# Decision 486—Common Provisions on Industrial Property*

*(of September 14, 2000)*

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TITLE I
GENERAL PROVISIONS

National Treatment

1. With regard to the protection of industrial property, every member country shall accord to nationals of the other members of the Andean Community and the World Trade Organization (WTO) and of the States party to the Paris Convention for the Protection of Industrial Property [States members of the Paris Union], treatment no less favorable than it accords to its own nationals, subject to the provisions of Articles 3 and 5 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and of Article 2 of the Paris Convention for the Protection of Industrial Property.
The same treatment shall likewise be accorded to the nationals of a country other than the above on such terms as may be laid down in the domestic legislation of the member country concerned.

Most-Favored-Nation Treatment

2. With regard to the protection of industrial property, any advantage, favor, privilege or immunity that a member country grants to nationals of another member country of the Andean Community shall extend to the nationals of any Member of the World Trade Organization or State party to the Paris Convention for the Protection of Industrial Property.

The provisions of the foregoing paragraph shall be without prejudice to the reservations provided for in Articles 4 and 5 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

The Biological and Genetic Heritage and Traditional Knowledge

3. Member countries shall ensure that the protection conferred on the various forms of industrial property shall be granted in such a way as to safeguard and respect their biological and genetic heritage and also the traditional knowledge of their indigenous Afro-American or local communities. By virtue of the foregoing, the grant of patents relating to inventions developed on the basis of material derived from that heritage or knowledge shall be subject to that material having been acquired in accordance with international, community and national legal provisions.

Member countries shall recognize the right and competence of indigenous Afro-American or local communities to decide on matters pertaining to their collective knowledge.

The provisions of this Decision shall apply and be interpreted in such a way that they do not contravene those laid down in Decision 391 in its currently amended form.

Terms and Periods

4. The periods relating to formalities provided for in this Decision that are subject to notification or publication shall be counted as from the day following that on which the notification or publication of the act concerned occurred, unless otherwise provided in this Decision.

5. Unless this Decision provides to the contrary, where a period is specified in days, they shall be understood to be working days. Where the period is specified in months or years, it shall be counted from one day to the corresponding subsequent day. If the month of expiry does not have a day corresponding to that on which the count started, it shall be understood that the period expires on the last day of that month. Where the last day of the period is a non-working day, it shall be understood to be extended to the first subsequent working day.
Notifications

6. The competent national office may introduce a system of notification that allows its decisions to be properly communicated to those concerned.

Language

7. The request portion of applications filed with the competent national office shall be written in Spanish.

8. Documents to be processed by competent national offices shall be filed in Spanish. If they are not, a single translation in that language shall be filed with them. The competent national office may, however, dispense with the filing of translations of such documents where it sees fit.

Priority Claim

9. The first application for a patent for invention or utility model patent or for the registration of an industrial design or mark that has been validly filed in another member country or with a national, regional or international authority to which the member country is bound by a treaty that provides for a right of priority comparable to that provided for in this Decision shall confer on the applicant or his successor in title the right of priority for applying, in that member country, for a patent or registration in relation to the same subject matter. The scope and effects of the right of priority shall be those provided for in the Paris Convention for the Protection of Industrial Property.

The right of priority may be based on an earlier application filed with the competent national office of the same member country, provided that no earlier right of priority has been claimed in that application. In such a case, the filing of the subsequent application that claims the right of priority shall entail the relinquishment of the earlier application with respect to the subject matter common to both applications.

It shall be recognized that any application validly accepted for processing under the provisions of Articles 33, 119 and 140 of this Decision, or in such treaties as may be applicable, shall give rise to a right of priority.

In order to benefit from the right of priority, the application claiming it shall be filed within the following, non-renewable periods counted from the filing date of the application the priority of which is claimed:

(a) 12 months for patents for invention and utility model patents; and

(b) six months for registrations of industrial designs and marks.

10. For the purposes of the provisions of the foregoing Article, a declaration shall be filed with the relevant documentation in which the priority of the earlier application is claimed, with a mention of its filing date, the office with which it was filed and its number, if known. The competent national office may require payment of a fee for a claim of priority.
The relevant declaration and documentation shall be filed either together with the application or separately, or at the latest within the following, non-renewable periods counted from the filing date of the application the priority of which is claimed:

(a) in the case of patents for invention or utility model patents: 16 months;

(b) in the case of applications for the registration of industrial designs or marks: nine months.

A copy of the application the priority of which is claimed, certified by the authority that issued it, a certificate attesting the filing date of that application, issued by the same authority and, where applicable, proof of payment of the prescribed fee shall likewise be filed.

The right of priority shall not be made subject to any formalities in addition to those specified in this Article.

11. Failure to abide by the time limits, file the documents or pay the fee shall carry the penalty of loss of the priority claimed.

Withdrawal and Abandonment

12. The applicant may withdraw his application at any time in the proceedings. The withdrawal of an application for a patent or registration shall put an end to the administrative proceedings as from the declaration by the competent national office, with loss of the filing date assigned to the application.

If the withdrawal is filed before the application is published, it shall not be published. In the case of applications for patents for invention or utility model patents, or for registrations of industrial designs, such applications shall be held in abeyance and may not be consulted without the written consent of the applicant except where the period specified in Article 40 has expired.

13. The provisions of the foregoing Article shall be applicable as appropriate to instances of abandonment of the application process.

TITLE II
PATENTS

Chapter I
Patentability Requirements

14. The member countries shall grant patents for inventions, whether of goods or of processes, in all areas of technology, provided that they are new, involve an inventive step and are industrially applicable.

15. The following shall not be considered inventions:

(a) discoveries, scientific theories and mathematical methods;
(b) the entirety or part of living beings as encountered in nature, natural biological processes, biological material existing in nature or which may be isolated, including the genome or germ plasm of any natural living being;

(c) literary and artistic works or any other work protected by copyright;

(d) plans, rules and methods for the pursuit of intellectual activities, the playing of games or the conduct of economic and business activities;

(e) computer programs or software as such; and

(f) methods of presenting information.

16. An invention shall be considered new when it is not included in the state of the art.

The state of the art comprises everything that has been made available to the public by written or oral description, by use or marketing or by any other means prior to the filing date of the patent application or, where appropriate, the recognized priority date.

Solely for the purpose of determining novelty, the contents of the patent application pending before the competent national office and having a filing or priority date earlier than the priority date of the patent application under examination shall likewise be considered part of the state of the art provided that the said contents are included in the earlier-dated application where it is published, or where the period provided for in Article 40 has elapsed.

17. For the purposes of determining patentability, no account shall be taken of any disclosure that occurs during the year prior to the filing date of the application in the member country, or during the year before the priority date if priority has been claimed, provided that such disclosure is attributable to:

(a) the inventor or his successor in title;

(b) the competent national office which, in violation of the provisions applicable, publishes the contents of the patent application filed by the inventor or his successor in title; or

(c) a third party who has obtained the information directly or indirectly from the inventor of his successor in title.

18. An invention shall be regarded as involving an inventive step if, for a person in the trade with average skills in the technical field concerned, the said invention is neither obvious nor obviously derived from the state of the art.

19. An invention shall be regarded as industrially applicable when its subject matter may be produced or used in any type of industry, industry being understood as that involving any productive activity, including services.

20. The following shall not be patentable:

(a) inventions the commercial exploitation of which on the territory of the member country concerned has necessarily to be prohibited in order to protect law and order or
morbidity. To that end the commercial exploitation of an invention shall not be considered contrary to law and order or morality solely owing to the existence of a legal or administrative provision that prohibits or regulates such exploitation;

(b) inventions the commercial exploitation of which in the member country concerned has necessarily to be prohibited in order to protect the health or life of persons or animals, or to preserve plants or the environment. To that end the commercial exploitation of an invention shall not be considered contrary to the health or life of persons or animals or liable to prejudice the conservation of plants or the environment solely on account of the existence of a legal or administrative provision that prohibits or regulates such exploitation;

(c) plants, animals and essentially biological processes for the production of plants or animals that are not non-biological or microbiological processes;

(d) therapeutic or surgical methods for the treatment of human beings or animals, and also diagnostic methods applied to human beings or animals.

21. Products or processes that are already patented and included in the state of the art within the meaning of Article 16 of this Decision may not form the subject matter of a new patent owing to the fact of having a use ascribed to them different from that originally provided for in the first patent.

Chapter II
Owners of Patents

22. The right to a patent shall belong to the inventor. That right may be transferred by \textit{inter vivos} transaction or by succession. The owners of patents may be natural persons or legal entities.

Where two or more persons have made an invention jointly, the right shall be jointly held by both or all of them.

Where two or more persons have made the same invention independently of each other, the patent shall be granted to the person, or to the successor in title, who files the first application in respect of it or claims the earliest priority.

23. Without prejudice to the provisions of the national legislation of each member country, in the case of inventions occurring in the course of employment relations, the employer, whatever its form and nature, may transfer part of the economic benefits deriving from the inventions to the employee inventors with the view to promoting research activity.

Entities that receive State funding for their research shall reinvest part of the royalties received from the marketing of inventions, with the view to accumulating a continuous supply of such funds and stimulating researchers by giving them a share in the proceeds from innovations, in accordance with the legislation of each member country.

24. The inventor shall have the right to be mentioned as such in the patent, and may likewise object to being so mentioned.
Chapter III
Patent Applications

25. The patent application may only relate to one invention or to a group of inventions so related as to constitute a single inventive concept.

26. The application for a patent shall be filed with the competent national office and shall contain the following:

(a) the request;
(b) the description;
(c) one or more claims;
(d) one or more drawings, where necessary for the understanding of the invention, which shall be considered an integral part of the description;
(e) the abstract;
(f) such powers of attorney as may be necessary;
(g) proof of payment of the prescribed fees;
(h) where applicable, a copy of the access contract where the products or processes for which a patent is sought have been obtained or developed from genetic resources or products derived therefrom of which any of the member countries is the country of origin;
(i) where applicable, a copy of the document accrediting the licensing or the authorization of the use of the traditional knowledge of the indigenous Afro-American or local communities of member countries where the products or processes for which protection is sought have been obtained or developed from such knowledge of which any of the member countries is the country of origin, in accordance with the provisions of Decision 391 and such of its amendments and implementing regulations as are in force;
(j) where applicable, the certificate of deposit of biological material; and
(k) where applicable, a copy of the document attesting the assignment of the right to the patent by the inventor to the applicant or to his principal.

27. The request forming part of the patent application shall be set down on a form and shall contain the following:

(a) a request that a patent be granted;
(b) the name and address of the applicant;
(c) the nationality or domicile of the applicant. Where the applicant is a legal entity, its place of incorporation shall be specified;
(d) the name of the invention;
(e) the name and domicile of the inventor where he is not the applicant;

(f) where applicable, the name and address of the legal representative of the applicant;

(g) the signature of the applicant or of his legal representative; and

(h) where applicable, the date, number and office of filing of any application for a patent or other title of protection that may have been filed or obtained abroad by the same applicant or his principal and that refers entirely or partly to the same invention as is claimed in the application filed in the member country.

28. The description shall disclose the invention in a manner sufficiently clear and complete to be understood and for a person skilled in the corresponding technical field to be able to carry it out. The description of the invention shall state the name of the invention and include the following information:

(a) the technological sector to which the invention relates or applies;

(b) the previous technology known to the applicant that may be useful for understanding and examining the invention, and references to earlier documents and publications relating to the said technology;

(c) description of the invention in terms that allow the technical problem and the solution provided by the invention to be understood, with an explanation of the differences and possible advantages in relation to the earlier technology;

(d) an account of the drawings, if any have been filed;

(e) a description of the best method known to the applicant of carrying out the invention or putting it into practice, with the use of examples and references to the drawings where the latter are relevant; and

(f) a mention of the way in which the invention meets the condition of industrial applicability, if this is not clear from the description or the nature of the invention.

29. Where the invention relates to a product or process involving biological material, and the invention cannot be described in such a way as to be understood and carried out by a person skilled in the technical field, the description shall be completed with a deposit of the said material.

The deposit shall be made not later than on the filing date of the application in the member country or, where applicable, on the filing date of the application the priority of which is claimed. Deposits effected with an international depositary authority recognized under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure of 1977, or with another institution recognized by the national office competent in that connection, shall be considered valid. In such a case the description shall state the name and address of the depositary institution, the date of deposit and the deposit number assigned to it by the institution.
The deposit of biological material shall be valid for the purposes of the grant of a patent only if it is made in such a way that any interested party may obtain samples of the material not later than on the expiry of the period provided for in Article 40.

30. The claims shall define the subject matter to be protected by the patent. They shall be clear and concise and entirely supported by the description.

The claims may be either independent or dependent. A claim shall be independent where it defines the subject matter to be protected without reference to another, earlier claim. A claim shall be dependent where it defines the material to be protected by reference to an earlier claim. A claim that refers to two or more earlier claims shall be considered a multidependent claim.

31. The abstract shall consist of a summary of the technical disclosure contained in the patent application. The abstract shall serve only for the purposes of technical information and shall in no way influence the interpretation of the scope of protection afforded by the patent.

32. No member country shall impose requirements of form on the patent application that are additional to or different from those provided for in this Decision.

Without prejudice to the foregoing, where, in the course of the processing of the application, the competent national office has reasonable doubt concerning some element of the application, it may demand that the necessary evidence be filed.

33. The date of receipt of the application by the competent national office shall be considered the filing date thereof, provided that its contains at least the following at the time of receipt:

(a) a mention that the grant of a patent is applied for;
(b) the particulars identifying the applicant or the person filing the application, or which enable the competent national office to communicate with that person;
(c) a description of the invention;
(d) drawings if they are relevant; and
(e) proof of payment of the prescribed fees.

Failure to comply with any of the requirements specified in this Article shall cause the competent national office to regard the application as not having been accepted for processing, and no filing date shall be assigned to it.

34. The applicant for a patent may request that his application be amended at any time during the processing thereof. The amendment may not involve any broadening of the protection that would have been accorded to the disclosure contained in the initial application.

The correction of any clerical error may be requested in the same way.
35. The applicant for a patent for invention may at any time in the processing of the application request that it be converted into an application for a utility model patent. The conversion of the application shall only be allowed when the nature of the invention permits.

The request for conversion of an application may be filed only once. The converted application shall retain the filing date of the original application.

Competent national offices may suggest the conversion of the application at any stage in the processing thereof, and may also charge an additional fee for the filing of conversion requests.

The applicant may accept or reject the suggestion, on the understanding that, if it is rejected, processing of the application in respect of the type of rights originally applied for shall continue.

36. The applicant may, at any stage in the processing, divide his application into two or more divisional applications, but none of them may involve any broadening of the protection accorded to the disclosure contained in the original application.

The competent national office may, at any stage in the proceedings, require the applicant to divide the application if it does not fulfill the condition of unity of invention.

Every divisional application shall have the same filing date and, where applicable, the same priority date, as the original application.

Where multiple or partial priorities have been claimed, the applicant or the competent national office shall specify the priority date or dates corresponding to the subject matter that should be covered by each of the divisional applications.

For the purposes of the division of an application, the applicant shall file such documents as may be necessary to make the corresponding divisional applications complete.

37. The applicant may, at any stage in the proceedings, merge two or more applications into one, but that may not involve any broadening of the protection that would have been accorded to the disclosure contained in the initial applications.

No merging shall be allowed where the merged application would include inventions that do not meet the condition of unity of invention provided for in Article 25.

The merged application shall have the same filing date, and where applicable the same priority date or dates, as have been accorded to the subject matter contained in the initial applications.

Chapter IV

Processing of the Application

38. The competent national office shall, within the 30 days following the filing date of the application, examine whether it fulfills the conditions of form provided for in Articles 26 and 27.
39. If it emerges from the examination as to form that the application does not meet the conditions specified in Articles 26 and 27, the competent national office shall inform the applicant accordingly, so that he may meet those conditions within a period of two months following the date of notification. That period may be extended once by an equal amount at a request of a party without any loss of priority.

If, on the expiry of the period specified, the applicant has not met the conditions mentioned, the application shall be considered abandoned and its priority shall be lost. The competent national office shall nevertheless respect the confidentiality of the application.

40. When 18 months have elapsed following the filing date of the application in the member country, or where applicable following the priority date claimed, the file shall be declared public and may be inspected, and the competent national office shall order the publication of the application pursuant to national legislation.

Notwithstanding the provisions of the foregoing paragraph, the applicant may request publication of the application at any time, provided that the examination has been completed. In such a case the competent national office shall order such publication.

41. A patent application may not be consulted by third parties until 18 months have elapsed from the filing date, except where the written consent of the applicant has been obtained.

Any person who proves that the applicant for a patent has sought to assert rights deriving from the application against him may consult the file prior to publication, even without the consent of the said applicant.

42. Within a period of 60 days following the publication date, any person having a legitimate interest may file one reasoned opposition contesting the patentability of the invention.

At the request of a party, the competent national office shall grant one additional period of 60 days for the substantiation of the opposition.

Reckless oppositions may be punished if national legislation so provides.

43. Where opposition has been filed, the competent national office shall notify the applicant so that he may, within 60 days, present his arguments, submit documents or revise the claims or description of the invention if he sees fit.

At the request of a party, the competent national office shall grant one additional period of 60 days for the response.

44. Within a period of six months following the publication of the application, regardless of whether or not oppositions have been filed, the applicant shall request that the invention be examined for patentability. Member countries may charge a fee for the conduct of that examination. Where the said period expires without the applicant having requested examination, the application shall lapse.
45. If the competent national office finds that the invention is not patentable or does not comply with one of the requirements laid down in this Decision for the grant of a patent, it shall notify the applicant accordingly. The applicant shall respond to such notification within a period of 60 days from the date thereof. That period may be extended once for a period of 30 additional days.

The competent national office may notify the applicant two or more times under the foregoing paragraph if it considers such action necessary.

Where the applicant fails to respond to the notification within the periods specified, or where in spite of the response there are still obstacles to grant, the competent national office shall refuse the patent.

46. The competent national office may solicit reports from experts or from scientific technological bodies considered suitable, so as to have their opinion on the patentability of the invention. It may likewise, if it sees fit, solicit reports from other industrial property offices.

Where necessary for the purposes of the patentability examination the applicant shall, at the request of the competent national office, submit, within a period not exceeding three months, one or more of the following documents relating to one or more filed foreign applications relating wholly or partly to the same invention as that being examined:

(a) a copy of the foreign application;

(b) a copy of the findings of novelty or patentability examinations carried out in relation to that foreign application;

(c) a copy of the patent or other protection title that has been granted on the basis of that foreign application;

(d) a copy of any judgment or decision by which the foreign application has been rejected or denied;

(e) a copy of any judgment or decision by which the patent or other protection title granted on the foreign application has been cancelled or invalidated.

The competent national office may recognize the results of examinations referred to under subparagraph (b) above as being sufficient to prove compliance with the conditions governing patentability of the invention.

Where the applicant fails to submit the documents requested within the period specified in this Article, the competent national office shall refuse the patent.

47. At the request of the applicant, the competent national office may suspend the processing of the patent application where any document that should be filed under subparagraphs (b) and (c) of Article 46 has yet to be received or is pending for a foreign authority.
48. If the final examination is favorable, the patent shall be granted. If it is only partly favorable, the title shall be granted only in respect of those claims that have been accepted. If it is unfavorable the grant of a patent shall be refused.

49. For the organization and classification of patents, the member countries shall use the International Patent Classification established by the Strasbourg Agreement Concerning the International Patent Classification of 1971, in its currently amended form.

**Chapter V**  
**Rights Conferred by the Patent**

50. The patent shall have a term of 20 years from the filing date of the application for it in the member country concerned.

51. The scope of the protection conferred by the patent shall be determined by the content of the claims. The description and drawings and any biological material deposited, shall be used for their interpretation.

52. The patent shall confer on its owner the right to prevent third parties who do not have his consent from engaging in any of the following acts:

(a) where the patent claims a product:

   (i) manufacturing the product;

   (ii) offering the product for sale, selling or using it, or importing it for any of those purposes; and

(b) where the patent claims a process:

   (i) using the process; or

   (ii) carrying out any of the acts mentioned under subparagraph (a) in relation to a product obtained directly by means of the process.

53. The owner of the patent may not exercise the right referred to in the foregoing Article in relation to the following acts:

(a) acts performed in a private circle for non-profit-making purposes;

(b) acts performed for exclusively experimental purposes on the subject matter of the patented invention;

(c) acts performed solely for the purposes of teaching or scientific or academic research;

(d) acts referred to in Article 5ter of the Paris Convention for the Protection of Industrial Property;
(e) where the patent protects biological material, that can be reproduced, other than plants, using that material as the basis with which to obtain viable new material, except where to do so requires repeated use of the patented subject matter.

54. The patent shall not give the right to prohibit a third party from engaging in commercial acts in relation to a product protected by the patent after that product has been brought on to the market in any country by the owner of the patent, or by another person who has obtained his consent or is economically associated with him.

For the purposes of the foregoing paragraph, two persons shall be considered economically associated where one can directly or indirectly exercise a decisive influence on the other concerning the working of the patent, or where a third party can exercise such an influence on both.

Where the patent protects biological material, that can be reproduced, the patent shall not extend to the biological material obtained by reproduction, multiplication or propagation of the material that has been brought on to the market in accordance with the first paragraph above, provided that the reproduction, multiplication or propagation was necessary so that the material might be used to achieve the purposes for which it was brought on to the market, and provided that the material derived from such use is not used for multiplication or propagation purposes.

55. Without prejudice to the provisions of this Decision on the invalidation of patents, the rights conferred by the patent may not be asserted against a third party who, in good faith, before the priority or filing date of the application on which the patent was granted, was already using or exploiting the invention or had made real or effective preparations for such use.

In such a case, the said third party shall have the right to start or continue the use or exploitation of the invention, but that right may only be assigned or transferred together with the establishment or business in which the use or exploitation was taking place.

56. A granted or pending patent may be transferred by inter vivos transaction or by succession.

Any transfer of a granted patent shall be registered with the competent national office. Failure to register shall cause the transfer to be unenforceable against third parties.

For the purposes of registration, transfer shall be evidenced in writing.

Any interested party may seek the registration of a transfer.

57. The owner of a granted or pending patent may license the working of the invention concerned to one or more third parties.

Any license for the working of a granted patent shall be registered with the competent national office. Failure to register shall cause the license to be unenforceable against third parties.

For the purposes of registration the license shall be evidenced in writing.
Any interested party may apply for registration of a license.

Where there has been any change in the name or address of the owner of the patent in the course of the term of the license contract, the owner of the registration shall inform the competent national office accordingly. If that is not done, any notification effected according to the particulars appearing in the register entry shall be deemed valid.

58. The competent national authority shall not register license contracts for the working of patents that do not conform to the Common Provisions on the Treatment of Foreign Capital and on Trademarks, Patents, Licenses and Royalties, or do not conform to Community or national provisions on business practices that restrict free competition.

Chapter VI
Obligations on the Owner of the Patent

59. The owner of the patent shall be under the obligation to exploit the patented invention in any member country, either directly or through a person authorized by him.

60. For the purposes of this Chapter, exploitation shall be understood to mean the industrial manufacture of the patented product or the full use of the patented process, including the distribution and marketing of the results thereof, in a manner sufficient to meet the needs of the market. Exploitation shall also be understood to mean the import of the patented product, including distribution and marketing, where it is done on a scale sufficient to meet the needs of the market. Where the patent relates to a process that does not result in a product, the requirements of marketing and distribution shall not be enforceable.

Chapter VII
Compulsory License Regime

61. On the expiry of a period of three years following the grant of the patent, or four years following the application for the patent, whichever is the longer, the competent national office may grant a compulsory license for the industrial manufacture of the product to which the patent relates, or for the full use of the patented process, at the request of any interested party, but only where, at the time of the request, the patent has not been worked as provided in Articles 59 and 60 in the member country in which the license is applied for, or where the working of the invention has been suspended for more than a year.

The compulsory license shall not be granted if the owner of the patent provides legitimate reasons for his failure to act, which may be reasons of force majeure, in accordance with the domestic provisions of each member country.

A compulsory license shall only be granted where the person who requests it has previously attempted to obtain a contractual license from the owner of the patent on reasonable commercial terms and conditions, and where that attempt has not had any effect within a reasonable time.
62. The grant of compulsory licenses referred to in the foregoing Article shall proceed subject to notification of the owner of the patent in such a way that, within the following 60 days, he may present his arguments if he sees fit.

The competent national office shall determine the scope or extent of the license, and in particular shall specify the period for which it is granted, its subject matter, the amount of the royalties and the conditions for the payment thereof. The said royalties shall be adequate, depending on the particular circumstances of each case, due regard being had especially to the economic value of the authorization.

A challenge to the compulsory license shall not prevent exploitation or have any effect on periods that have not expired. Its introduction shall not prevent the owner of the patent from charging, in the intervening period, the royalties specified by the competent national office in respect of the part not challenged.

63. At the request of the owner of the patent or the licensee, the licensing conditions may be altered by the competent national office where new circumstances dictate, and in particular where the owner of the patent grants another license on terms more favorable than those previously granted.

64. The licensee shall be bound to exploit the invention within a period of two years following the date of grant of the license, unless he justifies his inaction with a claim of unforeseen circumstances or force majeure. If he fails to do so, the competent national office shall revoke the compulsory license at the request of the owner of the patent.

65. On a declaration by a member country of the existence of public interest, emergency or national security considerations, and only for as long as those considerations obtain, the patent may be made subject to compulsory licensing. In that case the competent national office shall grant such licenses as may be applied for. The owner of the patent so licensed shall be notified where reasonably possible.

The competent national office shall specify the scope or extent of the compulsory license, and in particular the term for which it is granted, its subject matter and the amount of royalties and the conditions for the payment thereof.

The grant of a compulsory license for reasons of public interest shall not diminish the right of the owner of the patent to continue to work the said patent.

66. The competent national office shall, either ex officio or at the request of a party, and after having obtained the consent of the national authority on free competition, grant compulsory licenses where practices are noted that adversely affect free competition, especially an abuse by the owner of the patent of his dominant position on the market.

In such cases, when the amount of royalties is determined, due regard shall be given to the need to correct anti-competitive practices.

The competent national office shall refuse to revoke the compulsory license where it is probable that the circumstances that gave rise to it could recur.
67. The competent national office shall grant a license at any time where it is applied for by the owner of a patent the working of which requires the use of another, and where the said owner has been unable to secure a contractual license on reasonable terms. Such a license shall, without prejudice to the provisions of Article 68, be subject to the following:

(a) the invention claimed in the second patent must embody substantial technological progress in relation to that claimed in the first;

(b) the owner of the first patent shall have the right to a cross-license on reasonable terms for exploitation of the invention claimed in the patent; and

(c) the license under the first patent may not be assigned without assignment also of the second.

68. Compulsory licenses shall be subject to the following in addition to the foregoing provisions:

(a) they shall not be exclusive, and no sublicense may be granted;

(b) they may only be transferred with the part of the enterprise or its intangible assets that enable them to be worked; the transfer shall be evidenced in writing and registered with the competent national office. Failing this they shall be devoid of legal effect;

(c) they may be revoked, subject to the adequate protection of the legitimate interests of persons who have been authorized under them, where the circumstances that gave rise to them no longer obtain and are unlikely to recur;

(d) their scope and duration shall be limited according to the purposes for which they have been granted;

(e) in the case of patents for invention that protect semiconductor technology, the compulsory license shall be granted only for public, non-commercial use or to remedy or rectify a practice declared contrary to free competition by the competent national authority under Articles 65 and 66;

(f) they shall provide for adequate remuneration according to the circumstances of each case, due regard being had to their economic value, without prejudice to the provisions of Article 66; and

(g) their use shall be mainly to supply the domestic market.

69. Compulsory licenses that do not conform to the provisions of this Chapter shall be devoid of legal effect.

Chapter VIII
Acts Following Grant

70. The owner of the patent may ask the competent national office to amend the patent in order to reflect a change in the name, address, domicile or other particulars of the owner or
inventor, or to alter or limit the scope of one or more of the claims. He may likewise request the correction of any clerical error in the patent.

The provisions on the amendment or correction of an application shall apply as appropriate.

71. The owner of a patent may renounce one or more claims of the patent or the patent as a whole in a declaration addressed to the competent national office. Renunciation shall be effective as from the date of receipt of the said declaration.

72. The owner of a patent may divide it into two or more divisional patents. The provisions on the division of an application shall be applicable as appropriate.

73. The owner may likewise merge two or more patents. The provisions on the merging of an application shall be applicable as appropriate.

74. The competent national office may provide for fees to be charged for acts performed after the grant of the patent.

Chapter IX
Invalidity of the Patent

75. The competent national authority shall decree the absolute invalidity of a patent at any time, either ex officio or at the request of any person, where:

(a) the subject matter of the patent does not constitute an invention within the meaning of Article 15;

(b) the invention does not fulfill the requirements of patentability provided for in Article 14;

(c) the patent has been granted for an invention covered by Article 20;

(d) the patent does not disclose the invention as provided in Article 28 and where applicable in Article 29;

(e) the claims included in the patent are not fully supported by the description;

(f) the patent as granted contains broader disclosure than the original application which has the effect of extending the scope of protection;

(g) where applicable, a copy of the access contract has not been filed where the products or processes to which the patent application relates have been produced or developed with genetic resources or derived products of which any of the member countries is the country of origin;

(h) where applicable, a copy of the document evidencing the licensing or authorization of the use of traditional knowledge of the indigenous Afro-American or local communities of the member countries has not been filed where the products or processes for which protection
is sought have been produced or developed on the basis of such knowledge of which one of the member countries is the country of origin; or

(i) the causative factors of absolute invalidity provided for in the national legislation on administrative acts are present.

Where the causes referred to above affect only one of the claims or parts of a claim, invalidity shall be declared only in respect of those claims or those parts of the claim, as the case may be.

The patent, the claim or the part of the claim that has been invalidated shall be deemed null and void as such as from the filing date of the patent application.

76. The defects in administrative acts that have not brought about absolute invalidity under the foregoing Article shall result in relative invalidity. In such cases the competent national authority shall declare such invalidity within the following five years counted from the date of the grant of the patent, as provided in national legislation.

77. The competent national authority may cancel a patent where it has been granted to a person not entitled to such grant. The action for cancellation may only be brought by the person to whom the right to the patent belongs. Such an action shall be banned after five years following the date of grant of the patent, or two years following the date on which the person to whom that right belongs became aware of the exploitation of the invention in the country, whichever period expires first.

78. The competent national authority ruling on a case of invalidity shall inform the owner of the patent so that he may present such arguments and submit such proof as he may consider fit.

Where, by virtue of the domestic legislation of a member country, that authority is the competent national office, the arguments and proof referred to in the foregoing Article shall be submitted within the two months following notification.

Before the period provided for in the foregoing Article expires, the person concerned may apply for an extension for two further months.

On the expiry of the periods to which this Article refers, the competent national office shall rule on the invalidity of the patent, and the parties shall be informed accordingly in a resolution.

79. The competent national authority may, where this is necessary for a ruling on the invalidity of a patent, request the owner of the patent to submit one or more of the documents referred to in Article 46 relating to the patent to which the proceedings themselves relate.
Chapter X
Lapse of the Patent

80. In order to keep the patent in force or maintain a pending patent application, as the case may be, annual fees shall be paid as provided by the competent national office. Annual fees shall be paid annually in advance.

The due date of each annual fee shall be the last day of the month in which the application was filed. Two or more annual fees may be paid in advance.

An annual fee may be paid within a six-month period of grace following the starting date of the corresponding annual period, provided that the prescribed surcharge is paid at the same time. During the period of grace the patent or patent application shall remain in full force.

Failure to pay an annual fee under this Article shall cause the patent or patent application to lapse as of right.

TITLE III
UTILITY MODELS

81. Any new shape, configuration or arrangement of components of any device, tool, implement, mechanism or other object, or any part thereof, that makes for improved or different operation, use or manufacture of the object incorporating it, or which endows it with any usefulness, advantage or technical effect that it did not have previously, shall be considered a utility model.

Utility models shall be protected by means of patents.

82. Three-dimensional works, architectural works and objects that are of solely aesthetic character shall not be considered utility models.

Procedures and materials excluded from patent protection may not be the subject of utility model patents.

83. The applicant for a utility model patent may ask for his application to be converted into an application for a patent for invention or for the registration of an industrial design, in so far as the subject matter to which the original application relates, permits. For the purposes of the latter, the requirements laid down in Article 35 shall be complied with.

84. The term of the utility model shall be 10 years following the filing date of the application in the member country concerned.

85. The provisions of this Decision on patents for invention shall be applicable to utility model patents where appropriate, with the exception of the provisions on processing times, which shall be reduced by half. Without prejudice to the foregoing, the period laid down in Article 40 shall be reduced to 12 months.
TITLE IV
LAYOUT-DESIGNS
OF INTEGRATED CIRCUITS

Chapter I
Definitions

86. For the purposes of this title:

(a) “integrated circuit” means a product, in its final or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are an integral part of the body or surface of a piece of material, and which is intended to perform an electronic function;

(b) “layout-design” means the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture.

Chapter II
Requirements for the Protection of the Layout-Designs of Integrated Circuits

87. A layout-design shall be protected where it is original.

A layout-design shall be considered original when it is the result of intellectual effort on the part of its creator and is not commonplace in the integrated circuit industry.

Where a layout-design consists of one or more elements that are commonplace in the integrated circuit industry, it shall be considered original if the combination of those elements, as a whole, meets that condition.

Chapter III
Owners

88. The right to the registration of the layout-design of an integrated circuit shall belong to its designer. That right may be transferred by inter vivos transaction or by succession.

Where the layout-design has been designed by two or more persons working together, the right to protection shall belong to them jointly.

Where the layout-design has been created under a commission contract or service contract entered into for that purpose, or in the course of employment relations where the designer has that among his duties, the right to protection shall belong to the person who contracted for the work or service, or to the employer, unless otherwise provided by contract.
Chapter IV
The Application for Registration

89. The application in respect of the layout-design of an integrated circuit shall be filed with the competent national office and shall contain the following:

(a) the request;

(b) a copy or drawing of the layout-design and, where the integrated circuit has been commercially exploited, a specimen thereof;

(c) where applicable, a declaration stating the date of first commercial exploitation of the integrated circuit anywhere in the world;

(d) where applicable, a declaration stating the year of creation of the integrated circuit;

(e) a description that defines the electronic function that the integrated circuit incorporating the layout-design has to perform;

(f) a copy of any application for registration or any title of protection that may have been filed or obtained abroad by the same applicant or his principal and which refers entirely or partly to the same layout-design as that for which the application is being filed in the member country;

(g) any powers of attorney that may be necessary; and

(h) proof of payment of the prescribed fee.

90. The request in the application for registration of the layout-design of an integrated circuit shall be set down on a form and shall contain the following:

(a) the request that registration be granted;

(b) the name and address of the applicant;

(c) the nationality or domicile of the applicant. Where the applicant is a legal entity, its place of incorporation shall be specified;

(d) the name and domicile of the designer of the layout-design where he is not the applicant;

(e) where applicable, the name and address of the legal representative of the applicant;

(f) where applicable, the date, number and office of filing of any application for registration or other title of protection that may have been filed or obtained abroad by the same applicant or his principal and which refers entirely or partly to the same layout-design for which the application is filed in the member country; and

(g) the signature of the applicant or of his legal representative.

91. Where the layout-design for which registration is sought includes a trade secret, the applicant shall file, in addition to the requisite graphic representation, a representation of the
The date of receipt of the application by the competent national office shall be considered the filing date thereof provided that, at the time of receipt, it contained at least the following elements:

(a) an express statement or indication that the registration of a layout-design is applied for;

(b) the particulars identifying the applicant or the person filing the application, or that will enable the competent national office to communicate with that person;

(c) a graphic representation of the layout-design for which registration is sought;

(d) proof of payment of the prescribed fee.

Failure to comply with any of the requirements specified in this Article shall cause the competent national office to regard the application as not having been accepted for processing, and no filing date shall be assigned to it.

Chapter V
Processing of the Application

93. The competent national office shall examine whether the subject matter of the application constitutes a layout-design according to the definition in Article 86, and whether the application includes the elements specified in Articles 89, 90 and 91. The competent national office shall not examine the originality of the layout-design *ex officio* except where a reasoned opposition has been filed.

Where any omission or defect is noted, the applicant shall be informed so that he may make the necessary correction within a period of three months, with the warning that otherwise the application will be considered abandoned and be shelved *ex officio*. Where the applicant fails to make the correction in the time specified, the competent national office shall act on the warning in the form of a reasoned resolution.

94. When the application has been examined, the competent national office shall direct that it be announced by the publication of a notice in the relevant official journal at the expense of the person concerned.

The relevant provisions on applications for patents for invention shall be applicable to the publication of the notice.

95. Any interested party may file a reasoned opposition with the competent national office, including such information or documents as may be useful in ascertaining the registrability of a layout-design.
The relevant provisions on applications for patents for invention shall be applicable to the opposition.

96. Where the prescribed requirements have been complied with, the competent national office shall register the layout-design and issue a certificate of registration which shall reproduce the particulars contained in the corresponding register entry.

Chapter VI
Rights Conferred by Registration

97. Where the layout-design has been commercially exploited anywhere in the world, the application for registration shall be filed within the competent national office of the member country within a period of two years following the date of first commercial exploitation of the layout-design. If the application is filed after that period has expired, registration shall be refused.

A layout-design that has not been commercially exploited anywhere in the world may only be registered if an application is filed with the competent national office of the member country within a period of 15 years from the last day of the year in which the layout-design was created. If the application is filed after that period has expired, registration shall be refused.

98. The exclusive rights in a registered layout-design shall have a term of 10 years from the earliest of the following dates:

   (a) the last day of the year in which the first commercial exploitation of the layout-design occurred anywhere in the world;

   (b) the date on which the application for registration was filed with the competent national office of the member country concerned.

The protection of a registered layout-design shall lapse in any event on the expiry of a period of 15 years from the last day of the year in which the layout-design was created.

99. Protection shall apply regardless of whether the integrated circuit incorporating the registered layout-design is contained in an article, and regardless of whether the layout-design has been incorporated in an integrated circuit.

The registration of the layout-design of an integrated circuit shall confer on its owner the right to prohibit third parties from engaging in any of the following acts:

   (a) reproducing, by incorporation in an integrated circuit or any other way, all or part of the protected layout-design that meets the condition of originality under Article 87;

   (b) marketing, importing, offering for sale, selling or otherwise distributing the protected layout-design or an integrated circuit incorporating it;
marketing, importing, offering for sale, selling or otherwise distributing an article in which the protected integrated circuit is incorporated, but only to the extent that it still contains an unlawfully reproduced layout-design.

The protection conferred by registration shall relate only to the layout-design itself, and shall not extend to any concept, process, system, technique or information that is coded or incorporated in the layout-design.

100. The rights conferred by registration of the layout-design may only be asserted against acts performed for industrial or commercial purposes. Registration shall not confer the right to prevent the following acts:

(a) those performed in a private circle for non-profit-making purposes;

(b) those performed solely for the purposes of evaluation, analysis or experimentation;

(c) those performed solely for the purposes of teaching or scientific or academic research;

(d) those referred to in Article 5ter of the Paris Convention for the Protection of Industrial Property.

101. Registration of a layout-design shall not confer the right to prohibit a third party from engaging in commercial acts in relation to protected layout-designs, the integrated circuits that incorporate them or articles that contain such integrated circuits as from the time at which they have been brought on to the market in any country by the owner or by another person with his consent or economically linked to him.

For the purposes of the foregoing paragraph, two persons shall be understood to be economically linked where one may directly or indirectly exert a decisive influence on the other with the respect to exploitation of the protected layout-design, or where a third party can exert such an influence on both persons.

102. The owner of the registration of a layout-design may not prohibit a third party from engaging in acts of industrial or commercial exploitation in relation to a layout-design created by a third party as a result of evaluation or analysis of the protected layout-design, provided that the layout-design so created meets the condition of originality provided for in Article 87. He likewise may not prevent such acts in relation to the integrated circuits that incorporate the layout-design so created, or articles incorporating such integrated circuits.

103. The owner of the registration of a layout-design may not prohibit a third party from engaging in the acts mentioned in Article 99 in relation to another original layout-design created independently by a third party, even where it is identical.

104. It shall not be considered an infringement of the rights in a registered layout-design when one of the acts referred to in Article 99 is performed in relation to an integrated circuit that unlawfully incorporates a layout-design, or an article containing that integrated circuit, where the person who made them did not know, and had no reasonable means of knowing, that the layout-design had been reproduced unlawfully. From the time at which that
person is informed of the unlawfulness of the layout-design, he may continue to engage in the said act in relation to goods still in his possession or on order since before that time, but, at the request of the owner of the registration, he shall pay compensation equivalent to a reasonable royalty based on that which he would have paid for a contractual license.

105. A layout-design registration that has been granted or is pending may be transferred by *inter vivos* transaction or by succession.

Any transfer of the layout-design registration shall be registered with the competent national office. Failure to register shall cause the transfer to be unenforceable against third parties.

For the purposes of registration, the transfer shall be evidenced in writing.

Any interested party may apply for registration of a transfer.

**Chapter VII**  
**Licensing**

106. The owner of a layout-design registration that has been granted or is pending may license one or more third parties to exploit the layout-design concerned.

Any license for the exploitation of the layout-design shall be registered with the competent national office. Failure to register shall cause the license to be unenforceable against third parties.

For the purposes of registration, the license shall be evidenced in writing.

Any interested party may apply for registration of a license.

When any change occurs with respect to the name or address of the owner of the registration of a layout-design in the course of the term of the contract, the owner of the registration shall inform the competent national office accordingly. If that is not done, any notification made according to the particulars appearing in the register entry shall be deemed valid.

107. In the event of failure to exploit or for reasons of public interest, especially national emergency, public health or national security, or in order to remedy an anti-competitive practice, the competent authority may, at the request of an interested party or competent authority, direct at any time:

(a) that a layout-design that is registered or pending shall be used or exploited industrially or commercially by a State agency or by one or more persons under public or private law who have been designated for the purpose; or

(b) that such layout-design shall remain open to the grant of one or more compulsory licenses, in which case the competent authority shall grant a license to any person applying therefor, subject to established conditions.
The conditions laid down for the grant of compulsory licenses for patents shall be applicable to the grant of a compulsory license in relation to a layout-design.

Chapter VIII
Invalidity of the Registration

108. The competent national authority shall decree *ex officio* or at the request of a party at any time, the absolute invalidity of the registration of a layout-design where:

(a) the subject matter of the registration does not constitute a layout-design within the meaning of Article 86;

(b) the registration does not meet the protection requirements provided for in Article 87;

(c) the registration has been granted for a layout-design filed after the expiry of one of the periods specified in Article 97; or

(d) the causes of absolute invalidity laid down in national legislation for administrative acts are present.

Where the causes referred to above affect only part of the registered layout-design, invalidity shall be declared only in respect of that part, as appropriate, and the registration shall remain in force with respect to the other parts, provided that they comply as a whole with the requirement of originality laid down in Article 87.

The layout-design or part thereof that has been invalidated shall be deemed null and void as from the filing date of the application for registration.

109. The defects in administrative acts that have not brought about absolute invalidity under the foregoing Article shall result in relative invalidity. In such cases the competent national authority shall declare such invalidity within the following five years counted from the date of the grant of registration, as provided in national legislation.

110. The competent national authority may cancel a layout-design registration when it has been granted to a person not entitled to it. The action for cancellation may only be brought by the person to whom the right to registration does belong. Such action shall be barred five years following the date of grant of the registration or two years following the date on which the person to whom the right belongs became aware of the marketing of the product incorporating the layout-design in the member country, whichever period expires first.

111. The national authority competent to hear cases of invalidity shall notify the owner of the registration in order that he may present such arguments and submit such evidence as he considers fit.

Where under the domestic legislation of a member country that authority is the competent national office, the arguments and evidence referred to in the foregoing Article shall be presented within the two months following notification.
Before the period provided for in the foregoing Article expires, the person concerned may apply for an extension for two further months.

On the expiry of the periods referred to in this Article, the competent national office shall rule on the invalidity of the registration, and the ruling shall be notified to the parties in a resolution.

112. Where necessary to rule on the invalidity of a registration, the competent national authority may request the owner of the registration to submit one or more of the documents referred to in Article 89 that relate to the registration to which the proceedings themselves relate.

TITLE V
INDUSTRIAL DESIGNS

Chapter I
Requirements for Protection

113. The particular appearance of a product resulting from any arrangement of lines or combination of colors or any two-dimensional or three-dimensional outward shape, line, outline, configuration, texture or material that does not alter the intended purpose or use of the said product shall be considered an industrial design.

114. The right to the registration of an industrial design shall belong to the designer. That right may be transferred by inter vivos transaction or by succession.

The owners of the registration may be natural persons or legal entities.

Where two or more persons create an industrial design jointly, the right to registration shall belong jointly to all of them.

Where two or more persons create the same industrial design independently of each other, registration shall be granted to the one, or to the successor in title, who files the first application in relation to it or who claims the earliest priority.

115. Industrial designs that are new shall be eligible for registration.

An industrial design shall not be new if, before the filing date or validly claimed priority date, it has been made available to the public in any place or at any time by description, use, marketing or any other means.

An industrial design shall not be new by virtue of the mere fact that it embodies secondary differences in relation to earlier creations, or that it refers to a category of goods different from that to which the said creations belong.

116. The following shall not be eligible for registration:

(a) industrial designs the commercial exploitation of which on the territory of the member country in which registration is sought has to be prevented to protect morality or
public policy. In that connection the commercial exploitation of an industrial design shall not be considered contrary to morality or public policy for the sole reason of there being a legal or administrative provision that prohibits or regulates such exploitation;

(b) industrial designs whose appearance is entirely dictated by considerations of technical character or by the performance of a technical function, without entailing any arbitrary involvement of the designer; and

(c) the industrial design that consists only of a shape the exact reproduction of which is necessary for the product incorporating the design to be assembled mechanically or connected to another product of which it forms a part. This prohibition shall not apply in the case of products in which the design feature lies in a shape intended to permit the assembly or multiple connection of the products or their interconnection within a modular system.

Chapter II
Registration Procedure

117. The application for registration of an industrial design shall be filed with the competent national office and shall contain:

(a) the request;

(b) a graphic or photographic representation of the industrial design. In the case of two-dimensional designs incorporated in a flat material, the representation may be replaced by a sample of the product incorporating the design;

(c) such powers of attorney as may be necessary;

(d) proof of payment of the prescribed fees;

(e) where appropriate, a copy of the document evidencing the assignment to the requesting party of the right to industrial design registration; and

(f) where appropriate, a copy of any application for the registration of an industrial design or other title of protection that may have been filed or obtained abroad by the same applicant or his principal which refers to the same design as is claimed in the application filed in the member country.

118. The request in the application for industrial design registration shall be made on a form and shall include the following:

(a) the request for industrial design registration;

(b) the name and address of the applicant;

(c) the nationality or domicile of the applicant. Where the applicant is a legal entity, its place of incorporation shall be specified;

(d) a mention of the type or class of goods to which the design is applied, and the class and subclass to which those goods belong;
(e) the name and domicile of the designer, where not the applicant himself;

(f) where appropriate, the date and number and the office of filing of any application for registration of an industrial design or other title of protection that may have been filed or obtained abroad by the same applicant or his principal which relates to the same design as is claimed in the application filed in the member country;

(g) where appropriate, the name and address of the legal representative of the applicant; and

(h) the signature of the applicant or his legal representative.

119. The date of receipt of the application by the competent national office shall be considered the filing date thereof, provided that it contained at least the following when it was received:

(a) a mention that registration of an industrial design is applied for;

(b) particulars identifying the applicant or the person filing the application, and that will enable the competent national office to communicate with that person;

(c) a graphic and photographic representation of the industrial design. In the case of two-dimensional designs incorporated in a flat material, the representation may be replaced by a sample of the material incorporating the design; and

(d) proof of payment of the prescribed fees.

Failure to comply with any of the requirements specified in this Article shall cause the competent national office to regard the application as not having been accepted for processing, and no filing date shall be assigned to it.

120. The competent national office shall, within 15 working days following the filing date of the application, examine whether it complies with the requirements of form specified in Articles 117 and 118.

If it emerges from the examination as to form that the application does not meet the requirements referred to in the foregoing paragraph, the competent national office shall inform the applicant accordingly so that he may rectify the application within a period of 30 days following the date of notification. At the request of a party, the period may be extended once for the same amount of time without any loss of priority.

Where on expiry of the period allowed him the applicant does not meet the requirements pointed out to him, the application shall be considered abandoned and shall lose its place in the order of precedence. Without prejudice to the foregoing, the competent national office shall nevertheless respect the confidentiality of the application.

121. Where the application meets the prescribed requirements, the competent national office shall order its publication.
122. Within a period of 30 days following the date of publication, any person having a legitimate interest may file one reasoned opposition with a view to invalidating the registration of the industrial design.

At the request of a party, the competent national office shall grant one further period of 30 days for substantiation of the opposition.

Reckless oppositions shall be subject to sanctions where national provisions so provide.

123. Where opposition has been filed, the competent national office shall inform the applicant so that, within the following 30 days, he may put forward his own arguments or submit documents if he sees fit.

At the request of a party, the competent national office shall grant an additional period of 30 days for the response.

124. On the expiry of the period specified in the foregoing Article, or if no opposition has been filed, the competent national office shall examine whether the subject matter of the application conforms to the provisions of Articles 113 and 116.

The competent national office shall not conduct any examination of the novelty of the application \textit{ex officio}, except where opposition has been filed that is supported by earlier rights in force or by a lack of novelty of the industrial design.

Without prejudice to the foregoing, where the industrial design clearly lacks novelty, the competent national office may reject the application \textit{ex officio}.

125. An application for registration of an industrial design may not be consulted by third parties until the end of the period prior to the ordering of publication, except where the written consent of the applicant has been obtained.

Any person who proves that an applicant for industrial design registration has sought to assert rights against him that derive from the application may consult the file even prior to publication and even without the latter’s consent.

126. When the prescribed requirements have been complied with, the competent national office shall grant the registration of the industrial design and issue the corresponding certificate to its owner. If those requirements have not been complied with, the competent national office shall refuse registration.

127. For the ordering and classification of industrial designs, member countries shall use the International Classification for Industrial Designs established by the Locarno Agreement of October 8, 1968, in its currently amended form.

\textbf{Chapter III}

\textbf{Rights Conferred by Registration}

128. The registration of an industrial design shall have a term of 10 years, counted from the filing date of the application in the member country.
129. Registration of an industrial design shall confer on the owner thereof the right to prohibit third parties from making use of the design concerned. By virtue of that prohibition, the owner of a registration shall be entitled to proceed against any third party who, without his consent, manufactures, imports, offers for sale, markets or makes commercial use of products incorporating or reproducing the industrial design.

Registration shall likewise confer the right to proceed against any person who produces or markets a product the design of which differs in only minor respects from the protected design, or the appearance of which is the same.

130. The protection conferred on an industrial design shall not extend to those elements or characteristics the exact reproduction of which is necessary for the product incorporating the design to be mechanically assembled or connected to another product of which it forms part. That limitation shall not apply in the case of products the design of which is embodied in a shape intended to permit the assembly or multiple connection of the products, or their interconnection within a modular system.

131. The registration of an industrial design shall not give the right to prohibit a third party from engaging in commercial acts in relation to a product incorporating or reproducing that design after the product in question has been brought on to the market in any country by its owner or by another person with his consent or economically linked to him.

For the purposes of the foregoing paragraph, two persons shall be regarded as economically linked where one of them is able to exert a decisive direct or indirect influence on the other with respect to the exploitation of the industrial design, or where a third party is able to exert such an influence on both persons.

132. The competent national authority shall decree, either ex officio or at the request of any person and at any time, the absolute invalidity of the registration of an industrial design where:

(a) the subject matter of the registration does not constitute an industrial design in terms of Article 113;

(b) the industrial design does not meet the requirements of protection specified in Article 115;

(c) registration has been granted for subject matter that is excluded from industrial design protection under the provisions of Article 116; or

(d) the causes of absolute invalidity provided for in national legislation for administrative acts are present.

133. The provisions of Articles 17, 34, 53(a), (b), (c) and (d), 56, 57, 70, 74, 76, 77, 78 and 79 shall be applicable to industrial designs.
Chapter I
Requirements for the Registration
of Marks

134. For the purposes of these Provisions, any sign capable of distinguishing goods or services on the market shall constitute a mark. Signs that are susceptible of graphic representation may be registered as marks. The nature of the product or service to which a mark is to be affixed shall in no case be an obstacle to the registration thereof.

The following signs, among others, may constitute marks:

(a) words or word combinations;

(b) images, figures, symbols, graphics, logotypes, monograms, portraits, labels, emblems and shields;

(c) sounds and aromas;

(d) letters and numerals;

(e) a color within an outline, or a color combination;

(f) the shape of the goods, their containers or their packaging;

(g) any combination of the signs or elements specified in the foregoing subparagraphs.

135. Those signs may not be registered as marks that:

(a) cannot constitute marks according to the first paragraph of the foregoing Article;

(b) lack distinctiveness;

(c) consist solely of the everyday shape of the goods or their packaging, or of shapes or characteristics dictated by the particular nature or function of the product or service concerned;

(d) consist solely of shapes or other elements that afford a functional or technical advantage to the product or service to which they are applied;

(e) consist solely of a sign or statement that may serve in business to describe the quality, quantity, purpose, value, place of origin or time of production of, or to impart other data, characteristics or information concerning, the products or services for which the sign or statement is to be used, including expressions extolling the said goods or services;

(f) consist solely of a sign or statement which is the generic or technical name of the product or service concerned;
(g) consist solely or have become the common or usual designation for the product or service concerned in the everyday language or usage of the country;

(h) consist of a color in isolation, without any demarcation to give it a specific shape;

(i) are liable to deceive business circles or the public, in particular as to the source, nature, manufacturing methods, characteristics or qualities of the goods or services concerned, or their suitability for their purpose;

(j) reproduce, imitate or contain a protected appellation of origin for the same or different goods where use of the sign could create a risk of confusion or association with the said appellation, or might constitute misappropriation of its notoriety;

(k) contain a protected appellation of origin for wines and spirits;

(l) consist of a national or foreign geographical indication liable to cause confusion with regard to the goods or services to which it applies;

(m) reproduce or imitate, without the permission of the competent authorities, either as marks or as elements of marks, coats of arms, flags, emblems or official signs and marks denoting control and warranty adopted by States, and any imitation thereof from the heraldic point of view, and also the coats of arms, flags and other emblems, names or abbreviated names of any international organizations;

(n) reproduce or imitate signs denoting conformity with technical standards, except where the registration thereof is applied for by the national body responsible for standards and quality requirements in member countries;

(o) reproduce, imitate or include the denomination of a plant variety protected in a member country or abroad, if the sign is intended for goods or services related to that variety, or where such use would be liable to cause confusion or association with it; or

(p) are contrary to law, morality, public policy or proper practice.

Notwithstanding provisions of subparagraphs (b), (e), (f), (g) and (h), a sign may be registered as a mark if the person applying for registration, or his principal, has been making constant use of it in the member country, and where the effect of such use has been that the sign has acquired distinctiveness in relation to the goods or services to which it has been applied.

136. Those signs may not be registered as marks whose use in trade would unduly harm a third-party right, especially where:

(a) they are identical or similar to a mark previously filed for registration or registered by a third party in respect of the same goods or services, or for goods or services regarding which the use of the mark could cause a risk of confusion or association;

(b) they are identical or similar to a protected trade name or a label or business sign, in so far as they might, under the circumstances, create a risk of confusion or association;
(c) they are identical or similar to an advertising slogan filed for registration or registered, in so far as their use might, under the circumstances, create a risk of confusion or association;

(d) they are identical or similar to the distinctive sign of a third party, in so far as their use might, under the circumstances, create a risk of confusion or association where the applicant is or has been a representative or distributor of, or a person expressly authorized by, the owner of the sign protected in the member country or abroad;

(e) they consist of a sign that affects the identity or prestige of profit-making or non-profit-making legal entities, or natural persons, including especially the forename, surname, signature, title, hypocoristic, pseudonym, likeness, portrait or caricature of a person other than the applicant or identified by the relevant sector of the public as a person other than the applicant, except where the consent of that person or, if he is deceased, that of those declared his heirs is proved;

(f) they consist of a sign that infringes the industrial property rights or copyright of a third party, except where the consent of the latter has been obtained;

(g) they consist of the names of indigenous Afro-American or local communities, or the names, words, letters, characters or signs used to distinguish their goods or services or the manner of their processing, or which constitute an expression of their culture or practice, except where the application is filed by the community itself or with its express consent; and

(h) they constitute a reproduction, imitation, translation, transliteration or transcription of all or part of a well-known distinctive sign the owner of which is a third party, regardless of the goods or services to which the sign is applied, where their use would be liable to create a risk of confusion or association with that third party or with his goods or services, constitute misappropriation of the prestige of the sign or dilution of its distinctive power or commercial or advertising value.

137. Where the competent national office has reasonable grounds to believe that registration has been applied for in order to perpetrate, facilitate or consolidate an act of unfair competition, it may refuse registration.

Chapter II
Registration Procedure

138. The application for registration of a mark shall be filed with the competent national office, shall relate to a single class of goods or services and shall include the following documents:

(a) the request;

(b) a reproduction of the mark in the case of a word mark featuring graphic elements, shapes or color or a figurative, composite or three-dimensional mark with or without color;

(c) such powers of attorney as may be necessary;
(d) proof of payment of the prescribed fee;

(e) the authorization required in the cases provided for in Articles 135 and 136, where applicable; and

(f) where applicable, the certificate of registration of the country of origin, issued by the authority that granted it and, where provided in the domestic legislation, proof of payment of the prescribed fee where the applicant wishes to avail himself of the right provided for in Article 6quinquies of the Paris Convention.

139. The request forming part of the application for registration of a mark shall be filed on a form and shall comprise the following:

(a) the request for registration of a mark;

(b) the name and address of the applicant;

(c) the nationality or domicile of the applicant. Where the applicant is a legal entity, the place of incorporation shall be specified;

(d) where appropriate, the name and address of the legal representative of the applicant;

(e) a mention of the mark to be registered in the case of a mark that is purely verbal, without any graphic elements, shape or color;

(f) an express mention of the goods or services for which registration of the mark is sought;

(g) a mention of the class to which the goods or services belong; and

(h) the signature of the applicant or his legal representative.

140. The date of receipt of the application by the competent national office shall be considered the filing date thereof, provided that it included at least the following at the time of receipt:

(a) a mention that the registration of a mark is applied for;

(b) the data identifying the applicant or the person filing the application, or such as will allow the competent national authority to communicate with that person;

(c) the mark for which registration is sought, or a reproduction of the mark in the case of a word mark with special graphic elements, shape or color, or a figurative, composite or three-dimensional mark with or without color;

(d) an express mention of the goods or services for which protection of the mark is sought; and

(e) proof of payment of the prescribed fees.
The omission of any of the elements listed in this Article shall cause the application to be regarded by the competent national office as not having been accepted for processing, and no filing date shall be assigned to it.

141. The date on which the mark was used to identify goods or services at an officially recognized exhibition held in any country may be claimed as the filing date of an application for registration of that mark, provided that registration is applied for within the six months following the day on which the goods or services were first displayed under the mark. In that case the application may be considered filed on the date of display.

The circumstances referred to in this Article shall be attested by a certificate issued by the authority responsible for the exhibition, which shall mention the date on which the mark was first used in relation to the goods or services concerned.

142. Where the applicant wishes to avail himself of the right provided for in Article 6quinquies of the Paris Convention for the Protection of Industrial Property, he shall file the certificate of registration of the mark in the country of origin within a period of three months following the filing date of the application.

143. The applicant for registration of a mark may request that his application be amended at any stage in the processing thereof. He may request the correction of any clerical error in the same way.

The competent national office may likewise suggest amendments in the application to the applicant at any stage in the processing thereof. Such suggestions for amendment shall be processed in accordance with the provisions of Article 144.

In no event may the amendment entail changes to substantive aspects of the sign or a broadening of the range of goods or services originally specified in the application.

Where national provisions so permit, fees may be charged for the request for amendment.

144. The competent national office shall examine, within 15 days following the filing date of the application, whether it meets the requirements of form specified in Articles 135 and 136.

Where it emerges from the examination as to form that the application does not meet the requirements referred to in the foregoing paragraph, the competent national office shall inform the applicant accordingly so that he may meet the said requirements within a period of 60 days following the date of notification.

If, on the expiry of the period mentioned, the applicant has not complied with the requirements stated, the application shall be considered abandoned, and its place in the order of precedence shall be lost.

145. Where the application for registration meets the requirements of form specified in this Chapter, the competent national office shall order publication.
Within a period of 30 days following the date of publication, any person having a legitimate interest may file one reasoned opposition with a view to discrediting the registration of the mark.

At the request of a party, the competent national office shall grant one further period of 30 days for the submission of evidence in support of the opposition.

Reckless oppositions may be penalized if national legislation so provides.

Oppositions to an application that are filed within the six months following the expiry of the period of grace referred to in Article 153 shall not be entertained where they are based on marks that have coexisted with the registration applied for.

For the purposes of the provisions of the foregoing Article, it shall be understood that both the owner of an identical or similar mark for goods or services in relation to which use of the mark could mislead the public and the person who first applied for registration of that mark in any of the member countries also have a legitimate interest in filing oppositions in the other member countries. In both cases the opponent shall prove his genuine interest in the market of the member country in which the opposition is filed, which he must do by applying for registration at the time of filing the opposition.

The filing of an opposition based on a mark previously registered in any of the member countries under the provisions of this Article shall entitle the competent national office to refuse registration of the second mark.

The filing of an opposition on the basis of an application for registration of a mark previously filed in any of the member countries under this Article shall cause the registration of the second mark to be suspended until registration of the first has been granted. In that event the provision of the foregoing paragraph shall be applicable.

Where opposition has been filed, the competent national office shall inform the applicant accordingly so that, within the following 30 days, he may present his own arguments and submit evidence if he sees fit.

At the request of a party, the competent national office shall grant once only an additional period of 30 days for the submission of the evidence in support of the response.

The competent national office shall not entertain oppositions that correspond to any of the following cases:

(a) they are filed without the essential particulars of the opponent and the application to which the opposition is filed;

(b) the opposition is filed outside the appointed time;

(c) the corresponding processing fees have not been paid.

On the expiry of the period specified in Article 148, or if no opposition has been filed, the competent national office shall proceed with the examination of registrability.
Where oppositions have been filed, the competent national office shall issue a resolution ruling on them and on the grant or refusal of registration of the mark.

151. For the classification of the goods and services to which marks apply, the member countries shall use the International Classification of Goods and Services for the Purposes of the Registration of Marks established by the Nice Agreement of June 15, 1957, in its currently amended form.

The classes of the International Classification referred to in the foregoing paragraph shall not determine the similarity or dissimilarity of the goods or services expressly mentioned.

Chapter III
Rights Conferred by the Mark and Limitations

152. The registration of a mark shall have a term of 10 years from the date of grant, which may be renewed for successive 10-year periods.

153. The owner of a registration, or any person having a legitimate interest, shall apply to the competent national office for renewal of the registration within the six months prior to its expiry. Nevertheless, both the owner of the registration and any person having a legitimate interest shall be allowed a period of grace of six months following the expiry date of the registration within which to apply for renewal. To that end proof of payment of the prescribed fees shall be filed and the corresponding surcharge shall be paid at the same time where the domestic provisions of member countries permit. During the period in question the registration of the mark shall remain in full force.

For the purposes of renewal there shall be no requirement of proof of use of the mark, and it shall be renewed automatically on the same terms as the original registration. The owner may however reduce or limit the goods or services specified in the original registration.

154. The right to the exclusive use of a mark shall be acquired by registration of the said mark with the competent national office concerned.

155. Registration of a mark shall confer on its owner the right to proceed against any third party who, without his consent, performs any of the following acts:

(a) using or affixing the mark, or an identical or similar distinctive sign on goods for which the mark has been registered, on goods connected with the services for which it has been registered, or on containers, wrappers, packaging or other means of presenting such products;

(b) removing or altering the mark for commercial purposes after it has been applied or affixed to the goods for which the mark has been registered, to the goods connected with the services for which it has been registered or to the containers, wrappers, packaging or other means of presentation of such goods;
(c) manufacturing labels, containers, wrappers, packaging or other materials that reproduce or include the mark, and also marketing or stocking such materials;

(d) using, in business dealings, a sign identical or similar to the mark in relation to any goods or services where such use could cause confusion or a risk of association with the owner of the registration. Where an identical sign is used for identical goods or services, it shall be presumed that there is a risk of confusion;

(e) using a sign in business dealings that is identical or similar to a mark well known for any goods or services where such use could cause the owner of the registration undue economic or commercial harm owing to the dilution of the distinctiveness or market or advertising value of the mark, or owing to unfair exploitation of the prestige of the mark or its owner;

(f) making public use of a sign identical or similar to a well-known mark, even for non-commercial purposes, where such use could cause dilution of the distinctiveness or market or advertising value of the mark or unfair exploitation of its prestige.

156. For the purposes of the provisions of subparagraphs (e) and (f) of the foregoing Article, the following acts, in particular, shall be considered third-party use of a sign in business:

(a) bringing goods or services on to the market, selling them, offering them for sale or distributing them under the sign;

(b) importing, exporting, stocking or shipping goods under the sign; or

(c) using the sign in advertising, publications, business documents or written or oral communications, regardless of the medium of communication used and without prejudice to any provisions on advertising that may be applicable.

157. Third parties may, without the consent of the owner of the registered mark, use in business dealings their own names, domiciles or pseudonyms, a geographical name or any other specific designation relating to the type, quality, quantity, purpose, value, place of origin or time of production of their goods or rendering of their services or other characteristics thereof, provided that it is done in good faith and does not constitute use as a mark, and provided that such use is confined to purposes of identification or information and is not liable to mislead the public as to the origin of the goods or services.

Registration of the mark shall not confer on its owner the right to prohibit a third party from using the mark to publicize, including the use of comparative advertising, to offer for sale or to advertise the existence or availability of lawfully marked goods or services, or to advertise the compatibility or suitability of spare parts or accessories that may be used with goods bearing the registered mark, provided that such use is made in good faith, is confined to the purpose of informing the public and is not liable to mislead or confuse as to the corporate origin of goods or services concerned.

158. Registration of a mark shall not give the right to prevent a third party from engaging in commercial acts in relation to a product protected by the said registration after the
product has been brought on to the market in any country by the owner of the registration or by another person with the owner’s consent or economically connected with him, in particular where the goods and the containers or packaging that are in direct contact with them have not been subjected to any modification, or alteration or deterioration.

For the purposes of the foregoing paragraph, it shall be understood that two persons are economically connected when one is able to exert on the other a decisive direct or indirect influence regarding the exploitation of the rights in the mark, or where a third party is able to exercise such an influence on both persons.

159. Where registrations of an identical or similar mark exist in the Subregion, in the name of different owners, for the identification of the same goods or services, the marketing of the merchandise or services identified by the mark on the territory of the member country concerned shall be prohibited except where the owners of the said mark enter into agreements that permit such marketing.

Where such agreements are reached, the parties shall adopt the necessary measures to prevent confusion of the public as to the origin of the merchandise or services concerned, including arrangements for identifying the origin of the goods or services with conspicuous features proportionate to their nature for the due information of the consuming public. Such agreements shall be registered with the competent national offices and shall conform to the rules of business practice and the promotion of competition.

In any event the import of a product or service to which the situation described in the first paragraph of this Article applies shall not be prohibited when the mark is not being used on the territory of the importing country, as provided in the first paragraph of Article 166, except where the owner of the said mark proves to the competent national office that the non-use of the mark is attributable to legitimate factors.

160. Where the mark consists of a geographical name, the product may not be marketed without the place of manufacture of the product being specified on it in a visible and clearly legible manner.

Chapter IV
Licensing and Transfer of Marks

161. A granted or pending registration of a mark may be transferred by *inter vivos* transaction or by succession, with or without the business to which it belongs.

Any transfer of the registration of a mark shall be registered with the competent national office. Failure to register shall cause the transfer to be unenforceable against third parties.

For the purposes of registration, the transfer shall be evidenced in writing.

Any interested party may apply for registration of a transfer. The competent national office may however refuse such registration where the transfer carries a risk of confusion.

162. The owner of a granted or pending registration of a mark may license one or more third parties to exploit the mark in question.
Any license for the use of a mark shall be registered with the competent national office. Failure to register shall cause the license to be unenforceable against third parties.

For the purposes of registration, the license shall be evidenced in writing.

Any interested party may apply for the registration of a license.

163. The competent national authority shall not register contracts for the licensing or transfer of the registration of marks that do not conform to the Common Provisions on the Treatment of Foreign Capital and on Marks, Patents, Licenses and Royalties, or to Community and national provisions on business practices restrictive of free competition.

164. Where there is any change in the name or address of the owner of the registration of the mark during the term of a license, the owner of the registration shall inform the competent national office accordingly. If this is not done, any notification made according to the particulars appearing in the register entry shall be deemed valid.

Chapter V
Cancellation of Registration

165. The competent national office shall cancel the registration of a mark at the request of any interested party when, without justification, the mark has not been used in at least one of the member countries, by the owner or his licensee or any other person authorized for the purpose during the three consecutive years preceding the date on which the cancellation action was initiated. Cancellation of a registration for non-use of the mark may also be claimed as a means of defense in an opposition action brought on the basis of the unused mark.

Notwithstanding the provisions of the foregoing paragraph, no cancellation action may be initiated until three years have elapsed from the date of notification of the resolution that exhausts the procedure for registration of the mark concerned by the administrative route.

Where the non-use of a mark affects only one or some of the goods or services for which the mark was registered, a reduction or limitation of the list of goods or services included in the registration shall be ordered, at which time those in respect of which the mark has not been used shall be eliminated; to that end due regard shall be had to the identicalness or similarity of the goods or services.

The registration may not be cancelled when the owner proves that the non-use is due to force majeure or unforeseen circumstances in particular.

166. It shall be understood that a mark is in use when the goods or services that it distinguishes have been placed, or are available, on the market under it, in the normally appropriate quantity and manner, due regard being had to the nature of the goods or services and the manner in which their marketing takes place.

A mark shall likewise be considered used where it distinguishes exclusively goods that are exported from any of the member countries according to the provisions of the foregoing paragraph.
Use of a mark in a manner differing from that for which it was registered, but only with respect to details or elements that do not alter its distinctive character, shall not be a cause of cancellation of the registration for non-use, nor shall it lessen the protection accruing to the mark.

167. The burden of proof of use of the mark shall be on the owner of the registration.

Use of the mark may be proved with business invoices, accounting documents or audit certificates that show the regularity and scale of marketing of the merchandise identified by the mark, among other things.

168. A person who secures a favorable ruling shall have a preferential right to registration. That right may be claimed as from the filing of the request for cancellation and until up to three months have elapsed following the date on which the cancellation ruling became final in the administrative proceedings.

169. The competent national office shall, either ex officio or at the request of any party, order the cancellation of the registration of a mark or the limitation of its scope where its owner has caused or allowed it to become an everyday or generic sign to identify or designate one or more of the goods or services for which it was registered.

It shall be understood that a mark has become an everyday or generic sign where, in commercial circles and for the public, the mark has lost its distinctive character as the designation of the corporate origin of the product or service to which it is applied. For those purposes the following factors must be present in relation to the mark:

(a) the need for competitors to use the sign in order to conduct their activities, owing to the non-existence of another appropriate name or sign to designate or identify the product or service concerned on the market;

(b) the widespread use of the mark by the public and in the commercial circles as an everyday or generic sign for the product or service concerned; and

(c) the public’s ignorance or limited perception of the fact that the mark denotes a particular corporate origin.

170. On receipt of a request for cancellation, the competent national office shall notify the owner of the registered mark so that, within a period of 60 working days following the notification, he may present such arguments and evidence as he considers appropriate.

On expiry of the period referred to in this Article, the competent national office shall decide on whether or not to cancel the registration of the mark, and shall notify its decision to the parties in a resolution.

Chapter VI
Renunciation of Registration

171. The owner of the registration of a mark may at any time renounce his rights in the registration.
Where renunciation is partial, it shall affect only those goods or services to which it relates.

Renunciation shall not be allowed where there are encumbrances or third-party rights registered with the competent national office, except where the owners of the said rights have given their express agreement.

Renunciation of the mark shall come into effect as from its registration with the competent national office.

Chapter VII
Invalidity of Registration

172. The competent national authority may, either ex officio or at the request of any party at any time, declare the absolute invalidity of the registration of a mark where it has been granted in breach of the provisions of Articles 134, first paragraph, and 135.

The competent national authority may, either ex officio or at the request of any party, declare the relative invalidity of the registration of a mark where it has been granted in breach of the provisions of Article 136, or where it has been obtained in bad faith. Such action shall be barred after five years following the date of grant of the disputed registration.

The actions referred to above shall not affect any that may be available for damages and prejudice under domestic legislation.

The registration of a mark may not be declared invalid for reasons that have ceased to be applicable by the time at which the invalidity is ruled upon.

Where a cause of invalidity applies only to one or some of the goods or services for which the mark has been registered, the invalidity shall be declared solely in respect of those goods or services, which shall be removed from the registration of the mark.

173. The provisions of Article 78 shall be applicable to this Chapter.

Chapter VIII
Lapse of Registration

174. The registration of the mark shall lapse as of right where the owner or a person having a legitimate interest does not request renewal within the legal time limit, including the period of grace, as provided in this Decision.

Failure to pay fees within the time limits allowed by the domestic legislation of the member country shall likewise be a cause of lapse.
TITLE VII
ADVERTISING SLOGANS

175. Member countries may register advertising slogans as marks in conformity with their national legislation.

An advertising slogan is understood to be the word, phrase or caption used to complement a mark.

176. The application for registration of an advertising slogan shall specify the mark applied for or registered with which it is to be used.

177. Advertising slogans may not be registered where they contain references to similar goods or marks or expressions that might be prejudicial to such goods or marks.

178. An advertising slogan shall be transferred together with the mark with which it is associated, and its validity shall be conditional on that of the mark.

179. The relevant provisions of the Title of this Decision on marks shall be applicable as appropriate to this Title.

TITLE VIII
COLLECTIVE MARKS

180. A collective mark shall be understood to be any sign that serves to distinguish the origin or any other common characteristic of goods or services from different firms that use the sign under the owner’s control.

181. Legally established associations of producers, manufacturers, service providers, organizations or groups of persons may apply for the registration of a collective mark to distinguish on the market the goods or services of their members.

182. The application for registration shall specify that it is for a collective mark, and shall be accompanied by:

(a) a copy of the statutes of the association, organization or group of persons applying for registration of the collective mark;

(b) a list of members; and

(c) a statement of the conditions on and form in which the collective mark is to be used in connection with the goods or services.

Once registration of the collective mark has been secured, the association, organization or group of persons shall inform the competent national office of any changes that may occur in any of the documents referred to in this Article.

183. The collective mark may be transferred or licensed in accordance with the internal rules of the association, organization or group of persons.
Transfers and licenses must be registered with the competent national office in order to be enforceable against third parties.

184. The provisions of the Title of this Decision on marks shall be applicable as appropriate to this Title.

TITLE IX
CERTIFICATION MARKS

185. A certification mark shall be understood to be a sign intended to be applied to goods or services the quality or other characteristics of which have been certified by the owner of the mark.

186. A business or institution under private or public law or a State, regional or international agency may be the owner of a certification mark.

187. The application for registration of a certification mark shall be accompanied by the rules for use of the mark, which shall specify the goods or services that may be covered by the owner’s certification, define the characteristics guaranteed by the presence of the mark and describe the manner in which control over such characteristics shall be exercised before and after use of the mark has been authorized.

The rules of use shall be registered together with the mark.

Any amendment to the rules of use of the certification mark shall be brought to the notice of the competent national office. The amendment to the rules of use shall be enforceable against third parties on its entry in the corresponding register.

188. The owner of a certification mark may authorize any person to use it whose product or service meets the conditions laid down in the rules of use of the mark.

The certification mark may not be used in connection with goods or services produced, rendered or marketed by the owner of the mark himself.

189. The provisions of the Title of this Decision on marks shall be applicable as appropriate to this Title.

TITLE X
TRADE NAMES

190. A trade name shall be understood to be any sign that identifies an economic activity, an undertaking or a trading establishment.

An undertaking or establishment may own more than one trade name. The trade name of an undertaking or establishment may be constituted among other things by its corporate designation, its business style or another designation entered in a register of traders or trade undertakings.
Trade names shall be independent of the designations or business styles of legal entities, and both may coexist.

191. The exclusive right to a trade name shall be acquired by first use in trade, and shall end when use of the name ceases or when the activities of the undertaking or establishment that uses it cease.

192. The owner of a trade name may prohibit any third party from using an identical or similar distinctive sign in trade where such use could cause confusion or a risk of association with the undertaking of the owner or with his goods or services. In the case of well-known trade names, this shall likewise apply where the use could do the said owner unjust economic or commercial harm or constitute misappropriation of the prestige of his name or undertaking.

The provisions of Articles 155, 156, 157 and 158 shall be applicable as appropriate to trade names.

193. Pursuant to the domestic legislation of each member country, the owner of a trade name may register it or deposit it with the competent national office. Registration or deposit shall be declaratory in character. The right to its exclusive use shall be acquired only as provided in Article 191.

194. A sign may not be registered as a trade name in any of the following cases:

   (a) where it consists entirely or partly of a sign that is contrary to morality or public policy;

   (b) where its use would be liable to cause confusion in commercial circles or in the mind of the public as to the identity, nature, activities, sales or any aspect of the undertaking or establishment designated with the name;

   (c) where the use would be liable to cause confusion in commercial circles or in the mind of the public as to the corporate provenance or the origin or other characteristics of the goods or services that the undertaking produces or markets; or

   (d) where a trade name registration has been applied for or granted earlier.

195. For the purposes of registration the competent national office shall examine whether the trade name is at variance with the provisions of the foregoing Article. Member countries may demand proof of use according to their national legislation.

The classification of goods or services used for marks may be applicable to the registration of trade names.

196. Where the trade name is registered, it shall have a term of 10 years from the date of registration or deposit, which shall be renewable for equal terms.

197. The owner of a trade name registration may renounce his rights in the registration. Renunciation of a trade name registration shall come into effect on being recorded at the competent national office.
198. Renewal of a trade name registration shall be sought from the competent national office within the six months prior to the expiry date. Nevertheless, the owner of the trade name shall have a period of grace of six months from the expiry date of the registration within which to apply for its renewal, at which time he shall file proof of payment of the fees specified in the domestic legislation of the member countries, with payment at the same time of the requisite surcharge, if any. During the period in question the registration of the trade name shall remain in full force.

For the purposes of renewal the competent national offices may demand proof of use of the trade name in accordance with their national legislation. In any event the renewal shall be effected on the same terms as the original registration.

199. The transfer of a registered trade name or a trade name filed for registration shall be registered with the competent national office according to the procedure applicable to the transfer of marks, as appropriate, and shall be subject to the same fee. Nevertheless, the transfer of the trade name may only be made in conjunction with that of the undertaking or establishment with which it has been used.

The trade name may be licensed. Where national legislation so provides, the license may be registered with the competent national office.

TITLE XI
LABELS OR BUSINESS SIGNS

200. The protection and deposit of labels or business signs shall be governed by the provisions on trade names, as provided in the national legislation of each member country.

TITLE XII
GEOGRAPHICAL INDICATIONS

Chapter I
Appellations of Origin

201. An appellation of origin [denominación de origen] shall be understood to be a geographical indication consisting in the name of a particular country, region or place or a name which, without being that of a particular country, region or place, refers to a particular geographical area, and is used to designate a product originating therein the quality, reputation or other characteristics of which are exclusively or essentially due to the geographical environment in which it is produced, including both natural and human factors.

202. Those appellations of origin may not be declared such that:

(a) do not conform to the definition contained in Article 201;

(b) are common or generic terms to distinguish the product concerned, that is, terms considered such both by persons with knowledge of the area concerned and by the general public;
(c) are contrary to proper practice or public policy; or

(d) are liable to mislead the public as to the geographical origin, nature, method of manufacture or quality, reputation or other characteristics of the products concerned.

203. The declaration of protection of an appellation of origin shall be made *ex officio* or at the request of persons who can prove a legitimate interest, understood as being natural persons or legal entities directly engaged in the extraction, production or processing of the product or products to be covered by the appellation of origin, and also associations of producers. State, departmental, provincial or municipal authorities shall likewise be considered interested where the appellations of origin refer to their own areas of concern.

204. The application for the declaration of protection of an appellation of origin shall be filed in writing with the competent national office, and the following shall be specified:

(a) name, domicile, residence and nationality of the applicant or applicants, and also proof of lawful interest;

(b) the appellation of origin in respect of which the declaration is applied for;

(c) the limited geographical area of production, extraction or processing of the product to be identified by the appellation of origin;

(d) the products designated by the appellation of origin; and

(e) an account of the qualities, reputation or other essential characteristics of the products designated by the appellation of origin.

205. Where the application has been accepted for consideration, the competent national office shall, within the following 30 days, ascertain whether it complies with the requirements laid down in this Title and with those of the domestic legislation of the member countries, whereupon it shall observe the procedure for the examination as to form of a mark, as appropriate.

206. The validity of the declaration of protection of an appellation of origin shall be subject to the continuing existence of the conditions on which it was based, as determined by the competent national office. This office may declare that validity terminated if the said conditions no longer obtain. Nevertheless, the persons concerned may apply for renewal of the said validity where they consider that the conditions on which protection was based have been restored, without prejudice to the administrative appeals provided for in the domestic legislation of each member country.

The declaration of protection of the appellation of origin may be amended at any time where any of the elements referred to in Article 204 changes. The amendment shall be subject to the procedure for the declaration of protection, as appropriate.

207. Authorization to use a protected appellation of origin shall be applied for by persons who:
(a) are directly engaged in the extraction, production or processing of the products identified by the appellation of origin;

(b) conduct the said activity within the demarcated geographical area specified in the declaration of protection; or

(c) comply with other requirements imposed by competent national offices.

208. The competent national office may grant the corresponding authorization of use. Authorization of use may also be granted by the public or private bodies that represent the beneficiaries of the appellations of origin, if national legislation so provides.

209. Where the authorization of use is within the jurisdiction of the competent national office, it shall be granted or denied within a period of 15 days following the filing date of the application.

210. Authorization to use a protected appellation of origin shall have a term of 10 years, which term may be renewed for equal periods in accordance with the procedure laid down in this Decision for the renewal of marks.

211. Authorization to use a protected appellation of origin shall lapse if the renewal thereof is not applied for within the periods laid down in this Decision for the renewal of marks.

Failure to pay fees shall likewise be a cause of lapse, under the conditions specified in the national legislation of each member country.

212. The use of appellations of origin in connection with natural, agricultural, craft or industrial products originating in member countries shall be reserved exclusively for producers, manufacturers and craftsmen who have their production or manufacturing establishments in the locality or region of the member country that is designated in or evoked by the said appellation.

Only the producers, manufacturers or craftsmen authorized to use a registered appellation of origin may use the expression “appellation of origin” in connection with it.

The provisions of Articles 155, 156, 157 and 158 shall be applicable to protected appellations of origin as appropriate.

213. Public or private bodies that represent the beneficiaries of appellations of origin, or bodies designated for the purpose, shall have at their disposal such machinery as permits effective control over the use of protected appellations of origin.

214. The protection of appellations of origin shall be initiated by the declaration that the competent national office issues to that end.

Any use of appellations of origin by an unauthorized person that creates confusion shall be considered an infringement of industrial property rights and punishable, including in cases where the appellations are used in conjunction with terms such as “variety” [género], “type” [tipo], “imitation” [imitación] or other similar terms that mislead the consumer.
215. Member countries shall prohibit the use of an appellation of origin that identifies wines or spirits as products of that type which do not originate from the place designated by the said appellation of origin, even where the true origin of the product is stated or the geographical designation is given in translation or together with expressions such as “class” [clase], “type” [tipo], “style” [estilo], “imitation” [imitación] or other similar qualifiers.

Member countries may not prevent the continuous and similar use of an appellation of origin of another country that identifies wines or spirits in relation to goods or services by any of their nationals who have been using that appellation continuously for the same or other similar goods or services on the territory of the member country concerned for a minimum of 10 years prior to April 15, 1994 or, in good faith, prior to that date.

216. The competent national authority may, either ex officio or at the request of a party, invalidate its authorization to use a protected appellation of origin if it has been granted in breach of this Decision. The provisions of this Decision on the invalidation of registrations of marks shall be applicable as appropriate.

217. The competent national office may, either ex officio or at the request of a party, cancel the authorization of use where it is shown that the appellation of origin is being used in trade in a manner inconsistent with the specification in the declaration of protection concerned. The provisions of this Decision on the cancellation of registrations of marks shall be applicable as appropriate.

218. Competent national offices may recognize appellations of origin protected in another member country where an application is filed by its producers, extractors, manufacturers or craftsmen who have a legitimate interest, or by the public authorities of that member country.

For such protection to be applied for, the appellations of origin must have been declared such in their countries of origin.

219. In the case of appellations of origin or geographical indications that are protected in other countries, the competent national offices may accord them protection where it is provided for in any treaty to which the member country is party. In order to apply for such protection, the appellations of origin have to have been declared such in their countries of origin.

220. Appellations of origin protected under the provisions of this Decision shall not be considered the common or generic designations of the product that they identify for as long as they remain protected in the country of origin.

Chapter II
Indications of Source

221. An indication of source [indicación de procedencia] shall be understood to be a name, expression, image or sign that designates or evokes a particular country, region, locality or place.
222. An indication of source may not be used in trade in relation to a product or service where it is false or deceptive with respect to its origin, or where its use might mislead the public as to the origin, source, quality or any other characteristic of the product or service.

For the purposes of the provisions of the foregoing paragraph, use of a geographical indication in trade shall also be constituted by such use as is made in advertising or in any business literature relating to the sale, display or offering for sale of goods or services.

223. Any person may mention his name or domicile on the goods that he markets, even where they come from a different country, provided that it is accompanied by a specific mention, in sufficiently prominent characters, of the country or place of manufacture or production of the goods, or another statement sufficient to avoid any error as to their true origin.

TITLE XIII
WELL-KNOWN DISTINCTIVE SIGNS

224. A well-known distinctive sign shall be understood to mean that which is recognized as such by the relevant sector in any member country, regardless of the manner or medium in which it has been made known.

225. A well-known distinctive sign shall be protected against unauthorized use and registration under this Title, without prejudice to the other provisions of this Decision that may be applicable and to the member country’s legislation on protection against unfair competition.

226. Unauthorized use of the well-known distinctive sign shall be constituted by use of all or an essential part of it, or of a reproduction, imitation, translation or transliteration of it, that is liable to create confusion in relation to identical or similar establishments, activities, goods or services to which it is applied.

Unauthorized use of the well-known distinctive sign shall also be constituted by the use of all or an essential part of it, or of a reproduction, imitation, translation or transliteration of it, even in relation to different establishments, activities, goods or services to which the well-known sign is applied, or its use for non-commercial purposes, where such use is liable to have any of the following effects:

(a) a risk of confusion or association with the owner of the sign or with his establishments, activities, goods or services;

(b) unfair economic or commercial harm to the owner of the sign through dilution of the distinctiveness or commercial or advertising value of the sign; or

(c) misappropriation of the prestige or notoriety of the sign.

Such use may have been observed in any medium of communication, including electronic media.
227. The provisions of Article 136(h) and those of Article 155(e) and (f) shall be applicable to this Title.

228. In order to determine the notoriety of a distinctive sign, due regard shall be had to the following factors among others:

(a) the degree to which it is known among members of the relevant sector in any member country;

(b) the duration, extent and geographical scope of its use inside or outside any member country;

(c) the duration, extent and geographical scope of the publicity accorded to it inside or outside any member country, including the advertising and display of the goods or services, the establishment or the activity to which it is applied, at fairs, exhibitions or other events;

(d) the value of any investment made to promote it, or to promote the establishment, activity, goods or services to which it is applied;

(e) the sales and income figures of the business that owns it in so far as they relate to the sign whose notoriety is claimed, both at the international level and at the level of the member country in which protection is sought;

(f) the degree of inherent or acquired distinctiveness of the sign;

(g) the accounting value of the sign as a corporate asset;

(h) the volume of inquiries from persons interested in obtaining a franchise or license for the sign in a particular territory;

(i) the existence of significant manufacturing, purchase or storage activities on the part of the owner of the sign in the member country in which protection is sought;

(j) international trade aspects; or

(k) the existence and age of any registration of the distinctive sign granted or applied for in the member country or abroad.

229. The notoriety of a sign shall not be denied solely because:

(a) it is not registered, or its registration is not pending, in the member country or abroad;

(b) it has not been or is not being used to distinguish goods or services or to identify activities or establishments in the member country; or

(c) it is not well known abroad.

230. The following in particular shall be considered relevant reference sectors for determining the notoriety of a distinctive sign:

(a) real or potential consumers of the types of product or service to which it is applied;
(b) persons who are engaged in the channels of distribution or marketing of the types of product or service to which it is applied; or

(c) the business circles engaged in transactions in relation to the types of establishment, activity, product or service to which it is applied.

For the purposes of determining the notoriety of a sign, it shall be sufficient for it to be known within any of the sectors referred to in the foregoing subparagraphs.

231. The owner of a well-known distinctive sign may bring action to prohibit third parties from using it, and may apply to the competent national authority for such action and measures as may be appropriate. The owner may likewise prevent any third party from engaging in the acts specified in Article 155 in relation to the sign, subject to the limitations provided for in Articles 157 and 158.

232. Actions for unauthorized use of a well-known distinctive sign shall be barred after five years from the date on which the owner of the sign became aware of the use, except where such use was initiated in bad faith, in which case the action shall not be barred. This action shall not affect such other actions as may be available for damages and prejudice under ordinary legal provisions.

233. Where a well-known distinctive sign has been improperly registered in a member country as being part of a domain name or electronic mail address by an unauthorized third party, the competent national authority shall, at the request of the owner or legitimate holder of the sign order the cancellation or amendment of the registration of the domain name or electronic mail address in so far as the use of that name or address may be liable to have any of the effects mentioned in the first and second paragraphs of Article 226.

234. When ruling on an action claiming unauthorized use of a well-known distinctive sign, the competent national authority shall have regard to the good or bad faith of the parties in their adoption and use of the sign.

235. Without prejudice to an action for cancellation on any of the grounds provided for in Articles 165 and 169, where national legislation so provides, the competent national office shall cancel the registration of a mark at the request of the lawful owner where it is identical or similar to one that was well known, within the meaning of the legislation in force, at the time of the application for registration.

236. The provisions of this Decision shall be applicable to this Title where appropriate.

TITLE XIV
ACTION CLAIMING OWNERSHIP

237. Where a patent or an industrial design registration has been applied for or obtained by a person who does not have the right to it, or to the detriment of another person who also has the right to it, the person affected may claim ownership of it before the competent national authority, and request that the pending application or the rights granted be transferred to him, or that he be recognized as joint applicant for or joint owner of the said rights.
Where the registration of a mark has been applied for or obtained to the detriment of another person who also had the right to it, the person affected may so claim before the competent national authority, requesting that he be recognized as joint applicant for or joint owner of the said rights.

Where the domestic legislation of the member country permits, indemnification for damages and prejudice may also be claimed in the same action.

This action shall be barred after four years following the date of grant of the rights or two years after the subject matter of the protection began to be exploited or used in the country by the person who secured the rights, whichever period expires earlier. The action shall not be barred where the person who obtained the rights applied for them in bad faith.

TITLE XV
ACTIONS FOR INFRINGEMENT OF RIGHTS

Chapter I
Rights of the Owner

238. The owner of rights protected under this Decision may bring an action before the competent national authority against any person who infringes his rights. He may also proceed against any person who engages in acts that indicate the imminence of an infringement.

Where the domestic legislation of the member country permits, the competent national authority may institute the infringement proceedings provided for in the said legislation ex officio.

In the case of joint ownership of rights, any of the joint owners may bring an action for infringement without the consent of the others being necessary, except where otherwise agreed between the joint owners.

239. The owner of a patent shall have the right to bring legal action for damages and prejudice for unauthorized use of the invention or utility model during the period between the date on which it acquires public character and the relevant application may be consulted, and the date of grant of the patent. Compensation shall be available only in respect of the subject matter covered by the patent granted, and shall be calculated according to the exploitation actually engaged in by the defendant during the period in question.

240. In cases alleging infringement of a patent whose subject matter is a process for obtaining a product, the defendant in question shall be responsible for proving that the process used by him to obtain the product is different from the process protected by the patent allegedly infringed. To that end it shall be presumed, in the absence of proof to the contrary, that any identical product produced without the consent of the owner of the patent has been obtained by the patented process if:

(a) the product obtained using the patented process is new; or
(b) there exists a reasonable possibility of the identical product having been manufactured using the process, and the owner of the patent for the latter is unable to establish, after reasonable effort, what process was actually used.

In the submission of proof to the contrary, due regard shall be had to the legitimate interests of the defendant or accused with respect to the protection of his business secrets.

241. The plaintiff or the party reporting the offense may apply to the competent national authority to have one or more of the following measures ordered, among others:

(a) the cessation of the acts constituting the infringement;

(b) indemnification for damages or prejudice;

(c) withdrawal from commercial channels of the goods resulting from the infringement, including containers, packaging, labels, printed matter or advertising or other material, and also the material and means that mainly served for the commission of the infringement;

(d) prohibition of the import or export of the goods, materials or means referred to in the foregoing subparagraph;

(e) the award of ownership of the goods, materials or means referred to in subparagraph (c), in which case the value of the property shall be set against the amount of the indemnification for damages and prejudice;

(f) the adoption of the necessary measures to ensure that the infringement does not continue or recur, including destruction of the goods, materials or means referred in subparagraph (c) or the temporary or permanent closure of the establishment of the defendant or accused; or

(g) publication of the sentence handed down against the infringer and notification thereof, at the latter’s expense, to all interested parties.

In the case of goods that bear a false mark, the elimination or removal of the mark shall be supported by action intended to prevent those goods being brought into commercial channels. Those goods shall moreover not be cleared for reexport in the same state or made subject to a different customs procedure.

Exceptions may be made in cases duly categorized by the competent national authority, or where the express authority of the owner of the mark has been obtained.

242. Member countries may provide that, provided that the measure is not disproportionate to the seriousness of the infringement, the legal authorities may order the infringer to inform the owner of the rights of the identity of third parties who have participated in the production and distribution of the infringing goods or services, and of the distribution channels.

243. For the purposes of calculating indemnification for damages and prejudice, due regard shall be had, among other things, to the following criteria:
(a) the actual harm and the loss of revenue suffered by the owner of the rights as the result of the infringement;

(b) the amount of the profits earned by the infringer as a result of the infringing acts;

(c) the price that the infringer would have paid for a contractual license, due regard being had to the market value of the rights infringed and to contractual licenses that have already been granted.

244. Infringement actions shall be barred after two years following the date on which the owner had knowledge of the infringement, or in any event after five years following the time at which the infringement was last committed.

Chapter II
Precautionary Measures

245. Any person who institutes or intends to institute proceedings for infringement may request the competent national authority to order immediate precautionary measures with the view to preventing the infringement from being committed, avoiding its consequences, securing or preserving evidence or ensuring the effectiveness of the action or compensation for damages and prejudice.

The precautionary measures may be requested before the action is brought, in conjunction with it or after it has been brought.

246. The following precautionary measures among others may be ordered:

(a) the immediate cessation of the acts constituting the alleged infringement;

(b) the withdrawal from commercial channels of the goods resulting from the alleged infringement, including containers, packaging, labels, printed matter or advertising or other material, and also the material and means that mainly served for the commission of the infringement;

(c) the suspension of the import or export of the goods, materials or means referred to in the foregoing subparagraphs;

(d) the provision of sufficient security by the alleged infringer; and

(e) the temporary closure of the establishment of the defendant or accused, where necessary to avoid the continuation or recurrence of the alleged infringement.

Where the national legislation of the member country permits, the competent national authority may order the application of precautionary measures ex officio.

247. A precautionary measure shall be ordered only where the person requesting it proves his entitlement to act and the existence of the rights infringed, and submits evidence that allows it to be reasonably assumed that the infringement has been committed or is imminent. The competent national authority may ask the person requesting the measure to provide sufficient security or guarantees before ordering it.
The person who requests a precautionary measure in relation to particular goods shall supply the necessary information and a sufficiently detailed and accurate description for the allegedly infringing goods to be identified.

248. Where a precautionary measure has been implemented without the intervention of the other party, it shall be notified to the party affected immediately after it has been implemented. The affected party may apply to the competent national authority to have the measure rescinded.

In the absence of national provisions to the contrary, any precautionary measure implemented without the intervention of the other party shall lapse as a right if the infringement action is not initiated within the 10 days following the implementation of the measure.

The competent national authority may amend, rescind or confirm the precautionary measure.

249. Precautionary measures shall apply to the products of the alleged infringement and to the materials or means mainly used for committing it.

Chapter III
Border Measures

250. The owner of the registration of a mark who has good reason to believe that the import or export of goods infringing that registration is going to take place may request the competent national authority to suspend customs clearance. The conditions and guarantees provided for in the domestic legislation of the member country shall be applicable to the request and to the order issued by the authority.

Any person who requests the implementation of border measures shall provide the competent national authority with the necessary information and a description of the goods to which the alleged infringement relates that is sufficiently detailed and accurate for them to be recognized.

If the domestic legislation of the member country permits, the competent national authority may order the application of border measures ex officio.

251. The competent national authority may allow the owner of the mark to substantiate his allegations by taking part in the inspection of the merchandise detained. The importer or exporter of the said merchandise shall have the same right.

When the inspection is conducted, the competent national authority shall make the necessary arrangements for such confidential information as may be relevant to be protected.

252. When the applicable conditions and guarantees have been fulfilled, the competent national authority shall order or refuse the suspension of customs clearance and shall inform the requesting party accordingly.
When suspension is ordered, the notification shall give the name and address of the sender, importer, exporter and consignee of the merchandise, and also the quantity of that merchandise affected by the suspension. The suspension shall likewise be notified to the importer or exporter of the goods.

253. On the expiry of 10 working days following the date of notification of the suspension of customs clearance without the requesting party having initiated the infringement action, or without the competent national office having prolonged the suspension, the measure shall be lifted and the customs clearance of the merchandise detained shall proceed.

254. When the action for infringement has been initiated, the party against whom the measure has been ordered may appeal to the competent national authority. The competent national authority may amend, revoke or confirm the suspension.

255. Once a finding of infringement has been made, the goods bearing counterfeit marks that have been confiscated by the competent national authority may not be either reexported or subjected to a different customs procedure except in cases duly specified by the competent national authority or where the express authority of the owner of the mark has been obtained.

Without prejudice to such other actions as may be available to the owner of the rights, and subject to the defendant’s right to appeal to a judicial authority, the competent national authority may order the destruction or confiscation of the infringing merchandise.

256. Small quantities of merchandise that have no commercial character and form part of the personal baggage of travelers or are sent in small quantities shall be excluded from the application of the provisions of this Chapter.

Chapter IV
Criminal Measures

257. Member countries shall introduce criminal procedures and sanctions for cases of counterfeiting of marks.

TITLE XVI
UNFAIR COMPETITION
IN CONNECTION WITH INDUSTRIAL PROPERTY

Chapter I
Acts of Unfair Competition

258. Any act involving industrial property that is performed in a business environment and is contrary to proper usage and practice shall be considered unfair.
259. The following in particular shall be considered acts of unfair competition in connection with industrial property:

(a) any act capable of creating confusion, by whatever means, as to the establishment, goods or industrial or commercial activity of a competitor;

(b) false assertions in the course of trade capable of discrediting the establishment, goods or industrial or commercial activity of a competitor;

(c) statements or assertions the making of which in the course of trade could mislead the public as to the nature, method of manufacture, characteristics, suitability for use or quantity of the goods.

Chapter II
Business Secrets

260. Any undisclosed information that a natural person or legal entity legitimately holds, that may be used in any productive, industrial or commercial activity and is capable of being passed on to a third party shall be considered a business secret in so far as the said information is:

(a) secret, in the sense that, as a whole or in the precise configuration and combination of its elements, it is not generally known or readily accessible to those who move in the circles that usually handle the information concerned;

(b) of commercial value due to its secrecy; and

(c) made the subject of reasonable measures on the part of its legitimate holder with the view to keeping it secret.

The information constituting a business secret may relate to the nature, characteristics or purpose of goods, to production methods or processes or to means or methods of distributing or marketing goods or rendering services.

261. For the purposes of this Decision, that information shall not be considered a business secret that has to be disclosed by virtue of a legal provision or by court order.

Information that is supplied to any authority by a person holding it shall not be regarded as being in the public domain or disclosed by virtue of a legal provision where the person supplies it with a view to obtaining licenses, permits, authorizations, registrations or any other official enactments.

262. Any person who lawfully has control over a business secret shall be protected against the disclosure, acquisition or use of that secret by third parties in a manner contrary to proper business practice. The following acts performed in relation to a business secret shall constitute unfair competition:
(a) exploiting, without the authority of the lawful holder, a business secret to which access has been had subject to an obligation of confidentiality arising from contractual or employment relations;

(b) communicating or disclosing a business secret as referred to in subparagraph (a) without the authority of its lawful holder, with a view to securing an advantage for oneself or a third party or prejudicing the said holder;

(c) acquiring a business secret by means that are unlawful or contrary to proper business practice;

(d) exploiting, communicating or disclosing a business secret that has been acquired by the means referred to in subparagraph (c);

(e) exploiting a business secret that has been obtained from another person in the knowledge, or where it should have been known, that the person who communicated the secret acquired it by the means referred to in subparagraph (c), or did not have authority from its lawful holder to communicate it;

(f) communicating or disclosing the business secret obtained as provided in subparagraph (e) for one’s own advantage or that of a third party, or in order to prejudice the legitimate holder of the business secret.

A business secret shall be considered acquired by means contrary to proper business practice where the acquisition is the result, among other things, of industrial espionage, non-fulfillment of a contract or other obligation, breach of trust, disloyalty, failure to fulfill a duty of loyalty or the instigation of others to engage in any of those acts.

263. The protection of the business secret shall last for as long as the conditions provided for in Article 260 obtain.

264. Any person who lawfully holds a business secret may pass it on to a third party or authorize such a party to use it. The third party so authorized shall be under the obligation not to disclose the business secret by any means, unless otherwise agreed with the person who passed the said secret on to him or authorized him to use it.

In the agreement under which technology or technical assistance is passed on or basic or detailed engineering provided, confidentiality clauses may be included to protect the business secrets contained therein, provided that the said clauses are not contrary to the provisions on free competition.

265. Any person who, by reason of his work, employment, responsibility, position, professional activity or business relations, has access to a business secret of whose confidentiality he has been warned, shall abstain from using or disclosing it or from revealing it without just cause and without the consent of the person who possesses the said secret or its authorized user.

266. Where member countries demand, as a condition of marketing approval for pharmaceutical products or agricultural chemicals that make use of new chemical compounds,
the submission of undisclosed test or other data the production of which has entailed a considerable effort, they shall protect those data against any unfair commercial use. Member countries shall, in addition, protect those data against any disclosure, except where it is necessary for the protection of the public, or unless action is taken to guarantee the protection of the data against any improper commercial use.

The member countries may take the necessary action to guarantee the protection provided for in this Article.

**Chapter III**

**Unfair Competition Actions**

267. Without prejudice to any other action, any person having a legitimate interest may request the competent national authority to rule on the lawfulness of any commercial act or practice as provided in this Title.

268. Unfair competition actions under this Title shall be barred after two years following the most recent commission of the unfair act, except where national legislation provides for a different period.

269. Where the national legislation of the member country permits, the competent national authority may initiate the unfair competition action provided for in that legislation *ex officio*.

**FINAL PROVISIONS**

270. Member countries shall, with the support of the Secretariat General, implement an Andean computer system on industrial property rights registered in each one of them. To that end, they shall interconnect their individual databases by December 31, 2002.

271. The member countries shall provide for the establishment of machinery for the dissemination and disclosure of the technological information contained in patents for invention.

272. The member countries shall seek to conclude cooperation agreements between themselves for the strengthening of the institutional capacity of their competent national offices.

273. For the purposes of this Decision, competent national office shall be taken to mean the administrative body responsible for the registration of industrial property.

   Similarly, competent national authority shall be taken to mean the body designated for the purpose by the relevant national legislation on the subject.

274. This Decision shall enter into force on December 1, 2000.
COMPLEMENTARY PROVISIONS

275. In accordance with the third complementary provision of Decision 391, the national authority competent in the field of access to genetic resources and the competent national offices shall introduce systems for the exchange of information on access contracts authorized and intellectual property rights granted by December 31, 2001.

276. Industrial property subject matter not provided for in this Decision shall be regulated by the domestic legislation of the member countries.

277. The competent national offices may introduce such fees as they consider necessary for the conduct of the procedures provided for in this Decision.

Once proceedings have started before the competent national office, fees shall not be refundable.

278. The member countries undertake, with a view to the consolidation of a system of Community administration, to ensure the best application of the provisions contained in this Decision. They likewise undertake to strengthen, promote the autonomy of and modernize the competent national offices and state-of-the-art information systems and services.

The competent national offices shall send their industrial property gazettes or bulletins as soon as possible after publication, by whatever medium, to the competent national offices of the other member countries. Those gazettes or bulletins shall be made available to the public on the premises of the offices to which they are sent.

279. The member countries may sign industrial property cooperation treaties that are not at variance with this Decision, such as the Patent Cooperation Treaty.

280. Where the national legislation of the member countries so provides, in the event of a patent being sought for a genetically modified organism (GMO) or for the technological process for the production of a GMO, or both, a copy of the document granting the permission of the national authority competent in matters of biological safety of each Member State shall likewise be filed.

TRANSITIONAL PROVISIONS

1. Any industrial property rights validly granted under the Community legislation prior to this Decision shall be governed by the provisions applicable on the date of its grant, except where it relates to periods of validity, in which case the pre-existing industrial property rights shall be aligned on the provisions of this Decision.

In matters relating to use, benefits, obligations, licenses, renewals and extensions, the provisions of this Decision shall be applicable.

In the case of pending procedures, this Decision shall be applicable to the stages that have not yet been completed on the date of its entry into force.
2. Microorganisms shall be patentable until such time as different measures are adopted as a result of the review provided for in Article 27.3(b) of the TRIPS Agreement.

To that end, due regard shall be had to the undertakings made by member countries within the context of the Convention on Biological Diversity.

3. The competent national offices shall interconnect their databases as provided in Article 278 by December 31, 2002. To that end the Secretariat General shall negotiate for international technical and financial cooperation resources.

* Spanish title: Decisión 486 —Régimen Común sobre Propiedad Industrial.
  Entry into force: December 1, 2000
  Source: Gaceta Oficial of the Andean Community, of September 19, 2000, p. 2.48 et seq.
  Note: Translation by the International Bureau of WIPO.

** Added by the International Bureau of WIPO.