

*REVIEW of trends and events*

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*1991/1992*

*TMPDF*

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*Trade Marks Patents and Designs Federation*

## **ORIGINS**

The Federation, the first of its kind in the world, owes its origin to the creation in 1913 of a Committee of representatives of industry to oppose the British Empire Trade Mark which was then being considered. Successful in this and in its opposition to the Trade Marks Bill of 1918, it went on to make representations which resulted in the modification of the Trade Marks Act of 1919. By then the need for a body to represent the views of industry in this field had become clear, and the Federation was formally established in 1920.

## **OBJECT**

The Federation's main object has always been to bring about improvements in the protection afforded by intellectual property rights throughout the world to the advantage of inventors, manufacturers and consumers alike.

IPR are valuable assets, but while the need to safeguard them is obvious, the means of achieving this is far from simple. Laws differ from country to country and are often changed arbitrarily and without regard to the commercial consequences. At the same time, the speed of technological change and the growth in its importance have increased ever faster.

It is against this background, and in order to ensure that the interests of industry and commerce are effectively represented, that the Federation operates.

## **CONTACTS**

The Federation is regularly consulted by the Patent Office and other government departments and agencies both directly and through its membership of the Standing Advisory Committee on Industrial Property (SACIP). It has long had a close relationship with the CBI, which it represents on the various IP working groups of UNICE, and with professional bodies in this country, such as the Chartered Institute of Patent Agents and the Institute of Trade Mark Agents. It also has representatives on the Users Committees of the Patents Court and the newer Patents County Court.

Outside the UK it has lines of communication to the EC Commission, has a representative on the Standing Advisory Committee of the European Patent Office (SACEPO) and is one of the non-government organisations invited to participate in meetings organised by WIPO.

## **MEMBERSHIP**

Details of membership may be obtained from the Secretary, whose address and telephone and fax numbers are given below.

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## REVIEW BY THE COUNCIL OF TRENDS AND EVENTS 1 APRIL 1991 TO 31 MARCH 1992

### INTRODUCTION

As the years pass the Federation grows in stature, and the year under review has seen a further increase in its influence. In addition to taking the initiative over many issues, it is more and more being invited to attend meetings and express views on proposed legislation, changes in law and practice, and pending cases. Any organisation like the Federation must have an axe to grind – that is its *raison d'être* – but the success of the TMPDF lies in its ability to make balanced judgments and put forward authoritative views. It speaks on behalf of industrial and commercial owners of IP rights, but it is neither blind nor insensitive to the interests of consumers because it believes that they are best served by a strong, fair and harmonious intellectual property system.

This review once again aims to show what has been happening in the year and how the Federation's members have translated these fine words into effective action.

### DOMESTIC ISSUES

#### Litigation

- **Patents County Court**

The Patents County Court has now been in operation for just over eighteen months, during which time it has received 115 cases, 98 of which originated in the Patents County Court itself, 16 were transferred from the High Court and one from the County Court. Patent infringement, alleged in 84 cases, has been by far the commonest issue raised in the originating summons, with registered design infringement (13) and copyright infringement (12) being the next most common. A total of 10 cases have been decided and 30 cases have been settled before Trial, the average time lapse for disposal of a case being 23 weeks, although the average time lapse is closer to 39 weeks if settlements are excluded. Parties have been represented by solicitors in approximately 60% of cases and by patent agents in the remaining 40%. The parties appear to be a cross section of industry in terms of size, national origin and fields of activity.

No action has yet been taken on the proposal made by the Federation in 1991 to make certain documents filed in the Patents County Court available to the public. A revision of The Rules of the Court may be undertaken later in 1992 and it is hoped that the proposal can be advanced then. The Patents County Court is also planning to move from its present site, Wood Green, to a central London location, although the timing of this move has yet to be announced. Messrs Gibson and Orton continue to represent the Federation on the Patents County Court Users Committee.

- **Patents Court Users Committee**

This has met on one occasion during the past year to discuss matters affecting the operation of the Court. Amongst these have been the impact of Witness Statements in reducing the length of trials, the preparation of a consolidated list of Practice Directions for those involved in Patent Actions, the establishment of a record of Patent Actions in progress in the High Court and simplification of the procedure for the grant by the Court of extensions of time for filing Appeals from Decisions of the Comptroller General of Patents. Mr T.N. Gibson continues to represent the Federation on this Committee.

#### Business use of Copyright Material

- **CBI and CLA nearer agreement**

The CBI/CLA (Copyright Licensing Agency) Task Force was set up in 1990 to negotiate possible terms for a licence to enable industrial users of copyright material to make duplicate copies in exchange for a fee. Although little progress on paper may seem to have been made an *approchement*, particularly at the meeting in March, makes agreement a not too distant possibility.

The major breakthrough in the discussions occurred towards the end of 1991. Previous to that, the meetings seemed to have reached a stalemate verging on a collapse of the negotiations. The inclusion of books in the licence, the extent and distribution of copies, the necessity and desirability of an information audit, the factors to be included in the calculation of the fee and the actual cost were some of the areas where agreement seemed impossible.

However the CLA draft proposals for a licence and their memorandum of understanding seemed to act as a catalyst for progress in early 1992. In most areas of discussion an agreed position has been reached, e.g. books will appear in the licence but not in the information audit if the licensee does not so require. The CLA has agreed to prepare a guide to the information

audit for the consideration of CBI members of the group for comment both on content and practicability. The big question, the cost, is still to be defined. A drafting sub-group will work on a pro-forma licence, with explanatory notes, which could be recommended to companies who need to duplicate copyright material.

### **Intellectual Property: For and Against**

- **NCC Criticises Increased Protection**

Doubts were raised last year by the National Consumer Council during their study on international trade and the consumer about the value of stronger intellectual property rights (as envisaged in the GATT TRIPS negotiations). Their document, Working Paper 6: Intellectual Property in the Consumer View of Patents, Copyright, Trademarks and Allied Rights, argues it is not proven that increased international protection for intellectual property is in the interest of the consumer. The Federation believes such increased protection is in the interest of everyone including consumers and said so in comments sent to the NCC and to the Standing Advisory Committee on Industrial Property (SACIP).

- **Stimulating Interest in the Universities**

The Cabinet Office has been making a study of the issues surrounding the proper protection and exploitation of intellectual property generated in University research, and the Federation contributed to this study. Indeed, for the second year in succession, the Federation has been involved in the organisation of a successful Conference (held at the CBI's headquarters on 26th September 1991) in this field. The Conference was chaired in the morning by Professor Stewart, the Chief Scientific Advisor in the Cabinet Office, and in the afternoon by Dr Anderson also of the Cabinet Office.

The Federation is considering mounting an initiative to help improve the knowledge of academic staff in science and engineering on intellectual property law.

### **The Patent Office**

- **Greater Flexibility and New Services**

Following its conversion (reported last year) into an Executive Agency of the Department of Trade and Industry, the Patent Office has now also acquired Trading Fund status. It thus now has greater flexibility in developing new services to meet the needs of its customers, and must ensure that, viewed overall, those services are profitable. The Federation has been involved in discussions and correspondence concerning both the kinds of services which the Office can provide and in resolving some of the teething troubles arising from the above-mentioned changes together with the recent move to Newport.

The matters upon which the Federation has expressed its views include the provision of a fax facility for filing patent applications with a deposit account for payment of fees, proposals for combined search and examination of patent applications, improved arrangements for filing at the London office and for effecting the filing of applications carrying a security classification, improvements in the OPTICS trade marks database, and experiments in providing Patent Office forms on disc accessible by a user's word processor.

### **Reform of UK Trade Mark Law**

- **The Wait Continues**

In the early part of the year there were high hopes that the government would introduce a Bill modernising the UK Trade Mark Law, and taking into account the need to harmonise the UK Trade Mark Law in accordance with the provisions of the EEC's Harmonisation Directive. It was also hoped that the Bill would modernise the unsatisfactory Provisions on service marks and enable the UK to adopt the Madrid Protocol. Unfortunately, due to the Election agenda, the Bill was not incorporated into the Queen's Speech last November. It is hoped that the Queen's Speech following the Election will provide for the new Bill. The provisions of the Harmonisation Directive require that Harmonisation be incorporated into law by the end of 1992 and it is therefore hoped that the Government will take this opportunity to introduce a new Bill.

### **EEC**

#### **From the Commission**

- **The CE Mark**

There was much debate about the introduction of the CE Mark on products subject to the 'New Directives' approach. The Federation has consistently argued against the approach adopted by the Commission in Brussels in connection with the selection of this mark. In principle we have no objections to a Community-wide symbol indicating that products meet all known Directives and/or Regulations concerning their manufacture and use. We do, however, object to the adoption of a

symbol which could then prevent third parties from using a trade mark which is identical to or similar to the CE Mark. The Directive did not carry any compensatory provisions although it is now believed that compensation will be available in the event that anyone is adversely affected.

- **The Community Patent Convention – CPC**

In accordance with a Declaration appended to the 1989 version of the Community Patent Agreement, the Member States shall confer in order unanimously to find the means of ensuring that the Community patent system is implemented at the time of completion of the Internal Market. Accordingly there will be an Intergovernmental Conference in early May 1992 with the single task of determining the conditions under which the CPC can commence with less than all the Member States, since entry into force is still not possible for Ireland and Denmark, while Spain objects to entry into force without them. There is a possibility that countries such as Greece, Spain and Portugal will be given a three year delay of entry. The Federation would still like to see the CPC come into force but one more reason for it will be eliminated in that the ECJ has decided against the desire of the United Kingdom and Italy to maintain local working requirements, despite adequate supply of the patented goods in question from elsewhere in the Community (Decisions of the ECJ in cases C-235/89 and C30/90, *Commission of the European Communities v Italy and United Kingdom* respectively). In view of the disadvantages of the Community patent (cost and unsafe procedure) the use of the CPC cannot be recommended.

- **Comparative Advertising**

The proposal by the Commission for the adoption of a Directive concerning Comparative Advertising and amending the Directive concerning Misleading Advertising has created much argument within the Federation. In view of the need to harmonise the laws concerning comparative advertising throughout the Community countries it is clear that some form of Directive is necessary. However, there is much argument over the scope of the provisions. There is a lack of clarity concerning the ability of one party to use another's mark for the purpose of comparative advertising. The Federation believes that the purpose of any comparative advertising is to ride on the reputation and goodwill of the mark which the advertiser wishes to use in comparing with his own product. The provision which allows comparative advertising providing that it does not 'aim principally to capitalise on the reputation of a trade mark or trade name of a competitor' is fundamentally flawed, and will give rise to costly litigation until such time as the courts determine the scope of the language. More recently the EEC's Economic and Social Committee has drafted provisions which in general terms support the Directive but are suggesting that a self-regulatory code of practice and ethics should be prepared, and that such a code could guarantee control of the content of the advertising message and assess conformity with the code. It remains to be seen whether this proposal will be supported.

- **Copyright: Proposed Directive to Harmonise Term**

The EC Commission issued a proposal in February 1992 for a Directive harmonising the term of protection of copyright and certain related rights. Whilst the Berne Convention provides that the general term of protection for copyright works is 50 years from the death of the author, countries may grant protection in excess of 50 years and some Member States have done so. The draft Directive proposes a uniform term of 70 years. If adopted, this Directive would require the UK to change its copyright law to increase the term of protection from 50 to 70 years after the death of the author.

- **Geographical Indications of Origin**

The original proposals for a proposed Council Regulation on the Protection of Geographical Indications was circulated in early 1991. There has been objection to the EC proposals on the grounds that they are unnecessary and that they cut across discussions which are being held within GATT and WIPO and that generally they are misconceived. These proposals also provide for the expropriation of intellectual property rights of trade mark proprietors without compensation. The proposals appear to support the principle of fortress Europe inasmuch as trade mark proprietors outside Europe have no mechanism for objecting to the expropriation of their intellectual property rights in the event that a geographical indication is reserved. Even within the Community trade mark proprietors have to rely upon their own government to object to the adoption of a geographical indication. The proposals are unacceptable in almost every respect and the Federation is arguing strongly against the adoption of this Regulation.

- **Industrial Designs: Green Paper**

The Commission's long awaited proposals on the legal protection of industrial designs were published in June 1991. The Commission proposes a Regulation to introduce a Registered Community Design of 25 years duration and an Unregistered Community Design of 3 years duration, the former conferring exclusive rights in a design and the latter conferring copyright, and a Directive to bring national registered design laws into line with the Regulation.

The Federation's Copyright and Designs Committee studied the proposals, and comments were sent to the Commission strongly supporting them, subjects to detailed comments as to the need for clarification of certain Articles. Our only major concern was that the term of the Unregistered Community Design would be too short at 3 years from publication. We recommended at least five years from first sale.

### ● Patent Term Restoration: SPCs

The EC Council of Ministers has reached agreement on patent term restoration for pharmaceuticals, which is intended to compensate for the lengthy delays in marketing due to increasingly stringent regulatory requirements, particularly in relation to drug safety. An EC Regulation should come into effect in January 1993 which will provide up to 15 years protection from first marketing authorisation in a Member State, subject to a maximum extension of patent life of 5 years.

Independently of the EC initiative, national legislation was enacted last year in France and Italy, providing more generous periods of protection than under the European SPC. In France a 17 year protection period from French marketing authorisation is provided, subject to a maximum of 7 years extra patent life, while Italy has chosen a 20 year protection period from Italian marketing authorisation, subject to 18 years extra patent life.

The EC Regulation will, however, supersede the French and Italian national laws, so the pharmaceutical industry has only a limited time to take advantage of the more generous French and Italian protection periods.

The amendment to Article 63 of the European Patent Convention is referred to elsewhere in this Review.

### ● Protection of Computer Programs: Directive

The Directive on the protection of computer programs was adopted by the Council of Ministers in May 1991. The Directive provides for copyright protection of computer programs in any form including those incorporated into hardware and provides rights to control the permanent or temporary reproduction of a program. Exceptions to those rights include rights of use by a lawful acquirer and rights to decompile to achieve interoperability.

Changes to the UK Copyright, Designs and Patents Act 1988 will be necessary and must be implemented by January 1993. Proposals for such changes are to be published.

### ● Third Countries: Questionnaire on Difficulties

In November the Federation received from the Commission a questionnaire enquiring about difficulties encountered in Third World Countries on enforcing intellectual property rights. This was similar to a previous questionnaire, and it was possible that the Commission intended to make this an annual enquiry. Members were asked to report any instances of difficulties experienced.

### ● Tobacco Advertising

The Commission have suspended their proposals with regard to the banning of tobacco advertising. They will be introducing new proposals in June of this year. The Federation objected to previous proposals on the ground that they went far beyond what was necessary to achieve their aims. The proposals provided for the abolition of advertising of tobacco products but also the abolition of the use of trade marks in connection with any product where the trade mark was also used on tobacco products. The Federation's objections were, therefore, directed to the intellectual property implications and not in support or otherwise of the arguments for banning or abolishing tobacco advertising per se.

## European Court of Justice

### ● BBC, RTE and ITP v European Commission (The Magill Cases)

These cases concerned applications by BBC, RTE and ITP for annulment of the decision in December 1988 of the European Commission regarding use of copyright to secure a monopoly in the market for weekly TV guides. The Court of First Instance decided in July 1991 that the conduct of the television companies went beyond the essential function of copyright and was an attempt to control the production and marketing of a new product for which there was potentially consumer demand. Such conduct was held to be an abuse of a dominant position. The decision is under appeal.

### ● Renault v Audi

The use of two similar trade marks QUADRA (Renault) and QUATTRO (Audi) has been referred to the European Court from Germany. The Federation, supported by the views of other interested circles in the UK, believes that the case should never have been referred on the basis that the two marks in question are registrable. Indeed they co-exist in the UK. German rules of law and practice in relation to the use of the marks merely reflect national practices which are not and should not be the subject of review by the European Court. We believe it right that the UK Government should intervene in this case.

### ● Sager v Dennemeyer

The question at issue in this case was whether a company (Dennemeyer, registered in the UK) which monitored for clients in the UK their patents in Germany, and paid the associated renewal fees, could be prevented from doing so on the grounds that such activities in Germany were reserved to persons with locally recognised professional qualifications. The ECJ held that Article 59 of the EEC Treaty precluded such restrictive provisions in the law of a Member State. While this judgment was welcomed, it was recognised that it depended upon the special features of the case, and could not be assumed to be of wider application.

### Towards an Enlarged Community

- **Agreements with Eastern Europe**

'Europe Agreements' have been initialled between the European Community and Czechoslovakia, Hungary and Poland. These require accession to the EPC and improvement of intellectual, industrial and commercial property rights to provide a level of protection similar to that in the Community (including comparable means of enforcement) by the end of five years after entry into force. They also require these countries to accede to the international conventions on intellectual property, including Berne, Rome, Budapest and the PCT and to the Madrid Protocol. The competition clauses correspond to Articles 85 and 86 of the Treaty of Rome. A major bone of contention with the interested circles is whether there will be exhaustion of rights on the basis of the usual Community rules following the case of law of the ECJ. It appears that this may well be the case since the drafts are structured in the same way as the EEA Agreements (see below), in which event the interested circles are concerned that the negotiating authorities are not giving adequate attention to the fact that patent holders in the Community usually do *not* have corresponding patents in these three countries. The rigid application of exhaustion, therefore, will make it difficult for such parties to enter into joint ventures and licensing in the three countries in cases where the result will be the free flow of low priced products, deemed to have been marketed with consent, into the rest of the Community. Assurances about this have been given to UNICE, but in view of the importance of this point the matter is being raised again.

- **European Economic Area**

The Community has also entered into agreements with the EFTA countries whereby these form a European Economic Area with the Community. These EEA Agreements enter into force on 1st January 1993. The main Agreement emphasises the objectives of free movement of goods, persons, services and capital and the removal of distortion of competition. The Member States agree to abstain from measures which could jeopardise these objectives and the existing ECJ case law applies, including specifically that concerning the free movement of goods. In particular Articles 11 to 13 correspond to Articles 30 to 36 of the Treaty of Rome, while Articles 53 and 54 correspond to Articles 85 and 86. Protocol 28 on Intellectual Property requires the adjustment of the intellectual property laws in the EFTA Countries to reach the same level of protection as that prevailing in the Community, and to provide for the exhaustion of rights as laid down in Community law as interpreted by the rulings of the ECJ. There are no transitional provisions to provide for cases where a level of protection equivalent to that in the Community was not yet available (e.g. in the case of pharmaceutical and agrochemical products) apart from suspension of free circulation of pharmaceutical and food products from Finland and Iceland for two years after these countries have made such products patentable. The Federation deplors the fact that many products, not just foods and pharmaceuticals, which could not be protected in the past will be unfairly caught by the Community's free circulation rules.

The EFTA countries also agree to use best efforts to accede to the Community Patent Agreement within three years (i.e. by 1 January 1996, but, for Iceland, 1 January 1998). They must also bring their patent laws into conformity with the EPC by 1 October 1993 (1 January 1995 for Finland and 1 January 1997 for Iceland). They must also accede to the other intellectual property international conventions (Paris, Berne, Rome, Nice, Budapest and PCT) and to the Madrid Protocol, to adapt their legislations accordingly and also to take account of the GATT TRIPS Agreement.

### INTERNATIONAL

#### The Berne Convention

- **WIPO Proposes a Protocol**

The World Intellectual Property Organisation (WIPO) has held meetings of a Committee of Experts in November 1991 and February 1992. The basic objective of WIPO is to both clarify the existing international protection for certain classes of copyright works and to expand the application of Berne to deal with contemporary technological developments such as computer programs, databases, storage of works in computers and so on. In addition norms of protection are being debated for reprographic reproduction by libraries, certain rights of reproduction, distribution, importation, public display, rental and lending and broadcasting.

WIPO is engaged in consultation with outside experts and is seeking submissions from states party to the Berne Convention before the next meeting of the Committee of Experts in November 1992.

#### European Patent Office

- **Future Plans and Workload**

The EPO wished to proceed during 1991 with their plans to build a major office building at Leischendam, The Hague. However there was a serious risk that with the world economy about to go into recession, coupled with large fee increases in the EPO and USPTO, that the level of filings in the EPO would cease to increase in the way expected by the EPO and might even fall. The latter indeed turned out to be the case (by about 8%), possibly exacerbated by applicants delaying their entry

into the EPC system by using the PCT. The overall result would be a cash deficit for the EPO and this also happened. In the event the Leidschendam projects had to be cancelled and the EPO now seeks a further large increase in fees, starting in October 1992.

The EPO would like to improve the attractiveness of the direct EPC route compared with the Euro-PCT route, not least because in the latter route a substantial fraction of the cases are abandoned and do not enter the regional phase. This has the effect of upsetting the balance of the fees. It has therefore been proposed to the interested circles to delay the payment of designation fees until request is made for examination; but this would cause a much larger cash deficit and the interested circles, while agreeing with the idea, think it cannot be implemented at present. Another wish of the EPO, supported by the interested circles, is to increase the PCT fees, i.e. for search and preliminary examination, to a level nearer to the cost of the service than at present and to keep down the level of the fees in the EPC direct route.

### ● Chemical Patenting

The EPO commissioned an inquiry by Professor Leberl into the questions of inventive step, claim scope, amendment and novelty in chemical cases. The Leberl Report suggested that while the EPO's determination of inventive step was mainly satisfactory, although efforts were needed to ensure a uniform harmonised practice, the office should consider ways of avoiding broad claims. These made it difficult for searchers and documentalists and there were objections in some circles to blocking patents. There were no comments in the report on amendment and it seems that amendment by disclaimer within the limits laid down by the Boards of Appeal are non-controversial. On novelty there is a controversy between those who wish to patent selection inventions and those who object to the same invention being patented twice.

Regarding broad claims, the interested circles made it clear that the proper width of a claim is that which is required to protect the invention and is not a matter for the convenience of the patent office, documentalists and searchers. The psychology of the objections in the report to broad claims is wrong and seeks to make special rules for chemistry that do not apply to inventions in other fields. While a claim must not be a pure wish (free beer) and so not just be a claim to a problem, functional claims are perfectly proper in cases where the skilled person can perform the invention and where the claim is not speculative so that it goes beyond the credible solution of the relevant problem. The proper attacks on over-broad claims are Article 56 (wider than the inventive step) and Article 83 (wider than the enablement). Article 84 is not necessary after grant, unless amendments have been made, since the elements in it dealing with matters other than mere textual support are those of Articles 56 and 83.

Regarding novelty, there is confusion as to the meaning of the term 'photographic novelty', which properly applies to the Nissan case, Appeal T167/84, and the application of the Nissan principle in cases where claims overlap under Article 54(3). Some circles are worried that application of a 'same invention' principle would prejudice selection inventions and other circles do not like generic overlap of matter which is essentially the same, so that the senior applicant can lose part of his invention to a junior. The matter is to be studied carefully by the interested circles, also bearing in mind that the same problem arises in the Harmonisation of Patent Laws Treaty (see below), especially in connection with the views of US practitioners.

## European Patent Convention

### ● Revision of Article 63

The Federation supported a proposal by the EPO Administrative Council to revise EPC Article 63 so as to permit signatory States to treat European patents granted in their jurisdictions in the same manner as nationally granted patents for the purposes of patent term extension.

### ● GATT TRIPS – What chance of an Agreement?

In December 1991 the Dunkel text of the TRIPS Agreement was issued by the GATT Secretariat. This is a great improvement on previous texts. If finally adopted, it will bring in major benefits to intellectual property owners by laying down minimum standards, providing for adequate and effective enforcement of intellectual property rights and dispute resolution before a GATT TRIPS Council.

Regarding minimum standards in particular, computer programs are to be protected as literary works by copyright and data bases are also to be protected by copyright. Independently created industrial designs are to be protected if new or original. Patents are to be available for all inventions in all fields of technology (with some optional exceptions relating to public order and morality, to diagnostic, therapeutic and surgical methods, to plants and animals and essentially biological processes) that are new, involve an inventive step and are capable of industrial application. Patent rights are to be available and enjoyable without discrimination as to the place of invention, the field of technology and whether patented products are imported or locally produced. The rights under a patent will be similar to those under the CPC, including the right to stop imports. The conditions for compulsory licences and government use are set out in detail and will have the effect of greatly circumscribing the present inroads made into a patent holder's rights. Also there is a twenty year patent term and reversal of the burden of proof for process patents. There is to be some improvement of the generally unacceptable Washington Treaty on integrated circuits. There is to be trade secret protection against misappropriation and in cases where product registration data has been supplied to a governmental body in order to obtain permission to market the product.



On the down side, while an attempt has been made to make the reference to international exhaustion of rights neutral, this has not been completely achieved and the interested circles desire the removal of a footnote to Article 28 which makes a gratuitous reference to exhaustion of rights and implies that exhaustion applies to the right to import. The interested circles also object to the optional exclusion from patentability of plants and animals as such and desire shorter transition periods, especially for newly industrialised countries. In particular there should be early commercial benefit for all sectors on entry into force of the agreement, there should be a long transition period (10 years) only for least developed countries, and Article 65.4 should be deleted as it discriminates between industrial sectors.

There have been no significant changes in the provisions relating to trade marks in the last year, however a provision has been included which does not preclude a country from introducing a requirement of using the 'house' mark of the manufacturer along with, but not linked to, the trade mark for the product or service. There have been no major changes in the text relating to border controls, enforcement of IP Rights and counterfeiting.

### ● **The Hague Agreement**

The Hague Agreement provides an arrangement for obtaining a design registration effective in a number of countries via a single deposit at WIPO in Geneva. The Hague Agreement is little known in the UK, since this country is not a member and UK nationals cannot use the system. However, members of the Federation who have used the system via associate companies in member states are enthusiastic about the advantages. Accordingly, when WIPO began work on revisions to make the Hague Agreement attractive to a wider membership, the Federation urged the UK government to support the project. We took the position that if the UK examination of registered design applications was an obstacle, the examination should be dropped.

## **Harmonisation of Patent Laws**

### ● **Treaty waits on GATT Outcome**

A Diplomatic Conference in the Hague from 3rd to 22nd June 1991 was called to conclude a Treaty supplementing the Paris Convention as far as Patents are concerned (usually called the Harmonisation of Patent Laws Treaty). Following 8 meetings of the Committee of Experts, a draft Treaty was published by WIPO in December 1990.

Mainly because of the failure to conclude the GATT Uruguay Round in December 1990, it was expected that there would be difficulty in concluding a Treaty containing certain contentious provisions (e.g. First to File, Grace Period and Conditions of Patentability) in the draft Treaty, and so the Conference was to be held in two parts with the first part taking place in 1991; decisions would not be taken until the second part of the Conference. The date of the second part has not been fixed yet but may be in May or June 1993.

In their Opening Declaration, the US delegation stated that there was not a complete consensus in the US on moving to the first to file system and that, while the USA hoped to be a party to the Treaty, further debate in the USA would be necessary (in fact, the US Secretary of Commerce has appointed a Commission to investigate inter alia whether the USA should adopt the first to file system; the Commission is expected to report later this year). The USA was looking for concessions on post-grant revocation, the correction of translations, the interpretation of claims and the reduction of the time from application to grant. Japan put in a strong plea for the first to file system and the European Patent Office strongly recommended adoption of the principles of European patent law.

The proceedings were simplified by the two main Committees sitting alternately so that splitting of delegations could be avoided. In fact, most of the work was done in Main Committee I ('non-political' issues) and Main Committee II ('political' issues in the preamble and Articles 10, 19, 22 and 24, 24 to 26 and 35, and certain of the more administrative Articles) sat only four times. At its meeting on 19th June, Main Committee II heard declarations from the Group of 77, Group B, China and the USSR.

Main Committee I was mostly concerned with the USA's wish to retain first to invent as an option, which destroyed any chance of achieving a balanced package concerning first to file, the state of the art, grace period, conflicting senior and junior rights, early publication, time limits for search and examination, post-grant revocation, prior user rights, extent of protection and enforcement, taken together with higher standards of protection. As was probably inevitable, the other delegations mostly withdrew from previous tentative positions of agreeing to other parts of such a package, leaving the USA then to declare that what had now emerged was even less likely than before to achieve ratification by the US Congress. The USA complained particularly about oral disclosures anywhere in the world, granting junior rights that are obvious over a senior one, not always including the inventor's name on a patent document, multiple dependent claims that read onto another such claim, possible loss of the provisions on the time limits for examination and filing by reference to an earlier application, and would not agree to accept prior user rights.

Dr Fawcett, now President of the Federation, attended the Conference as a member of the UK government delegation, while the Federation's Dr Beton and Mr Blakemore attended as representatives of UNICE and other international non-government bodies.

## **Madrid Protocol**

### ● **Ratification Still Awaited**

May 1991 saw the celebration in Madrid of 100 years of the Madrid Agreement for the International Registration of Marks. The King of Spain and other dignitaries attended a splendid occasion in the very building where the original Agreement had been signed. This coincided with a further meeting of the WIPO Working Group to discuss the Rules which will be jointly used to conduct proceedings in the future under both the Madrid Agreement itself and the new Madrid Protocol. These rules were not finalised at that particular meeting and a final meeting of the WIPO Working Group is scheduled for November 1992. The Protocol therefore is still not a reality, but it is encouraging that there has been one ratification – by Spain – and furthermore the USA is showing great interest in the Protocol, one result of which is that the Rules are being written very much with the possibility of US applicants in mind.

## **National Laws**

### ● **Argentine and Brazil**

During the year under review both countries announced the intention to introduce new patent laws. These contained some points of concern to companies intending to invest in R & D in those countries, and representations were made through various channels.

### ● **Australia: Trade Mark Law Revision**

A Discussion Paper was published following the deliberations of a working party with a view to revising and streamlining the Australian Trade Marks Legislation. The Discussion Paper made a number of proposals which, if enacted, would bring the Australian Trade Mark Law into closer alignment with the proposed Community Trade Mark. A number of questions concerning the trade mark law were left open with a request for wider comment. The Federation's Trade Marks Committee submitted comments to the Australian Registrar of Trade Marks, particularly in relation to our wish for wider infringement rights, our opposition to the doctrine of exhaustion of rights and our wish to do away with the requirement for association thus enabling assignments to take place and to be recorded without too much formality.

### ● **Germany – Re-unification**

Last summer a draft Patent law appeared which sought to deal with the problems inherent in re-unification. Possibly the most significant section was that dealing with the right of continued use, but the law also gave a right of prior use and made provision for cases of co-incidence of rights.

### ● **Ireland – Patents Bill**

A new Patents Bill became law on 27 February 1992. A commencement date has not been announced, but is expected to be between 1 August 1992 and 1 January 1993.

The Act will provide a 20 year patent term to replace the existing 16 year term, and any patents in force when it becomes law will benefit from the extra term. Expired patents which are the subject of an unopposed petition for extension of term under the inadequate remuneration provisions of the present law will receive an automatic four year extension. Opposed extension proceedings will have to continue under the present law. However, an extension of up to 10 years will be available for successful cases. Ireland may be designated in EPC from 1 August 1992.

### ● **Russia – Where Do We Stand?**

Logically the USSR Patent Office ceased to exist following the dissolution of the Soviet Union. According to information received at the end of 1991, however, the Office was still functioning, accepting applications and issuing official actions. What territory would be covered by any patents and trade marks issued was not clear, and the situation in the former USSR is still confused. At the same time the Baltic states announced that they were preparing their own IP laws.

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