a specialized institution, a sample of the microorganism. Patent Offices are not equipped to handle microorganisms, whose preservation requires special expertise and equipment to keep them viable, to protect them from contamination and to protect health or the environment from contamination. Such preservation is costly. The furnishing of samples also requires specialized expertise and equipment.

5.309 When protection is sought in several countries for an invention involving a microorganism or the use of a microorganism, the complex and costly procedures of the deposit of the microorganism might have to be repeated in each of those countries. It was in order to eliminate or reduce such multiplication, in order to enable one deposit to serve the purpose of all the deposits which would otherwise be necessary, that the Treaty was concluded.

#### **Summary of the Treaty**

5.310 The main feature of the Treaty is that a Contracting State which allows or requires the deposit of microorganisms for the purposes of patent procedure must recognize, for such purposes, the deposit of a microorganism with any "international depository authority" (Article 3(1)(a)), irrespective of whether such authority is on or outside the territory of the said State. In other words, one deposit, with one international depository authority, will suffice for the purposes of patent procedure before the national Patent Offices (called "industrial property offices" in the Treaty) of all of the Contracting States and before any regional Patent Office (for example the

European Patent Office) which has filed a declaration of acceptance under Article 9(1)(a) of the Treaty.

5.311 What the Treaty calls an “international depositary authority” is a scientific institution — typically a “culture collection” — which is capable of storing microorganisms. Such an institution acquires the status of “international depositary authority” through the furnishing, by the Contracting State on the territory of which it is located, of assurances to the Director General of WIPO to the effect that the said institution complies, and will continue to comply, with the requirements specified in Article 6(2), including, in particular, that it will be available, for the purposes of the deposit of microorganisms, to any “depositor” (person, firm, etc.) under the same conditions, that it will accept and store the deposited microorganisms and that it will furnish samples thereof to anyone entitled to such samples but to no one else. The said assurances may be furnished also by certain intergovernmental industrial property organizations (Article 7(1)(a)).

5.312 The Regulations contain detailed provisions (Rule 11) on who is entitled — and when — to receive samples of the deposited microorganism. The depositor himself has a right to a sample at any time (Rule 11.2(i)). He may authorize any third party (authority, natural person, legal entity) to ask for a sample and such a third party will receive a sample upon producing such an authorization (Rule 11.2(ii)). Any “interested” industrial property office to which the Treaty applies may ask for a sample and will receive one; an industrial property office will mainly be regarded as “interested” where the microorganism is needed for the purposes of patent procedure before the said office (Rule 11.1). Any other party may obtain a sample if, roughly stated, an industrial property office to which the Treaty applies certifies that, under the applicable law, such a party has the right to a sample of the given microorganism; the elements of the certification are provided for in detail to ensure that the maximum extent of caution will be exercised by the industrial property office before it issues a certification (Rule 11.3(a)).

5.313 The Treaty and the Regulations contain provisions allowing for what is called a “new” deposit where no samples of the originally deposited microorganism can be furnished (Article 4), for the termination or limitation of the status of international depositary authority at the will of the Contracting States where the said authority does not, or does not fully, comply with its assumed duties (Article 8), and for all microorganisms deposited with an international depositary authority to be transferred to another such authority if the former is about to cease functioning as such (Rule 5.1). They also regulate the contents of the receipt that each international depositary authority is required to issue to the depositor for the deposited microorganism (Rule 7), and provide for the testing of the viability of the deposited microorganisms and the issuance of viability statements (Rule 10), for the international depositary authority to charge a fee for each deposit, the fee covering the minimum 30 years during which the deposited microorganism must be stored (Rules 9 and 12). They also contain provisions related to the applicability of the Treaty to intergovernmental industrial property organizations (Article 9).

### **Main Advantages of the Treaty**

5.314 The Treaty is primarily advantageous to the depositor who is an applicant for patents in several countries. It will save him money because, instead of depositing the microorganism in each and every country in which he files a patent application referring to that microorganism, he can deposit it only once, with one depositary, with the consequence that in all but one of the countries in which he seeks protection he will save the fees and costs that deposits would have otherwise entailed. In most cases, there will be at least one international depositary authority in the country of the depositor, which means that he will deal with an authority which is close to him, with which he can deal in his own language, to which he can pay the fees in his own currency and which he may even know from personal experience.

5.315 The security of the depositor is increased by the fact that, for an institution to become an international depositary authority, solemn assurances as to the seriousness and continued existence of that institution must be given; such assurances must be given by a State or by an intergovernmental industrial property organization and they are addressed to all the member States of the Budapest Union. Consequently, it may be expected that the assurances will be strictly respected, all the more so since, if they are not so respected, the member States may take away from the defaulting institution the status of international depositary authority.

5.316 Finally, it is to be noted that adherence to the Treaty entails no financial burden or obligation for any Government.

## **The Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement**

### **Introduction**

5.317 The system of international registration of marks is governed by two treaties, the Madrid Agreement Concerning the International Registration of Marks, which dates from 1891, and the Protocol Relating to the Madrid Agreement, which was adopted in 1989, entered into force on December 1, 1995, and came into operation on April 1, 1996. Common Regulations under the Agreement and Protocol also came into force on that last date. The system is administered by the International Bureau of WIPO, which maintains the International Register and publishes the *WIPO Gazette of International Marks*.

5.318 The reason for the much more recent Protocol, following the original Madrid Agreement of 1891 (last amended at Stockholm in 1967), was the absence from the Madrid Union of some of the major countries in the trademark field — for example, Japan, the United Kingdom and the United States of America. The Protocol is intended to make the Madrid system acceptable to more countries. It differs from the Agreement in offering such options as:

- a choice for the applicant, allowing international registrations to be based on national applications and not only on national registrations;
- a period of 18 months, instead of one year, for Contracting Parties to refuse protection, with the possibility of a longer period in the case of a refusal based on an opposition;
- the possibility for the office of a designated Contracting Party to receive, instead of a share in the revenue from the standard fees, an “individual fee” whose amount may not be higher than the fees it charges for national or regional registration or renewal, the said amount being diminished by the savings resulting from the international procedure;
- the transformation of an international registration which is no longer protected because the basic mark has ceased to have effect in the country of origin, international or regional applications in some or all of the designated Contracting Parties, with the filing date, and where applicable the priority date, of the international registration;

- the possibility for the Protocol to be joined not only by States, but in addition by any intergovernmental organization which has an office for registering marks with effect in its territory.

## **The Functioning of the System of International Registration**

### Filing an International Registration

5.319 An application for international registration (an “international application”) may be filed only by a natural person or a legal entity which has a real and effective industrial or commercial establishment in, or is domiciled in, or is a national of, a country which is party to the Madrid Agreement or the Madrid Protocol, or who has such an establishment in, or is domiciled in, the territory of an intergovernmental organization which is a party to the Protocol, or is a national of a member State of such an organization.

5.320 The Madrid system of international registration cannot be used by a person or legal entity which does not have the necessary connection, through establishment, domicile or nationality, with a member of the Madrid Union. Nor can it be used to protect a trademark outside the Madrid Union.

5.321 A mark may be the subject of an international application only if it has already been registered (or, where the international application is governed exclusively by the Protocol, if registration has been applied for) in the Office of origin. In the case of an international application governed exclusively by the Agreement or by both the Agreement and Protocol (see paragraph 5.313), the Office of origin is the Trademark Office of the Contracting State in which the applicant has a real and effective industrial or commercial establishment; if he has no establishment in such a State, it is the Office of the Contracting Party where he has a domicile; if he has no domicile in such a State, it is the Office of the Contracting State of which he is a national. In the case of an international application governed exclusively by the Protocol, these restrictions on the choice of Office of origin (sometimes referred to as the “cascade”) do not apply; the Office of origin may be the Office of *any* Contracting Party with respect to which a person or entity fulfills one or more of the above conditions.

5.322 An international application must designate one or more Contracting Parties (not the Contracting Party whose Office is the Office of origin) in which the mark is to be protected. Further Contracting Parties may be designated subsequently. A Contracting Party may be designated only if that Contracting Party and the Contracting Party whose Office is the Office of origin are both party to the same treaty, that is, the Agreement or the Protocol.

5.323 The designation of a given Contracting Party is made under that treaty which is common to that Contracting Party and the Contracting Party whose Office is the Office of origin. Where both Contracting Parties are party to both the Agreement and the Protocol, it is the Agreement which governs the designation; this follows from the so-called “safeguard” clause, Article 9*sexies* of the Protocol. It follows that there are three kinds of international application:

- an international application *governed exclusively by the Agreement*; this means that all the designations are made under the Agreement;
- an international application *governed exclusively by the Protocol*; this means that all the designations are made under the Protocol;

- an international application *governed by both the Agreement and the Protocol*; this means that some of the designations are made under the Agreement and some under the Protocol.

5.324 An international application must be presented to the International Bureau through the Office of origin. It must contain, *inter alia*, a reproduction of the mark (which must be identical with that in the basic registration or basic application) and a list of the goods and services for which protection is sought, classified in accordance with the International Classification of Goods and Services (Nice Classification). If the international application is governed exclusively by the agreement, it must be in French; if it is governed exclusively by the Protocol or by both the Agreement and the Protocol, it may be in either English or French, though the Office of origin may restrict the applicant's choice to one of these languages.

5.325 An international application may claim priority under Article 4 of the Paris Convention, whether from the application with the Office of origin or from a prior application with another Office, which need not be the Office of a party to the Agreement or Protocol.

5.326 The international application is subject to the payment of the following fees:

- the basic fee;
- a complementary fee in respect of each designated Contracting Party for which no individual fee is payable;
- an individual fee in respect of any Contracting Party which is designated under the Protocol and has declared that it wishes to receive such a fee the amounts of the individual fees are determined by the respective Contracting Parties and are published in the *Gazette*; each of these Contracting Parties has the possibility, under the Common Regulations, to specify that such a fee is to be paid in two parts (the first part being payable at the time of filing and the second part when – and provided that – the Office concerned is satisfied that the mark qualifies for protection);
- a supplementary fee in respect of each class of goods and services beyond the third class; no supplementary fee is payable, however, where *all* the designations are ones in respect of which an individual fee has to be paid.

5.327 These fees may be paid direct to the International Bureau or, where the Office of origin accepts to collect and forward such fees, through that Office. The individual fees are transferred by the International Bureau to the Contracting Parties in respect of which they have been paid, whereas the complementary and supplementary fees are distributed among the Contracting Parties not receiving individual fees in proportion to the number of designations made for each of them.

5.328 The Office of origin must certify that the mark is the same as that in the basic registration or basic application, that any indications such as a description of the mark or a claim to color as a distinctive feature of the mark are the same as those contained in the basic registration or basic application, and that the goods and services indicated in the international application are covered by the list of goods and services in the basic registration or basic application. The Office of origin must also certify the date on which it received the request to present the international application; provided the application is received by the International Bureau within two months of that date (and provided that certain crucial elements are not missing), it is that date that will be the date of the international registration.

5.329 The International Bureau checks that the international application complies with the requirements of the Agreement or Protocol and the Common Regulations, including requirements relating to the indication of goods and services and their classification, and that the required fees have been paid. The Office of origin and the holder are informed of any irregularities, which must be remedied within three months, otherwise the application will be considered abandoned. Where the international application complies with the applicable requirements, the mark is recorded in the International Register and published in the *Gazette*. The International Bureau then notifies each Contracting Party in which protection has been requested.

5.330 An international registration is effective for 10 years. It may be renewed for further periods of 10 years on payment of the prescribed fees.

#### Effects of the International Registration

5.331 From the date of the international registration, the protection of the mark in each of the countries of the designated Contracting Parties is the same as if the mark had been the subject of an application for registration filed directly with the Office of that Contracting Party. If no refusal is notified to the International Bureau within the relevant time limit, the protection of the mark in the country of each designated Contracting Party is the same as if it had been registered by the Office of that Contracting Party.

5.332 The effects of an international registration can be extended to a Contracting Party not covered by the international application by filing a subsequent designation. The principles that determine whether such a designation can be made, and whether it is governed by the Agreement or by the Protocol, are as described in paragraphs 5.312 and 5.313 above. A subsequent designation may be made where the Contracting Party concerned was not a party to the Agreement or Protocol at the time of the international application.

#### Refusal of Protection

5.333 Each designated Contracting Party has the right to refuse protection. Any refusal must be notified to the International Bureau by the Office of the Contracting Party concerned within the time limits specified in the Agreement or Protocol. The refusal is recorded in the International Register and published in the *Gazette* and a copy is transmitted to the holder of the international registration. Any subsequent procedure, such as review or appeal, is carried out directly between the holder and the administration of the Contracting Party concerned, without any involvement on the part of the International Bureau. The Contracting Party concerned must, however, notify the International Bureau of the final decision taken in respect of such review or appeal. This decision is also recorded in the International Register and published in the *Gazette*.

5.334 The time limit for a Contracting Party to notify a refusal is generally 12 months. Under the Protocol, however, a Contracting Party may declare that this period is to be 18 months, or longer in the case of a refusal based on an opposition.

5.335 The Office of the designated Contracting Party has the possibility, under the Common Regulations, to issue a statement of grant of protection. The practical benefit resulting from such a statement of grant of protection is that the holder of the international registration does not have to wait for the expiry of the refusal period to know whether his/her mark is protected in the country concerned.

### Dependence on the Basic Mark

5.336 For a period of five years from the date of its registration, an international registration remains dependent on the mark registered or applied for in the Office of origin. If, and to the extent that, the basic registration ceases to have effect, whether through cancellation following a decision of the Office of origin or a court, through voluntary cancellation or through non-renewal, within this five-year period, the international registration will no longer be protected. Similarly, where the international registration was based on an application in the Office of origin, it will be canceled if, and to the extent that, that application is refused or withdrawn within the five-year period, or if, and to the extent that, the registration resulting from that application ceases to have effect within that period. The Office of origin is required to notify the International Bureau of facts and decisions concerning such ceasing of effect or refusal and, where appropriate, to request the cancellation (to the extent applicable) of the international registration. Such cancellation is published in the *Gazette* and notified to the designated Contracting Parties.

5.337 After the expiry of this period of five years, the international registration becomes independent of the basic registration or basic application.

### Changes in the International Register and Cancellation

5.338 A change in the name or address of the holder may be recorded in the International Register on request. Likewise a change in the ownership of an international registration may be recorded, in respect of all or some of the goods and services and all or some of the designated Contracting Parties. A person may, however, be recorded as the holder of an international registration in respect of a given Contracting Party only if he would be entitled (on the basis of establishment, domicile or nationality, as described in paragraphs 5.309 and 5.310) to designate that Contracting Party in an international application.

5.339 The following may also be recorded in the International Register:

- a *limitation* of the list of goods and services in respect of *all or some* of the designated Contracting Parties;
- a *renunciation* in respect of *some* of the designated Contracting Parties for *all* the goods and services;
- a *cancellation* of the international registration in respect of *all* the designated Contracting Parties for *all or some* of the goods or services.

5.340 Such changes and cancellation are published in the *Gazette* and notified to other designated Contracting Parties.

5.341 No change may be made in the mark that is the subject of an international registration, either on renewal or at any other time. Nor may the list of goods and services be changed in a way that would extend the scope of protection.

5.342 Provision has also been made, in the Common Regulations, for the recording, in the International Register, of licenses relating to international registration. Thus, holders of international registrations are not required to record such licenses in each of the Contracting Parties concerned.

### **Becoming Party to the Agreement or Protocol**

5.343 Any State which is a party to the Paris Convention for the Protection of Industrial Property may become a party to the Agreement or the Protocol or both. In addition, an intergovernmental organization may become a party to the Protocol (but not the Agreement) where the following conditions are fulfilled: at least one of the Member States of the organization is a party to the Paris Convention and the organization maintains a regional office for the purposes of registering marks with effect in the territory of the organization.

5.344 States party to the Agreement and/or the Protocol and organizations party to the Protocol are referred to collectively as Contracting Parties. A list of the Contracting Parties is to be found in the appropriate document inserted in the back flap of this volume.

5.345 Every member of the Madrid Union is a member of its Assembly. Among the most important tasks of the Assembly are the adoption of the program and budget of the Union and the adoption and modification of the implementing regulations, including the fixing of fees connected with the use of the Madrid system.

### **Advantages of the System**

5.346 International registration has several advantages for the owner of the mark. After registering the mark, or filing an application for registration, with the Office of origin, he has only to file one application in one language with one Office, and to pay fees to one Office; this is instead of filing separately with the Trademark Offices of the various Contracting Parties in different languages, and paying a separate fee to each Office. Similar advantages exist when the registration has to be renewed or modified.

5.347 International registration is also to the advantage of Trademark Offices. For example, they do not need to examine for compliance with formal requirements, or classify the goods or services, or publish the marks. As stated above, the individual and other designation fees collected by the International Bureau are transferred to the Contracting Parties in which protection is sought. Furthermore, if the International Registration Service closes its biennial accounts with a profit, the proceeds are divided among the Contracting Parties.

5.348 Statistical indications of the success of the system can be found in the relevant document in the back flap of this volume. Further information concerning the system of international registrations of marks, including the updated list of Contracting Parties to the Agreement and the Protocol and the fees, the latest annual statistics and the full text of the Agreement, Protocol and Common Regulations, as well as the text of the Guide to the International Registration of Marks, is also available on WIPO's website ([www.wipo.int](http://www.wipo.int)) under the heading "Madrid System."

## The Hague Agreement Concerning the International Deposit of Industrial Designs

### Introduction

5.349 On November 6, 1925, the Hague Agreement Concerning the International Deposit of Industrial Designs (hereinafter referred to as "the Hague Agreement") was adopted within the framework of the Paris Convention. The Agreement entered into force on June 1, 1928, and has been revised and supplemented several times. Two Acts of the Hague Agreement are currently in force: the London Act of 1934 and the Hague Act of 1960 (referred to respectively as "the 1934 Act" and "the 1960 Act"). These two Acts are autonomous and totally independent of each other. Each of them, in other words, in itself constitutes a fully-fledged international treaty. The general remarks in paragraphs 5.338 and 5.339 apply to both of these Acts. However, since around 95% of international deposits are effected under the 1960 Act, the subsequent detailed description of the provisions relates to that Act. A further Act, the Geneva Act of 1999, which is not yet in force, is described in paragraphs 5.359 to 5.361.

### The Principle of International Deposit

5.350 The main aim of the international deposit of industrial designs is to enable protection to be obtained for one or more industrial designs in a number of States through a single deposit filed with the International Bureau of WIPO. Under the Hague Agreement, any person entitled to effect an international deposit has the possibility of obtaining, by means of a single deposit made with the International Bureau of WIPO, protection for his industrial designs in Contracting States of the Agreement with a minimum of formalities and expense.

5.351 The applicant is thus relieved of the need to make a separate national deposit in each of the States in which he requires protection, thus avoiding the inherent complication of procedures that vary from one State to another.

### Main Provisions of the Hague Agreement

5.352 An international deposit may be made by any natural or legal person who is a national of one of the Contracting States or has his domicile or a real and effective industrial or commercial establishment in one of those States.

5.353 An international deposit does not require any prior national deposit. It is made directly with the International Bureau of WIPO by the depositor or his representative on a form provided free of charge by the International Bureau. It may, however, be made through the national Office of a Contracting State if the law of such State so permits (Article 4(1)). The law of a Contracting State may also require, in cases where that State is the State of origin, that the international deposit be made through the national Office of that State. Non-compliance with this requirement does not prejudice the effects of the international deposit in the other Contracting States (Article 4(2)).

5.354 The owner of an international deposit enjoys the priority right afforded under Article 4 of the Paris Convention for the Protection of Industrial Property if he claims this right and if the international deposit is made within six months of the first national, regional or international deposit made in, or having effect in, a State party to the Paris Convention or a Member of the World Trade Organization.

5.355 A single international deposit may comprise several designs, up to a maximum of 100. All the designs in a single deposit must however be in, or be intended for incorporation in articles listed in, the same class of the International Classification (Locarno Classification).

5.356 International deposit is subject to the payment of fees, in Swiss francs, the amounts of which are decided by the Assembly of the Hague Union.

5.357 The working languages for the implementation of the 1960 Act of the Hague Agreement are English and French. An international application may be filed in either of these languages, at the choice of the applicant. International deposits and any amendment affecting them are entered in the international register and published in both English and French. Any correspondence between the International Bureau and the depositor is in the language in which the international application was filed.

5.358 The international deposit has the same effect in each of the States designated by the applicant as if the designs included in the deposit had been directly deposited in that State on the date of the international deposit, and as if all formalities required by domestic law had been complied with and all administrative acts required for the grant of protection had been accomplished, subject to the right to refuse protection on substantive grounds (see paragraphs 5.350 and 5.351).

5.359 An international deposit shall, however, have no effect in the State of origin if the laws of that State so provide.

5.360 International deposits are published by the International Bureau in the *International Designs Bulletin*, a publication which is distributed on a monthly basis and only on CD-ROM. Publication comprises, in particular, a reproduction of the article or articles in which the deposited designs are to be incorporated. The national Office of each Contracting State is entitled to receive free of charge from the International Bureau a certain number of copies of the *Bulletin*.

5.361 The depositor may ask for publication to be deferred for a period of his choice, which may not, however, exceed 12 months as from the date of the international deposit or, where appropriate, from the date of priority claimed.

5.362 Any Contracting State whose domestic legislation offers the possibility of refusing protection, as the result of an administrative *ex officio* examination or of opposition by a third party, may refuse protection for any industrial design not meeting the requirements of its domestic law. Refusal of protection may not, however, extend to the formalities and other administrative acts that must be considered by each Contracting State as having been accomplished as of the time the international deposit is recorded at the International Bureau. No Contracting State may require, in particular, publication of the international deposits other than that made by the International Bureau.

5.363 Refusal of protection must be notified to the International Bureau within six months of the date on which the national Office received the issue of the *Bulletin* in which the international deposit concerned was published. The International Bureau transmits a copy of the refusal to the

depositor, who has the same remedies against the decision to refuse as he would have had if he had deposited the design or designs concerned with the Office that has taken the decision to refuse. Where no refusal is notified within the period of time referred to above, the protection of the designs included in the international deposit is the same as if the deposit had been entered in the national register of the State concerned.

5.364 An international deposit is made for an initial term of five years. It can be renewed at least once, for an additional period of five years, for all or part of the designs included in the deposit, or for all or some only of the States in which it has effect. For those Contracting States whose domestic legislation allows a term of protection of more than 10 years for national deposits, an international deposit may be renewed more than once, in each case for an additional period of five years, with effect in each such State up to expiry of the total allowed term of protection for national deposits under that State's domestic legislation.

### **Benefits of Accession to the Hague Agreement**

5.365 Nationals of a member State of the Hague Union are able to obtain protection for their designs in a number of States with a minimum of formalities and expense. In particular, they are relieved of the need to make a separate national deposit in each of the States in which they require protection, thus avoiding the complications arising from procedures which differ from State to State. They do not have to submit the required documents in various languages nor keep a watch on the deadlines for renewal of a whole series of national deposits, varying from one State to the other. They also avoid the need to pay a series of national fees and agents' fees in various currencies. Under the Hague Agreement, the same results can be obtained by means of a single international deposit, made in one language, on payment of a single set of fees, in one currency and with one Office (i.e. the International Bureau).

5.366 The simplification of the formalities and the reduction of the cost of obtaining protection abroad favorably influence the development of foreign trade. Domestic manufacturers and traders are encouraged to apply for protection of their designs in the States party to the Hague Agreement and to export their products to those States. International deposits therefore assist domestic manufacturers and traders who are export-oriented.

5.367 The manufacturers and traders in other States party to the Hague Agreement are, in turn, able to protect their designs more easily in a State which has acceded to the Agreement and thus have more incentive to export their products to that State. The result is a growth in trade and an increased likelihood of new industrial and commercial activities being set up on the territory of the new member State, thus promoting its economic development.

5.368 A part of the fees paid by depositors is distributed each year, by the International Bureau, to the competent authorities of the States party to the Hague Agreement.

5.369 The Offices of the Contracting States have no specific tasks in the implementation of the Hague Agreement, except in those cases where the domestic or regional legislation of the State permits or requires the international deposit to be effected through them or lays down a novelty examination for deposited designs.

5.370 A list of States party to the Hague Agreement Concerning the International Deposit of Industrial Designs is to be found in the appropriate document inserted in the back flap of this volume. Further information concerning the system of international deposit of industrial designs,

including the updated list of Contracting States and the fees, the latest annual statistics and the full texts of the Agreement, Regulations and Administrative Instructions, is also available on WIPO's website ([www.wipo.int](http://www.wipo.int)) under the heading "Hague system."

### **The Geneva Act of the Hague Agreement**

5.371 By 1990, only 29 countries were party to the Hague Agreement. Absent from it were several countries active in the field of industrial designs, such as Japan, the United Kingdom, the United States of America and the Scandinavian countries. Moreover, only around 4,000 international deposits were filed each year. For these reasons, a Diplomatic Conference was held in June/July 1999 in order to conclude a new Act of the Hague Agreement, aimed at making the system more responsive to the needs of users and facilitating adherence by countries whose industrial designs systems do not permit them to accede to the 1960 Act. This latest Act, known as the Geneva Act, will introduce into the Hague system a number of new features, including:

- the possibility for a Contracting Party to declare that the standard time limit of six months allowed for it to refuse protection shall be replaced by 12 months;
- the possibility for an applicant to request deferment of publication of his designs for up to 30 months; however, a Contracting Party may declare that, where it is designated, the period of deferment will be of a lesser duration (specified in the declaration), or to declare that, where it is designated, the request for deferment shall be disregarded; in the latter case, the design will be published six months after the date of the international registration unless the application requests immediate publication;
- the possibility, where the design is two-dimensional and deferment of publication is requested, of filing specimens of the design instead of reproductions;
- the possibility for a Contracting Party to opt to receive, instead of a standard designation fee fixed in the schedule of fees, an individual fee whose amount is fixed by that Contracting Party but may not be higher than the amount it would receive in respect of a grant of protection at the national level; where, in the national system, there are separate fees for application and grant, the individual fee may similarly be payable in two parts;
- while normally it is possible to designate the applicant's own country, a Contracting Party may close this option, thereby avoiding the risk that it is overwhelmed by applications from its own nationals coming via the international route in English or French;
- in addition, provision is made for a Contracting Party to notify a number of special requirements concerning such matters as the mandatory contents of the application, the required number of reproductions of the design, unity of design or the entitlement of an applicant to file the application.

5.372 Furthermore, the Geneva Act provides for accession not only by States but also by any intergovernmental organization which maintains an Office in which protection of industrial designs may be obtained with effect in its territory.

5.373 Article 33(2) of the Geneva Act provides for it to remain open for signature for one year after its adoption. At the expiry of this period, 29 States had signed the treaty. According to Article 28(2), it will enter into force three months after six States have ratified or acceded, provided

that three of them have a certain minimum level of activity (specified in that provision) in the field of industrial designs.

## The Trademark Law Treaty (TLT)

### Introduction

5.374 The Trademark Law Treaty was adopted on October 27, 1994, at a Diplomatic Conference in Geneva. The purpose of the Trademark Law Treaty is to simplify and harmonize the administrative procedures in respect of national applications and the protection of marks. Individual countries may become party to the Treaty, as well as intergovernmental organizations which maintain an office for the registration of trademarks with effects in the territory of its member States, such as the European Union (EU) and the African Intellectual Property Organization (OAPI). The provisions of the Treaty are supplemented by the Regulations and Model International Forms. The Treaty does not deal with the substantive parts of trademark law covering the registration of marks. The Treaty entered into force on August 1, 1996.

### Provisions of the Treaty and the Regulations

#### Marks to Which the Treaty Applies

5.375 According to Article 2, the Treaty applies to marks for goods and services. Not all countries currently register service marks and an effect of accession by a country to the Treaty is, therefore, that the country will be obliged to register such marks. In addition, such a country is also obliged, according to Article 16, to apply the provisions of the Paris Convention which concern trademarks to service marks.

5.376 Collective marks, certification marks and guarantee marks are not covered by the Treaty, since the registration of these marks normally requires the fulfillment of special, vastly varying conditions in the different countries, which would make harmonization particularly difficult. Holograms and non-visible signs, such as sound marks and olfactory marks are also excluded from the scope of application, because they are not easily reproduced by graphic means and because only very few countries provide for the protection of these marks in their national law.

5.377 A registrable mark must consist of visible signs, and, as far as three-dimensional marks are concerned, only those countries that accept three-dimensional marks for registration are obliged to apply the Treaty to such marks.

#### Applications

5.378 Article 3 of the Treaty contains an exhaustive list of information which may be required by an Office in respect of an application for the registration of a trademark. Such indications are, for example, the name and address of the applicant and of the representative, if any, a declaration of priority if priority of an earlier application is claimed, one or more reproductions of the mark depending on the colors or dimensions of the mark, names of the goods or services for which registration is sought grouped according to the classes of the Nice Classification, or a declaration of

intention to use the mark or of actual use. No Office may require other information than that referred to in the Treaty, such as an extract from a Commercial Register, an indication that the applicant is carrying out an industrial or commercial activity or that the applicant is carrying out an activity corresponding to the goods or services listed in the application.

5.379 The same application may relate to several goods or services. According to Article 6 of the Treaty, the Office must accept the application irrespective of whether the goods or services belong to several classes of the Nice Classification. In this case the application must lead to a single registration.

5.380 An Office cannot refuse an application in writing on paper if it is on a form corresponding to the model application form contained in the Regulations or, where the transmittal of communications to the Office by facsimile link is allowed, the paper copy resulting from such transmittal corresponds to the application form.

#### Representation

5.381 Article 4 of the Treaty allows a Contracting Party to require that the representative of an applicant or a holder be a representative admitted to practice before its Office, and that a person with neither a domicile nor a real and effective industrial or commercial establishment on its territory be so represented. According to this provision the power of attorney may relate to several existing or future applications or registrations.

#### Filing Date

5.382 The grant of a filing date is essential in view of the rights which come into existence on that date, and in view of the possibility of claiming a right of priority effective from the said date in respect of successive applications in other countries. Article 5 of the Treaty provides for the maximum information that an Office may require for the grant of a filing date. These include the identification of the applicant, information sufficient to contact the applicant or his representative, a reproduction of the mark, a list of the goods and services for which registration is sought, etc. In addition, for granting a filing date, an Office may require the payment of a fee if the national trademark law applied this condition before that country adhered to the Treaty.

#### Division of the Application and of the Registration

5.383 If registration of a trademark is refused in respect of certain goods or services, Article 7 of the Treaty provides that the applicant can divide the application in order to avoid any delay in obtaining registration for the trademark on the goods or services that have not been refused, and still keep the filing date of the initial application or the priority date, if any. At the same time the applicant may proceed with an appeal regarding the application concerning the goods or services which have been refused.

5.384 The same option of division is recognized for registrations whose validity is disputed by a third party, or in the course of any appeal against a decision taken by the Industrial Property Office in connection with such a procedure.

#### Signature

5.385 Article 8 of the Treaty contains provisions in respect of the signature and other means allowing the identification of the source of a communication such as the filing of an application to the Office, in particular where the transmission of the communication is by facsimile or electronic

means. Instead of a handwritten signature, the Office may accept a printed or stamped signature or the use of a seal. Of special importance is the prohibition of requirements for the attestation, notarization, authentication, legalization or other certification of the signature, except where the signature concerns the surrender of a registration, if such an exception is prescribed in the national law.

#### Changes and Corrections Concerning Applications and Registrations

5.386 The Treaty sets forth in Articles 10 and 11 the requirements that apply to requests for changes in name, address and ownership to be recorded. Article 12 contains the maximum requirements that an Office may request for the correction of mistakes made by an applicant or holder in any communication to the Office, which is reflected in the register. The provisions in Articles 10 to 12 apply equally to changes or corrections in respect of applications and registrations. These provisions provide that a single request is sufficient even where the changes or corrections relate to several applications or registrations or to both. The request must clearly identify the present relevant information held by the Office and the changes or corrections requested. The Office may not ask for further information than that mentioned in the Treaty, except where the Office may reasonably doubt the veracity of the information received, for example if it suspects that a change in name and address is in fact a change in ownership. In particular, the Office is not allowed to require the furnishing of any certificate concerning the change of a name or address, evidence to the effect that the new owner carries on an activity corresponding to the goods or services affected by the change in ownership, or that the holder transferred his business to the new owner.

5.387 In case of a request for a change in ownership to be recorded the Office may, according to Article 11, require a certified copy or extract of the contract, a certificate of transfer and a document of transfer. Where the change in ownership results from a merger or from an operation of law or a court decision, for example in case of inheritance or bankruptcy, the Office may require that the request be accompanied by a certified copy of a document evidencing the change in ownership.

5.388 A mistake made by the Office must be corrected *ex officio* or on request.

#### Duration and Renewal of Registration

5.389 Article 13 of the Treaty provides for a duration of 10 years for the initial period of registration of the trademark with a possibility of renewal for further ten-year periods. With respect to renewal, the provision enumerates the maximum requirements that an Office can impose. These correspond to those in respect of the filing of an application. In particular, the Office may not, for the purposes of effecting the renewal, examine the registration as to the substance or request a reproduction of the mark or the furnishing of evidence concerning use of the mark.

#### Other Provisions in the Treaty

5.390 Where it is intended to refuse a request for a change of name, address and ownership, for the correction of a mistake or for renewal to be recorded, the Office must, according to Article 14, give the requesting party an opportunity to make observations on the intended refusal within a reasonable time limit.

5.391 In general, where the Treaty sets forth the maximum requirements that an Office may request in respect of applications, representation, renewal, etc., the Office is entitled to require further information if it may reasonably doubt the veracity of the information received.

5.392 The Treaty further allows an Office to request that any filing or communication to be registered must be submitted in the language, or in one of the languages, admitted by the Office.

#### Compliance with other Conventions

5.393 The Trademark Law Treaty contains no obligations for a Contracting Party to be party to other international conventions. However, it provides in Article 15 that Contracting Parties must comply with the provisions in the Paris Convention which concern marks. It follows from Article 3 concerning the filing of an application that Contracting Parties must ensure that the Nice Classification is applied in respect of the grouping of the names on goods and services in the application.

#### Regulations and Model International Forms

5.394 The provisions of the Treaty are supplemented by the Regulations, which provide rules concerning details useful in the implementation of the provisions on administrative requirements and procedures according to the Treaty. The rules apply to the requirements in respect of applications, representation, filing date, signature, duration, renewal, the manner of indicating names and addresses and the identification of an application without its application number. The rules prescribe, for example, the number of reproductions of the mark that should accompany the application, time limits concerning the payment of fees and other communications to the Office such as the filing of the power of attorney, invitation to make corrections in case of non-compliance, etc.

5.395 The Regulations also contain eight Model International Forms which concern the filing of an application, the requests for renewal, for changes of name, address and ownership to be recorded, correction of mistakes, appointment of a representative, certificates of transfer and transfer documents. In cases where the request of information is not required under national law but nevertheless permitted according to the Treaty, for example in respect of an application, the Office may prepare an "Individualized International Form." This form must not contain mandatory requirements additional to or contrary to the Treaty or the Regulations. By using the Model International Forms or the Individualized International Forms, applicants and other parties are assured that no Office of a Contracting Party can refuse an application or a request on the basis of the forms.

#### Transitional Provisions

5.396 The transitional provisions of the Treaty allow a Contracting Party to postpone the conformity of its national trademark law with the Treaty at the latest by October 28, 2004, in respect of, for example, the multiple class application system, prohibition of requirements concerning certification of signature of an application and a power of attorney, and concerning furnishing of a declaration and/or evidence of use on the occasion of renewal of a trademark registration, and concerning substantive examination on the occasion of renewal.

5.397 A list of States which have signed the Trademark Law Treaty is to be found in the appropriate document inserted in the back flap of this volume.

## The Patent Law Treaty (PLT)

### Introduction

5.398 The Patent Law Treaty (PLT) was adopted on June 1, 2000 at a Diplomatic Conference in Geneva. The purpose of the PLT is to harmonize and streamline formal procedures in respect of national and regional patent applications and patents. With a significant exception for the filing date requirements, the PLT provides maximum sets of requirements which the Office of a Contracting Party may apply: the Office may not lay down any additional formal requirements in respect of matters dealt with by this Treaty.

5.399 Any State which is party to the Paris Convention for the Protection of Industrial Property or which is a member of WIPO may become party to the PLT. In addition, any intergovernmental organization may become party to the Treaty if the following conditions are fulfilled: (i) at least one of the Member States of the organization is party to the Paris Convention or a member State of WIPO; (ii) the organization has been duly authorized to become party to the Treaty in accordance with its internal procedures; (iii) the organization is competent to grant patents with effect for its member States, or it has own legislation binding on all its member States concerning matters covered by the Treaty and has, or has designated, a regional Office for the purpose of granting patents.

### Provisions of the Treaty and the Regulations

#### Applications and Patents to Which the Treaty Applies

5.400 According to Article 3, the Treaty applies to national and regional applications that are applications for patents for invention, applications for patents of addition and divisional applications for patents for invention or for patents of addition. These terms are to be construed in the same sense as the corresponding terms in Article 2(i) of the Patent Cooperation Treaty (PCT). The PLT also applies to international applications for patents for invention and for patents of addition filed under the PCT once the international applications have entered into the "national phase." It also applies to the time limits for the entry of international applications into the national phase under PCT Articles 22 and 39(1).

5.401 As regards patents, the Treaty applies to all patents for invention, and to patents of addition, that have been granted by the Office of a Contracting Party or by another Office on behalf of that Contracting Party.

#### Filing Date Requirements

5.402 The grant of a filing date is essential to deciding who has priority for the grant of a patent in each country and to determining prior art and the patentability of the invention. It is also relevant to claiming a right of priority under the Paris Convention as well as to the calculation of the term of patent protection.

5.403 Article 5 of the Treaty sets up requirements for obtaining a filing date and procedures to avoid loss of the filing date because of a failure to comply with other formality requirements. In

principle, the Office of any Contracting Party shall accord a filing date to an application on the basis of three elements. These are: (i) an indication that what was filed is intended to be a patent application; (ii) indications which identify the applicant and/or allow the applicant to be contacted; and (iii) a part which on the face of it appears to be a description. A Contracting Party may, however, accept evidence that establishes the identity of, or allows a contact to, the applicant in the place of indications referred to in (ii) above, or accept a drawing in the place of a part referred to in (iii) above. Further, for the purpose of obtaining a filing date, an applicant may file a description in any language, although he/she may need to file a translation later.

5.404 Article 5 also provides for the rules to establish a filing date where a part of the description or drawing is missing from the initially filed application, or where the descriptions and/or drawings are replaced by a reference to another application.

#### Standardized Application and Forms

5.405 The Treaty establishes a single internationally standardized set of formal requirements for national and regional applications. In order to avoid having international “double standards,” the formal requirements in respect of international applications under the PCT are incorporated into the PLT, wherever appropriate.

5.406 First, in accordance with Article 6(1), the requirements relating to the form or contents of international applications under the PCT, both concerning the international phase and the national phase, are incorporated by reference into the PLT, with minor exceptions. Second, the contents of the “request” of an international application under the PCT are also incorporated by reference into the PLT (Article 6(2)(a)). Third, Rule 3(2) provides that a Contracting Party shall accept request forms that are based on the PCT request form.

5.407 In addition to the request form, the Treaty provides for the establishment of several additional Model International Forms that have to be accepted by all Offices of Contracting Parties (Article 8(3)). These Forms, which will be established by the Assembly, relate to the following communications (Rule 20(1)): (i) a power of attorney; (ii) a request for recordation of change in name or address; (iii) a request for recordation of change in applicant or owner; (iv) a certificate of transfer; (v) a request for recordation, or cancellation of recordation, of a license; (vi) a request for recordation, or cancellation of recordation, of a security interest; and (vii) a request for correction of a mistake. By using the Model International Forms, that is, filling in a single form and filing it with any Office of a Contracting Party, applicants and other parties are assured that no Office may refuse the communication on the basis of non-compliance with formality requirements.

#### Simplified Procedures Before the Office

##### *Restriction on Mandatory Representation*

5.408 The Treaty allows a Contracting Party to require that an applicant, owner or other interested person appoint a representative for the purposes of any procedure before the Office, except for certain procedures (Article 7(2)). These procedures are: (i) the filing of an application for the purposes of the filing date; (ii) the mere payment of a fee; (iii) the filing of a copy of an earlier application for the purpose of establishing a filing date where a part of the description or a drawing has been missing from the initial filing; (iv) the filing of a copy of a previously filed application for the purpose of establishing a filing date where the description and any drawings have been replaced by a reference; (v) the issue of a receipt or notification by the Office in respect of any procedure under (i) to (iv). Although an applicant or owner may carry out these procedures vis-à-vis patent Offices in foreign countries without engaging any representative, in accordance with

Article 8(6) and Rule 10(2), a Contracting Party may require that the applicant or owner nevertheless provide an address for correspondence and/or for legal service on the territory of that country.

#### *Restriction on Requiring Evidence*

5.409 In order to reduce any unnecessary burden on applicants, the PLT provides that evidence in support of formal contents of an application, declarations of priority or the authentication of translations may only be required where the Office has a reasonable doubt as to the veracity of the indications or the accuracy of the translation submitted by the applicant (Article 6(6)). Such a limitation with respect to evidence is also applicable to the indications contained in other communications such as a power of attorney (Rule 7(4)), a request for recordation of change in name or address (Rule 15(4)) etc.

5.410 However, with regard to a request for the recording of a change of applicant or owner or a request for recording, or cancellation of the recording, of a license or a security interest, the PLT expressly allows a Contracting Party to require limited documentation supporting the fact of such change or license, as the case may be.

5.411 As regards signature, a Contracting Party may require evidence only where the Office has a reasonable doubt as to its authenticity (Article 8(4)(c)). Otherwise, the Office cannot require any attestation, notarization, authentication, legalization or other certification of a signature (Article 8(4)(b)), except in the case of so called "digital signatures" (Rule 9(6)).

#### *Restriction on Requirements to Submit a Copy of an Earlier Application and Translation thereof*

5.412 Rule 4(3) prohibits a Contracting Party to require a copy or a certified copy of the earlier application or the previously filed application if such earlier application or previously filed application has been filed with the Office of that Contracting Party. The same applies to the cases where the Office could obtain the copy or the certification from other Offices through a digital library which is accepted by that Office for that purpose. Further, Rule 4(4) provides that the Office may require a translation of the earlier application only where the validity of the priority claim is relevant to the determination of whether the invention concerned is patentable.

#### *Single Communication*

5.413 The PLT allows an applicant or owner to consolidate a number of similar requests in one communication under certain circumstances (Rule 7(2)(b)). For example, a Contracting Party shall accept a single power of attorney if it relates to one or more applications and/or patents of the same person.

#### Avoiding Loss of Rights

5.414 The Treaty provides procedures for the avoidance of unintentional loss of rights as a result of failure to comply with formality requirements.

#### *Relief in Respect of Time Limits and Reinstatement of Rights*

5.415 The PLT provides three types of relief procedures. The first is an extension of the time limit, for at least two months, where an applicant or owner requests the extension *prior to* the expiration of the time limit (Article 11(1)(i)). The second is an extension of the time limit, for at least two months, where an applicant or owner requests the extension *after* the expiration of the unobserved

time limit (Article 11(1)(ii)). The third is continued processing (Article 11(2)). A Contracting Party is not obliged to provide the first type of extension. However, it is obliged to provide either the second type of extension or continued processing, if the circumstances meet the requirements under the Treaty and the Regulations. Relief under these provisions is limited to non-compliance with a time limit fixed by the Office for an action in a procedure before the Office. It does not apply to time limits fixed by legislation.

5.416 The PLT also provides safeguard provisions if an applicant or owner fails to meet a time limit and, as a consequence, loses his rights with respect to an application or patent unintentionally or in spite of all due care required by the circumstances (Article 12). Reinstatement of rights shall be granted if a request to that effect is made, and all the relevant requirements are complied with, within a time limit of not less than two months from the date on which the reason of the non-compliance with the time limit is removed, or of not less than 12 months from the expiration of the missed time limit, whichever is shorter (Rule 13(2)). In contrast to the relief in respect of time limits, reinstatement of rights is applicable to all time limits, including time limits set by legislation.

#### *Correction and Addition of Priority Claim and Restoration of Priority Right*

5.417 As in the case of international applications under the PCT (PCT Rule 26*bis*), Article 13(1) and Rule 14(1) to (3) provide for the possibility of addition and correction of priority claims for national/regional applications.

5.418 The PLT also provides for a remedy for the loss of a priority right due to unintended non-compliance with related time limits in two cases. The first is, where an application is filed after the expiration of the 12-month priority period, under certain conditions, an applicant is entitled to the restoration of the priority right if the failure to claim a priority within 12 months occurred in spite of all due care taken by the applicant, or was unintentional and the circumstances meet certain conditions (Article 13(2)). The application has to be filed, and a request for restoration made, within a time limit, which must not be less than two months from the date on which the priority period expired, but before the completion of any technical preparation for publication of the application.

5.419 The second is, where an applicant cannot submit a copy of an earlier application within 16 months from the priority date because of a delay in the Office with which the earlier application was filed, in order to safeguard the applicant in such cases, Article 13(3) and Rule 14(6) and (7) provide for restoration of priority rights.

#### Paper and Electronic Communication

5.420 The goal of the PLT concerning paper and electronic filing is to facilitate the implementation of electronic filing of applications and other communications, to the advantage of both Offices and their users, while ensuring the co-existence of both paper and electronic communications at the global level. The principle under the PLT is that any Contracting Party is neither obliged to accept the filing of communications in electronic form or by electronic means (Article 8(1)(b)) nor obliged to exclude the filing of communications on paper (Article 8(1)(c)).

5.421 Rule 8(1) provides that, in general, all Contracting Parties shall permit the filing of applications and communications on paper until June 2, 2005. After that date, a Contracting Party may implement full electronic filing (and so exclude paper filing), or it may continue to accept paper. However, even after June 2, 2005, applicants will be allowed to file applications and communications on paper in all Offices for the purposes of acquiring a filing date and complying with a time limit.

## **Advantages of the PLT**

5.422 From the viewpoint of inventors, applicants and patent attorneys, standardization and simplification of the formality requirements lead to a reduced risk of formality errors, and thus will result in a less frequent loss of rights as well as in cost reductions. They may rely on a familiar set of patent formalities in all countries party to the PLT, since the PCT provisions regarding form or content of an international application, which are incorporated by reference into the PLT, are known to applicants and patent attorneys of many countries. Further, due to the possibility of correcting formality defects before the Offices and to the introduction of various procedures tending to avoid the loss of rights, they may face a reduced risk of loss of rights through failure to comply with formality requirements.

5.423 On the other hand, by eliminating unnecessarily complex procedures and streamlining the whole process, Offices may operate more efficiently, and therefore reduce their costs.

## **Treaties on Classification**

### **Introduction**

5.424 As early as the nineteenth century, it was recognized that in all the major fields of industrial property — patents, trademarks and industrial designs — it was essential to create classification systems. The reasons were, immediately, administrative order for handling and registration within national industrial property offices, and, progressively thereafter, organized documentation to create conditions for easier retrieval, examination and other search procedures, and the need for harmonization on an international scale, in order to facilitate and further promote growing international cooperation in these fields.

5.425 Although the International Patent Classification (IPC) was among the later classification agreements to be signed, it is dealt with below as the first, to reflect its particular worldwide importance, its long antecedents and the volume of documentation that it has generated.

### **The Strasbourg Agreement Concerning the International Patent Classification**

#### Introduction

5.426 The industrial property offices, which have to handle such enormous numbers of patent documents, are faced with two different problems, namely, the administrative processing of the patent applications and the maintenance of the search files containing the published patent documents. The search files are established for the purposes of carrying out documentary searches necessary for the examination of patent applications and for retrieving the documents relevant to specific technical fields. Special systems for arranging the patent documents are required to permit the economical handling of patent applications and patent documents within the offices, and the greater the number of patent documents, the better the system has to be.

5.427 On the one hand, patent applications have to be provided with a symbol or number for administrative purposes, that is, for registration and handling within an industrial property office. For this purpose a serial number is usually used. On the other hand, patent applications also have to be provided with special symbols which relate to the technical field or fields to which the patent application relates. These symbols are required to assist the public concerned, for example industry, and also to facilitate the orderly and classified arrangement of patent documents in order to permit searching and thereby the retrieval of documents relating to distinct technical subject matter. The development of such special classification systems for patent documents became necessary because existing classifications systems, as used in libraries for instance, proved unsuitable for the classification of patent documents. Different national classification systems were thus elaborated in different offices.

5.428 National classification systems were established as early as in 1831 at the Patent Office of the United States of America, in 1877 at the German Patent Office and in 1880 at the United Kingdom Patent Office. The initial system of mere registration of patent applications was gradually abandoned and replaced by examination of patent applications, in the course of which the patent applications were compared with existing national patent documents. The next step was the inclusion of the universal state of the art in the area covered by the examination of patent applications, in other words, the inclusion also of patent documents published by other countries. For the purpose of this type of examination procedure, the industrial property offices were obliged to search for distinct patent documents dealing with specific technical subjects, and to locate them among a great number of foreign patent documents bearing the symbols of other national classification systems.

5.429 One attempt at overcoming this problem was to establish concordance tables between two different national classification systems. But different concordance tables had to be set up between, on the one hand, a country's own national classification and, on the other hand, each of the other national classifications that were of interest. This method did not therefore offer an acceptable solution.

5.430 Another possibility for overcoming this problem was for each country to reclassify the foreign patent documents according to its own national classification. This also proved to be an unacceptable solution because of the high number of documents which would have to be reclassified, the specialists required for such high-level technical work and the linguistic knowledge required for work with foreign-language patent documents. Thus, the need for an international classification system to solve these problems became more and more apparent.

5.431 Many years of international cooperation, which started in 1956 under the auspices of the Council of Europe and the World Intellectual Property Organization (WIPO), resulted in 1971 in the Strasbourg Agreement Concerning the International Patent Classification, and provided a worldwide forum for the International Patent Classification (IPC). It entered into force on October 7, 1975.

#### Basic features of the IPC and its Utilization

5.432 The IPC is based on an international multilateral treaty administered by WIPO. This Classification subdivides technology into 8 sections, 20 subsections, 118 classes, 624 subclasses and over 67,000 groups (of which approximately 10% are "main groups" and the remainder are "subgroups"). Each of the sections, classes, subclasses, groups and subgroups has a title and a symbol, and each of the subsections has a title. The symbol or symbols of at least the subclass or subclasses to which the technical invention described in any patent document belongs are indicated generally on the patent document by the industrial property office of the country where the

application is filed. Thus, the document is retrievable according to its subject matter, with the help of the IPC.

5.433 The IPC exists in two authentic versions, English and French, which are published by WIPO; complete texts of the sixth edition of the IPC have however been prepared and published in the Chinese, Czech, German, Hungarian, Japanese, Korean, Polish, Russian and Spanish languages among others. The extent to which the IPC is used is reflected in the figures given in the relevant document inserted in the back flap of this volume.

5.434 Since 1992, WIPO, in cooperation with certain national Patent Offices, has made available the IPC:CLASS (International Patent Classification Cumulative and Linguistic Advanced Search System) CD-ROM, which contains all IPC editions in the authentic (English and French) versions. IPC:CLASS also contains several editions of the IPC in other languages. IPC:CLASS is a search tool that makes it possible to identify the relevant places in different editions of the IPC without having to resort to voluminous printed publications.

#### The IPC Assembly and the Committee of Experts

5.435 On becoming party to the Strasbourg Agreement, a country automatically becomes a member of the IPC Union Assembly, which meets in ordinary session once every two years. The Assembly's most important task is the adoption of the Union's program and budget. In a more general way, it deals with all matters concerning the development of the Union.

5.436 The revision of the IPC itself, to keep it up to date, is effected by an Intergovernmental Committee of Experts, of which all States party to the Agreement are members. The Committee of Experts, taking note of the fact that the IPC is a means for obtaining an internationally uniform classification of patent documents, has agreed that:

*"as the primary purpose, the IPC is to be an effective search tool for the retrieval of relevant patent documents by industrial property Offices and other users in order to establish the novelty and evaluate the inventive step (including the assessment of technical advance and useful results or utility) of patent applications."* It also serves as:

- an instrument for the orderly arrangement of patent documents in order to facilitate access to the information contained therein;
- a basis for selective dissemination of information to all users of patent information;
- a basis for investigating the state of the art in given fields of technology;
- a basis for the preparation of industrial property statistics which in turn permit the assessment of technological development in various areas."

5.437 A list of States party to the Strasbourg Agreement Concerning the International Patent Classification is to be found in the appropriate document inserted in the back flap of this volume.

## **The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks**

### Introduction

5.438 The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks is a multilateral international treaty signed on June 15, 1957. It entered into force on April 8, 1961, was revised at Stockholm on July 14, 1967, and at Geneva on May 13, 1977 (the text resulting from this latter revision is referred to hereinafter as “the Geneva Act”). This exposé is based on the provisions of the Geneva Act.

5.439 The International Classification Under the Nice Agreement comprises:

- a List of Classes, accompanied, where appropriate, by explanatory notes; the list comprises 34 classes of goods and eight classes of services;
- an Alphabetical List of Goods and Services (hereinafter referred to as “the Alphabetical List”), giving the class in which each product or service is classified.

5.440 The Nice Classification exists in both English and French authentic texts. There are also official texts or official translations of the Classification in Chinese, Croatian, Czech, Danish, Dutch, German, Italian, Japanese, Lithuanian, Macedonian, Norwegian, Polish, Portuguese, Russian, Slovene, Spanish and Swedish.

### Legal Scope and Application of the Nice Classification

5.441 Under Article 2(3) of the Nice Agreement, the countries of the Nice Union are required to include, in the official documents and publications concerning the registrations of marks, the numbers of the classes of the Classification to which the goods or services for which the mark is registered belong.

5.442 The effect of the Nice Classification is that given to it by each Nice Union country. For example, the classification does not bind the Nice Union countries either as regards evaluation of the extent of protection of a mark or the recognition of service marks (Article 2(1)).

5.443 Furthermore, Article 2(2) of the Nice Agreement provides that each of the Nice Union countries will reserve the right to use the Nice Classification either as a principal system or as a subsidiary system. This means that the Nice Union countries are free to adopt the Nice Classification of Goods and Services as the sole classification to be used for the purposes of registration of marks, or to keep an existing national system of classification of goods and services and to use the Nice Classification as a supplementary classification which will also be shown in the official publications of marks.

5.444 Finally, Article 2(4) of the Nice Agreement stipulates that the fact that a term is included in the Alphabetical List of Goods and Services of the Nice Classification in no way affects any rights which may subsist in that term.

#### The Nice Union Assembly and the Committee of Experts

5.445 On becoming party to the Nice Agreement, a country automatically becomes a member of the Nice Union Assembly. The Assembly meets in ordinary session once every two years. It deals with all matters concerning the maintenance and development of the special Union and the implementation of the Nice Agreement. In particular, it determines the program and adopts the budget of the Union.

5.446 Each country party to the Nice Agreement is also represented in the Committee of Experts set up by the Agreement. The Committee of Experts:

- decides on any changes to be made to the Classification;
- addresses recommendations to the countries of the special Union for the purpose of facilitating use of the Classification and promoting its uniform application;
- takes any other measures which, without financial implication for the budget of the special Union or of the Organization, are such as to facilitate application of the Classification by the developing countries;
- is empowered to set up subcommittees and working groups.

5.447 In practice, the proposed changes to the Nice Classification are examined by such subcommittees or working groups and have then to be adopted by the Committee of Experts for incorporation in the Classification.

5.448 Membership of the Nice Union therefore enables countries to participate actively in the periodical reviews of the Nice Classification and to adapt it as far as possible to technical developments and to national interests.

#### Utilization and Updating of the Nice Classification

5.449 In addition to the countries party to the Nice Agreement, many others use the Nice Classification, bringing the number of users to well over 100 countries.

5.450 A Trademark Classification Service has been set up at the International Bureau of WIPO. Its aim is to give advice in classification to anyone so requesting. The requester may be just as well the national Office of any country, an agent, an individual or a private undertaking. This service is particularly useful where it is necessary to classify new products or products that are not specifically named in the Alphabetical List and may, therefore, raise difficulties in classification.

5.451 The Nice Classification has to be kept constantly up to date. It must be borne in mind that the first full draft of the Alphabetical List was produced in 1935. An amended draft was adopted at the Nice Diplomatic Conference in 1957. During all those years, numerous products shown in the first Alphabetical List have disappeared from the market, whereas numerous other products have appeared. For instance, new plastic goods have appeared, as have the laser, the computer and text-processing systems, which have completely revolutionized traditional ways of working. All these new products have to be incorporated in the Alphabetical List and the products that are no longer marketed must be removed. The updating of the Nice Classification is carried out by the Committee of Experts composed of representatives of the countries party to the Nice Agreement (see paragraphs 5.434 to 5.436 above).

5.452 The Committee of Experts meets regularly every five years at the invitation of the Director General of WIPO. The Committee of Experts decides on the amendments to be made to the Alphabetical List, on the wording of the class headings and the relevant explanatory notes and on the general remarks preceding the list of classes.

5.453 The amendments to the Alphabetical List may take the following forms:

- deletion of an item shown in the Alphabetical List. This is done particularly in those cases where the product can no longer be found on the market or where a more generic term covers the product in question;
- addition of a product to the Alphabetical List. Products added to the Alphabetical List are above all new articles that have appeared on the market between sessions of the Committee of Experts;
- amendment of the wording of an item in the Alphabetical List. It is sometimes necessary to detail the existing wording by adding the function or purpose of a product, or to distinguish between homonyms that are to be classified differently;
- transfer of a product from one class to another. Although such a change is quite rare, it is nevertheless necessary on occasion to carry out this operation.

5.454 The wording of the class headings and of the explanatory notes is also constantly reviewed in order to improve the definition of the content of each class, and to adapt it to changes in trade and industry.

5.455 Countries that are not party to the Nice Agreement, intergovernmental organizations that specialize in marks and also representatives of international non-governmental organizations, may be invited by the Director General of WIPO to send observers to meetings of the Committee of Experts.

5.456 In practice, the updating of the Nice Classification takes place as follows: to begin with, the International Bureau invites the member countries of the Nice Union to send to it any proposed changes to the Classification that they would like the Committee of Experts to consider; subsequently, the International Bureau prepares a document, on the basis of the proposals received, which it sends to the member countries of the Preparatory Working Group for examination. When they meet, the members of the Preparatory Working Group submit their observations and decide on the recommendations to be made to the Committee of Experts, that is, on which of the proposals they recommend accepting, on which should be rejected or on how they should be amended before acceptance. Owing to the fact that the number of countries represented on the Preparatory Working Group is relatively small, the work progresses more rapidly than would be the case in the Committee of Experts. The Committee of Experts is therefore able to work on proposals for amendments that have already been discussed and should not lead to protracted debate.

5.457 The States party to the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks are listed in the appropriate document to be found inserted in the back flap of this volume.

## **The Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks**

### Introduction

5.458 The Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks was adopted on June 12, 1973, by a Diplomatic Conference held in Vienna, Austria. The Agreement entered into force on August 9, 1985.

### Basic Features of the Agreement

5.459 The Agreement is closely aligned with other instruments, particularly the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, of June 15, 1957, and the Strasbourg Agreement Concerning the International Patent Classification, of March 24, 1971.

5.460 As with the above-mentioned Agreements, the Vienna Agreement has established, under the Paris Convention for the Protection of Industrial Property, a special union (hereinafter referred to as "the Union") which uses a common classification for the figurative elements of marks (hereinafter referred to as "the International Classification"). A large number of trademarks and service marks contain such figurative elements and the Classification makes it possible to identify marks composed of elements that are alike or similar.

5.461 The International Classification is defined in the Agreement as comprising "a list of categories, divisions and sections in which the figurative elements of marks are classified, together with, as the case may be, explanatory notes." The authentic copy, in English and French, of the International Classification is at present deposited with the Director General of WIPO. German and Spanish versions have been drawn up by the International Bureau.

5.462 The main aim of the International Classification being to facilitate anticipation searching, it has no effect, pursuant to the Agreement itself, on the scope of protection afforded to a mark. However, States are at liberty to give the Classification the legal scope they wish, beyond the simple administrative scope afforded to it by the Agreement.

5.463 The Union States may use the International Classification either as a principal or as a subsidiary system. In other words, they are free to consider the International Classification as the sole classification to be used or to use it at the same time as a national classification.

5.464 The responsible Offices of the Union countries are required, by the Agreement, to include in the official documents and publications relating to registrations and renewals of marks the numbers of the categories, divisions and sections in which the figurative elements of those marks have been placed. However, this requirement is not retroactive to the extent that the Offices of the countries party to the Agreement are not required to classify figurative marks registered prior to entry into force of the Agreement for their territory; on the other hand, they have to be classified as and when the registration of such marks is renewed.

5.465 The numbers of the categories, divisions and sections given in the official documents and publications relating to registrations must be preceded by the words "Classification of Figurative Elements" or the abbreviation "CFE", determined by the Committee of Experts (see paragraph 5.458 below).

5.466 The Agreement permits the member countries to reserve the possibility of not applying the International Classification (or not applying wholly) as far as the finest subdivisions are concerned, that is to say the sections. This provision is of importance particularly for those Offices that only register a small number of marks.

5.467 The International Classification contains not only the sections required to place all figurative elements. It also contains auxiliary sections intended for figurative elements that are already covered by main sections, but which it is considered useful to group according to a particular criterion in order to facilitate searching.

5.468 Otherwise, the countries party to the Agreement are required to apply the International Classification as it stands. They may not, for example, change the content or number of categories, divisions or sections, group together varying sections to form a single one or create new sections, whether main or auxiliary.

5.469 Since it is not possible to directly place obligations on intergovernmental organizations, the Agreement provides that, if a country party to the Agreement entrusts the registration of marks to an intergovernmental authority, it must take all possible measures to ensure that such authority uses the International Classification in accordance with the Agreement. Once it has done so, such an authority would be in the same situation, as far as application of the International Classification is concerned, as a national Office. In particular, it would have the same possibility of entering the reservation referred to above.

5.470 The Agreement has established a Committee of Experts to make amendments and additions, as required by changes in technology and trade or as dictated by experience, to the International Classification. This Committee of Experts is made up of representatives of the Union countries and, in addition to its revision work, described above, has the task of facilitating the use of the Classification — particularly by the developing countries — and of promoting its uniform application. The intergovernmental organizations specialized in the field of marks, as also other intergovernmental organizations or non-governmental organizations, may be represented as observers if so decided by the Committee of Experts or the Director General.

5.471 The amendments and additions made by the Committee of Experts, together with its recommendations, are notified by the International Bureau of WIPO to the competent Offices in the Union countries, and enter into force six months after notification; they are contained in an authentic copy deposited with the Director General of WIPO. Additionally, the International Bureau of WIPO incorporates the amendments and additions in the Classification and publishes them in the periodicals designated by the Assembly of the Union.

#### Advantages of the International Classification

5.472 The internationalization of industrial, technical and commercial relations demands the creation of uniform tools of work in the industrial property field. Such is the case of the international classifications produced by cooperation between States, and by means of which the national Offices are provided with tools which each of them would otherwise have been obliged to establish and maintain. When documents are exchanged, there is no need to reclassify them.

5.473 These advantages are particularly telling for the developing countries that do not always have the necessary staff to undertake such tasks, and which permit them to make noticeable savings in means and time so that they can devote themselves to other priorities.

5.474 In the specific field of marks, there already exists an International Classification of Goods and Services established by the Nice Agreement of June 15, 1957. That Classification constitutes for the Offices responsible for anticipation searching a working tool whose usefulness and effectiveness have long since been proved.

5.475 However, in carrying out those searches, it is also necessary to classify the figurative elements of marks. Thus, a uniform classification facilitates the anticipation searching work of the national Offices. For its part, the International Bureau of WIPO uses the International Classification of the Figurative Elements of Marks for coding the figurative marks that are internationally registered under the Madrid Agreement and under the Protocol Relating to the Madrid Agreement.

5.476 The States party to the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks are listed in the appropriate document to be found inserted in the back flap of this volume.

## **The Locarno Agreement Establishing an International Classification for Industrial Designs**

### Introduction

5.477 The Locarno Agreement Establishing an International Classification for Industrial Designs is a multilateral international treaty, which was signed on October 8, 1968. It entered into force on April 27, 1971.

5.478 The Agreement has established a Committee of Experts to make amendments and additions, as required by changes in technology and trade or as dictated by experience, to the International Classification.

5.479 The Locarno Classification comprises three parts:

- a List of Classes and Subclasses; in total, there are 31 classes and 211 subclasses;
- an Alphabetical List of Goods in which industrial designs are incorporated; this List contains in total approximately 6,000 entries;
- explanatory notes.

5.480 The Locarno Classification has been established in the English and French languages, both texts being equally authentic. Official texts of the Locarno Classification, in such languages as the Assembly may designate, are established after consultation with the interested Governments by the International Bureau of the World Intellectual Property Organization (WIPO).

5.481 Translations of the Locarno Classification have been established in German, Italian, Portuguese and Spanish.

### Legal Effect and Use of the Locarno Classification

5.482 According to Article 2(3) of the Locarno Agreement, the industrial property offices of the countries of the Locarno Union must include in the official documents for the deposit or registration

of designs, and if they are officially published, in the publications in question, the numbers of the classes and subclasses of the Locarno Classification in which the goods incorporating the designs belong.

5.483 Each country may attribute to such classification the legal consequences, if any, which it considers appropriate. In particular, the Locarno Classification does not bind the countries of the Locarno Union as regards the nature and the scope of protection afforded to the design in those countries (Article 2(1)).

5.484 Further, Article 2(2) of the Locarno Agreement provides that each of the countries of the Locarno Union reserves the right to use the Locarno Classification either as a principal or as a subsidiary system. This means that the countries of the Locarno Union are free to adopt the Locarno Classification as the only classification to be used for industrial designs, or to maintain an existing national classification system for industrial designs and to use the Locarno Classification as a supplementary classification, also to be included in official documents and publications concerning the deposit or registration of designs.

5.485 Finally, Article 2(4) of the Locarno Agreement provides that the inclusion of any word in the Alphabetical List of Goods is not an expression of opinion of the Committee of Experts, on whether or not such a word is subject to exclusive rights.

5.486 The States party to the Locarno Agreement Establishing an International Classification for Industrial Designs are listed in the appropriate document to be found inserted in the back flap of this volume.

### **Special Conventions in the Field of Related Rights: The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (“the Rome Convention”)**

5.487 Several international conventions on related rights are administered by WIPO. The following sections will describe the important aspects of the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, generally referred to as “the Rome Convention.” Other treaties in the field of related rights will be dealt with in the following sections.

#### **Introduction**

5.488 Related rights are primarily an offshoot of technological development. At the national level, it was first the phonogram industry that looked for protection against unauthorized duplication of sound recordings of musical performances. At the international level, it was likewise the development of the phonogram industry that promoted the establishment of special protection for the so-called related rights.

5.489 As in the case of some national laws, the first proposals aiming at the protection of producers of phonograms and performers at the international level were also based on copyright protection. The rights involved were discussed by the Berne Union for the Protection of Literary and Artistic Works at its Diplomatic Conference in Rome in 1928, where it was proposed that “when a

musical work has been adapted to a mechanical instrument by the contribution of performing artists these latter should also benefit from the protection granted to that adaptation." Corresponding to this approach, a resolution was passed asking governments to consider the possibility of adopting measures to safeguard the interests of performers.

5.490 Later on, in 1934, CISAC, the International Confederation of Societies of Authors and Composers, signed an agreement in Stresa with the International Federation of the Gramophone Industry according to which during the forthcoming revision of the Berne Convention (i) the protection of phonograms against unauthorized duplication and (ii) the right of producers of phonograms to equitable remuneration for communication to the public of their phonograms by broadcasting or cinematography should be proposed by means of an annex to be added to the Berne Convention. On the other hand, the International Labour Organization (ILO) had maintained since 1926 a continuing interest in the protection of performers and the problem was considered at a meeting in Samaden, Switzerland, in 1939. Drafts were prepared in cooperation with the Bureau of the Berne Union but all progress was stopped for several years by the outbreak of World War II.

5.491 After the war, different committees of experts prepared drafts of conventions which also included protection of the interests of broadcasting organizations — the so-called Rome Draft (1951), a draft produced under the sponsorship of the International Labour Organization (1957) and the Monaco Draft (1957) prepared by experts convened by the International Bureau of the Berne Union and by Unesco. Finally, in 1960, a committee of experts convened jointly by WIPO, Unesco and the International Labour Organization met at The Hague and drew up the draft convention. This served as a basis for the deliberations in Rome, where a Diplomatic Conference agreed on the final text of the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, the Rome Convention of October 26, 1961.

### **Relation between the Protection of Related Rights and Copyright**

5.492 Considering that the use of literary and artistic works was usually implicit in the work of performers, recorders and broadcasters, the Diplomatic Conference at Rome established a link with copyright protection. The first article of the Rome Convention provides that the protection granted under the Convention shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Under the text of Article 1 it is clear that whenever, by virtue of the copyright law, the authorization of the author is necessary for the use of his work, the need for this authorization is not affected by the Rome Convention.

5.493 The majority of the Conference at Rome decided to go even further. They considered the possibility that the performers, producers of phonograms and broadcasting organizations of a country would enjoy international protection even when the literary and artistic works they used might be denied protection in that country because it was not party to at least one of the major international copyright conventions. The Rome Convention therefore provides that in order to become a party to the Convention a State must not only be a member of the United Nations, but also a member of the Berne Union or party to the Universal Copyright Convention (Article 24(2)). Accordingly, a Contracting State ceases to be a party to the Rome Convention as from the time at which it is no longer party either to the Berne or to the Universal Copyright Convention (Article 28(4)). Because of this link with the copyright conventions, the Rome Convention is sometimes referred to as a "closed" convention from the point of view of the circle of States that may adhere to it.

## Principal Provisions

### National Treatment

5.494 As in the Berne Convention, the protection accorded by the Rome Convention consists basically of the national treatment that a State grants under its domestic law to domestic performances, phonograms and broadcasts (Article 2(1)). National treatment is, however, subject to the minimum of protection specifically guaranteed by the Convention, and also to the limitations specifically provided for in the Convention (Article 2(2)). This means that, apart from the rights guaranteed by the Convention itself as constituting that minimum of protection, and subject to specific exceptions or reservations allowed for by the Convention, performers, producers of phonograms and broadcasting organizations to which the Convention applies enjoy in Contracting States the same rights as those countries grant to their nationals.

### Eligibility for Protection

5.495 One of the most important questions to be answered unequivocally by each international convention is: to whom and in what cases does it apply? The Rome Convention provides for its application by determining criteria of eligibility for national treatment.

5.496 National treatment should be granted to performers, if the performance takes place in another Contracting State (irrespective of the country to which the performer belongs) or if it is incorporated in a phonogram protected under the Convention (irrespective of the country to which the performer belongs or where the performance actually took place) or if it is transmitted "live" (not from a phonogram) in a broadcast protected by the Convention (irrespective again of the country to which the performer belongs) (Article 4). These alternative criteria of eligibility for protection allow for the application of the Rome Convention to the widest possible circle of performances.

5.497 National treatment should be granted to producers of phonograms if the producer is a national of another Contracting State (criterion of nationality) or the first fixation was made in another Contracting State (criterion of fixation) or the phonogram was first or simultaneously published in another Contracting State (criterion of publication) (Article 5).

5.498 The Convention allows reservations in respect of these alternative criteria. By means of a notification deposited with the Secretary-General of the United Nations, any Contracting State may at any time declare that it will not apply the criterion of publication or, alternatively, the criterion of fixation. Any State which, on the day the Convention was signed at Rome, granted protection to producers of phonograms solely on the basis of the criterion of fixation, can exclude both the criteria of nationality and publication. This possibility has been provided for mainly in view of the contemporary Nordic legislation, so that implementation of the Rome Convention could be adapted to conditions of protection already existing under different national laws.

5.499 National treatment has to be granted to broadcasting organizations if their headquarters is situated in another Contracting State (principle of nationality), or the broadcast was transmitted from a transmitter situated in another Contracting State, irrespective of whether the initiating broadcasting organization was situated in a Contracting State (principle of territoriality). Contracting States may declare that they will protect broadcasts only if both the condition of nationality and that of territoriality are met in respect of the same Contracting State (Article 6).

### The Minimum Protection Required by the Convention

5.500 The minimum protection guaranteed by the Convention to performers is provided by “the possibility of preventing certain acts” done without their consent. Instead of enumerating the minimum rights of performers, this expression was used in order to allow countries like the United Kingdom to continue to protect performers by virtue of penal statutes, determining offenses and penal sanctions under public law. It was agreed, however, that the enumerated acts which may be prevented by the performer, require his consent in advance. In fact, the possibility of preventing certain acts as defined in the Convention amounts to a distinct bundle of rights granted to performers.

5.501 The restricted acts comprise: broadcasting or communication to the public of a “live” performance; recording an unfixed performance; reproducing a fixation of the performance, provided that the original fixation was made without the consent of the performer or the reproduction is made for purposes not permitted by the Convention or the performer (Article 7).

5.502 Producers of phonograms have the right to authorize or prohibit the direct or indirect reproduction of their phonograms (Article 10). The Rome Convention does not provide for any right to authorize performances of the phonogram and does not explicitly prohibit distribution or importation of unauthorized duplicates of phonograms.

5.503 Broadcasting organizations have the right to authorize or prohibit: the simultaneous rebroadcasting of their broadcasts, the fixation of their broadcasts, the reproduction of unauthorized fixations of their broadcasts or reproduction of lawful fixations for illicit purposes and the communication to the public of their television broadcasts by means of receivers in places accessible to the public against payment. It should be noted, however, that this last-mentioned right does not extend to communication to the public of merely sound broadcasts, and that it is a matter for domestic legislation to determine the conditions under which such a right may be exercised. It should also be observed that the Rome Convention does not protect against distribution by cable of broadcasts.

### Provisions for Discretionary Regulation of the Exercise of Rights

5.504 The Rome Convention, over and above the minimum requirements of protection, also contains provisions allowing national laws to regulate certain aspects of protection at their discretion.

5.505 As regards the protection of performers, it is a matter for domestic legislation to regulate the protection against rebroadcasting of the performance and fixation thereof for broadcasting purposes, where the broadcasting of the performance was consented to by the performer. The principle of preeminence of contractual arrangements was embodied in a provision requiring that domestic laws shall not operate to deprive performers of the ability to control by contract their relations with broadcasting organizations (Article 7(2)) whereas it was understood that the meaning of contract in this context includes collective agreements and also decisions of an arbitration board, if involved.

5.506 If several performers participate in the same performance, the manner in which they should be represented in connection with the exercise of their rights may be specified by each Contracting State (Article 8).

5.507 Concerning both the protection of performers and producers of phonograms, Article 12 (perhaps the most controversial part of the Convention) provides that if a phonogram published for

commercial purposes is used directly for broadcasting or any communication to the public, an equitable remuneration shall be paid by the user to the performers, or to the producers of the phonogram, or to both. This Article does not grant any right to either the performers or producers of phonograms to authorize or to prohibit the secondary use of a phonogram. By guaranteeing a single remuneration for the use of the phonogram it seems to establish a sort of non-voluntary license. It does not, however, obligatorily specify the beneficiary or beneficiaries of the remuneration for the secondary use of the performance and the phonogram embodying it. Article 12 only says that at least one of the interested parties should be paid for the use; nevertheless it provides that in the absence of agreement between these parties, domestic law may optionally lay down the conditions for the sharing of this remuneration.

5.508 The implementation of these provisions, however, can be excluded or restricted by the Contracting States at any time by an appropriate notification (Article 16(1)(a)). A State may declare that it will not apply the provisions of Article 12. A Contracting State may declare that it will not apply this article in respect of certain uses, for instance as regards communications to the public other than broadcasting, or broadcasting of phonograms acquired before the date of the Convention, etc. It is also possible to apply this Article only as regards phonograms of which the producer is a national of another Contracting State. Furthermore, as regards phonograms of which the producer is a national of another Contracting State, the extent and term of protection can be limited so as to correspond to the protection granted by the other State concerned. The fact, however, that the protection in both countries concerned is not granted to the same beneficiary, cannot be considered as justifying the restriction of the protection provided for in Article 12.

#### Limitations

5.509 The Rome Convention allows for certain limitations of the rights granted and, as regards the performers, also imposes limitations on rights itself.

5.510 Any Contracting State may provide for exceptions as regards private use, use of short excerpts in connection with reporting current events, ephemeral fixation by a broadcasting organization by means of its own facilities and for its own broadcasts, and for all kinds of use solely for the purpose of teaching or scientific research (Article 15(1)). This latter possibility of introducing exceptions may be of special benefit to developing countries.

5.511 Besides the exceptions specified by the Convention, any Contracting State may also provide for the same kind of limitations with regard to the protection of performers, producers of phonograms and broadcasting organizations as it provides for in connection with copyright protection. There is, however, an important difference: compulsory licenses may be provided for only to the extent to which they are compatible with the Rome Convention (Article 15(2)).

5.512 In view of the cinematographic industry's interest in exclusively exploiting the contributions made to their productions, Article 19 of the Rome Convention provides that once a performer has consented to the incorporation of his performance in a visual or audiovisual fixation, he shall have no further rights under the Rome Convention as regards the performance concerned.

#### Duration of Protection

5.513 The minimum term of protection under the Rome Convention is a period of twenty years, to be computed from the end of the year in which the fixation was made, as far as phonograms and performances incorporated therein are concerned, or the performance took place, as regards performances not incorporated in phonograms, or the broadcast took place, for broadcasts (Article 14).

### Restriction of Formalities

5.514 If a country requires compliance with formalities as a condition of protecting related rights in relation to phonograms, these should be considered as fulfilled if all copies in commerce of the published phonogram or their containers bear a notice consisting of the symbol P, accompanied by the year date of the first publication. If the copies of their containers do not identify the producer or his licensee, the notice shall also include the name of the owner of the rights of the producer, and if the copies or their containers do not identify the principal performers, the notice shall also include the name of the person who owns the rights of such performers (Article 11). It should be emphasized that this provision is *not* a formality requirement; it is a restriction of formalities, which may be required by some national laws.

### **The Implementation of the Rome Convention**

5.515 The Rome Convention has been referred to as a “pioneer convention.” Whereas the conventions concluded towards the end of the nineteenth century for the protection of copyright resulted from developments in national laws, this Convention defined standards of protection of related rights at a time when very few countries had any rules enacted to protect performing artists, producers of phonograms and broadcasting organizations. Thus it was only natural that the impetus of the Convention in the field of the protection of related rights during the first years following its adoption, could not be measured so much by the number of ratifications or accessions as by the impact the Convention had on national laws.

5.516 Since 1961, many countries have legislated on the protection of related rights, thus greatly increasing the number of national laws protecting producers of phonograms or broadcasting organizations, and the majority of them as a result of the coming into existence of the Rome Convention. The disproportion between the number of national laws protecting performers’ rights and those granting protection to producers of phonograms and broadcasting organizations is still unduly great. There are, however, further draft laws under preparation in several countries, which continue to demonstrate the tendency to pay more attention to the protection of performers’ rights.

5.517 The comparatively slow progress of national laws in the field of related rights, and in particular the unequal development of protection as regards different beneficiaries of these rights, even today hinders accession to the Rome Convention, since it requires at the same time protection of performers, producers of phonograms and broadcasting organizations.

### **The Rome Convention and Developing Countries**

5.518 A large number of the States party to the Rome Convention are developing countries. This is quite natural since most developing countries attach great importance to music, dance and other creations in their national heritage. The value of the Rome Convention to such countries stems from the fact that it affords protection to those who contribute to the dissemination of that heritage abroad.

5.519 The Convention is particularly important to those countries whose civilization and tradition are oral and where the author is often the performer as well. In this context, the place occupied by expressions of folklore must be borne in mind and the interests of the artists constantly performing,

and thus perpetuating them, must be safeguarded when use is made of their performances. Whilst the possibilities of protecting creations of folklore by copyright seem to be limited, and the establishment of a more adequate kind of protection *sui generis* appears to require more time, expressions of folklore can efficiently be protected indirectly by protecting performances, fixations, and broadcasts of them.

5.520 By also protecting the producers of phonograms, the Rome Convention promotes, particularly in developing countries, industry in a dynamic tertiary sector of the economy. Such an industry, while guaranteeing the dissemination of national culture, both within the country and throughout the world, can additionally constitute a substantial source of revenue for the country's economy and, in those cases where its activities extend beyond frontiers, can attract an influx of foreign currency.

5.521 By giving performers and phonogram producers the possibility of benefiting from their performances and productions, the Rome Convention is instrumental in promoting the artistic heritage and represents an important incentive to creativity. It is also certain that, where the interests of performers and producers of phonograms are safeguarded by law, works will enjoy greater development and suffer less from the competition of unprotected performances of foreign works. Where performances and phonograms are exported, there is one reason more to protect them internationally, that is, by accepting the relevant international conventions.

5.522 Finally, the part played by the broadcasting organizations in the developing countries should not be forgotten either, since they also have an interest in the protection of their costly program against rebroadcasting, reproduction and communication to the public of their broadcasts. The rebroadcasting or reception of television broadcasts in public places can be very profitable, especially when the subject of the original broadcast is an exceptional event. Frequently, the organizers of such events only allow broadcasting for certain territories or on the condition that no public reception close to the place of the event drains away potential spectators. The broadcasting organization must therefore be able to prohibit rebroadcasting and public reception. The same applies to broadcasting of performances or recordings of expressions of national folklore: the broadcasting organization should be entitled internationally to prevent rebroadcasting or fixation for reproduction of its own broadcast of works of the national heritage.

5.523 The States party to the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations ("the Rome Convention") are listed in the appropriate document to be found inserted in the back flap of this volume.

## **Other Special Conventions in the Field of Related Rights**

### **The Other Special Conventions**

5.524 Besides the Rome Convention of 1961, a basic legal instrument discussed in the previous section, two other international instruments have been drawn up with regard to certain related rights. These are the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, concluded in Geneva in October 1971 and generally referred to as "the Phonograms Convention," and the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite, concluded in Brussels in May 1974 and known briefly as "the Satellites Convention." These two Conventions are also within

the area of related rights, and their purpose is to protect producers of phonograms and broadcasting organizations, respectively, against certain prejudicial acts that have been widely recognized as infringements or acts of piracy.

5.525 With regard to the Rome Convention, the Phonograms Convention and the Satellites Convention may be regarded as special agreements, the conclusion of which is reserved for Contracting States insofar as the agreements grant to performers, producers of phonograms or broadcasting organizations more extensive rights than those granted by the Rome Convention, or contain other provisions not contrary to that Convention (Article 22 of the Rome Convention).

### **Reasons for and Purposes of the Special Conventions**

5.526 The reason for the rapid acceptance (see the list of member States in the back flap of this volume) of the Phonograms Convention is due, on one hand, to the accelerating increase in international piracy during the last two decades and, on the other hand, to the legal characteristics of the Convention itself.

5.527 While a number of countries were preparing new legislation in the field of related rights in view of the standards set by the Rome Convention, international piracy of sound recordings was growing. The total value of pirated sound recordings sold worldwide has been increasing steadily. This made it necessary, even in the early seventies, to establish a special convention without delay. The subject was raised in May 1970 in the Preparatory Committee for the revision of the two major copyright conventions, and the new Convention was signed in Geneva after less than 18 months.

5.528 The Phonograms Convention takes into account all the measures that had already been adopted in various national laws, and allows for the application of all of them instead of requiring a uniform solution, as is the case under the Rome Convention, which provides for the granting to producers of phonograms the right to authorize or prohibit the reproduction of their phonograms. Thus, amendments of existing national laws became largely unnecessary to States which already protected producers of phonograms by some other means and wanted to extend this kind of protection also at the international level.

5.529 The Satellites Convention was adopted because the use of satellites in international telecommunications has, since about 1965, been presenting a new problem for the protection of broadcasting organizations.

5.530 Nowadays the transmission of programs by satellite still takes place mainly indirectly. Electronic signals carrying broadcast programs pass through a satellite to reach remote parts of the globe that cannot be reached by traditional broadcasting; but the programme-carrying signals passed on by the satellite cannot be picked up directly by conventional receivers generally used by the public at large. They first have to be picked up by ground stations, which distribute them to the public.

5.531 In the case of satellite broadcasting, the signals sent to the satellite are demodulated by the satellite itself; as a result, the signals transmitted down to earth can be received directly from space by ordinary receivers, without the intervention of ground receiving stations. However, the signals transmitted upwards to the satellite remain inaccessible to the public even with this mode of transmission.

5.532 The legal problem stems from the wording of Article 3 of the Rome Convention, under which broadcasting means the transmission by wireless means for public reception of sounds or of images and sounds. The difficulties with regard to satellite transmission are twofold: on one hand, the signals emitted by the originating organization are not suitable for public reception; on the other hand, the derived signals, generally obtained by means of ground stations, are frequently transmitted to the public by wire and not by wireless means.

5.533 The Satellites Convention provides a solution by requiring Contracting States to take adequate measures to prevent the distribution of any programme-carrying signals by any distributor for whom the signal emitted to or passing through the satellite is not intended. "Distribution" is defined by the Convention as the operation by which a distributor transmits derived signals to the public, and therefore also encompasses cable distribution.

### **Main Features of the Special Conventions**

5.534 While it can be said that the Phonograms Convention and the Satellites Convention supplement the Rome Convention to a certain extent, it should nevertheless be mentioned that their approach is different, in three main respects.

5.535 First, the Rome Convention gives the beneficiaries of related rights essentially a right to authorization or prohibition, without overlooking the safeguarding of the rights of authors. The Phonograms and Satellites Conventions, on the other hand, do not introduce private rights but rather leave the Contracting States free to choose the legal means of preventing or repressing acts of piracy in that area.

5.536 Second, the Rome Convention is based on the "national treatment" principle. That means that the protection prescribed by the Rome Convention is only minimum protection and that, apart from the rights guaranteed by that Convention itself as constituting that minimum of protection, and within the limits of reservations conceded by it, performers, producers of phonograms and broadcasting organizations enjoy the same rights in countries party to the Convention as those countries grant their nationals. The Phonograms Convention does not speak of the system of "national treatment", but defines expressly the unlawful acts against which Contracting States have to provide effective protection; consequently, the States are not bound to grant foreigners protection against all acts prohibited by their national legislation for the protection of their own nationals. For instance, countries whose national legislation provides protection against the public performance of phonograms are not obliged to make this form of protection available to the producers of phonograms of other Contracting States, because the Phonograms Convention does not itself guarantee any protection against the use in public of lawfully reproduced and distributed phonograms. It should be mentioned, however, that even the Phonograms Convention is in no way to be interpreted as limiting the protection available to foreigners under any domestic law or international agreement (Article 7(1)). The question of national treatment does not arise, as a general rule, in the Satellites Convention either. This Convention places Contracting States under the obligation to take the necessary steps to prevent just one type of activity, namely the distribution of program-carrying signals by any distributor for whom the signals emitted to or passing through the satellite are not intended.

5.537 Third, in the interests of combating piracy over the widest possible area, the new international agreements were made open to all States members of the United Nations or any of the specialized organizations brought into relationship with the United Nations, or parties to the Statute of the International Court of Justice (virtually all States of the world). In contrast the Rome

Convention is a "closed" Convention, its acceptance being reserved for States party to at least one of the two major international copyright conventions.

### **Substantive Provisions of the Phonograms Convention**

5.538 As far as the substantive provisions are concerned, the Phonograms Convention differs from the Rome Convention mainly as regards (i) the criteria of eligibility for protection, (ii) the scope of protection and (iii) the means of ensuring the protection provided for.

5.539 The Phonograms Convention requires only the criterion of nationality as a condition of granting protection. Any Contracting State, however, which on October 29, 1971, afforded protection solely on the basis of the place of first fixation may, by a declaration deposited with the Director General of WIPO, declare that it will apply this criterion.

5.540 Protection is granted not only against making duplicates of the phonogram, but also against the distribution of illicit duplicates and importation of such duplicates for distribution (Article 2). On the other hand, the scope of protection does not extend to claiming remuneration for secondary uses of the phonogram.

5.541 The means by which the Phonograms Convention is to be implemented are a matter for domestic legislation. They may include protection by granting copyright in the phonogram, by granting other specific (neighboring) rights, by the law relating to unfair competition, or by penal sanctions (Article 3).

5.542 The Phonograms Convention permits the same limitations as those accepted in relation to the protection of authors. The Convention also permits compulsory licenses if reproduction is intended exclusively for teaching or scientific research, limited to the territory of the State whose authorities give the license, and in return for equitable remuneration.

5.543 Regarding the term of protection, the same minimum duration is required by the Phonograms Convention as by the Rome Convention: if the domestic law prescribes a specific duration for the protection, that duration shall not be less than 20 years from the end either of the year in which the sounds embodied in the phonogram were first fixed or of the year in which the phonogram was first published.

5.544 It should be noted that the Phonograms Convention also contains a provision concerning performers. Under its Article 7, the national legislation of each Contracting State may lay down, where necessary, the scope of protection afforded to performers whose performance is fixed on a phonogram and the conditions of enjoying such protection.

### **Substantive Provisions of the Satellites Convention**

5.545 The Satellites Convention enlarges the scope of the protection of broadcasting organizations by preventing the unlawful distribution of programme-carrying signals transmitted by satellite irrespective of whether or not such signals are suited to reception by the public, and hence irrespective of the fact that their emission does not constitute broadcasting according to the definition of that notion under the Rome Convention. Furthermore, the protection provided for by the Satellites Convention also applies when the derived signals are distributed by cable and not by

wireless means, a kind of communication to the public of broadcasts not covered by the Rome Convention. Formally, however, the Convention gives no new right to the broadcasting organizations. It obliges the Contracting States to prevent the distribution of program-carrying signals by any distributor for whom the signals passing through the satellite are not intended.

5.546 It should be noted that the Satellites Convention does not protect the transmitted program, since the subject of the protection is the signals emitted by the originating organization. As regards the rights related to the programs, the Convention simply lays down that it may not be interpreted in any way as limiting or prejudicing the protection afforded to authors, to performers, to phonogram producers and to broadcasting organizations.

5.547 The Satellites Convention permits the distribution of program-carrying signals by non-authorized persons, if those signals carry short excerpts containing reports of current events or, as quotations, short excerpts of the program carried by the emitted signals, or, in the case of developing countries, if the program carried by the emitted signals is distributed solely for the purposes of teaching, including adult teaching or scientific research.

5.548 With regard to the duration of the protection, the Satellites Convention refers to national legislation in this special context. In any State in which the application of the above measures is limited in time, the duration is to be fixed by its domestic law.

5.549 The Satellites Convention is not to be applied when the signals emitted by the originating organization are intended for direct reception from a satellite by the public (Article 3). In such cases the signals emitted are not intended for any intervening distributor of derived signals; they are directly accessible to the public at large.

### **The Phonograms and Satellites Conventions and Developing Countries**

5.550 It is particularly significant that the States that have joined the Phonograms and Satellites Conventions, as with the countries party to the Rome Convention, are not necessarily highly industrialized market economy States. This may be explained by the role that protection of related rights is capable of playing in the development of those countries: the role of such protection in development, as explained under the Rome Convention (see paragraphs 5.506 to 5.510 in the previous section) is similar where the Phonograms and Satellites Conventions are concerned.

5.551 The recognition and international protection of the rights of performers, producers of phonograms and broadcasting organizations, in conjunction with copyright, quite definitely contribute to the development of nations, as does protection of intellectual property as a whole. Thus it is desirable that more developing countries recognize the necessity of establishing legal protection of authors, performers, producers of phonograms and broadcasting organizations as an interdependent system, both at the national and international levels.

5.552 The States party to the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms and the States party to the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite are listed in the appropriate document to be found inserted in the back flap of this volume.

## The WIPO Performances and Phonograms Treaty (WPPT)

### Introduction

5.553 The WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, held in Geneva in December 1996, adopted two treaties: the WIPO Copyright Treaty (the third section dealt with in this chapter) and the WIPO Performances and Phonograms Treaty (WPPT).

5.554 In view of the technological developments of the 1980s, as also in the field of copyright, it was recognized that guidance in the form of recommendations, guiding principles and model provisions would no longer suffice, and that binding new norms were indispensable. The WCT and the WPPT were prepared in parallel at the same Diplomatic Conference.

### Legal Nature of the WPPT and its Relationship with Other International Treaties

5.555 The WPPT has a certain relationship with the Rome Convention which has been regulated in a way similar to the relationship between the TRIPS Agreement and the Rome Convention. This means that (i) in general, application of the substantive provisions of the Rome Convention is not an obligation of the Contracting Parties, (ii) only a few provisions of the Rome Convention are included by reference (those relating to the criteria of eligibility for protection), and (iii) Article 1(2) of the Treaty contains, *mutatis mutandis*, practically the same provision as Article 2.2 of the TRIPS Agreement, stating that nothing in the Treaty derogates from obligations that Contracting Parties have to each other under the Rome Convention.

5.556 Article 1(3) of the Treaty, in respect of the relation to the other treaties, includes a provision similar to Article 1(2) of the WCT: "The Treaty shall not have any connection with, nor shall it prejudice any rights and obligations under, any other treaties."

5.557 The title of Article 1 of the WPPT is "Relation to Other Conventions", but paragraph (2) of the Article deals with a broader question, namely the relationship between copyright on the one hand and "related rights," provided for in the Treaty, on the other. This provision reproduces the text of Article 1 of the Rome Convention word for word: "*Protection granted under this Treaty shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Consequently, no provision of this Treaty may be interpreted as prejudicing such protection.*"

5.558 The Diplomatic Conference adopted an agreed statement which reads: "*It is understood that Article 1(2) clarifies the relationship between rights in phonograms under this Treaty and copyright in works embodied in the phonograms. In cases where authorization is needed from both the author of a work embodied in the phonogram and a performer or producer owning rights in the phonogram, the need for the authorization of the author does not cease to exist because the authorization of the performer or producer is also required, and vice versa.*"

## **Substantive Provisions of the WPPT**

### Provisions Relating to the So-called “Digital Agenda”

5.559 The provisions of the WPPT relating to the “digital agenda” cover the following issues: certain definitions, rights applicable to storage and transmission of performances and phonograms in digital systems, limitations on and exceptions to rights in a digital environment, technological measures of protection and rights management information. As discussed below, the right of distribution may also be relevant in respect of transmissions in digital networks; its scope, however, is much broader. Also due to its relationship with the right of rental, the right of distribution is discussed, together with the former right, below.

#### *Definitions*

5.560 The WPPT follows the structure of the Rome Convention, in the sense that it contains, in Article 2, a series of definitions. The definitions cover more or less the same terms as those which are defined in Article 3 of the Rome Convention: “performers”, “phonogram”, “producer of phonograms”, “publication”, “broadcasting.” They cover more, in the sense that the WPPT also defines “fixation” and “communication to the public,” and less, in the sense that they do not define “reproduction” and “rebroadcasting.”

5.561 The impact of digital technology is present in the definitions, on the basis of the recognition that phonograms do not necessarily mean the fixation of sounds of a performance or other sounds any more; now they may also include fixations of (digital) representations of sounds that have never existed, but that have been directly generated by electronic means. The reference to such possible fixations appears in the definitions of “phonogram,” “fixation,” “producer of phonogram,” “broadcasting” and “communication to the public.” It should be stressed, however, that the reference to “representations of sounds” does not expand the relevant definitions as provided under existing treaties; it only reflects the desire to offer a clarification in the face of advancing technology.

#### *Storage of Works in Digital Form in an Electronic Medium*

5.562 In June 1982, a WIPO/Unesco Committee of Governmental Experts clarified that storage of works and objects of related rights in an electronic medium is reproduction. The Diplomatic Conference adopted an agreed statement which reads: *“The reproduction right, as set out in Articles 7 and 11 [of the WPPT], and the exceptions permitted thereunder through Article 16 [of the WPPT], fully apply in the digital environment, in particular to the use of performances and phonograms in digital form. It is understood that the storage of a protected performance or phonogram in digital form in an electronic medium constitutes a reproduction within the meaning of these Articles.”*

5.563 The first sentence states the obvious, that the provisions of the Treaty on the rights of reproduction are fully applicable in a digital environment. The concept of reproduction must not be restricted merely because a reproduction is in digital form through storage in an electronic memory, or because a reproduction is of a temporary nature. It also follows from the same first sentence that Article 16 of the Treaty is also fully applicable, offering an appropriate basis to introduce any justified exceptions, such as in respect of certain transient and incidental reproductions, in national legislation, in harmony with the “three-step test” provided for in that provision of the Treaty (see below).

5.564 The second sentence of the agreed statement simply confirms the definition of storage of works. It is another matter that the word “storage” may still be interpreted in somewhat differing ways.

#### *Transmission in Digital Networks*

5.565 The background to the provisions of the WPPT concerning transmission of works in digital networks, including the so-called “umbrella solution”, can be found in the third section of this chapter.

5.566 In the WPPT, the relevant provisions regarding transmission in digital networks are Articles 10 and 14, under which performers and producers of phonograms, respectively, must enjoy “the exclusive right of authorizing the making available to the public” of their performances fixed in phonograms and of their phonograms, respectively, “by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.” Taking into account the freedom of Contracting Parties to choose differing legal characterization of acts covered by certain rights provided for in the treaties, it is clear that, also in this case, Contracting Parties may implement the relevant provisions not only by applying such a specific right but also by applying some other rights such as the right of distribution or the right of communication to the public — providing their obligations to grant an exclusive right of authorization concerning the acts described are fully respected.

5.567 On the question of whether the mere provision of physical facilities for enabling or making a communication in itself amounts to communication within the meaning of the WCT or the Berne Convention, the agreed statement, which was adopted in relation to Article 8 of the WCT, intends to clarify the issue of the liability of service and access providers in digital networks like the Internet. It is clear that, although this was not stated explicitly, the principle reflected in the agreed statement is also applicable, *mutatis mutandis*, to the above-mentioned provisions of Articles 10 and 14 of the WPPT concerning “making available to the public.”

#### *Limitations and Exceptions in the Digital Environment*

5.568 The Diplomatic Conference affirmed that the agreed statement concerning limitations and exceptions is applicable *mutatis mutandis* also to Article 16 of the WPPT on limitations and exceptions. That provision of the WPPT is discussed below. It is obvious that any limitations and exceptions — existing or new — in the digital environment are only applicable if they are acceptable under the “three-step test” indicated in Article 16(2) of the Treaty (see below).

#### Technological Measures of Protection and Rights Management Information

5.569 The provisions in Articles 18 and 19 of the WPPT concerning technological measures and rights management information correspond to the similar provisions of the WCT (see the third section dealt with in this chapter).

5.570 An agreed statement was adopted by the Diplomatic Conference concerning Article 12 of the WCT, which contains provisions similar to those of Article 19 of WPPT. The first part of the agreed statement reads: “It is understood that the reference to ‘infringement of any right covered by this Treaty or the Berne Convention’ includes both exclusive rights and rights of remuneration.” The second part reads: “It is further understood that Contracting Parties will not rely on this Article to devise or implement rights management systems that would have the effect of imposing formalities which are not permitted under the Berne Convention or this Treaty, prohibiting the free movement of goods or impeding the enjoyment of rights under this Treaty.” The Diplomatic

Conference stated that the two-part statement quoted above was applicable *mutatis mutandis* also to Article 19 of the WPPT.

### Other Substantive Provisions

#### *Criteria for Eligibility*

5.571 Article 3 provides for the application of the criteria under the Rome Convention (Articles 4, 5, 17 and 18).

#### *National Treatment*

5.572 Article 4 provides for the same kind of national treatment as that prescribed by Article 3.1 of the TRIPS Agreement in respect of related rights, that is, national treatment only extends to the rights granted under the Treaty.

#### *Coverage of the Rights of Performers*

5.573 The coverage of the rights of performers is similar to that under the TRIPS Agreement; it only extends to live aural performances and performances fixed in phonograms, except for the right of broadcasting and communication to the public of live performances, which under Article 6(i) extends to all kinds of live performances, not only to aural ones (as under the second sentence of Article 14.1 of the TRIPS Agreement).

5.574 It is a question for interpretation whether the right to authorize fixation of unfixed performances under Article 6(ii) extends to all fixations or only to fixations on phonograms. The text of the provision may suggest a broader coverage; if, however, the definition of "fixation" under Article 2(c) is also taken into account, it seems that a narrower interpretation is justified. According to the said definition, "fixation" only means "the embodiment of *sounds, or the representation thereof*, from which they can be perceived, reproduced or communicated through a device" (emphasis added). Thus, Article 6(ii) seems to only extend to fixation on phonograms.

#### *Moral Rights of Performers*

5.575 Article 5(1) provides as follows: "*Independently of a performer's economic rights, and even after the transfer of those rights, the performer shall, as regards his live aural performances or performances fixed in phonograms, have the right to claim to be identified as the performer of his performances, except where omission is dictated by the manner of the use of the performance, and to object to any distortion, mutilation or other modification of his performances that would be prejudicial to his reputation.*" This provision, in its main lines, follows Article 6*bis* of the Berne Convention (on the moral rights of authors) but it requires a somewhat lower level of protection: in respect of the right to be identified as the performer, the element of practicability is built in, and the scope of "the right to respect" is also narrower. Article 5(2) and (3), on the duration of protection of, and the means of redress for safeguarding, the rights, are *mutatis mutandis* versions of Article 6*bis*(2) and (3) of the Berne Convention.

#### *Economic Rights of Performers*

5.576 In addition to the "right of making available," discussed above under the "digital agenda," and a right of distribution, discussed below, the WPPT provides for practically the same economic rights for performers — right of broadcasting and communication to the public of unfixed performances (but in Article 6(ii) it is added: "except where the performance is already a broadcast

performance”), right of reproduction and right of rental (Articles 6, 7 and 9) — as the rights granted in the TRIPS Agreement (Articles 14.1 and 14.4).

5.577 As far as the distribution right is concerned, Article 8(1) provides that performers have an exclusive right of authorizing the making available to the public of the original and copies of their performances fixed in phonograms, through sale or other transfer of ownership. Article 8(2) deals with the issue of the exhaustion of this right. It does not oblige Contracting States to choose national/regional exhaustion or international exhaustion, or to regulate at all the issue of exhaustion.

#### *Rights of Producers of Phonograms*

5.578 In addition to the right of “making available” discussed above under the “digital agenda” and a right of distribution, the WPPT provides the same rights for producers of phonograms — right of reproduction and right of rental (Articles 11 and 13) — as those granted under the TRIPS Agreement (Articles 14.2 and 14.4).

5.579 Article 12 contains, *mutatis mutandis*, the same provisions concerning a right of distribution for producers of phonograms in respect of their phonograms, as Article 8 does concerning such a right for performers in respect of their performances fixed in phonograms (see above).

#### *Right to Remuneration for Broadcasting and Communication to the Public*

5.580 Article 15 provides practically the same kind of right of remuneration to performers and producers of phonograms as Article 12 of the Rome Convention (except that, while the latter leaves it to national legislation whether this right is granted to performers, to producers or to both, the former provides that this right must be granted to both, in the form of a single equitable remuneration) and with the same extent of possible reservations as under Article 16.1(a) of the Rome Convention.

5.581 A specific feature of Article 15 appears in paragraph (4) which provides as follows: “*For the purposes of this Article, phonograms made available to the public by wire or wireless means in such a way that members of the public may access them from a place and at a time individually chosen by them shall be considered as if they had been published for commercial purposes.*”

#### *Limitations and Exceptions*

5.582 Under Article 16(1) of the WPPT, Contracting Parties may “provide for the same kinds of limitations or exceptions with regard to the protection of performers and producers of phonograms as they provide for, in their national legislation, in connection with the protection of copyright in literary and artistic works.” This provision corresponds in substance to Article 15.2 of the Rome Convention. It is, however, an important difference that the Rome Convention, in its Article 15.1, also provides for specific limitations independent of those provided for in a given domestic law concerning copyright protection. Two of those specific limitations (use of short excerpts for reporting current events and ephemeral fixations by broadcasting organizations) are in harmony with the corresponding provisions of the Berne Convention; the third specific limitation, however, is not, since it provides for the possibility of limitations in respect of private use without any further conditions, while, in the Berne Convention, limitations for private use are also covered by the general provisions of Article 9(2) and, consequently, are subject to the “three-step test” (see under the WCT, paragraph 5.244).

5.583 If a country adheres to both the WCT and the WPPT, which is desirable, on the basis of the above-quoted Article 16(1) of the WPPT, it is obliged to apply the “three-step test” also for any limitations and exceptions to the rights provided for in the WPPT. Article 16(2) of the WPPT, however, contains a provision which prescribes this directly also (and, thus, that test is applicable irrespective of whether or not a given country also adheres to the WCT); it reads: *“Contracting Parties shall confine any limitations of or exceptions to rights provided for in this Treaty to certain special cases which do not conflict with a normal exploitation of the performance or phonogram and do not unreasonably prejudice the legitimate interests of the performer or of the producer of the phonogram.”*

#### *Transferability of Rights*

5.584 The Treaty—similarly to the Berne Convention and the WCT — does not contain any limitation on the transferability of economic rights. The transferability of economic rights is confirmed also by the introductory phrase of Article 5(1) on moral rights of performers which reads: *“Independently of a performer’s economic rights and even after the transfer of those rights.....”* (emphasis added).

#### Duration of Protection

5.585 Under Article 17 of the WPPT, the *“term of protection to be granted to performers shall last, at least, until the end of a period of 50 years computed from the end of the year in which the performance was fixed in a phonogram.”*

5.586 The term of protection of phonograms differs in substance from the term provided for in the TRIPS Agreement. Under Article 14.5 of the Agreement, the 50-year term is always computed from the end of the year in which the fixation was made, while under Article 17(2) of the WPPT, the term is calculated from the end of the year in which the phonogram was published, and it is only in case of absence of publication that it is calculated as under the TRIPS Agreement. Since publication normally takes place after fixation, the term under the Treaty, in general, is somewhat longer.

#### Formalities

5.587 Under Article 20 of the WPPT, the enjoyment and exercise of rights provided for in the Treaty must not be subject to any formality.

#### Application in Time

5.588 Article 22(1) of the WPPT, in general, provides for the *mutatis mutandis* application of Article 18 of the Berne Convention. Article 22(2), however, allows for Contracting Parties to limit the application of Article 5 on moral rights to performances which take place after the Treaty enters into force for them.

#### Enforcement of Rights

5.589 The provisions on enforcement in Article 20 of the WPPT correspond to the similar provisions in Article 14 of the WCT, which are explained in the third section of this chapter.

## **Administrative Provisions**

5.590 These provisions, in general, are the same as, or similar to, the provisions of other WIPO treaties on the same issues, and they correspond to the similar provisions of the WCT, dealt with in the third section of this chapter.

5.591 The number of instruments of ratification or accession needed for the entry into force of the WPPT was fixed at 30. The WPPT entered into force on May 20, 2002. The States party to the WPPT are listed in the appropriate document to be found inserted in the back flap of this volume.

## **Audiovisual Performances**

5.592 The definitions of the terms “phonogram” and “fixation” in Article 2(b) and (c) of the WPPT limit the application of the Treaty to recordings of sounds. As regards audiovisual use of performances (that is use through moving images, with or without sound) the WPPT only grants protection against live broadcasting (Article 6(i)). The 1996 Diplomatic Conference which adopted the WPPT also discussed a possible extension of the scope of protection to cover such audiovisual use, but agreement was not reached at the time. In accordance with a Resolution, adopted by the Diplomatic Conference, work on the issue continued in the WIPO Standing Committee on Copyright and Related Rights. At the Diplomatic Conference on the Protection of Audiovisual Performances, which was held in Geneva in December 2000, agreement was reached on all issues, except for the question of international recognition of statutory provisions on the transfer of rights from performers to producers.

## **The International Convention for the Protection of New Varieties of Plants**

### **Introduction**

5.593 The availability to growers of improved, new plant varieties is critically important to the agricultural and horticultural industries of all countries. Improved disease resistance, higher yields and improvements in a host of other features of plants can dramatically affect the economics of the production of a crop and its acceptability to its final consumers. Food security for a rapidly growing world population, sustainable agricultural production, the need to raise farm incomes and to enhance economic development call for sustained efforts in breeding new varieties.

5.594 However, new varieties, developed after many years of patient work and heavy investment, are frequently capable of self-reproduction, with the result that the release of a small quantity of reproductive material of a plant variety can mean that it is thenceforth available to all. Since the plant breeder is unable to secure a sufficient economic return from the initial release of material of his variety, the granting to breeders of rights of exclusive exploitation of their varieties has proved to be essential to provide an incentive for private investment in plant breeding in many species.

## **The International Union for the Protection of New Varieties of Plants (UPOV)**

### History

5.595 As early as 1930, the United States of America introduced a special form of exclusive right called a plant patent, which was, however, available only for asexually reproduced varieties. Subsequently a group of European States came together in 1961 to establish the International Convention for the Protection of New Varieties of Plants (the Convention), which was revised in 1972, 1978 and 1991. The Convention also establishes the International Union for the Protection of New Varieties of Plants which is known as UPOV (the name "UPOV" is an acronym derived from the French translation of these words); its 1978 revised form is hereafter referred to as "the 1978 Act." The Convention as revised in 1991 is called "the 1991 Act." The Convention potentially protects all plant varieties irrespective of their mode of reproduction or of the technology used in their development.

5.596 States adhering to the Convention undertake to create a system for the grant of plant breeders' rights, within their domestic laws, in accordance with internationally agreed and uniform principles. Each UPOV member State must entrust the granting of breeders' rights to an appropriate administrative unit. Plant breeders' rights are granted in each member State for its own territory, and not on an international basis. After the entry into force of the 1991 Act, on April 24, 1998, the 1978 Act was closed for further accessions with the exception of those States which had already initiated the accession procedure by that time.

5.597 UPOV is an independent, international, intergovernmental organization, with an international legal personality. Its headquarters are in Geneva, and it employs its own staff.

5.598 UPOV cooperates very closely in administrative matters with the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations. The Secretary-General of UPOV is the Director General of WIPO, the UPOV headquarters is in the same building as WIPO, and UPOV receives a range of support services from WIPO.

5.599 Existing member States only become bound by the 1991 Act when they have modified their existing laws and deposited an instrument of accession to the new Act.

5.600 The next section will consider the 1978 Act of the Convention, and a subsequent section will outline the 1991 Act.

### The Criteria for Protection

5.601 The 1978 Act provides a system for the protection of a new plant variety, that is to say, the physical unit of plant material selected by the plant breeder with its set of morphological and physiological characteristics. If a legal right in this unit of plant material is to be effectively enforced, the identity of the plant material must be established beyond doubt. When concluding whether particular plant material constitutes or belongs to a "variety", the classifier must decide on the extent of its distinctness from other material, its uniformity in the sense that variations from a standard description are within reasonable limits, and its stability in the sense that it will retain its distinguishing features from one generation to the next. The 1978 Act accordingly requires in Article 6 that member States adopt the three criteria of distinctness, uniformity (the 1978 Act uses the word "homogeneity") and stability as the technical basis for the protection of plant varieties, and adds the further two requirements of commercial novelty and the submission of an acceptable denomination for the variety.

5.602 A variety must be commercially novel to secure protection. Article 6(1)(b) of the 1978 Act provides that the variety must not, prior to the date of application, have been offered for sale or marketed with the agreement of the breeder in the territory of the State where the application in question has been filed. States are, however, given a choice in relation to this provision and are permitted, if they wish, to permit varieties to be offered for sale or market in their own territories for a maximum of one year prior to the date of application. In addition, the variety must not have been offered for sale or marketed with the agreement of the breeder in the territory of any other state for longer than six years, in the case of certain woody species, or for four years in the case of all other species. These periods of grace relating to commercialization in other countries recognize the lengthy nature of trials to ascertain the agronomic value of varieties before making an application for protection, without prejudicing the right to protection.

5.603 The novel variety must be given a denomination in accordance with the provisions of Article 13 of the 1978 Act. Article 13 provides that the variety must be designated by a denomination which is destined to be its generic designation and it establishes rules designed to ensure that, in the interests of growers and consumers, this denomination does indeed provide a clear-cut generic designation. Thus the denomination may not consist solely of figures, except where this is an established practice for designating varieties of a particular species. It must not be liable to mislead or cause confusion concerning the characteristics of the variety or its value or identity and it must, of course, be different from every designation which designates in any UPOV member State another variety of the same species or of a closely related species.

5.604 The technical criteria of distinctness, uniformity and stability, and the further criteria of commercial novelty and the establishment of a denomination accordingly represent the standard conditions that must be fulfilled to secure protection for a new plant variety under the laws of UPOV member States. The 1978 Act stipulates in Article 6(2) that, provided the breeder complies with its necessary formalities, a UPOV member State may not make the grant of protection subject to conditions other than the five conditions described above.

#### The Scope of Protection

5.605 Article 5 of the 1978 Act establishes the nature of the rights that member States must as a minimum undertake to grant to breeders. The breeder's right is limited to the exclusive production and sale of reproductive or vegetative propagating material of his variety. The breeder does not, for instance, in the case of a cereal variety, have the exclusive right to sell grain of that variety, but only seed. It is a question of fact to be established by evidence whether a sale is of seed or grain. A further very important aspect to note here is that under the 1978 Act the breeder's exclusive right relates only to production for the purposes of commercial marketing. If production of reproductive material is not for that purpose, or if such material is not marketed, it is not covered by the breeders' rights: a farmer, for instance, who produces seed on his own farm for the purposes of resowing on his own farm, can do so freely without obligation to the breeder.

5.606 The 1978 Act only establishes the minimum scope of the right that States must grant. Member States are expressly permitted, under their own laws, to grant to breeders of a particular genera or species a more extensive right than that described above, even extending to the marketed product of the variety. In practice, however, few states have availed themselves of this right.

5.607 Article 5 further provides that any authorization given by the breeder in relation to the production or marketing of his variety may be made subject to such conditions as he may specify. The breeder is thus to be free to decide whether he will exploit his exclusive right by producing and selling all the reproductive or propagating material of his variety that is needed by the market, or whether he will grant licenses to others, perhaps in exchange for a royalty. The practice in

individual states varies. In many countries, in relation to species where very large volumes of seed must be produced and sold, and where the ease of keeping their own seed influences the price that farmers are prepared to pay, the practice of plant breeders is to select the least costly method of production and distribution. For example, in the case of small grain cereals, in most European countries, licenses are granted very widely to organizations such as local cooperatives and grain merchants, who provide a wide range of services and supplies to farmers. Organizations of this kind produce seed locally under contract and sell it back to local farmers, thus minimizing the cost of transportation. The breeder is content to receive a royalty on each ton of seed which is sold. In the case of more specialized seed production such as the production of some cross-pollinating species, of hybrid varieties, of high-quality vegetable seed or of new varieties of trees or vines, the practice of the breeder is probably to control very tightly the production of seed or plants in order to maintain the quality and reputation of his variety. In these cases he may seek his reward directly in the price of the seed. Many different situations exist, however, depending upon the commercial structure of seed and nursery plant distribution in each country and the logistical aspects of the production and distribution of a particular species. The 1978 Act is silent on all these marketing questions. It simply requires of UPOV member States that they permit breeders to specify conditions of licenses for their varieties.

5.608 Article 5(3) of the 1978 Act contains a truly fundamental principle. It states that the authorization of the breeder shall not be required for the utilization of the variety as an initial source of variation for the purpose of creating other varieties. The only permitted exception to this rule arises when the repeated use of the variety is necessary for the commercial production of another variety. This limited exception relates to the use of an inbred line in the commercial production of seed of a hybrid. The free availability of protected varieties as a germ plasm source for other breeders is a fundamental tenet of the 1978 Act, and demonstrates that its authors were agriculturalists who were totally aware of the nature of plant breeding and of the manner in which incremental progress is achieved by building upon the progress embodied in existing varieties.

5.609 The 1978 Act requires States to grant a minimum period of protection of 18 years in the case of vines, forest trees, fruit trees, and ornamental trees and 15 years in the case of all other plants.

5.610 The 1978 Act does not immediately impose upon its member States the obligation to protect all botanical genera and species. The 1978 Act states that its provisions *may be applied* to all botanical genera and species, without requiring member States to protect all these. What it does require is that member States apply the Convention to a minimum of five genera when first acceding to the UPOV Convention and that, over a period of years, they progressively apply the Convention to a greater number of protected species. Most member States protect all species of economic importance in their countries and, in an increasing number of cases, the entire plant kingdom.

5.611 Article 10 of the 1978 Act includes amongst its provisions one to the effect that the breeder of a protected variety shall forfeit his right if he is no longer in a position to provide the authorities with reproductive or propagating material capable of reproducing the protected variety, with its morphological and physiological characteristics, as defined when the right was granted. In other words, the breeder must competently maintain his variety if he wishes to retain the benefit of protection.

5.612 Article 2 of the 1978 Act provides that a state may provide protection for plant varieties in the form of plant variety protection or of a patent, but once it has opted to protect varieties of a species by plant breeders' rights it may not subsequently protect varieties of that same specie by patent. This is the so-called prohibition on "double protection."

5.613 Article 3 of the 1978 Act states that each member State must accord to nationals and residents of other member States the same treatment as that which it accords to its own nationals.

5.614 Article 7 of the 1978 Act provides that member States shall only grant protection after the examination of the variety in the light of the criteria of distinctness, uniformity, stability and commercial novelty referred to above. This provision has been interpreted to mean that member States should require a growing test which should be conducted either by the State or by the breeder, provided that the test follows relevant guidelines and that the breeder is required to supply a sample of the variety at the time of application and to permit persons authorized by the State to visit the trials.

5.615 Article 9 of the 1978 Act provides that UPOV member States may not restrict the exercise of the exclusive right accorded to the breeder otherwise than for reasons of public interest and that, where any such restriction is imposed, the member State involved shall take all necessary measures to ensure that the breeder receives equitable remuneration.

5.616 Article 10 of the 1978 Act provides that the right of the breeder should not be annulled unless it is shown that the variety did not fulfil the commercial novelty and distinctness requirements when the rights were granted, or be cancelled unless the breeder fails to maintain the variety or pay the necessary fees.

5.617 Article 12 of the 1978 Act requires member States to establish rules giving priority for a period of 12 months to an application for a variety where an application has already been filed for that variety in another country. This means that an application in a member State must be treated as if filed on the date of an earlier application in another member State for which priority is claimed.

5.618 Article 14 of the 1978 Act provides that the grant or refusal of breeders' rights for a variety must be independent of the regulation in any UPOV member State which is concerned with the production, certification and marketing of seeds.

5.619 Articles 1 to 14 of the 1978 Act are the Articles which establish the main legal rules which the member States of UPOV undertake to incorporate in their national laws. The remaining provisions of the 1978 Act are for the most part concerned with the establishment of UPOV and its management.

5.620 The 1978 Act has worked well in practice, and is the basis of a rapidly expanding protection system. The question immediately arises: *"Why was revision necessary, and what changes have been incorporated in the 1991 Act?"*

### **The 1991 Act of the UPOV Convention**

5.621 Advances in technology and the experience of operating the Convention since 1961 led to a number of suggestions for improvements to the Convention. Accordingly, in 1987, the Council of UPOV decided to effect a revision of the 1978 Act. After extensive consultation of interested circles and numerous sessions of expert committees, the Council approved in October 1990 a draft revised Convention ("the Basic Proposal") and decided to hold a Diplomatic Conference in March 1991 to revise the Convention.

5.622 The Diplomatic Conference adopted unanimously, on March 19, 1991, a revised 1991 Act of the UPOV Convention ("the 1991 Act"). Fifteen member States of UPOV signed the 1991 Act

either at the conclusion of the Conference or during the period when it remained open for signature. The effect of signature is not, of course, to bind the signatory State but simply represents an acknowledgment of its intention to enact a law based on the Convention and, in due course, to ratify the Convention. It is only the ratification of the Convention by an existing member State which has signed the Convention, or accession to the Convention by a new member State, which creates an international legal obligation.

5.623 Article 37 of the 1991 Act provided that it would come into force one month after five States had deposited their instruments of adherence, provided that at least three of such instruments were deposited by existing member States of UPOV. In the event, it entered into force on April 24, 1998. Owing to the fact that two States had deposited their instruments of adherence on the same date one month before, there was one more member State than the five required by Article 37 when the new Act came into force. After this, the 1978 Act was, in principle, closed to further accessions.

5.624 Article 34(1)(b) of the 1991 Act provides for possible membership of UPOV by an intergovernmental organization. This provision facilitates the membership of the European Community when the proposal for the Council Regulation (EEC) on Community Plant Variety Rights was adopted by the Community and came into force on April 27, 1995. Article 26(6)(b), which concerns voting in the Council, and Article 6(3) and 16(3) concerning novelty and exhaustion, also contain provisions which reflect the interests of the Community. Article 34(1)(b) applies also, for example, to the African Intellectual Property Organization (Organisation africaine de la propriété intellectuelle (OAPI)) which, in the form of Annex X of the Revised Bangui Agreement, adopted a regional system of plant variety protection in line with the 1991 Act of the UPOV Convention.

5.625 The structure of the 1978 Act was fundamentally revised in the new Act. In the 1991 Act, the articles are grouped together in ten chapters and the chapters follow a chronological order dealing first with the "General Obligations of the Contracting Parties," followed by "Conditions for the Grant of the Breeder's Right," provisions concerning the "Application for the Grant of the Breeder's Right," "the Rights of the Breeder," "Variety Denomination" and "Nullity and Cancellation of the Breeder's Right." The administrative and final provisions of the Convention are contained in the last three chapters.

5.626 The remainder of this section examines the text of the 1991 Act in the numerical order of the articles, mentioning the corresponding articles in the old text and the nature of the changes. It is not exhaustive and deals only with the parts of the Act which are of major substantive importance.

### Definitions

5.627 Article 1 contains "definitions" which are, for the most part, self-explanatory. Item (vi) contains a definition of "variety." The 1978 Act contains no definition of "variety" while the 1961 Act of the Convention provides that "For the purposes of this Convention, the word "variety" applies to any cultivar, clone, line, stock or hybrid which is capable of cultivation and which satisfies the provisions of subparagraph (1)(c) and (d) of Article 6." The provisions of these subparagraphs specify the conditions of homogeneity and stability which must be satisfied by a plant variety prior to a grant of breeders' rights.

5.628 The definition of "variety" incorporated into the 1961 Act of the Convention is almost, but not quite, synonymous with "variety which is protectable under the Convention." In framing a definition in 1991, it was thought that there should be a clear distinction between the definition of "variety" and a variety which meets the technical criteria of Articles 7, 8 and 9 of the 1991 Act of

the Convention so as to be a protectable variety. This is to ensure that a variety with a level of uniformity which is unacceptable for the purposes of a grant of rights may still exist as a "variety" and be taken into account, for example, for the purposes of common knowledge and distinctness under Article 7. The fact that the definition of "variety" is wider than "protectable variety" is made clear by the use of the words "irrespective of whether the conditions for the grant of a breeder's right are fully met" in the introductory phrase.

5.629 In order to establish an identity for any variety, protectable or otherwise, it must be distinct from other varieties, certain characteristics must be displayed with reasonable uniformity by its component individuals, and it must retain its identity from one generation to the next. The conditions of distinctness, uniformity and stability which are necessary for the purposes of establishing an identity for a unit of plant material to which breeders' rights are to attach, are thus also necessary, but possibly to a more limited extent, when deciding that particular plant material constitutes a variety. The three indents in the definition correspond respectively to the requirements for uniformity, distinctness and stability but were considered to set these requirements at a lower level than that necessary for protection.

5.630 The expression "plant grouping" used within the definition corresponds to the French "ensemble végétal" and leaves open the question whether a variety must invariably be constituted by more than one whole plant.

#### The Basic Obligation of Contracting Parties

5.631 The basic obligation of States party to the Convention that "each Contracting Party shall grant and protect breeders' rights" is imposed by Article 2. "Breeder's right" is defined in Article 1 as "the right of the breeder provided for in this Convention." Accordingly, each State party to the Convention must grant protection on the conditions specified in Chapter III (and subject to no further and different conditions), with the minimum scope of protection required by Chapter V, and in accordance with all other relevant provisions of the Convention. The provisions of Article 2 correspond to the provisions of Articles 1 and 30(3) of the 1978 Act.

5.632 Unlike the first sentence of Article 2(1) of the 1978 Act, the 1991 Act is silent on the form of the breeder's right. It may take the form of a special *sui generis* breeder's right, or it may be called a "patent" or given any other designation provided it has the minimum substance provided for in the Convention. The 1991 Act equally contains no provision corresponding to the second sentence of Article 2(1) of the 1978 Act (the so-called "ban on double protection") so that a Contracting Party is, so far as the 1991 Act is concerned, free to protect varieties, in addition to the grant of a breeder's right, by the grant of other titles, particularly patents. A member State exercising this freedom to grant patents in addition to the breeder's right is free to decide whether an applicant must choose between a breeder's right and a patent, or whether he can apply for and be granted both. If, for any given variety, cumulative protection of this kind is obtained, the resolution of any conflict between the two kinds of protection is left to the legislation and courts of the member State where the titles were obtained and is not regulated by the Convention.

#### Genera and Species to be Protected

5.633 Article 3 corresponds to Article 4 of the 1978 Act and is concerned with the genera and species to be protected. The system of the 1978 Act requires member States to protect a minimum of five genera or species on accession to the Convention, and thereafter to protect additional genera or species on a progressive basis, leading to a minimum of 24 genera or species after eight years. Article 4 of the 1978 Act does contain a provision that member States should undertake to adopt all measures necessary for the progressive application of the Convention to the largest

possible number of botanical genera and species, but in no way imposes on member States a clear commitment to protect the whole plant kingdom. Article 3 of the 1991 Act, however, requires existing member States to protect all plant genera and species five years after becoming bound by the new text, and requires new member States to protect all plant genera and species 10 years after they become bound by the 1991 Act, so that over time a worldwide UPOV system of plant variety protection will emerge which requires all member States to protect all plant genera or species.

5.634 The emergence of such a system has some interesting implications for the future, particularly in view of the increased scope of protection which is now provided in Article 14 of the 1991 text. Since Sweden, for example, modified its national law so as to conform with the 1991 Act, it should in due course become possible to protect a new banana variety in Sweden, notwithstanding the fact that the variety will never be grown there, with a view to taking action against imports derived from the unlicensed propagation of the variety in countries where plant variety protection is not available. The absence under the 1978 Act of any protection of the harvested material of a plant variety in importing countries has meant that it has been a matter of no concern to exporting countries without breeders' rights if varieties were piratically exploited in their territories with no reward to the breeders of the varieties. This situation may well change in the future in relation to species where the harvested material of the variety moves in international trade.

#### Conditions for the Grant of the Breeder's Right

5.635 These articles contain the conditions for the grant of a breeder's right and correspond to Article 6 of the 1978 Act of the Convention. There have been extensive changes in language but, except where some express reference is made below, there is no specific intention to change the substance.

5.636 Article 6 of the new text deals with the novelty-destroying prior commercialization of a variety. In the existing text, a variety must not have been offered for sale or marketed with the agreement of the breeder prior to the filing of an application for protection in the territory where the application is filed or, where the law of the relevant State so provides, for one year prior to such filing. The new text requires all member States to make provision in their laws for this one-year grace period; it is no longer optional.

5.637 The provisions of Article 6(1)(b) of the 1978 Act state that the variety must not have been offered for sale or marketed with the agreement of the breeder prior to the date of application. The provisions of Article 6 of the 1991 Act state that propagating or harvested material of the variety must not have been sold or otherwise disposed of to others by or with the consent of the breeder for the purposes of exploitation of the variety. The language of the 1991 Act is very different from that of Article 6(1)(b) of the 1978 Act, and may have the effect of encompassing certain commercial activities with varieties that fall outside the corresponding provisions in the existing laws of some UPOV member States. An example might be the use of an inbred line as the parent of a hybrid where the inbred line was not itself sold or marketed. It has been claimed that the use of an inbred in this way, perhaps protected by trade secrecy, would not debar its breeder from applying for protection for the inbred line many years after it was first used for commercial purposes.

5.638 Paragraph (3) of Article 6 of the 1991 Act makes reference to special rules that may be adopted where sales are effected in the member States of an intergovernmental organization. This provision relates to the UPOV membership of the EC, and enables the EC and its member States to enact provisions which will make a sale in one EC member State a novelty-destroying event for all EC member States, thereby conforming to the concept of the single market.

5.639 Article 7 of the 1991 Act deals with distinctness and requires simply that a variety must be clearly distinguishable from any other variety whose existence is a matter of common knowledge at the time of the filing of the application. The language of the existing text, by which a variety must be clearly distinguishable by one or more important characteristics from any other variety, has been abandoned, since it was considered needlessly ambiguous. The word "important" has frequently suggested to persons reading the text of the 1978 Act for the first time that a variety must, to be protectable, be distinct from existing varieties by some feature related to merit. This has never been the case. The view has been consistently taken over the years in UPOV circles that the worth or merit of a variety varies too greatly with time and environment to be used as a criterion for the grant of protection in an international intellectual property rights' system. The simplified new text avoids the ambiguity of the word "important."

5.640 The 1978 Act provided a non-exhaustive list of examples of common knowledge which included "an entry in an official register of varieties already made or in the course of being made", which plainly does not constitute common knowledge in the normal sense, since the relevant information may not necessarily be publicly available. Accordingly, Article 7 in the new text leaves the notion of common knowledge undefined and refers only to the specific instances of applications for protection or entry in an official register where, for the purposes of the Convention, common knowledge is deemed to exist notwithstanding that the information may not be generally available.

5.641 An application for the grant of a breeder's right or for the entering of a variety in an official register of varieties does not, however, make the variety in question a matter of common knowledge unless the application leads to the granting of a breeder's right or the entering of the variety in an official register of varieties. This is to avoid a situation where the system becomes cluttered with large numbers of "varieties" put forward in applications which have been refused or withdrawn and which no longer exist since they have been discarded by their breeders.

#### Examination of the Application

5.642 Article 12 of the 1991 Act deals with the examination of the application and corresponds to Article 7 of the 1978 Act. There is some change of emphasis in the latest text in that it expressly makes reference to the authority responsible for the test "taking into account the results of growing tests or other trials which have already been carried out." The eventual extension of protection to the whole plant kingdom under Article 3 of the 1991 Act means that examining authorities may be called upon to examine plant varieties of any species for distinctness, uniformity and stability, including species which are rare or unknown or in relation to which the authority has little or no knowledge or experience. In these circumstances, the authority may not itself be in a position to conduct the necessary tests and may find it necessary to ask the breeder to conduct them or to take into account data originating from the breeder. In cases of this kind, tests conducted by the breeder may be acceptable provided that the data in question is presented in a common format, and is generated by tests which follow the principles established in the General Introduction to the UPOV Guidelines for the Conduct of Tests for Distinctness, Uniformity and Stability, and that a sample of the variety is made available to the authority at the date of application.

#### Provisional Protection

5.643 Provisional protection is dealt with in Article 7(3) of the 1978 Act which does not, however, make it compulsory for member States to provide provisional protection. Article 13 of the 1991 Act, however, obliges member States to make provision for protecting the interests of the breeder during the period between the filing or the publication of an application and the subsequent grant.

The Article requires Contracting Parties to ensure that, as a minimum, the holder of the breeder's right should be entitled to equitable remuneration in respect of acts which will require the breeder's authorization once the right has been granted. The Article reflects the present practice of some countries by enabling Contracting Parties to ensure that the provision of protection shall only take effect in relation to persons whom the breeder had notified of the filing of the application.

#### Scope of the Breeder's Right

5.644 Article 5 of the 1978 Act provides that the prior authorization of the breeder *"shall be required for:*

- the production for purposes of commercial marketing,
- the offering for sale,
- the marketing
- of the reproductive or vegetative propagating material, as such, of the variety."

The article further provides that *"vegetative propagating material shall be deemed to include whole plants"* and that *"the right of the breeder shall extend to ornamental plants or parts thereof, normally marketed for purposes other than propagation, when they are used commercially as propagating material in the production of ornamental plants or cut flowers."*

5.645 The fact that the breeder's authorization is only required for the production of propagating material "for purposes of commercial marketing" means that production of propagating material that is not intended for marketing, but only for use on the farm where it was produced, falls outside the scope of protection. This has the effect of creating implicitly the so-called "farmer's privilege," whereby farmers may replant on their farms propagating material from the previous year's harvest.

5.646 Article 14(1) of the 1991 Act provides that, in respect of the propagating material of a protected variety, any production, reproduction (multiplication), conditioning for the purpose of propagation, offering for sale, selling or other marketing, exporting or importing, or stocking for any of these purposes, shall require the authorization of the breeder. Accordingly, the basic scope of the protection extends to all production or reproduction (multiplication) without a reference to its purpose and, unlike the 1978 Act, does not have the effect of creating, by implication, a "farmer's privilege."

5.647 The very different agricultural industries of UPOV member States and the varying political situations in these States have nonetheless led to the inclusion in the new Act of a provision entitling States to the option of excluding the planting of farm-saved seed from the requirement for the breeder's authorization. The provision in question is contained in Article 15(2). The structure of the provision should ensure that countries give careful thought to the interests of plant breeders when exercising this option. It was intended that States would examine the issues involved on a species by species basis. The Diplomatic Conference formally recommended that the provision of Article 15(2) "should not be read so as to be intended to open the possibility of extending the practice commonly called "farmer's privilege" to sections of agricultural or horticultural production in which such a privilege is not a common practice."

5.648 Apart from the special provision relating to the production of ornamental plants or cut flowers, the mandatory minimum scope of protection under Article 5 of the 1978 Act is limited to

the reproductive or vegetative propagating material, as such, of the variety. Paragraph (4) of Article 5 does provide that member States may grant to breeders, in respect of certain botanical genera or species, a more extensive right than that otherwise provided in Article 5, extending, in particular, to the marketed product. Few States took advantage of this optional provision. A major question debated in the course of the revision process was whether the scope of the breeder's right should be extended in a more general way to the harvested material of the protected variety and even to products produced by processing the harvested material.

5.649 The Diplomatic Conference decided the above question in the affirmative. Article 14(2) of the 1991 Act does make provision for the scope of the breeder's right to extend to harvested material, including entire plants and parts of plants where these have been obtained through the unauthorized use of propagating material of a protected variety, but qualifies the scope by providing that this scope of protection exists, "unless the breeder has had reasonable opportunity to exercise his right in relation to the propagating material of the variety."

5.650 The majority of the member States of UPOV which voted in the Diplomatic Conference on the text of Article 14(2) were not prepared to extend to the breeder an untrammled choice between the exercise of his right in relation to the propagating material and its exercise in relation to the harvested material. They were not, for example, prepared to permit the breeder to be totally free to exercise his intellectual property right over the grain instead of the seed. There was, however, general agreement in the Diplomatic Conference that a breeder needed to have a right exercisable over the harvested material of his variety when he had had no opportunity to exercise a right in relation to the propagating material. The most commonly quoted example of the breeder being unable to exercise his right was that of the piratical use of a breeder's variety in another country, perhaps a country which makes no provision for plant variety protection, followed by a subsequent import of harvested material of the variety into a country where the variety is protected. A further example would be the exercise by the breeder of his right in relation to any harvested material which arises from an infringement, of which he was unaware, of his rights in respect of propagating material.

5.651 Article 14(2) provides that the breeder has a right to protection in relation to harvested material "unless he has reasonable opportunity to exercise his right in relation to the propagating material." Accordingly, it is the alleged infringer who will usually bear the burden of establishing that the breeder has indeed had reasonable opportunity to exercise his right in relation to the propagating material of the variety.

5.652 Article 14(3) of the 1991 Act provides for the further extension of the right of the breeder to products made directly from harvested material. This provision is not, however, part of the mandatory minimum scope of protection under the 1991 Act. States adhering to the 1991 Act may choose whether they wish to extend the breeder's right in accordance with Article 14(3). Under the Article, the authorization of the breeder is required to produce, sell, market, etc. any product made directly from harvested material, provided that the harvested material itself results from infringement. Once again, the exercise by the breeder of any right under the Article in relation to products made directly from harvested material exists "unless the breeder has had reasonable opportunity to exercise his right in relation to the harvested material." The provisos attached to Article 14(2) and (3) together constitute what has been called a "cascade." The idea of those who promote the notion of a cascade is that the breeder should only exercise his right in relation to harvested material if he has not been able to exercise it in relation to the propagating material, and that he should only exercise his right in relation to a product made directly from harvested material if he has been unable to exercise his right in relation to the harvested material.

5.653 As already mentioned, interesting future consequences arising from the extended scope of protection in the 1991 Act can be envisaged once protection extends to the whole plant kingdom.

#### Essentially Derived Varieties

5.654 Under the provisions of Article 6(1)(a) of the 1978 Act, any variety is protectable which, *inter alia*, is clearly distinguishable, at the time of application, by one or more important characteristics from other commonly known varieties and which is sufficiently uniform and stable. Article 5(3) of the 1978 Act provides that a protected variety may be used as an initial source of variation for the purpose of creating other varieties. The two provisions taken together create a situation in which an existing protected variety may be used as a source of initial variation and a variety selected therefrom may be freely exploited by the selector, free of any obligation to the breeder of the protected variety, provided that the selection is clearly distinguishable by one or more important characteristics from the protected variety. Since the word "important" in this context has been construed to mean "important for the purposes of making a distinction" and not "important in the sense of having value," this has meant that a person selecting a mutant or a minor variant from an existing variety or inserting an additional gene into it by back-crossing or some other procedure, can protect the resulting variety without rewarding the original breeder for his contribution to the final result. Typical examples are the selection of a color mutant from an ornamental variety, the insertion of a single gene into a maize line by back-crossing (under the favorable conditions of the tropics, multiple back-crosses can be effected in one year) and more recently, the insertion of a single gene by genetic engineering. The fact that the 1978 Act does not enable the breeder to prevent breeding approaches of this kind, has been criticized as unjust by industrial circles and the 1991 Act remedies this situation by introducing the principle of "essential derivation." Article 14(5) of the 1991 Act provides that a variety which is essentially derived from a protected variety cannot be exploited without the authorization of the breeder of the protected variety. A variety is deemed to be essentially derived from another variety ("the initial variety") for this purpose when:

"(a) it is predominantly derived from the initial variety or from a variety that is itself predominantly derived from the initial variety while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety;

it is clearly distinguishable from the initial variety;

except for the differences which result from the act of derivation, it conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety."

5.655 Article 14(5) provides a non-exhaustive list of examples of acts that may result in essential derivation, including the selection of a natural or induced mutant, or of a somaclonal variant, the selection of a variant individual from plants of an initial variety, back-crossing, or transformation by genetic engineering.

5.656 It is not envisaged that a determination concerning the essential derivation of a variety will be made by an examining office as part of the grant procedure, but rather that the question will be resolved between plant breeders by agreement, or in the last resort through litigation.

5.657 The existence of the new principle should ensure in future that those working as innovators in the field of plants will reach agreement before they undertake a program of activity which could result in varieties that are essentially derived from protected varieties. If a plant breeder inserts a gene falling within the claims of an invention relating to genetic information (a "patented gene")

into his variety, the resulting variety could fall within the scope of the patent enabling the patentee, in effect, to prohibit the exploitation of the variety. If, on the other hand, the patentee inserts the patented gene into the same variety, the breeder of the variety has no possibility at present to forbid the exploitation of the modified variety. In future, if a patentee of a gene inserts his patented gene into a protected variety, there will exist the possibility that the modified variety will be essentially derived and fall within the scope of protection of the protected variety. It is considered that the new balance established between the two systems in this way will facilitate the exchange of technology between plant breeders and biotechnologists. Plant breeders and biotechnologists are described here as if they pursue fundamentally separate activities. UPOV is well aware that their activities may be pursued in one and the same organization or by one person but it does still help, occasionally, for present purposes to talk of the two activities separately. It should be noted that there is no suggestion in the essential derivation provision that the breeder of an essentially derived variety should be able to force the breeder of the initial variety to grant a license, through some compulsory license procedure.

#### Exceptions to the Breeder's Right

5.658 A description has already been given, in connection with the scope of protection, of the provisions of Article 15(2) relating to an optional exception from the scope of protection in favor of certain farmers in certain circumstances. Article 15(1)(iii) provides that "acts done for the purpose of breeding other varieties" are compulsorily excepted from the breeder's right. This provision reproduces the substance of Article 5(3) of the 1978 Act whereby the authorization of the breeder is not required for the utilization of a protected variety as an initial source of variation for the purpose of creating other varieties, thus creating the so-called "breeder's exemption."

5.659 This is a very important feature of the Convention and is strongly supported by plant breeders and by interested circles generally. The breeder's exemption principle was strongly reaffirmed by the Diplomatic Conference. Some parties suggested that the introduction of the principle of essential derivation represents a fundamental departure from the breeder's exemption. Essential derivation is not seen in this light in UPOV. A variety will be essentially derived from another only when it retains the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety. Accordingly, a variety will only be encompassed by the essential derivation provision when it resembles the initial variety very closely and uses virtually the whole genetic structure of the initial variety apart from specific limited modifications.

5.660 Any variety may still be used under the 1991 Act of the Convention for the purpose of breeding other varieties and, unless they fall within the limited category of varieties which are essentially derived, such newly bred varieties may be freely exploited. The nature of the essential derivation principle is such that any breeder who embarks upon a program which will result in a variety which is essentially derived, will know what he is doing and why, and will either reach agreement with the breeder of the initial variety or will take the risk that the time and effort of his program will be wasted if the breeder of the initial variety declines to grant a license.

5.661 The new principle is seen in UPOV circles as an important extension of the zone of protection around a protected variety. This zone will in future comprise the minimum distance that results from the existing distinctness rule together with an additional zone created by the essential derivation principle.

### Exhaustion of the Breeder's Right

5.662 The breeder's right (Article 16) does not extend to acts concerning any material of the protected variety which has been sold or otherwise marketed by the breeder or with his consent, unless such acts:

- involve further propagation of the variety, or
- involve an export of material of the variety, which enables the propagation of the variety, into a country which does not protect varieties of the plant genus or species to which the variety belongs, except where the exported material is for final consumption purposes.

5.663 The breeder's right to prohibit propagation of the variety is thus never exhausted.

### Duration of the Breeder's Right

5.664 Article 19 adjusts the minimum period of the breeder's right from 18 years for trees and vines and 15 years for all other species, to periods of 25 years and 20 years respectively for these same categories. In large measure, these adjustments reflect the existing practice of member States. The substitution of the 20-year period for the 18-year period of protection ensures that the period of protection available for the majority of applicants in the plant breeders' rights system will be the same as that available in the patent system.

### Administrative and Final Provisions

5.665 For the most part, the administrative and final provisions of the 1991 Act, which are contained in Articles 21 to 42, reproduce the substance of the 1978 Act.

5.666 Article 35 of the 1991 Act is worthy of comment. It provides that any State which, at the time of becoming a party to the 1991 Act, is a party to the Act of 1978 and which, as far as varieties reproduced asexually are concerned, provides for protection by an industrial property title other than a breeder's right, shall have the right to continue to do so without applying this Convention to those varieties. This provision is designed, as was Article 37 of the 1978 Act, specifically for the situation of the United States of America, which protects asexually reproduced plant varieties, other than potatoes and Jerusalem artichokes, by a special form of plant patent (which does not strictly conform to the provisions of the UPOV Convention) and which protects sexually reproduced and tuber-propagated varieties by a Plant Variety Protection Act (which does conform to the provision of the UPOV Convention). Accordingly, unless the United States of America changes its law fundamentally, it will not be in a position to meet the requirements of Articles 2 and 3 which will ultimately require it to grant and protect breeders' rights (that is, rights which conform to the UPOV Convention) for all plant genera and species. Article 35 of the 1991 Act, which can only apply to the United States of America, enables it in large measure to continue with its present system, unless or until, it decides to rationalize the present provisions of its law.

5.667 The 1991 Act of the UPOV Convention entered into force on April 24, 1998. Due to the fact that two states had deposited their instruments of adherence on the same date one month before, there were six adherences when the new Act came into force, one more than requested in Article 37.

## Developments in Plant Variety Protection

5.668 Increasing numbers of countries, both in the developed and developing world, are interested in the UPOV Convention or taking steps to accede to it. Still others are enacting or have already enacted legislation on plant variety protection, which is in conformity with, or influenced by, the UPOV Convention.

5.669 Protection of plant varieties is addressed in the TRIPS Agreement (see section below). Article 27 of that Agreement, which relates to patents, provides that members of the World Trade Organization may exclude from patentability plants and animals other than microorganisms, and essentially biological processes for the production of plants and animals other than non-biological and microbiological processes, but must provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof. A model of an "effective *sui generis* system" is provided by the UPOV Convention.

5.670 The States party to the International Convention for the Protection of New Varieties of Plants (UPOV) are listed in the appropriate document to be found inserted in the back flap of this volume.

## The Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") and WIPO-WTO Cooperation

### Introduction

#### GATT, the WTO and the TRIPS Agreement

5.671 The Uruguay Round of multilateral trade negotiations held in the framework of the General Agreement on Tariffs and Trade ("GATT") was concluded on December 15, 1993. The agreement embodying the results of those negotiations, the Agreement Establishing the World Trade Organization ("WTO Agreement"), was adopted on April 15, 1994, in Marrakech.

5.672 Those negotiations included, for the first time within the GATT, discussions on aspects of intellectual property rights related to international trade. The result of those negotiations, contained in an Annex to the WTO Agreement, was the Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS Agreement").

5.673 The WTO Agreement, including the TRIPS Agreement (which is binding on all WTO Members), entered into force on January 1, 1995. The former agreement established a new organization, the World Trade Organization, which began its work on January 1, 1995.

#### Transitional Arrangements and Technical Cooperation (Part VI)

5.674 Member States of WTO were given certain periods of time after the entry into force of the Agreement establishing WTO before being obliged to apply the TRIPS Agreement. The date on which the relevant transitional period expires for a Member, referred to as the date of application of the Agreement for that Member, is as follows:

- generally, *January 1, 1996* (Article 65.1);
- developing countries in the process of transformation into a market, free-enterprise economy, of structural reform of intellectual property systems, and facing special problems, *January 1, 2000*, excepting obligations involving national treatment and most-favored-nation treatment (Articles 65.2 and 65.3);
- developing countries obliged by the Agreement to extend product patent protection to types of products not previously patentable in those countries, *January 1, 2005*, before applying the agreement to such products (Article 65.4);
- least-developed countries, excepting provisions involving national treatment and most-favored-nation treatment, *January 1, 2006*, extendable upon duly motivated request (Article 66.1).

5.675 The TRIPS Agreement also requires developed country Members to provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favor of developing and least-developed country Members, including assistance in preparation of laws and support regarding establishment or reinforcement of domestic offices and agencies, including training of personnel (Article 67).

#### Institutional Arrangements (Part VII)

5.676 The WTO Agreement creates a three-tiered organizational structure. The highest tier is the Ministerial Conference, which meets at least once every two years (Article IV.1). It has the authority to take decisions on all matters under the WTO Agreement. The second tier is the General Council, consisting of representatives of all the Members, which is to meet "as appropriate" to carry out its own duties as well as those of the Ministerial Conference in the intervals between meetings of the latter body (Article IV.2). The General Council also serves as the Dispute Settlement Body and the Trade Policy Review Body (Article IV.3 and IV.4).

5.677 The WTO Agreement (Article IV.5) also establishes a Council for Trade-Related Aspects of Intellectual Property Rights (the "TRIPS Council") which, under the general guidance of the General Council, is to oversee the functioning of the TRIPS Agreement (Article IV.5). Membership in the TRIPS Council is open to representatives of all Members. Under the provisions of the TRIPS Agreement (Part VII, Article 68), the TRIPS Council is responsible for monitoring the operation of the TRIPS Agreement and Members' compliance with the obligations under that Agreement. The TRIPS Council shall also review the implementation of the TRIPS Agreement after the expiration of the transitional period for developing countries (that is, after January 1, 2000), and every two years thereafter, or when amendment or modification is warranted by new developments (Article 71.1). The first meeting of the TRIPS Council was held on March 9, 1995.

#### Arrangements for Cooperation with WIPO

5.678 Consultations to establish arrangements for cooperation and a mutually supportive relationship between the WTO and WIPO concerning intellectual property are required by the TRIPS Agreement.

5.679 The TRIPS Agreement further states that the TRIPS Council, in carrying out its functions, may consult with and seek information from any source it deems appropriate and that, in consultation with WIPO, the Council is to seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of WIPO (Article 68). Consultations for specific areas of

cooperation between WIPO and WTO are also required by the Agreement, in particular, under Article 63.2, which concerns notification of laws and regulations by Members to the TRIPS Council.

### **General Provisions, Basic Principles and Final Provisions (Parts I and VII)**

5.680 A basic principle concerning the nature and scope of obligations under the TRIPS Agreement is that Members must give effect to the provisions of the Agreement and accord the treatment provided for in the Agreement to the nationals of other Members. A “national” is understood as meaning those natural or legal persons who would be eligible for protection if all Members of WTO were also bound by the Paris, Berne and Rome Conventions and by the Washington Treaty on Intellectual Property in Respect of Integrated Circuits (“the IPIC Treaty”).

5.681 Members are free to determine the appropriate method of implementing the provisions of the TRIPS Agreement within their own legal system and practice, and may implement more extensive protection than is required, provided that such additional protection does not contravene other provisions of the Agreement (Article 1.1 and 1.3).

#### Definition of Intellectual Property

5.682 The TRIPS Agreement states that, for the purposes of the Agreement, the term “intellectual property” refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II of the TRIPS Agreement, namely, copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout-designs (topographies) of integrated circuits and undisclosed information (Article 1.2).

#### Incorporation by Reference of the Paris and Berne Conventions

5.683 The TRIPS Agreement is built on principles more than a century old, embodied in the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works. In fact, almost all the substantive provisions of these two Conventions are incorporated by reference directly in the TRIPS Agreement.

5.684 Concerning industrial property, the TRIPS Agreement requires that Members comply with Articles 1 through 12 and Article 19, of the Paris Convention, in respect of Parts II, III and IV of the Agreement (Article 2.1). This includes all the substantive provisions of the Paris Convention.

5.685 In the field of copyright, Members are required to comply with Articles 1 through 21 of the Berne Convention and its Appendix. However, Members do not have rights or obligations in respect of Article 6*bis* of the Berne Convention concerning moral rights, or of the rights derived therefrom (Article 9.1).

5.686 The TRIPS Agreement, however, stipulates that nothing in Parts I to IV of the Agreement shall derogate from existing obligations that Members may have to each other under the Paris or Berne Conventions (Article 2.2).

#### The Principle of National Treatment

5.687 TRIPS provides for the principle of national treatment, requiring that Members accord the treatment provided for in the Agreement to the nationals of other Members, the latter defined, for the corresponding rights, in terms of the relevant provisions of the Paris, Berne and Rome

Conventions and the IPIC Treaty. Exceptions provided for under the relevant conventions are respected within the context of the TRIPS Agreement. As regards industrial property and copyright, this principle applies to all rights. As regards rights in respect of performers, producers of phonograms and broadcasting organizations, the obligation only applies in respect of the rights provided under the Agreement. Also exempted from this principle are procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

#### The Most-Favored-Nation Principle (MFN)

5.688 The TRIPS Agreement contains the most-favored-nation principle, which has not traditionally been provided for in the context of intellectual property rights on the multilateral level. This principle provides that any advantage, favor, privilege or immunity granted by a Member to the nationals of any other country (whether a Member or not) shall be accorded immediately and unconditionally to the nationals of all other Members, with certain specified exemptions. As is the case for national treatment, procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights are exempted from this principle.

#### Protection of Existing Subject Matter

5.689 The TRIPS Agreement contains specific provisions regarding the effect of the Agreement on the subject matter of intellectual property rights that exists, on the date of application of the Agreement, in a Member. While the Agreement does not give rise to obligations in respect of acts which occurred before the date of application of the Agreement for the Member in question (Article 70.1), the Agreement does give rise to obligations in respect of all subject matter existing and protected on the date of application of the Agreement, or which then or subsequently meets the criteria for protection under the terms of the Agreement (Article 70.2). However, copyright obligations with respect to existing works and obligations in connection with the rights of producers of phonograms and performers in existing phonograms are determined solely under Article 18 of the Berne Convention (Article 70.2).

5.690 A Member may provide for limited remedies for acts which become infringing as a result of the implementation of the Agreement and which were commenced, or in respect of which a significant investment was made, before the date of acceptance of the Agreement. These must include at least the payment of equitable remuneration (Article 70.4).

5.691 There are certain exceptions to these general rules. In particular, there is no obligation to restore protection to subject matter which has fallen into the public domain (Article 70.3). In addition, certain obligations concerning computer programs, cinematographic works and phonograms (Articles 11 and 14(4)) need not be applied with respect to originals or copies purchased prior to the date of application of this Agreement (Article 70.5). Further, provisions concerning guidelines for use without authorization (Article 31) and non-discrimination as to the field of technology (Article 27.1) need not be applied to use without the authorization of the right-holder where authorization for such use had been granted by the government before the date the Agreement became known (Article 70.6).

5.692 Applications for protection of intellectual property rights which are pending on the date of application of the Agreement may be amended to claim any enhanced protection provided under the Agreement, but such amendments may not include new matter (Article 70.7).

### Reservations

5.693 Reservations may not be entered in respect of any of the provisions of the Agreement without the consent of the other Members (Article 72).

### Security Exceptions

5.694 The Agreement provides a general exception for matters which are deemed to be essential to national security interests; a Member is not required to furnish any information if it considers disclosure to be contrary to its essential security interests. In addition, it may take any action which it considers necessary for the protection of its essential security interests relating to fissionable materials or the materials from which they are derived, relating to traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment, or taken in time of war or other emergency in international relations. It may also take any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security (Article 73).

## **Standards Concerning the Availability, Scope and Use of Intellectual Property Rights (Part II)**

5.695 Part II of the TRIPS Agreement provides minimum standards concerning the availability, scope and use of intellectual property rights. This Part contains eight sections relating, respectively, to copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout-designs (topographies) of integrated circuits, protection of undisclosed information and control of anti-competitive practices in contractual licenses (the latter subject is not contained in the definition of intellectual property of Article 1.2).

### Copyright and Related Rights (Section 1)

5.696 The essential elements of the standards concerning the availability, scope and use of copyright and related rights include the following:

- Members must comply with Articles 1-21 of the 1971 Paris Act of the Berne Convention and, where applicable, with the Appendix to that Act (containing special provisions for developing countries). However, Members do not have rights or obligations under the Agreement concerning the subject matter of Article 6*bis* of the Berne Convention (concerning moral rights), or of the rights derived therefrom (Article 9.1);
- copyright protection shall extend to the expression and not to ideas, procedures, methods of operation or mathematical concepts as such (Article 9.2);
- computer programs, whether in source or object code, must be protected as literary works under the Berne Convention (Article 10.1);
- compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected "as such." The protection does not extend to, but is without prejudice to any copyright subsisting in, the data or material itself (Article 10.2);

- a commercial rental right is provided in respect of at least computer programs except where the program itself is not the essential object of the rental, and to cinematographic works; however, Members are excepted from the latter obligation unless such rental has led to widespread copying which materially impairs the exclusive right of reproduction in a Member (Article 11);
- the term of protection for works other than photographic works or works of applied art, where the term is calculated on a basis other than the life of a natural person, shall be no less than 50 years from the end of the calendar year of authorized publication or, if publication has not taken place within 50 years from the making of the work, 50 years from the end of the calendar year of the making of the work (Article 12);
- limitations or exceptions to exclusive rights are confined to cases which do not conflict with normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right-holder (Article 13);
- with respect to related rights, performing artists shall have the right to prevent the fixation and reproduction of their unfixed performances on phonograms, and the wireless broadcasting and communication to the public of their live performances (Article 14.1);
- producers of phonograms shall have the right to authorize or prohibit the direct or indirect reproduction of their phonograms (Article 14.2);
- broadcasting organizations (or, if such rights are not granted to broadcasting organizations, the owners of copyright in the subject matter of broadcasts) shall have the right to prohibit the fixation, reproduction, wireless rebroadcasting and communication to the public by television broadcast (Article 14.3);
- a rental right is provided for producers of, and certain other right-holders in, phonograms; Members may maintain systems, in existence on April 15, 1994, of equitable remuneration in respect of the rental of phonograms, provided such system does not materially impair exclusive rights of reproduction (Article 14.4);
- the term of protection for performers and producers of phonograms is at least 50 years from the end of the calendar year of fixation or performance, and for broadcasters at least 20 years from the end of the calendar year of broadcast (Article 14.5);
- the conditions, limitations, exceptions and reservations permitted by the Rome Convention may be applied to certain related rights (under paragraphs 14.1 to 14.3) granted in the Agreement; however, the provisions of Article 18 of the Berne Convention apply, *mutatis mutandis*, to the rights of performers and producers of phonograms in phonograms (Article 14.6).

### Trademarks (Section 2)

5.697 The essential elements of the standards concerning the availability, scope and use of trademark rights include the following:

- any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings (thus including service marks) shall be eligible for registration as a trademark (Article 15.1);

- registrability may be conditional upon visual perceptibility and, for signs which are not inherently distinctive, on distinctiveness acquired through use (Article 15.1);
- registrability may be conditional upon use (Article 15.2), but use may not be a condition for filing and an application may not be refused solely on the ground that intended use has not taken place within three years of the filing date (Article 15.3);
- the nature of the goods or services to which a trademark is to be applied may not be an obstacle to the registration of the mark (Article 15.4);
- Members shall publish each trademark and afford a reasonable opportunity for petitions to cancel the registration, and may afford an opportunity to oppose the registration (Article 15.5);
- the rights conferred by registration shall include the exclusive right to prevent third parties from using identical or similar signs for identical or similar goods or services, where such use would result in a likelihood of confusion, the latter to be presumed where the goods or services are identical (Article 16.1), subject to certain allowable exceptions such as the fair use of descriptive terms (Article 17);
- certain rights are provided for the owners of well-known trademarks and service marks (Article 16.2 and 16.3);
- the term of initial registration and renewals shall be no less than seven years, renewable indefinitely (Article 18);
- if a showing of use is required for the maintenance of a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons for non-use are shown (Article 19.1);
- certain restrictions on use are not permitted (Article 20);
- compulsory licensing of trademarks is not permitted (Article 21);
- trademarks may be assigned with or without the transfer of the business to which the trademark belongs (Article 21).

### Geographical Indications (Section 3)

5.698 The essential elements of the standards concerning the availability, scope and use of rights involving geographical indications include the following:

- “geographical indications” are defined as indications which identify a product as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin (Article 22.1);
- Members must provide the legal means for interested parties to prevent the use of indications that misleadingly indicate or suggest that a good originates in a geographical area other than the true place of origin (Article 22.2(a));

- Members shall refuse or invalidate the registration of a trademark which consists of a misleading indication (Article 22.3), and provide means to prevent any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (Article 22.2(b));
- protection shall be applicable against a geographical indication which is literally true but misleading (Article 22.4) and, in the case of wines or spirits, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like (Article 23.1);
- protection is not required in respect of a geographical indication of another Member which is identical with the common name for goods or services, or, for products of the vine, which is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement (Article 24.6);
- there is no obligation to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country (Article 24.9);
- guidelines are provided for additional protection for geographical indications for wines and spirits (Article 23), including concurrent protection of homonymous geographical indications for wines (Article 23.3), certain exceptions to substantive rights such as prior rights (Article 24.4) and the right to use personal names (Article 24.8), and time limits for registration in certain cases (Article 24.7);
- in order to facilitate the protection of geographical indications for wines, negotiations are to be undertaken in the TRIPS Council, concerning the establishment of a multilateral system of notification and registration of geographical indications for wines, which would be effective for those Members participating in the system (Article 23.4).

#### Industrial Designs (Section 4)

5.699 The essential elements of the standards concerning the availability, scope and use of industrial design rights include the following:

- Members shall provide protection for independently created industrial designs that are original or new, certain standards for determining protectability being allowed (Article 25.1);
- requirements for protection of textile designs, which may be provided through industrial design or copyright law, shall not unreasonably impair the opportunity to obtain protection, particularly in regard to any cost, examination or publication (Article 25.2);
- exclusive rights shall include the right to prevent third parties from making, selling or importing, for commercial purposes, articles bearing or embodying a protected industrial design (Article 26.1), subject to certain allowable exceptions (Article 26.2);
- the duration of protection shall amount to at least 10 years (Article 26.3).

#### Patents (Section 5)

5.700 The essential elements of the standards concerning the availability, scope and use of patent rights include the following:

- patents shall be available for products and processes in all fields of technology, provided they are new, involve an inventive step and are capable of industrial application (Article 27.1), except that Members may exclude inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* (public safety), including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law (Article 27.2); and Members may further exclude diagnostic, therapeutic and surgical methods for the treatment of humans or animals, plants and animals other than microorganisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes (Article 27.3); however, Members shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof (Article 27.3);
- patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced (Article 27.1);
- exclusive rights shall include, for products, the right to prevent third parties from making, using, offering for sale, selling or importing the patented product, and for processes, the right to prevent third parties from using the process and from using, offering for sale, selling or importing for those purposes the product obtained directly by that process (Article 28.1), subject to certain allowable exceptions (Article 30);
- patents shall be assignable, transferable and shall be available for licensing (Article 28.2);
- certain conditions are imposed concerning the disclosure of the invention in a patent application (Article 29);
- any use allowed without the authorization of the right-owner (commonly known as a compulsory license), and such use by the government, is made subject to certain enumerated conditions (Article 31); such use in the case of semi-conductor technology is limited to certain enumerated purposes (Article 31(c));
- judicial review shall be available for any decision to revoke or forfeit a patent (Article 32);
- the term of protection shall be at least 20 years from the date of the filing of the application (Article 33);
- the burden of proof concerning whether a product was made by a patented process shall in certain cases be placed on the alleged infringer (Article 34).

5.701 In addition to the foregoing obligations, where a Member had not made available, as of the date of entry into force of the WTO Agreement (that is, January 1, 1995), patent protection for pharmaceutical and agricultural chemical products commensurate with its obligations under Article 27, that Member must provide as from that date a means by which applications for patents for such inventions can be filed. The Member must, as of the date of application of the Agreement, apply to such applications the criteria for patentability as if those criteria were being applied on the filing date or priority date of the application. If the subject matter of the application meets the criteria for protection, the Member must provide patent protection for the remainder of the patent term counted from the filing date (Article 70.8).

5.702 Where such an application is filed, exclusive marketing rights must be granted for a period of five years after the obtaining of marketing approval or until a product patent is granted or rejected in that Member, whichever period is shorter, provided that, subsequent to the entry into force of the WTO Agreement, a patent application has been filed and a patent granted for that product in another Member and marketing approval obtained in that other Member (Article 70.9).

#### Layout-Designs (Topographies) of Integrated Circuits (Section 6)

5.703 The TRIPS Agreement incorporates nearly all the substantive provisions, with a few exceptions, of the Treaty. The Treaty provides for a regime of legal protection for layout-designs (topographies) of integrated circuits, and includes provisions on, *inter alia*, protectable subject matter, the legal form of protection, national treatment, scope of protection, exploitation, registration, disclosure and duration of protection. The requirements of the TRIPS Agreement are as follows:

- Members must provide protection for the layout-designs (topographies) of integrated circuits in accordance with Articles 2 through 7 (other than Article 6(3), which contains provisions on compulsory licenses), Article 12 and Article 16(3) of the IPICT Treaty (Article 35);
- the TRIPS Agreement substitutes a minimum term of ten to 15 years instead of the minimum term of eight years provided in Article 8 of the IPICT Treaty (Article 38);
- the TRIPS Agreement restricts the circumstances in which layout-designs may be used without the consent of right-holders (Article 37.2);
- the TRIPS Agreement contains an additional prohibited act to those listed in the IPICT Treaty, namely any act relating to an article incorporating an integrated circuit, but only in so far as it continues to contain an unlawfully reproduced layout-design (Article 36);
- the TRIPS Agreement provides that certain acts engaged in unknowingly will not constitute infringement (Article 6(4) of the IPICT Treaty explicitly allows such exclusions), but that a reasonable royalty shall be payable with respect to stock on hand after notice is given (Article 37.1).

#### Protection of Undisclosed Information (Section 7)

5.704 The TRIPS Agreement provides that, in the course of ensuring effective protection against unfair competition as provided in Article 10*bis* of the Paris Convention, Members shall protect undisclosed information and data submitted to governments or governmental agencies in accordance with the following provisions (Article 39.1):

- natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices (Article 39.2);
- such protection is required for information which is secret (that is, not generally known among or readily accessible within the circles that normally deal with such information), which has commercial value because it is secret, and which has been subject to reasonable steps to keep it secret (Article 39.2);
- certain undisclosed test or other data submitted as a condition of approving the marketing of pharmaceutical or agricultural chemical products which utilize new chemical entities, shall

be protected against unfair commercial use and, under certain circumstances, against disclosure (Article 39.3).

#### Control of Anti-Competitive Practices in Contractual Licenses (Section 8)

5.705 Recognizing that some licensing practices or conditions pertaining to intellectual property rights which restrain competition may have adverse effects on trade and may impede the transfer and dissemination of technology (Article 39.1), the TRIPS Agreement provides that Members may specify in their national laws licensing practices or conditions which may, in particular cases, constitute an abuse of intellectual property rights with an adverse effect on the competition in the relevant market, and that they may adopt appropriate measures to control or prevent such practices (Article 40.2).

5.706 Members agree to enter into consultations with each other, upon request, to secure compliance with laws in this regard (Article 40.3) or where their nationals are subject to such proceedings in the territory of other Members (Article 40.4).

### **Enforcement of Intellectual Property Rights (Part III)**

#### General Obligations (Section 1)

5.707 The TRIPS Agreement requires that specified enforcement procedures be available to permit effective action against any act of infringement of intellectual property rights covered by the Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. The procedures must be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse (Article 41.1).

5.708 Enforcement procedures are to be fair and equitable, not unnecessarily complicated or costly, nor entail unreasonable time-limits or unwarranted delays (Article 41.2). Decisions on the merits of a case shall preferably be in writing and reasoned, shall be made available at least to the parties to the proceeding without undue delay, and shall be based only on evidence in respect of which parties were offered the opportunity to be heard (Article 41.3). Parties to a proceeding shall have an opportunity for review of final administrative decisions and of at least the legal aspects of initial judicial decisions on the merits of a case, except for acquittals in criminal cases (Article 41.4).

5.709 However, Members have no obligation to put in place a judicial system for intellectual property enforcement distinct from that for the enforcement of law in general, nor for the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general (Article 41.5).

#### Civil and Administrative Procedures and Remedies (Section 2)

5.710 The TRIPS Agreement establishes guidelines concerning civil and administrative procedures which must be followed with respect to enforcement of intellectual property rights. These include provisions on fair and equitable procedures (Article 42), evidence (Article 43), injunctions (Article 44), damages (Article 45), and other remedies, such as the authority to order disposal of infringing goods or materials and implements used in the creation of infringing goods (Article 46); these provisions also deal with right of information, for example the authority to order that the infringer inform the right-owner of the identity of third persons involved in the production and

distribution of infringing goods or services and of their channels of distribution (Article 47), indemnification of the defendant (Article 48), and application of the above guidelines to administrative procedures (Article 49).

#### Provisional Measures (Section 3)

5.711 The TRIPS Agreement establishes guidelines concerning provisional measures to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry of goods into the channels of commerce in their jurisdiction, including imported goods immediately after customs clearance. These measures cover also the preservation of relevant evidence in regard to the alleged infringement, and the adoption of provisional measures *inaudita altera parte*, where delay is likely to cause irreparable harm or where there is a risk of evidence being destroyed (Article 50).

#### Special Requirements Related to Border Measures (Section 4)

5.712 The TRIPS Agreement provides for certain enforcement procedures related to border measures, to enable a right-holder who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place, to lodge an application for the suspension by the customs authorities of the release into free circulation of such goods. Guidelines are established with respect to suspension of release by customs authorities (Article 51), application for such procedures (Article 42), security or equivalent assurance (Article 53), notice of suspension (Article 54), duration of suspension (Article 55), indemnification of the importer and of the owner of the goods (Article 56), right of inspection and information (Article 57), *ex officio* action (Article 58), remedies (Article 59) and *de minimis* imports (Article 60).

#### Criminal Procedures (Section 5)

5.713 The TRIPS Agreement requires that Members provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale. They also have to provide for remedies such as imprisonment, monetary fines and seizure, forfeiture and destruction of the infringing goods and of any materials and implements predominantly used for the commission of the offense.

### **Acquisition and Maintenance of Intellectual Property Rights and Related Procedures (Part IV)**

5.714 The TRIPS Agreement contains general provisions on principles concerning procedures for acquisition and maintenance of industrial property rights. Members may require, as a condition of the acquisition or maintenance of the industrial property rights covered by the Agreement (except protection of undisclosed information), compliance with reasonable procedures and formalities consistent with the Agreement (Article 62.1). Any procedures for grant or registration must permit a reasonable period of time to avoid unwarranted curtailment of the period of protection (Article 62.2). Procedures concerning acquisition, maintenance, administrative revocation and *inter partes* procedures are to be governed by the guidelines applicable to enforcement (Article 62.4, referring to Article 41.2 and 41.3), and most final administrative decisions are subject to judicial or quasi-judicial review (Article 62.5).

5.715 The Agreement also stipulates that Article 4 of the Paris Convention concerning the right of priority shall apply, *mutatis mutandis*, to service marks.

## **Dispute Prevention and Settlement (Part V)**

### Transparency

5.716 The TRIPS Agreement requires that laws and regulations, final judicial decisions, administrative rulings of general application and bilateral agreements pertaining to the subject matter of the Agreement be published or made publicly available by Members (Article 63.1).

5.717 Members are further required to notify such laws and regulations to the TRIPS Council. The Council, in turn, is to attempt to reduce this burden on Members by engaging in consultations with WIPO on the possible establishment of a common register containing these laws and regulations (Article 63.2).

5.718 The TRIPS Council will also consider, in this connection, any action on notifications pursuant to the obligations under the Agreement which arise from Article 6*ter* of the Paris Convention.

### Dispute Settlement

5.719 A particularly important element of the TRIPS Agreement is the system of dispute settlement established under the WTO Agreement. The TRIPS Agreement itself invokes the provisions of Articles XXII and XXIII of GATT 1994 (the WTO Agreement), as elaborated by the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (included as an Annex to the WTO Agreement), which applies to consultations and the settlement of disputes under the TRIPS Agreement (Article 64.1).

5.720 However, subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994, which refer to so-called “non-violation” dispute settlement cases, are not to apply to the settlement of disputes under the TRIPS Agreement for at least five years from the date of entry into force of the WTO Agreement (that is, at least until January 1, 2000). Any extensions of that period are to be decided in the Ministerial Conference by consensus (Article 64.2 and 64.3).

## **Cooperation Between the World Intellectual Property Organization and the World Trade Organization**

5.721 The cooperation is based upon a WIPO-WTO Agreement signed by the Directors General of the two organizations which entered into force on January 1, 1996. It contains three substantive areas, namely laws and regulations, implementation of Article 6*ter* of the Paris Convention and legal-technical assistance to developing countries. The relevant activities undertaken by WIPO under the WIPO-WTO Agreement are described below.

### Laws and Regulations

#### *Information and Documentation Service in the Field of Intellectual Property Legislation*

5.722 WIPO provides an information and documentation service which responds to both internal and external enquiries and requests, concerning national legislation and treaties in the intellectual property field, and makes available copies of the relevant texts and/or information concerning WIPO’s database, the Collection of Laws for Electronic Access (CLEA).

*Maintaining and Updating the Collection of Laws*

5.723 WIPO's Collection of Laws contains texts of treaties administered by WIPO and the texts of intellectual property-related treaties not administered by WIPO, as well as the intellectual property legislation of the European Communities and of more than 150 other countries.

5.724 CLEA has been available on the WIPO website free of charge since September 1999 and contains at present the texts of treaties administered by WIPO and the texts of intellectual property-related treaties not administered by WIPO, the intellectual property legislation of 67 countries and of the European Communities. As of March 2003, it contains bibliographic references for 2,781 texts and permits access to 2,909 documents in English, French and/or Spanish with hyperlinks for around 1,500 legislative texts. The legislative texts have been communicated to WIPO by its Member States under Article 15(2) of the Paris Convention and Article 24(2) of the Berne Convention, or notified to the Council for TRIPS and communicated to WIPO by WTO under Article 2(4) of the WIPO-WTO Cooperation Agreement.

*Publishing Texts of Laws and Treaties*

5.725 In its periodical *Intellectual Property Laws and Treaties* (in English and French), WIPO publishes two legislative inserts, "Industrial Property Laws and Treaties" and "Copyright and Related Rights Laws and Treaties," in which texts of national laws and treaties are published in their most recent (whenever possible consolidated) versions. Since 2002, *Intellectual Property Laws and Treaties* has been published in an electronic version only, to be found on the WIPO website.

*IPLEX*

5.726 An updated version of the IPLEX CD-ROM, which is a database containing legislative texts (multilateral treaties, regional laws, bilateral treaties, national laws) in English and French in the field of intellectual property, is currently in preparation for publication in the last quarter of 2003. The IPLEX CD-ROM is user-friendly and functional and offers an extensive and flexible search system.

*Assistance in the Translation of Laws*

5.727 Assistance in the translation of laws and regulations is given by WIPO to its Member States under the Organization's ongoing programs. In accordance with Article 2(5) of the WIPO-WTO Agreement, this service was made available to developing country Members of WTO that are not Member States of WIPO to enable them to fulfill their obligation to notify their laws and regulations to the TRIPS Council. Between January 1996 and December 31, 2002, assistance in translation has been given to 191 countries (not limited to developing countries), for which laws and regulations have been translated from or into Arabic, Dutch, English, French, German, Portuguese and Spanish.

Article 6ter of the Paris Convention

5.728 Under Article 3 of the WIPO-WTO Agreement, the procedure relating to the communication of emblems and transmittal of objections under the TRIPS Agreement are to be administered by the International Bureau of WIPO, in accordance with the procedures applicable under Article 6ter of the Paris Convention.

5.729 Since January 1, 1996, the International Bureau, pursuant to Article 3 of the WIPO-WTO Agreement, has communicated:

- to WTO Members not party to the Paris Convention all the State emblems, official hallmarks and emblems of intergovernmental organizations communicated to the States party to the Paris Convention before and since that date.

5.730 It should be noted that such communications are without prejudice to the date on which WTO Members are bound, under the TRIPS Agreement, to protect the emblems that were the subject of the communication.

#### Joint Activities of WIPO and WTO

5.731 The two Organizations are committed under the WIPO-WTO Agreement to provide legal-technical assistance and to enhance their technical cooperation activities under Article 4 of the Agreement. Specifically, each Organization agrees to make available to developing countries Members of the other Organization "the same legal-technical assistance relating to the TRIPS Agreement as it makes available to [its own] Member States" under paragraph 1 of the Agreement. They further agree, in paragraph 2 of the Agreement, to "enhance cooperation in their legal-technical assistance and technical cooperation activities relating to the TRIPS Agreement for developing countries, so as to maximize the usefulness of those activities and ensure their mutually supportive nature." Lastly, they specify in paragraph 3 of the Agreement, that the two Organizations "shall keep in regular contact and exchange non-confidential information" for the purposes of legal-technical assistance to developing countries.

5.732 Numerous activities have been undertaken by WIPO and WTO under Article 4 of the WIPO-WTO Agreement, including attendance at each other's meetings as observers, provision of resource persons in each other's symposia, workshops, seminars and training courses and, in particular, joint organization of symposia.

#### WIPO-WTO Joint Initiative

5.733 In furtherance of the cooperation specified in the WIPO-WTO Agreement, WIPO launched a joint initiative with WTO in July 1998. The purpose of the joint initiative was to assist developing countries Members of WTO in meeting the January 1, 2000, deadline for conforming to the TRIPS Agreement.

5.734 The joint initiative was in the form of a joint communication by the Directors General of the two Organizations, Dr. Kamil Idris of WIPO and Mr. Renato Ruggiero of WTO, which was sent to the ministers of each of the developing countries concerned. Its aim was for WIPO and WTO to maximize their use of available resources in the coming critical period by improved planning and coordination of technical cooperation activities, with an understanding that the bulk of the assistance would be coming from WIPO.

5.735 Many responses have been received from developing and least developed countries since the launching of the joint initiative. Many of the requests were incorporated into the activities of the development cooperation programs.

5.736 In response to the requests made under the joint initiative, officials of the two Organizations have met on several occasions and discussed the coordination of efforts and, in some cases, the joint handling of specific requests by holding a joint consultation with the requesting country or territory. The assistance requested has been provided to the Members concerned in the course of 1999 and 2000. In particular, a large number of WIPO and WTO missions took place in 1999, including a joint regional symposium on "Implementation of the TRIPS Agreement" in Bangui, Central African Republic, for French-speaking sub-Saharan African countries from March 23 to 26,

1999. In addition, three national seminars were planned and carried out jointly by WIPO and WTO in Colombia, Cuba and Venezuela during the latter part of 1999 and in 2000.

5.737 For the least-developed country Members of WTO facing the January 1, 2006, deadline, a similar joint effort is planned for 2001.

## **Progressive Development of International Intellectual Property Law**

### **Introduction**

5.738 The development of industrial property law has traditionally been based on international treaties between sovereign states. These treaties now form the foundation of the international system for the protection of intellectual property. The pace of change in the field of intellectual property, however, makes it necessary to consider new options for accelerating the development of international harmonized common principles and rules. An outstanding example is WIPO's response to the challenge increasingly faced by trademark owners because of abusive registration and use of Internet domain names by third parties: WIPO has undertaken a process of international consultation which has produced a series of recommendations on mechanisms to combat such practices. This has led to the adoption of the Uniform Domain Name Dispute Resolution Policy (see chapter 7).

5.739 In the field of harmonization of industrial property principles and rules, a more flexible approach, or the coordination of administrations, could produce more rapid results, thus ensuring earlier practical benefits for administrators and users of the industrial property system. Such approaches have been referred to on occasion as "soft law" instruments.

5.740 Several options exist in this respect: projects of an essentially administrative nature could, for example, culminate in a Memorandum of Understanding (MoU), rather than a formal treaty; activities aimed at harmonization of national laws could be advanced through the adoption of a resolution by the WIPO General Assembly (or another WIPO Assembly), recommending that Member States and interested intergovernmental Organizations adopt and implement particular principles and rules. Work requiring a rapid, interim result could, pending further agreements, be achieved through the publication of model principles and rules that would be available to any legislator or other authority seeking guidance on how to solve specific problems.

5.741 The General Assembly of WIPO and the Assembly of the Paris Union have adopted three such instruments: a Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999), a Joint Recommendation on Trademark Licenses (2000) and a Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet (2001). These Recommendations do not, of course, have the same legal effect as a treaty which is legally binding on all States party to it. As recommendations by Member States representatives in two authoritative bodies of WIPO, they will, however, have a strong influence. It is hoped that they will persuade States to bring their national legislation into line with these provisions. The Trade Marks Act (adopted in 1999) of the Republic of India, for example, explicitly refers to the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (Trade Marks Act, 1999, Chapter II, 11(6) to (10)).

5.742 Their adoption as recommendations does not preclude the provisions from being incorporated into a treaty at a later stage. Thus, a recommendation might constitute a first step

towards the creation of international rules and standards which, once matured, could be formally adopted as, or inserted in, an international treaty.

### **The Joint Recommendation Concerning Provisions for the Protection of Well-Known Marks**

5.743 The Joint Recommendation Concerning Provisions for the Protection of Well-Known Marks is intended to clarify, consolidate and supplement the existing international protection of well-known marks as established by Article 6*bis* of the Paris Convention for the Protection of Industrial Property (Paris Convention) and by Article 16.2 and 16.3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). It includes detailed provisions regarding the determination of whether a mark is a well-known mark in a Member State (Article 2), and remedies in cases of conflict between well-known marks and other marks (Article 4), business identifiers (Article 5) or domain names (Article 6). The provisions will thus facilitate the application of the existing international standards.

5.744 They supplement these standards in that:

- they provide, in Article 2(1), a non-exhaustive list of factors that Member States can consider when determining whether a mark is well-known, such as, in particular, that a mark shall be considered to be well-known if it is determined to be so in at least one relevant sector of the public of a Member State (Article 2(2)(b));
- they list, in Article 2(3), factors that Member States shall not require as a condition for determining whether a mark is well-known, such as, in particular, that a mark has been used or registered or that an application for registration has been filed in that Member State (Article 2(3)(i));
- they require that a well-known mark, which is not registered in the country where protection is sought, be protected against use of an identical or similar mark for dissimilar goods or services, even though in certain cases a Member State may require that the mark be well-known by the public at large (Article 4(1)(b) and (c));
- they provide for remedies in cases of conflicts between well-known marks and business identifiers (Article 5 of the draft provisions) and domain names (Article 6 of the draft provisions).

### **The Joint Recommendation Concerning Trademark Licenses**

5.745 Many countries require the recordal of trademark licenses with a governmental authority. The requirements for such recordal vary from country to country and, in some instances, impose heavy burdens on trademark owners and licensees. The Recommendation Concerning Trademark Licenses aims at harmonizing and simplifying the formal requirements for recording. In that respect, the Recommendation supplements the Trademark Law Treaty of October 27, 1994 which does not address trademark licenses.

5.746 The Recommendation provides a maximum list of indications and elements that an Office may require for the recording of a license (Article 2(1)); Offices are free to require some only of the

listed elements, but may not require other or additional information (Article 2(7)). In order to facilitate the processing of requests in several countries, the Recommendation provides a Model International Form which groups all the information that may be required by an Office. Offices are obliged to accept requests that contain all the indications or elements specified in that Form (Article 2(3)). The Recommendation also attempts to limit the effect of non-compliance with recording requirements to the license agreement itself by stipulating that the non-recording of a license should not affect:

- the validity of the trademark which is the subject of the license (Article 4(1));
- any right that a licensee might have under the legislation of Member States to join infringement proceedings initiated by the holder (Article 4(2)(a)), unless the law of a Member State expressly prohibits a non-recorded licensee from joining such proceedings (Article 4(2)(b));
- the question whether use of a mark by a third person can be considered use by the trademark holder, which can be relevant in the context of use requirements (Article 5).

### **The Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet**

5.747 Whilst industrial property rights and particularly mark rights are territorial in nature, the Internet is globally accessible. Rights in a mark, used for similar or even identical goods or services, may in the real world coexist peacefully in different countries, but used on the Internet marks can be seen by visitors coming from all over the world on their computer screen. Coexistence of rights may therefore easily turn into conflicts of rights. The Joint Recommendation has been established in order to help the authorities and courts involved in such conflicts and in all other questions arising from the contradiction between the principle of territoriality of rights and the global nature of the Internet. These issues include the following:

- under what conditions can the use of a sign on the Internet be considered to have occurred in a particular country?
- what can be done in order to avoid conflict where the owners of rights in identical or similar signs, granted for use in different countries, all use these signs on the Internet?
- how can courts take account of the territorial basis of industrial property rights when determining remedies?

5.748 The first question is relevant for determining whether use on the Internet contributed to establishing, maintaining or infringing an industrial property right in a sign in a particular country. In general, this requires that the sign can be deemed to have been used in the country concerned. Under the Recommendation, only use that has a "commercial effect" in a particular country shall be deemed to have occurred in that country. To facilitate this determination, the provisions provide a detailed, but non-exhaustive, list of factors which can be relevant in that context, such as actual delivery of goods or services, language, interactivity of the web site, and registration of the web site under a country code top level domain.

5.749 The second question relates to conflicting rights in signs. Because industrial property rights are limited to individual countries or regions for which they were granted, different owners can hold

industrial property rights in identical or similar signs in different countries. This creates problems if such a sign is used on the Internet. Because of the necessarily global nature of the Internet, such use might be considered as infringing a right under the law of another country in which the user's right is not recognized.

5.750 To address such conflicts, the provisions introduce a "notice and avoidance of conflict" procedure under which right-owners and other legitimate users are exempt from liability until they are notified of a conflicting right. Right-owners and other legitimate users can therefore use "their" sign on the Internet without first having to undertake a worldwide search for conflicting registered or unregistered rights. A user, once notified of a conflicting right, must take certain measures for avoiding the conflict. The user who fails to do so, can be subject to liability. In order to provide right-holders and other legitimate users in good faith with a sufficient degree of legal certainty as to how to avoid liability for the infringement of conflicting rights, it is recommended that a "disclaimer" be regarded as sufficient. Such disclaimers are statements designed to avoid a commercial effect in a particular country. The disclaimer is only effective if the user acts on its stated intent by asking customers where they are located, and refusing delivery to those who indicate that they are based in the country disclaimed. The user would not, however, be required to verify such indications.

5.751 The third question addresses another problem resulting from the tension between territorial rights and a global medium. An injunction to cease every use of a sign on the Internet would go far beyond the territory for which the conflicting right was granted. Its effect would potentially be as global as the Internet. A decision as to remedies should therefore take the territorial limitation of marks or other rights in signs into account. Remedies should be limited, as far as possible, to the territory in which the right is recognized, and they should only be available if the allegedly infringing use of the sign can be deemed to have taken place in that territory. This is determined with regard to the "commercial effect" of such use in the Member State in question. Thus, the Recommendation proposes that the "commercial effect" of Internet use should serve as a yardstick for determining a "proportionate" remedy. Use of a sign on the Internet that infringes an industrial property right in a Member State should not be prohibited any more than is proportionate to the commercial effect that such use has produced in that Member State.

