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MONGOLIA'S EXPERIENCE WITH LEGISLATIVE ASSISTANCE PROVIDED BY WIPO IN THE AREA OF INTELLECTUAL PROPERTY ENFORCEMENT

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ABSTRACT

In 2017, Mongolia received legislative assistance from the World Intellectual Property Organization (WIPO) in the area of patent and industrial design rights. Subsequently, Bills to revise the current intellectual property (IP) laws, namely the Patent Law, the Law on Copyright and Neighboring Rights and the Law on Trademarks and Geographical indications have been drafted and are ready to be submitted to the Government of Mongolia for approval, with a view to presenting them to the Parliament of Mongolia in the course of 2019. The Bills have been discussed at a number of public hearings with relevant stakeholders, such as right holders, professionals and IP attorneys whose work relates to the IP industry.

I. INTRODUCTION

A. MONGOLIA

1. Mongolia is a land-locked country in East Asia, neighboring China and Russia. It has a population of over 3.2 million and about two-thirds of the population resides in the capital Ulaanbaatar. Mongolia is a civil law country and legislative power is vested in the Parliament.

* The views expressed in this document are those of the authors and not necessarily those of the Secretariat or of the Member States of WIPO.

2. In 2018, the gross domestic product (GDP) per capita was USD 4009¹. In the same year, 86.6 per cent of Mongolia's total export consisted of mineral products while textiles and textile articles amounted to about 6 per cent².

B. THE INTELLECTUAL PROPERTY OFFICE OF MONGOLIA

3. The Intellectual Property Office of Mongolia (IPOM) is a government agency under the Ministry of Justice and Home Affairs (MOJHA). One of the duties of IPOM is to issue patent, utility model and trademark certificates. Under IPOM, the Intellectual Property (IP) Dispute Resolution Committee operates and resolves oppositions by complainants and third parties to invalidate patents and trademarks. A party to the dispute may challenge this resolution in court.

4. Mongolia joined WIPO in 1979 and is currently party to 16 WIPO-administered treaties. Annually, IPOM receives applications for about 220 patents, 210 utility models, 360 industrial designs and 3500 trademarks (both domestic and international)³. IPOM receives approximately 100 applications under the Patent Cooperation Treaty (PCT), 200 applications under the Hague System and about 2200 applications under the Madrid System per annum⁴.

C. INTELLECTUAL PROPERTY LEGISLATION

5. Mongolian IP legislation consists of the Patent Law (adopted in 2006)⁵, the Law on Copyright and Related Rights (adopted in 2006)⁶ and the Law on Trademarks and Geographical Indications (adopted in 2010)⁷. In addition, other legislative instruments apply where relevant, such as the Law on Infringements, the Law on Infringement Procedure, the Criminal Code, the Law on Criminal Procedure, the Law on Civil Procedure, the Customs Law and the Competition Law.

6. The Government of Mongolia acknowledges the importance of IP creation in diversifying the economy. The Government Action Plan 2016-2020 therefore contains the goal to create a better legal environment to encourage authors to create more and benefit from their creative works. Therefore, a Working Group was established in the MOJHA in order to prepare Bills to revise the Patent Law, the Law on Copyright and Related Rights, the Law on Trademarks and Geographical Indications. The Working Group is led by the State Secretary of MOJHA and includes professionals from IPOM, the Supreme Court, the National Chamber of Commerce and Industry, ministries other than the MOJHA, IP attorneys and academics.

7. The Bills have been drafted taking into account the legislative comments that WIPO prepared upon request by the Government of Mongolia. The Government shall now resolve whether the Bills should be submitted to the Parliament as proposed. In the meantime, the Bills have been discussed at a number of public hearings among right holders, professionals and IP attorneys whose work relates to the IP industries.

¹ National Statistics Office of Mongolia, 2018 report.

² National Statistics Office of Mongolia, 2018 report.

³ Intellectual Property Office of Mongolia, Statistics 2014-2018.

⁴ Intellectual Property Office of Mongolia, Statistics 2014-2018.

⁵ Available on WIPO Lex at: <https://wipolex.wipo.int/en/legislation/details/16223>.

⁶ Available on WIPO Lex at: <https://wipolex.wipo.int/en/legislation/details/8306>.

⁷ Available on WIPO Lex at: <https://wipolex.wipo.int/en/legislation/details/11774>.

II. PENDING REFORM OF THE LEGISLATIVE FRAMEWORK FOR PATENTS AND INDUSTRIAL DESIGNS IN MONGOLIA

A. LEGISLATIVE ASSISTANCE PROVIDED BY WIPO

8. Mongolia received legislative assistance from WIPO in relation to the draft Patent Law (2013 and 2017) and the draft Law on Industrial Designs (2017). On the basis of these draft Laws, the Bill to revise the Patent Law was drafted. WIPO advised to separate the provisions on industrial designs from the Patent Law and to pass a stand-alone Law on Industrial Designs to enhance clarity⁸. The Working Group acknowledged the reasoning but decided that it would be sufficiently clear to regulate industrial designs in a chapter separate from the chapters on inventions and utility models. Therefore, the provisions on industrial designs were kept as Chapter 4 of the Bill to revise the Patent Law.

B. IMPACT ON THE BILL TO REVISE THE PATENT LAW

9. The Working Group assessed that there were legal and practical needs to revise the current Patent Law. On the legal side, it was necessary to eliminate conflict, gap and duplication in the law and introduce provisions implementing the international treaties and agreements to which Mongolia has become a party since 2006. On the practical side, it was important to describe in more detail the procedure to grant patents and to make the patent granting timeline more accurate.

10. The Bill was drafted to be more elaborate than the current law: it has nine Chapters and 60 Articles whereas the current Law has six Chapters and 30 Articles. The proposed Bill has the following features:

- revised definitions following WIPO's comments (such as "creator", "invention", "utility model" and "industrial design");
- differentiated requirements for inventions and utility models;
- emphasized difference between "formality examination", "search" and "substantive examination";
- precisely defined timeline for the patent grant procedure (formality examination, search, substantive examination);
- separate provisions for industrial designs, inventions and utility models;
- specific grounds for refusing to grant a patent and the procedure to appeal such a refusal;
- possibility of amending applications and related documents during the patent grant procedure;
- grace period and exhibition priority;
- substantive examination subject to request by the applicant (the applicant shall decide whether or not to proceed further after receiving a search report from IPOM);
- more elaborate provisions on licensing; and
- extended terms of protection from the date of filing: 10 years for utility models (currently seven years), 15 years for industrial designs (currently 10 years).

⁸ The 2006 Patent Law applies to inventions, utility models and industrial designs. It does not provide different treatment for the three categories.

11. A major problem that Mongolia faces is not so much the lack of legislation but rather the lack of coordinated efforts by all relevant authorities, such as customs, police, public prosecutors and the judiciary. Such efforts are necessary since IPOM acting on its own will not be able to eliminate IP infringements. Mongolia therefore recently requested WIPO to carry out a workshop on building respect for IP to better prepare the various entities for their duties to enforce IP rights.

III. ENFORCEMENT OF PATENTS AND INDUSTRIAL DESIGNS IN MONGOLIA

12. The scope of the Patent Bill is "... to govern the granting of patents for inventions, utility models, industrial designs; to protect exclusive rights of inventors and patent holders; to regulate the exploitation of patented inventions, utility models and industrial designs; and to encourage inventive activity and the development of the industry"⁹.

13. Part III of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement) contains international minimum standards for IP enforcement. In its comments, WIPO advised that some of the obligations contained in Part III of the TRIPS Agreement, such as those pertaining to provisional measures, damages, injunctions and evidence, need not necessarily be included in the IP laws themselves but could be implemented in other legal instruments. In Mongolia, the enforcement of the Patent Law is mostly safeguarded by different laws, such as the Law on Infringement Procedure and the Law on Civil Procedure. Mongolia has a unitary legal framework for all kinds of infringements and the procedure that applies in case of infringement. To include in the Patent Bill provisions concerning infringement proceedings, provisional measures, evidence, the burden of proof, damages and sanctions would cause duplication, or even conflict, with the other laws. Mongolia therefore opted against doing so.

14. The Patent Bill includes provisions regulating the role of State Inspectors employed by IPOM. These State Inspectors shall conduct IP inspections and monitoring in accordance with the IP laws, the Law on State Inspection, the Law on Infringement and other relevant laws and rules of Mongolia. State Inspectors shall have the following rights and responsibilities:

- during the inspection process, to stop any actions that violate the Patent Law and other relevant regulations, to confiscate documents and infringing articles in line with the relevant applicable laws, to request citizens, legal entities and officials to stop infringements and enforce this request;
- to decide whether to prohibit the sale of infringing products, to destroy them or to use them, where appropriate, for other purposes; and
- to pronounce sanctions in conformity with the Law on Infringement.

15. Decisions rendered by State Inspectors can be appealed to the State Inspector General (the Head of IPOM) and in court.

⁹ The current Patent Law (2006) states as its purpose to "to certify the ownership of authors and patent and certificate owners of invention, utility model and industrial design, and to regulate the use of inventions, utility models and industrial designs".

IV. CONCLUSION

16. Mongolia is grateful for the legislative assistance that WIPO has provided with a view to improving the legislative framework for IP. Mongolia will continue to work on further developing the protection of IP rights and combating infringements.

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