

REVIEW of trends and events

1992/1993

TMPDF

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 Intellectual 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.

TMPDF
1-3 Brighton Road
Crawley
Sussex RH10 6AE
England

Telephone: 0293 614300
Facsimile: 0293 531279

REVIEW BY THE COUNCIL OF TRENDS AND EVENTS 1 APRIL 1992 TO 31 MARCH 1993

INTRODUCTION

In a time of recession there is a tendency for people to look inward; to cut back in the name of survival rather than invest for the better times to come. Intellectual property is as much an investment for the future as is the training of people or the purchase of plant, and it is noteworthy that in the last year interest in intellectual property has been greater than ever. For those like the Federation who have worked for so long to promote this interest it has been an encouraging and busy twelve months.

Hardly a week has gone by without the emergence of some new initiative which has called for a response, while for a few long-standing issues it has been a case not just of watching and waiting but also of preparing to react at the first signs of movement.

As the following review shows it has been anything but an *annus horribilis* for intellectual property in general and the Federation in particular.

DOMESTIC ISSUES

Competition

- **Abuse of Market Power – Green Paper**

The Government published a Green Paper (Cm. 2100) setting out three options for legislation to control abuse of market power. While most of it was unconnected with intellectual property matters, it contained some references to them and in particular cited the *Tetrapak* cases as examples of anti-competitive and exploitative conduct. The Commission had criticised *Tetrapak's* patenting policy and it was felt appropriate for the Federation to comment. The matter was therefore considered by the Licensing and Competition Laws Committee and a letter sent by the Federation to the DTI Competition Policy Division. In essence this letter asserted that competition law should not devalue intellectual property rights and that the policy of patenting a basic development and then patenting subsequent modifications or improvements was a perfectly proper and normal one. It encouraged continued technology development to the ultimate public benefit. The DTI said in response it would keep the Federation informed of any decisions that were taken following the consultation exercise.

Consultation with the Civil Service

- **Proposed Seminar**

During the year, the Federation has been discussing with the UK Patent Office's Comptroller-General and his colleagues the need for officials in government departments and the interested circles to exchange views on intellectual property issues so that the latter are taken more into account in international negotiations. These discussions have culminated in the Comptroller organising, with the Federation's collaboration, a seminar in London on 20th May on the theme 'IPR and Eastern Europe – Risks and Opportunities'. The Seminar will be addressed by speakers from government departments and from the interested circles, including the Federation.

Copyright

- **Computer Programs**

The European Directive on the protection of computer programs was implemented in the UK through a Statutory Instrument entitled 'The Copyright (Computer Programs) Regulations 1992'. These regulations came into force on 1 January 1993.

The Statutory Instrument amends the Copyright, Designs and Patents Act 1988 by introducing modifications to the definition of literary work and the meaning of adaptation and translation in relation to computer programs. Furthermore new Sections to that Act are introduced containing specific exceptions to the exclusive rights of the copyright owner in favour of a lawful user. These specific rights include a right of decompilation for the purpose of interoperability together with restricted acts of copying for lawful use including error correction.

- **Business Copying: CBI/CLA discussions**

The CBI/CLA Task Force concluded its deliberations in September 1992 having over the preceding 2½ years considered at length the various issues relating to the reproduction by photocopying of copyright works, in particular articles published in learned journals which some businesses need to copy in multiple numbers. It was agreed that all issues had been fully considered and that further progress on the need for and the terms of a CLA licence would be by way of bilateral negotiations between individual businesses or their trade associations and the CLA.

The Task Force Report, which is to be published later in the year, gives details of the issues discussed and conclusions reached during the 2½ years of negotiations. An example of a CLA Licence is annexed to the Report. The Report contains a CBI Preface which draws attention to four important points:

1. The Licence is a CLA proposal and is not endorsed by the CBI. However, it is recognised as being the best offer available from the CLA. The CBI has no control over either the way a proposed licence will be presented by the CLA or over future changes to the terms or fees that will be charged.

2. Businesses which do not reproduce copyright works except as permitted by law will not need a licence.
3. The Report should help those businesses who wish to negotiate a licence with the CLA.
4. The problems associated with one-off transactional permissions from publishers. Publishers have recently been referring such requests to the CLA who will only proceed with the requests under a licence agreement.

The CBI will be holding Seminars in 1993 on the issues raised and to give guidance to those businesses which may need a licence.

Higher Education Institutions

● Proposed Training in IP

Most of the member companies of the Federation fund joint research projects with HEIs including Universities. The Federation has therefore always taken an interest in ensuring that those in the HEIs responsible for such research and the protection of inventions arising from it sufficiently understand the law and practice of IP protection in this country and abroad. Contact with government officials interested in this field has continued.

Government Initiatives on Intellectual Property

● IP in the Public Sector Research Base

A report on this subject from the Office of Science and Technology was considered by the Federation's Licensing and Competition Laws Committee who generally welcomed its content. In particular its flexible approach to the question of IPR ownership (as compared with the more rigid line taken in the earlier Cooper report) was strongly supported. The appreciation of the need for IPR education at all levels was also very much in line with the Federation's own thinking. Further points raised by the Committee concerned the desirability of establishing contact with a commercial party at an early stage to achieve effective exploitation of IPR, the adoption of policy statements which did not hinder negotiating freedom, the need for a proper balance between the new application of existing knowledge and the search for new basic knowledge, and the understanding by the HEIs and other public research establishments not to expect too much too soon in the way of royalties or other returns. A letter setting out the Federation's comments was sent to Mr William Waldegrave. A reply was received thanking the Federation and saying that the report had received a warm welcome from all sectors of the research community but that continuing gentle pressure would be required, probably over many years, to ensure that the process maintained its momentum.

● R&D and IP: Proposed House of Lords Enquiry

In June 1992, the House of Lords Select Committee on Science and Technology wrote to interested parties saying that it proposed to carry out an enquiry into 'R&D and Intellectual Property', and listing a number of possible topics for the enquiry. The Federation sent a letter to the Committee commenting in detail on the proposal.

● Science and Technology: TMPDF offers help with White Paper

At a press conference on 9th July 1992, Mr William Waldegrave, the Chancellor of the Duchy of Lancaster, announced that a White Paper on science and technology would be produced, hopefully in early 1993. The Federation commented in some detail on the Chancellor's two questions on innovation, namely 'Is there an agreed measure of the capacity of an industry?', and 'Are our firms getting better or worse at innovation?'.

Patents County Court

● Trials and Tribulations

The Patents County Court continued to develop as an alternative forum to the High Court for settling patent disputes. According to figures supplied by the Court, a total of 209 cases have been received by the Court since its inception, 101 of which have been concluded, 22 by adjudication, 76 by settlement and 3 by transfer. Twelve appeals from written decisions of Judge Ford have been filed, of which 3 have been withdrawn, 5 allowed and 2 rejected. At 31 March 1993, 12 cases were listed for trial and 3 for preliminary consideration, the average time between originating summons and trial being approximately one year. Representation of parties before the Court was split approximately 55:45 between solicitors and patent agents.

Whilst the Patents Country Court has succeeded in reducing the length of patent actions taking place before it, the level of costs arising from the proceedings is giving rise to concern. The reversal of several of Judge Ford's decisions on Appeal and the development of a Court procedure that mirrors that in the High Court are also trends which are being given careful attention by current and potential users.

Patent Office

● The end of IPEs

When the Patent Cooperation Treaty came into force in 1978, the UK Patent Office became an International Preliminary Examination Authority under PCT, and has since then undertaken International Preliminary Examinations of PCT Applications. However, under the provisions of the Protocol on Centralisation, the UK Patent Office can only act as an IPEA up to 28 May 1993, and has recently announced that it will not be performing IPEs after that date. The IPEs will thereafter be performed by the European Patent Office but at a significantly higher fee than was charged by the UK Patent Office. This will result in SMEs in particular being disadvantaged, and the Federation wrote to the Comptroller expressing the hope that a way would be found to enable the UK Patent Office to continue doing this work. Unfortunately, it has not proved possible to do this.

Plant Varieties and Seeds Act

● **TMPDF comments on proposed amendments**

Following the revision of the UPOV Convention agreed in 1991, the Ministry of Agriculture, Fisheries and Food issued, for comment by interested parties, some proposals to amend the Plant Varieties and Seeds Act 1964 so that the UK could ratify the revised Convention. The Federation took the opportunity of commenting on these proposals.

Second Tier Protection

● **Is it Worthwhile?**

It is believed that the EC Commission is interested in a Directive harmonising second tier protection (e.g. petty patents and utility models) across the Community. The Federation has sent the Comptroller its comments on the desirability or otherwise of introducing second tier protection into UK law.

UK Trade Mark Law Reform

● **Your Country Needs You**

It is a matter of great regret that although a White Paper on the Reform of UK Trade Mark Law was issued in 1990 and the Government has obligations to bring in amendments to the Trade Mark Law to harmonise UK law with that of its partners in the Community, the Government has not yet done so. The White Paper has been discussed by all interested circles and been accorded a large measure of agreement. Notwithstanding this measure of agreement and the recognition by the Government that a new Trade Mark Act is badly needed, the Government claims there is no time available in the current parliamentary programme. Industry has been pressing extremely hard and lobbying ministers for this Act but to no avail. The best we can hope for is that the Bill is brought forward into parliamentary timetable for 1993/94. The Federation has suggested that the Bill be introduced into the House of Lords but the Government business managers there have indicated that this would not be acceptable.

EEC

From the Commission

● **Biotechnology: Draft Directive**

Following a disastrous first reading document for the EC Directive on Legal Protection of Biotechnological Inventions, which was produced by the European Parliament last Autumn, the EC Commission produced its own second reading text on 16 December 1992. This version would be acceptable to industry except for the following. There are difficulties in interpreting the provision concerning the patentability of human body parts, which appears to exclude such inventions at the cellular and biochemical levels when outside the human body. Farmer's privilege is contrary to Community Patent Convention and the latest text in GATT TRIPS negotiations, represents a severe discrimination against the plant breeding industry and is absolutely unacceptable to industrial circles in Europe. Compulsory licences in favour of the holder of a plant breeder's right which is also discriminatory and does not conform to the GATT TRIPS text; instead it allows such licences in the 'public interest' – which means licences of right in Greece, Italy, Portugal and Spain at least..

● **Community Patent Convention – CPC**

The Intergovernmental Conference in May 1992 failed to produce a result. Spain would not agree to any scheme by which the CPC could come into force for less than all EC Member States. Subsequently the barriers to ratification by Ireland and Denmark were removed – the first by the Irish referendum on the Maastricht Treaty and the second by a vote in the Danish Parliament. However Spain remains against ratification. Industry is not against the CPC in principle, but cost and safety factors remain obstacles to its use.

The costs of translation and renewal make it too expensive. British companies will have to file eight translations costing say £11,000 (in 1993 £s) for a 30 page patent specification, and the number of translations could increase to 11, or even to 16, when the EFTA and Eastern European countries join (translation cost say £23,000 in 1993 £s). Renewal fees are high especially since a single large renewal fee must be paid each year throughout the term of the Community patent; this will be unattractive for many industries, who will prefer to file as now a European patent application to obtain a bundle of national patents and then maintain or abandon them on a country-by-country basis.

The present scheme is unsafe because the translations have to be filed at the European Patent Office in two stages – first the translations of the claims, and then the translations of the whole specification within a time window of three months starting with the grant of the Community patent. There is a supposed safety net whereby if a translation does not reach the European Patent Office in time, the Community patent can be converted to a European patent, but this suffers from two disadvantages. Firstly, there is only two months from the end of the three months' time window to make the conversion request – and the patentee has to realise or be notified in time that something has gone wrong. Secondly, there is an enhanced possibility of free circulation of goods of a third party sold first in an EC Member State, where there was failure to file a translation, into the countries designated under a European patent converted from a Community patent..

The Government has been urged not to ratify until improvements are made.

- **Community Trade Mark**

A revised draft of the Community Trade Mark Regulation has recently been issued. Many of the technical objections which previously plagued the Regulation have now been dropped by member governments. There are still issues, e.g. appeals procedures, which remain to be decided, but, in the main, the two most serious problems affecting the Regulation (and which have affected it for many years) are the location of the Community Trade Mark Office and the languages to be used before it. A decision on the location of the Office will, no doubt, be taken by the Council of Ministers when decisions on the location of a number of Community institutions are taken. It is thought, however, that Luxembourg has now emerged as the front-runner. The question of language continues to bedevil the negotiations. It is quite clear that unless the number of languages which can be used before the Office is controlled, the costs of obtaining a Community Trade Mark will be excessive as compared to using any national route or some other international registration system such as the Madrid Convention. The current suggestion is that parties may file an application in two languages, probably the applicant's own and another community language. An opponent may oppose in his own language and in one of the languages of the application. It is suggested that this compromise will lead to English, French and German emerging as the major languages before the Office. Industry favours an approach not unlike that of the European Patent Office where English, French and German are the only languages to be used before the Office. As ever, industry remains concerned about the costs which will arise. There are benefits of course which, if they can be realised, will lead to one mark covering the whole Community, one renewal fee, simpler administration and the development of case law which will be common across the Community. It is to be hoped that these benefits will be realised.

- **Comparative Advertising**

Probably as a result of the problems arising out of the Maastricht Treaty, a number of Directives which were under discussion have been put aside – at least for the time being. This is the case with that on comparative advertising. Industry was never quite certain whether to support the concept of harmonising the effects of comparative advertising throughout the Community or oppose it on the grounds that it was likely to lead to a diminution of trade mark rights. Following the British presidency it does appear that this particular Directive has for the time being been dropped.

- **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. This Directive has been blocked in the Council of Ministers and is opposed by some Member States.

- **Database Protection**

In early 1992, a proposal for a Directive on the Legal Protection of Databases was published by the European Commission. The proposal included measures to harmonise copyright protection for the arrangement and selection of databases together with a new sui generis right of unfair extraction. The Federation has argued that copyright harmonisation, while welcome in itself, should not deprive database owners of the current high level of protection available in the UK. The right of unfair extraction is unsatisfactory because it is limited to 10 years, is subject to compulsory licensing and has a requirement of reciprocal (not national) treatment.

- **Geographic Indications and Designations of Origin**

In spite of concerns that trade mark proprietors will be unfairly affected as a result of the introduction of this particular Regulation, it will shortly come into effect. The Federation is now considering proposed regulations to be issued by the Ministry of Agriculture, Fisheries and Food and covering the application for geographic indications and designations of origin. The proposals are merely in the draft stage and comments have been delivered to the Patent Office's Intellectual Property Policy Directorate (IPPD) raising concerns over the perceived fairness of the procedures. These are however early days and the final form of the proposed procedures is not yet known. The Federation has, however, made it very clear that it believes the system should enable a trade mark proprietor to exercise his rights of objection to a proposed geographic indication and designation of origin and that trade mark proprietors who are not members of the Community should be given sufficient rights and time to be able to object to such indications or designations.

- **Industrial Designs: Green Paper**

Following publication of its Green Paper on legal protection of industrial designs, the EC Commission has continued its work on a Directive to approximate the registered design laws of Member States and a Regulation to set up a Community Design Registration system. During the year, the Commission received strongly expressed and widely differing views on the issue of design protection for car spare parts and held a special hearing in October, attended by several members of the Federation, dedicated to discussion of these issues. The Commission has still not finalised its proposals on industrial designs, the delay being due to re-examination of the spare parts issue and the Commission's internal re-organisation; the services responsible for intellectual property matters having moved from DGIII to DGXV under Commissioner Vanni d'Architraf. It is rumoured that the Regulation and Directive will be published soon with a 'repair clause', effectively granting free compulsory licences after a limited period.

- **IP and Standardisation**

The Commission issued a communication on the subject of intellectual property and standardisation setting out guidelines as to how standards bodies should act. Discussion of this communication by the Federation's Copyright and Designs Committee was, in the case of members in the telecommunications industry, coloured by their experience in ETSI. The companies represented in the Committee thus involved in ETSI did not have a common view. The Federation did not feel it appropriate to get involved in the detailed ETSI arguments

but was concerned that a possible special case there should not establish an undesirable precedent for other industries. It therefore registered this concern with UNICE but agreed with UNICE's view that the Commission's communication generally gave an acceptable approach subject to some particular aspects, such as the compulsory licensing of imports, being questionable.

- **Moral Rights**

A questionnaire was issued by the Commission on the issue of moral rights; this was followed by a hearing from 30 November–1 December to explore the need for harmonising moral rights.

- **Patent Licensing: Amended Block Exemptions**

The Commission issued draft proposals for amending inter alia the provisions relating to block exemptions for patents and know-how licensing agreements concerning joint ventures. The Federation, like UNICE, welcomed the proposed extension of block exemptions but suggested that even further relaxation should be possible. It expressed this view to IPPD with some additional points relating to the drafting of the proposed regulations. After a second draft, which showed little change in substance from the first, the regulations eventually issued in a final form which appears to have taken at least some notice of the Federation's and UNICE's comments.

- **Patent Term Restoration: SPCs**

Council Regulation (EEC) No. 1768/92 which creates Supplementary Protection Certificates for pharmaceutical products came into effect on 2 January 1993, and 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. Transitional provisions for products already marketed or approved in the EC before 2 January 1993 were adopted, the question being the date of first marketing authorisation in an EC country prior to which a product would not be eligible for an SPC. The dates selected by the various Member States were as follows:

Germany and Denmark – 1 January 1988
 Netherlands, Luxembourg, UK, Ireland and France – 1 January 1985
 Italy and Belgium – 1 January 1982

The Regulation will not apply in Greece, Portugal or Spain until 1998.

- **Tobacco Advertising**

Very much in the same vein as the Directive on comparative advertising, that on tobacco advertising has been side-lined. Industry believes, however, that this is only a temporary measure and that proposals to ban tobacco advertising will be resurrected at some future stage.

Allocation of IPR

- **Declaration on Guiding Principles**

The Commission issued a draft Declaration on the subject of intellectual property aspects of agreements between the Community and third countries. There was a mixed reaction to this from Federation members but the feeling was generally adverse ranging from questioning the need for the proposals at all to strong criticism of the drafting and content. The main concern was that enforced sharing of IPR eroded its value, particularly where the allocation of rights was not related to the real contributions made by the parties. If the proposals did proceed, they should result at most in a guide and not a binding commitment. Comments to this effect were sent by the Federation to IPPD. A revised version of the Declaration was later issued by the Commission which appeared to have taken account of some, but not all, of the points raised by the Federation. However, it was clearly expressed as not affecting the respective competencies of the Member States and the Community as regards intellectual property rights, apparently through the insistence of the British and Dutch governments.

Steps towards a larger Community

- **Agreements with Eastern Europe**

It is understood that an Agreement is being negotiated between the European Community and Bulgaria and that one with Romania has been initialled. The other Agreements that have been initialled are with Hungary, the Czech and Slovak Republics and Poland. For exhaustion of rights, it is understood that the Agreements will not follow the EEA Agreement, but will be interpreted in the same way as the EFTA agreements with the Community. The *Polydor v Harlequin* case of the European Court will apply and there will not be free circulation of goods sold with consent in one of these East European countries into the Community.

- **European Economic Area**

The EEA Agreement was intended to come into force on 1 January this year, but in the meantime as a result of difficulties with the Maastricht Treaty and the Swiss referendum, which was against accession, entry into force of this Agreement has been delayed. There was a new target date of mid-1993, but it now seems improbable that anything will be achieved this year and a commencement date in 1994 or even later now seems likely. To repeat what was said last year, Protocol 28 on intellectual property requires the adjustment of intellectual property laws in the EFTA countries that do join the Community to reach the same level as in the Community, and to provide for the exhaustion of rights apart from some delays in the case of pharmaceutical and food products first sold in Finland and Iceland. There has to be accession to the EPC and CPC within 3 years but this can be delayed by Iceland until 1998. The patent laws must be brought into conformity with the EPC by 1995 for Finland, by 1997 for Iceland and for the others by October 1993. There is a variation on exhaustion of rights in the case of goods of non-EEA origin, sold for the first time in the EEA. While such goods freely flow between EC Member States they do not freely flow between the EFTA States or between them and the Community.

- **The EEA and Supplementary Protection Certificates**

Discussions have been held between the EC and EFTA countries over the introduction of SPCs (see above) into the EEA after the EEA Agreement has been ratified. There appears to be general agreement on the desirability of this, and further news is awaited. So far, Sweden has stated that it wants to create SPCs by the end of the year, and the Swedish government will soon be introducing legislation to achieve this aim. There has been concern that, if the EC Regulation were extended to cover the EEA, the duration of an SPC might be reduced as a result of a first marketing authorisation being granted in an EFTA country before the first authorisation granted within the Community. In fact, this should not be a problem since it is a fundamental principle of the EEA Agreement that the Agreement should not change EC law. Therefore, the grant of a marketing authorisation in an EFTA country earlier than an equivalent authorisation in the Community should be ignored for the purposes of calculating the duration of the SPC within the Community; however, it would be used to determine the SPC duration in the EFTA countries.

Spain

- **Article 167 EPC**

The Spanish Patent Office has adopted an interpretation of Article 167 of the European Patent Convention whereby protection for chemical and pharmaceutical products could be reserved by Spain until 15 years after the entry into force of EPC (7 October 1977), which is flatly contrary to the plain wording of that Article and to the interpretation placed on it by the EPO and the other Member States of the EPC. The plain wording is that it is the filing date of a European patent after 7 October 1992 that governs whether protection must be afforded by Spain to chemical and pharmaceutical products on the basis of a European Patent (Spain). Spain argues however that since the effects of the Patent go back to its priority date, despite there being no reference in Article 89 (which governs the effects of priority) to Article 167, only applications claiming a first priority after 7 October 1992 can contain claims to such products. It is not clear how this dispute is to be resolved. Spain says it is a matter for Spanish law. However, since it concerns the interpretation of an international treaty and also of the Treaty of Accession by Spain to the European Community, this appears not to be the case. Instead it appears to be a matter for the European Court of Justice.

- **Preliminary Injunctions**

The Federation made representations concerning the apparent conflict between Community Law and Article 133 of Spanish Patent Law. This article bars the granting of a preliminary (i.e. interlocutory) injunction in Spain unless the patent concerned is being worked by the patentee in Spain. It was subsequently established through Government sources that the Spanish authorities were in contact with the EC with a view to ensuring that the Spanish Law was rendered consistent with Community Law.

INTERNATIONAL

The Berne Convention

- **WIPO Studies to include phonograms**

Having held meetings of a Committee of Experts in November 1991 and February 1992, the World Intellectual Property Organisation (WIPO) decided in September 1992 to change the terms of reference of the Committee to establish two Committees of Experts. One is to prepare a possible Protocol to the Berne Convention and the other to prepare a new instrument to protect the rights of performers and producers of phonograms. The Committees will meet in June and July 1993. The first Committee will discuss adapting Berne to deal with ten contemporary issues including computer programs, databases and certain rights of reproduction, distribution, importation, rental, enforcement, national treatment, broadcasting and non-voluntary licences. The second Committee will discuss all questions concerning effective international protection of the rights of performers and producers of phonograms.

The Biodiversity Treaty

- **But what does it mean?**

This Treaty was signed by the EC Member States in June 1992, but not by the USA although the Clinton Administration is now considering signature, possibly with reservations as to the understanding by the USA of how the various intellectual property clauses are to be interpreted. Industry is concerned by the vague language used in the articles concerning access to genetic resources, access to technology and the transfer of technology, especially in the light of the objectives of the Treaty. This can be interpreted to mean that compulsory licensing will be readily available and/or that protection will not be available or will be greatly weakened as is desired by the developing countries and the 'greens organisations'. The alternative interpretation is that access and transfer must be on terms which recognise and are consistent with the adequate and effective protection of intellectual property rights. In addition, while earlier signed treaties are to be respected, there is an implication that later treaties, e.g. GATT TRIPS text, will not. The British Government has given assurances that the Convention will not be used to interfere with normal commercial transactions and the Commission has stated it will be careful to avoid misuse of the treaty provisions to reduce intellectual property protection. The question of interpretation remains very much an open one.

Copyright

- **Impact of digital technology**

WIPO held a Symposium in March and April 1993 at Harvard University on the impact of digital technology on copyright and neighbouring rights.

GATT: TRIPS Agreement

- **In the Slow Lane**

The TRIPS Agreement was intended to come into force by 1993, but as is well known negotiations on the Uruguay Round generally have come to a standstill while the new US Administration decides its policy. It is thought likely that the fast track legislation will be re-enacted by the Congress. However, difficulties with France over agriculture will probably delay final agreement for a considerable time. Meanwhile there are pressures in the United States to re-open negotiations of the TRIPS part of the Dunkel text of December 1991. There is no enthusiasm in Europe for this. On the contrary the view in Europe is that there is a danger that the Dunkel compromise text will unravel. The Clinton Administration would like to achieve a level for intellectual property comparable with that of the NAFTA Agreement. The differences from the GATT TRIPS text mainly concern copyright modifications (national treatment in respect of the proper recipient of royalties obtained by collection agencies), no mention of exhaustion of rights and less extensive transition periods for patents, coupled with effective pipeline protection (early commercial benefit).

The Hague Agreement

- **More members wanted**

WIPO has continued its work on revisions to the Hague Union for the International Deposit of Industrial Designs with the object of attracting more member states. The Federation has continued to support accession by the UK so that UK companies could take advantage of the simple low cost route to registration of designs in Germany, France, Spain, Benelux and Italy which the Hague Agreement provides. A new text issued by WIPO for discussion by the Committee of Experts in April provided flexibility for member states wishing to continue to examine for novelty and new provisions for deferred publication allowing the applicant to elect to drop designation of states requiring early publication so that publication of the international application could be deferred by up to 30 months from the priority date.

Harmonisation

- **The WIPO Patent Law Treaty**

The projected second part of the Diplomatic Conference, intended to take place in July 1993, has been postponed, probably until 1994. The new US Administration requested a delay while it appointed a Commissioner of Patents and Trademarks and worked out its policy. Nevertheless, new texts by WIPO show a considerable leaning towards elements contained in the US first to invent system. These elements are: state of the art not based on absolute novelty, but having derogations for foreign art and art that is not readily found; the possible use of secret knowledge of others who had not abandoned, suppressed or concealed the invention, coupled with obviousness, instead of a prior use right; a grace period claimable at any time and involving priority from a graced publication (presumption of likelihood of obtaining from the publication); a priority right dependent on disclosure of the best mode; resolution of conflicts between unpublished applications on the basis of obviousness; equivalents judged at the date of infringement coupled with a US approach to equivalents (acceptable) or coupled with a European (German style) approach which gives excessively wide protection (not acceptable). Germany industry and some elements of Swiss industry would go along with much of this but it is not acceptable to the rest of European industry.

- **Trade Mark Law**

WIPO has continued to organise meetings in Geneva to discuss the harmonisation of the trade mark laws. Much progress has been made on harmonising the manner in which trade marks can be applied for, and the removal of the many bureaucratic hurdles which face multi-national companies applying for trade marks throughout the world will be welcomed. Not only will industry benefit from the simplification of administrative procedures but the costs of applying for trade marks will be reduced.

Madrid Convention – Protocol

- **Industry favours ratification**

So far the only country that has ratified the Protocol is Spain. Legislation is required in order to enable the UK to bring into effect several provisions required by the Madrid Protocol and this is yet another reason why industry is pressing for a new Trade Mark Act. Interestingly, the EEA Agreement, which has yet to be ratified by the UK and indeed by most other signatories to the Agreement, provides that the signatories to the Agreement must ratify the Madrid Protocol, and in the case of the UK by 1 January 1995. Discussions have been taking place at WIPO's offices in Geneva to bring forward appropriate regulations covering the procedures for applying under the Protocol. These have largely been agreed. UK industry is in favour of the Protocol and looks forward to its introduction as soon as possible.

National Laws

- **Australia: Trade Mark Law under discussion**

There has been discussion about amending the Australian Trade Marks Act and the equivalent of a UK White Paper has been issued. It would appear that the definition of a trade mark will be very similar to that to be found in the EC Directive on harmonising trade marks.

- **China: Service Marks**

China has introduced amendments to its Trade Marks Act enabling Service Marks to be registered.

- **Cyprus: Patent Bill concerns**

The Federation has expressed through the British High Commission in Nicosia its concerns about the Patent Bill. The Cyprus Government has been made aware of the view that if the Bill favours local manufacturers this could be an obstacle to the future admission of Cyprus to the European Community.

- **Czech and Slovak Republics**

The Republic of Czechoslovakia has now split up into the Czech Republic and the Slovak Republic and while previously recognised trade marks in Czechoslovakia are recognised in both republics, outstanding applications now have to be refiled in the Slovak Republic.

- **Germany: Re-unification**

The new Law on extension of industrial property rights came into force on 1 May 1992. With effect from 1 May 1992, all existing patents, utility models, ornamental designs, trade marks and similar industrial property rights, as well as applications for such rights, in the original area of the Federal Republic (the old Länder) will be extended to the territory of the former East Germany (the new Länder). Correspondingly, all such rights, and applications, in the new Länder will be extended to the old Länder. This extension of protection takes place automatically without formalities. If as a result of this extension two patents with corresponding scope conflict then they have to coexist. Each patentee cannot enforce his patent against the other patentee and his licensees. The same provisions apply for extended utility models or ornamental designs. If two corresponding trade marks conflict then the trade mark cannot be used in the territory to which it is extended without the agreement of the owner of the other trade marks. A special section will be created in the German Patent Office which can be called on to mediate between the parties in the event of legal disputes.

- **Indonesia: New Trade Marks Law**

Indonesia has introduced a new Trade Marks Act moving from a use system to a first to file system. There are complications concerning applications outstanding at the date when the new Act comes into force, such that there may be a requirement to refile them. Further complications arise on renewal fees which fall due in the period from April to September.

- **Irish Republic: New Patents Act**

The new Irish Patents Act came into force on 1 August 1992. From that date the Republic of Ireland became a Contracting State of both the European Patent Convention and the Patent Co-operation Treaty. It is now possible to designate Ireland under Chapter I of the PCT and to elect Ireland under Chapter II of the PCT. The designation of Ireland under the PCT will be treated as an application for a European patent. The designation of Ireland under the PCT will be treated as an application for a European patent. A national patent cannot be obtained through an international application. Short term patents have been introduced.

- **South Africa: Trade Mark Law revision delayed**

Again there has been much discussion about revision of the South African Trade Mark Law and again matching much of what appears in the Harmonisation Directive. It was thought that a Bill would be introduced at the beginning of this year but further discussions have taken place and delayed its introduction.

- **UAE: Trade Marks – at a price**

At long last the United Arab Emirates has introduced a Trade Mark Law. Unfortunately the cost for filing one application in one class is prohibitively expensive (in trade mark terms), official fees alone amounting to approximately US \$2,300. Objections have been raised with the Intellectual Property Policy Directorate who in turn have taken them up with the Commission.

- **Former USSR**

Following the break-up of the USSR, several states have now introduced new trade mark legislation or are proposing to set up their own intellectual property offices. Thus it is now possible to file in Ukraine, Estonia, Lithuania, Latvia, Georgia, Russia, Uzbekistan, Kazakhstan, and Byelorussia. All of them require that previously registered marks in the USSR be refiled in their offices. Multi-national companies which trade in that part of the world have no option but to refile, although in many ways existing registrations should have been honoured without this requirement. They are effectively being forced to file twice. In the Ukraine, the fees are particularly expensive, e.g. to maintain a national USSR trade mark for three classes, and falling due in 1994, would in 1993 have cost US \$600. In 1994 the cost will be US \$2,400. It is clear that the refiling exercise is a means to obtain foreign currency.

In addition, each of the member republics is now enacting its own Patent laws. A new patent law came into force on 24 November 1992 in the Russian Federation. Soviet patents granted before 14 October 1992 are automatically converted into Russian patents provided all renewal fees have been paid. The old Soviet fees should be paid until new regulations are issued. Soviet patents granted on an application filed on or after 1 July 1976 have their term automatically extended from 15 to 20 years. Soviet patents still pending on 14 October 1992 can be converted into Russian Federation patents provided that a conversion request is filed before 30 June 1993. The fee for the conversion has not yet been decided.

- **Yugoslavia: Separate States emerge**

The break-up of Yugoslavia has led to the requirement to refile trade marks in Croatia and Slovenia and there is a suggestion that the same will have to be done in Macedonia if that particular name is internationally recognised.

