REVIEW of trends and events

1993/1994

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.

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REVIEW BY THE COUNCIL OF TRENDS AND EVENTS 1 APRIL 1993 TO 31 MARCH 1994

INTRODUCTION

A year in intellectual property is like one of those splendidly busy nineteenth century paintings of railway stations or race meetings. In the foreground, and painted in great detail, is a handful of large and important characters; in the background a crowd of figures, distinguishable but more distant and less well defined.

In the twelve months under review the foreground characters have been the TRIPS agreement, the UK Trade Marks Bill, the Community proposals on both biotechnology and industrial designs, and the reawakened interest in Second Tier Protection. The Federation has studied and reacted to all of these as well as to many of the other developments which will no doubt soon find their way into the foreground.

The canvas of intellectual property may change from year to year, but it remains as crowded as ever and inevitably of more lasting importance to the viewer and critic than to the painter.

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DOMESTIC ISSUES

Competition

- **Abuse of Market Power**

Following the consultation exercise on the DTI Green Paper 'Abuse of Market Power' to which the Federation contributed, the President of the Board of Trade decided to strengthen the existing legislation on monopolies and anti-competitive practices (option 1 of the Green Paper).

Consultation with the Civil Service

- **Whitehall Seminar**

The Federation, together with the Patent Office and the Foreign Office, contributed speakers to the Seminar in May at which various issues relating to or bearing on intellectual property were outlined to staff from a number of Government Ministries. It is planned to repeat the Seminar at regular intervals when intellectual property issues require exposition.

Copyright

- **Business Copying**

Following publication of the CBI/CLA Task Force Report in 1993, the Federation issued Guidance Notes to TMPDF Members in July to provide help in auditing the internal photocopying practices of Members and to provide suggestions for negotiating a licence if one were needed. Members were encouraged to keep the TMPDF informed on the progress of any negotiations that were conducted with the CLA.

- **Recorded Music Monopoly Enquiry**

The Monopolies and Mergers Commission conducted an investigation into compact disc pricing in the music industry and in particular considered whether compulsory copyright licences should be granted for parallel imports of music recordings. The Federation submitted evidence strongly opposing the principle of such licensing since the Federation regards the control of licensing as fundamental to the ownership of copyright.

The evidence from the Federation pointed out that the question of distribution rights had been considered at the international level in connection with studies on a protocol to the Berne copyright convention and such rights had been endorsed by the World Intellectual Property Organisation (WIPO). Publication of the MMC report is expected in mid-1994.

Education in Intellectual Property

- **Needs of Professional Staff not involved in IP**

The Federation has taken an initiative aimed at identifying educational needs at various levels in higher educational establishments, industry and Government so as to promote a higher awareness and a more informed debate concerning intellectual property matters. It is hoped to develop a programme of such education in due course in co-operation with the relevant professions and higher educational institutions.

Intellectual Property and the Academic Community

• Sponsored Research/Standard Agreement

The Federation has contributed suggestions to a Committee aiming to develop a standard agreement for sponsored research which is acceptable to both industry and the universities.

• Meeting with NAPAG

The Federation was invited by the Intellectual Property Working Party of the National Academies Policy Advisory Group (NAPAG) of the British Academy, the Conference of Medical Royal Colleges, the Royal Academy of Engineering and the Royal Society to comment upon a paper listing issues of current concern to the scientific community.

The issues included questions such as: does the patent system give sufficient protection to so-called 'pure' research; the human genome project; grace period and first to invent; second tier protection; the ethical and moral issues of patents involving transgenic animals; should the intellectual property system be used to prevent unacceptable categories of research; and the adequacy of the ownership of the results of University research.

A small delegation from the Federation met and discussed the issues with the Working Party. The paper covering these and other issues will be published at the end April.

Patents County Court

• Progress but Problems Remain

The Court has now settled into a seemingly well established pattern of operation. During the year ended 31 March 1994, 77 new cases were received by the Court and 71 cases were concluded of which 59 were settled, 7 were adjudicated and 5 were transferred. Representation of parties continued to be split approximately 55:45 between solicitors and patent agents. Although the average time between originating summons and final trial remains at approximately one year, other aspects of the Court's operation notably costs and procedure have continued to give rise to controversy. During the year it was announced that the Court would relocate to the Marylebone County Court at Park Crescent, London W1, in July 1994.

Patents Court

• Users Committee considers Changes

This Committee met twice during the year to consider aspects of Patents Court procedure and practice. The most important of the topics discussed were a Law Commission paper on Exemplary & Restitutionary damages, a procedure to reduce the burden of Discovery in patent litigation, and a simplified trial procedure on the basis of affidavit evidence only. Action on each of these is expected in due course.

Patent Office

• Government Review

In mid-1993 the Government appointed Price Waterhouse and Co. to carry out a review of the Patent Office and to make recommendations concerning its future organisation and management with the objective of enhancing cost effectiveness and efficiency.

In view of reports that privatisation of the Patent Office was being contemplated, the Federation made strong representations to the relevant Minister expressing concern at the impact such a step would have on the perceived impartiality of the judicial decisions of the Office. It was argued that those affected by such decisions could only be assured as to their impartiality if they were clearly seen to be delivered under the direct aegis of the Crown.

• Use and Exploitation of IP by Small Firms

The Comptroller General asked for the Federation's views on this subject.

In response, the Federation expressed the view that small firms would only obtain the maximum benefit from intellectual property if their managements were reasonably conversant with the various forms of such property so that they would be alert to the need to consult with their patent attorneys at the appropriate time. Another concern expressed was the high cost of intellectual property litigation in this country. Many small firms took the view that, even if they had a patentable invention, there was little point in obtaining patent protection since litigation costs were prohibitive.

Second Tier Protection

• Reaction to possible UK System

With the ever increasing likelihood of some EC harmonisation being established for STP rights, probably by way of an EC Directive, the Federation undertook a thorough examination of the desirability of such a system and what features it should possess if indeed the UK decided to adopt it.

The majority of the Federation's members were against the introduction of an STP right in the UK, the main problems being seen as cost and levels of uncertainty. On the question of cost, the starting costs were likely to be high because there would be insufficient renewal fee income and no subsidy from other forms of IP. On the question of uncertainty, it was felt that a large number of unexamined rights would

create expensive infringement clearance problems which would adversely affect just the sort of customers STP rights were supposed to benefit, namely the small and medium sized enterprises. A further problem was one that had already appeared under the Australian STP system, namely the filing by large companies of long specifications with broad, speculative claims.

If the UK decides to adopt STP, then the Federation believes that at least the following features should be present:

all subject matter should be protectable; there should be an absolute novelty requirement and some level of inventive step, but lower than that of a full patent; there should be a novelty search and some form of preliminary examination before grant; the claims should be interpreted literally, with no purposive construction; final injunctions should be limited to cases where the right is being worked by the STP right owner and copying has occurred.

UK Legislation

• The Trade Marks Bill

As a result of persuasion and lobbying by both the Federation and many of its members, the Government was finally convinced of the need for a Trade Marks Bill, and it was duly introduced as the last item in the Government's legislative programme in the Queen's' Speech in November 1993. The Bill has been through the several stages of the House of Lords, where a number of amendments were either introduced by the Government or accepted as a result of proposals put forward in Committee. (The Bill passed through its first and second readings then went into the Committee Stage on 10 May.)

TMPDF pressed particularly for deletion of the provisions on comparative advertising and, when that failed, tried to get the Government to accept that notification should first be given to the party whose mark was to be used in a comparative advertisement before the advertisement was published. Unfortunately that also failed.

One of the main things to surface, rather late in the day, was the attempt by the so-called group of brand leaders to seek protection for their products from the activities of own-label brands. The general feeling was that the type of protection they were seeking was more akin to Unfair Competition and that it was unwise to attempt to introduce this concept into a Trade Marks Bill.

In general terms, there is an overwhelming sense of relief that the Government has introduced a Bill and is tidying up several parts of the law after a period of 55 years. There may still be some quibbles, but most of the interested parties are happy to see the introduction of a new UK Trade Mark law and are looking further forward to the ability to enter into systems for the international registration of trade marks under the Protocol to the Madrid Agreement.

UK Legislative Changes

• Patents Act: Compulsory Licences

The European Court has ruled that Sections 48 to 51 are contrary to the Treaty of Rome in so far as they purport to require working in the UK, and there is working elsewhere in the Union. The defence that Section 53 had the automatic effect of assimilating British and Union working was not accepted.

Primary legislation is necessary to cure this defect. In the meantime, until it is cured the Spanish government has refused to amend its corresponding legislation. The Federation takes the view that the UK should not set a bad example; it wants the Spanish and other Southern European countries to be put in the position of similarly having to amend their legislation and has pressed the Government to put in hand the appropriate legislation here.

• Patents Act: Amendments required by TRIPS

This falls into four areas, Sections 48 to 51, the Crown use provisions, Section 1(2) in so far as it discriminates against inventions involving computer programs, and designs.

Article 27(1) GATT TRIPS requires no discrimination between imports and locally produced goods. Also, all the conditions of TRIPS Article 31 need to be incorporated into UK legislation.

This requires extensive amendments to Sections 48 to 51 and Sections 55 to 59. The Federation is not satisfied by reliance on the whitewashing provisions of Section 53(5), nor by the use of Orders in Council under Section 54 to declare the Sections inapplicable to certain countries if there is reciprocity.

There are three main reasons. The first is the need to set a good example to developing countries, so that they do not rely on what appears to be the British response to TRIPS. The second is to avoid the kind of difficulty with Spain which is referred to in the item on compulsory licences. The third is to avoid legal uncertainty arising from the difficulties of deciding exactly how TRIPS bears on UK legislation.

Furthermore it should be noted that the whitewashing provisions have no effect on the Crown use provisions, Section 55 to 59.

Article 27(1) TRIPS also requires patents to be available for any inventions, whether products or processes, in all fields of technology. A computer program loaded onto a carrier which enables performance of a technical invention is not patentable if there is no combination with the carrier (e.g. a semi-conductor chip or computer) which produces a technical effect. Instead, the claims have to include elements of the environment in which it is to have its technical effect. This is quite contrary to the accepted situation with chemical inventions, where it is sufficient for a chemical

molecule to enable the desired technical effect, and where combinations with a carrier are not required directly to display it.

Regarding designs, aesthetic content, appeal to the eye, must match and compulsory licences for non-working in the UK (Registered Designs Act) are apparently contrary to Article 25(1) TRIPS. Must match, must fit, the repair right as laid down by the House of Lords in the Armstrong case, and also licences of right are apparently contrary to Article 26(2) TRIPS.

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EUROPEAN UNION DEVELOPMENTS

Commission Initiatives

• Anti-counterfeiting Regulations

The Commission issued proposals to amend the existing regulations to put right some of the anomalies practitioners had discovered. The proposed draft extends to Copyright and Designs. The European Parliament proposed that it should also extend to patents, but this will be reviewed by the Commission at a later date when it looks at the workings of the amended regulation in the future.

One problem remains on the legal basis for the introduction of the regulation. Discussions about the regulation have dissolved into a power struggle between Ministers and the European Commission, over who should have the final say in measures to protect member states from imports of counterfeit goods. The Commission's intention was to implement the proposal under Article 113 of the EC Treaty, which does not require consultation with the European Parliament and means that new measures could be approved by a qualified majority in the Council. The Internal Market Ministers, led by Britain, insist that they and the European Parliament remain fully involved and want the regulation to be implemented by Article 100(a), which requires two readings by the Parliament and unanimity in the Council.

• Biotechnology Draft Directive

On 16 December 1993, the Council of Ministers reached political agreement on what the biotechnology industry fervently hoped would be the final compromise version of the draft Biotechnology Directive for resubmission to the European Parliament (EP). Since the disastrous 1991 EP amendment of the first version, the industry had lobbied hard to neutralise the most damaging amendments. Although containing several provisions not entirely to the liking of some sections of the industry, the 'common position' draft was generally thought to be acceptable to the industry as a whole, and efforts began to brief MEPs to support the draft in the coming debate. However, the industry was shaken in March 1994 by the news that the German socialist rapporteur, Mr Willi Rothley, intended to table a number of substantial amendments to the common position draft, several of which, if passed, would be highly damaging to the development of the European biotech industry, and effectively negate the hard won compromise represented by the common position draft. Amongst those amendments were proposals which would prevent the patenting of human DNA when isolated for therapeutic use; prevent the patenting of methods of gene therapy; and extend so-called 'farmers privilege' to save and reuse seed to transgenic farm animals. It is understood that the Commission considers Mr Rothley's proposed amendments thoroughly unreasonable, and may withdraw the draft Directive if EP votes for those amendments during the first week of May 1994. Meanwhile the industry continues to urge MEPs to support the common position draft, and to reject the Rothley amendments.

• Community Patent Convention

The Community bodies are still unable to bring the Community Patent Agreement into force. The Belgian Presidency was unable to make any progress to break the impasse over languages, geographical extent and translations. Progress under the Greek Presidency is unlikely, but then come the presidencies of Germany and France, under which it can be expected that the matter will reappear on the agenda.

It is understood that Spain and Portugal refuse to ratify unless the other 10 states also ratify.

The Standing Advisory Committee to the European Patent Office (SACEPO) recently discussed the EPO's ideas of taking the best elements from the stalled Community Patent Agreement and incorporating them into a Protocol to the EPC. These ideas at best had a lukewarm reception since it was recognised that such a Protocol would be the death knell of the CPC. There would then be no likelihood of the Community Patent Agreement coming into force, since the need for it would have gone.

The main defects of the Community Patent Agreement and the CPC are well known. As a result of the EEA Agreements, there will shortly be 13 official languages. If East European countries join the EEA or EU there will be possibly up to six or seven more languages. The number of compulsory translations will escalate accordingly. While the pharmaceutical industry may be able to afford this, other industries cannot. However, the pharmaceutical industry will not use the Community patent system for other reasons – primarily because of the system of jurisdiction which will render Community patents partially unenforceable where the infringer is domiciled in a country with slow and inefficient courts.

- **Community Trade Mark Regulation**

After many years the Community Trade Mark Regulation (CTMR) has finally been accepted. The two main obstacles of location of office and languages were finally settled by the Heads of Government in January of this year. The office was, in the allotment of community institutions, given to Spain. The Commission anticipated that the office would be situated in either Madrid or Barcelona, but instead it has gone to Alicante. The office will also be responsible for the Community 'design'. It is expected that the office will open for business in January 1996 although it is believed there are problems with budgets.

The other issue, of languages, is one over which TMPDF has lobbied long and hard. Most industrialists would have been happy with one language, and at a pinch three, following the practice of the European Patent Office, of English, French and German. Instead there are to be five official languages: English, French, German, Spanish and Italian. Every applicant must file in two languages, one of which must be one of the five official languages and the other can be his own, e.g. Greek. Oppositions must be filed in one of the languages of the application and also, where necessary, one of the official languages.

Not all the rules are yet clear on how the office will operate. The biggest unknown relates to cost, e.g. how much will an application cost.

- **Comparative Advertising**

One of the objections amongst the many made by TMPDF to the provisions on comparative advertising in the Trade Marks Bill was that the proposals were premature. Many readers will know that a draft regulation on Comparative Advertising was circulated in 1991/92, but later withdrawn. It is however understood that the Commission is proposing to bring forward another draft possibly sometime later this year with the likely result that the provisions in the Trade Marks Bill will be out-of-date before they can be used. Despite this the Government seems happy to stick to its guns and then if necessary change the law by means of a Statutory Instrument.

- **Databases - Legal Protection**

The proposal for a Council Directive was discussed by the European Parliament which issued its opinion in June 1993. An amended proposal was subsequently issued in October 1993 incorporating many of the amendments proposed by the European Parliament. The main concern of the Federation continues to be the impact of the Directive in lowering the standard of copyright protection from the level current in the UK for databases. Some improvements in the right of unauthorised extraction have however been made, most notably in lengthening the term of protection to 15 years.

- **Geographical Indications and Designations of Origin**

This Directive is now in force. It was expected that Food For Britain would be responsible for enforcing this Directive, but this responsibility has now been taken over by the Ministry of Agriculture and Food (MAFF). The main issue for trade mark proprietors is how to search against designations or proposed designations. It is not yet clear that any designation will in fact be advertised in the Trade Marks Journal.

MAFF has issued a list of product names for which application has been made to the Commission under the fast track procedure.

- **Industrial Designs: Regulation and Directive**

The Commission published the proposals for a Regulation to set up a Community Design Registration system and a corresponding Directive to the Member States for harmonising national laws on Designs. The main concern still revolves around the issue of the repair clause under which spare parts for the motor industry receive reduced protection. In addition substantial changes to national design law will be required under these proposals including changes to raise the level of distinctiveness required to support a valid registered design and an increased scope of protection granted by registration.

- **Licensing: Block Exemption Regulation**

With the patent licensing block exemption regulation (No.2349/84) due to expire on 31 December 1994, consideration is being given to a replacement. The Federation was represented at a meeting organised by the Licensing Executives Society and addressed by Dr Guttuoso of DG IV and the matter was subsequently debated by the Licensing and Competition Laws Committee. There was a clear consensus that block exemptions relating to trademark and software licensing were unnecessary and inappropriate, but it was felt that a combined patent and know-how regulation could be desirable. The committee generally endorsed an excellent submission by LES International. These views were communicated in detail to the DTI and a briefer letter making basic points sent to the Commission. At the time of writing a new draft regulation from the Commission is still awaited.

- **Private Copying: Proposed Directive**

In 1991 the European Commission stated that it planned to make a proposal for a Directive on private copying, but decided late in 1992 that further consultation was required. During the last part of 1993, the Commission issued a Consultation Paper with a lengthy questionnaire for response by interested parties. The Federation took the position that it would oppose the introduction of a levy applicable to business use of tapes or recording equipment.

European Court of Justice Cases

• Bristol Myers and others v Paranova

Three cases, all from Denmark, centring on the activities of a parallel importer of pharmaceuticals have been referred to the Court of First Instance at the European Court. Essentially, the Court is being asked to clarify the meaning of Article 11 of the Harmonisation Directive in exhaustion of rights when a product is first put on the market and whether the rights are so exhausted that an importer can repackage at will and re-apply the mark.

The pharmaceutical industry awaits the outcome with interest.

• VSW v Estée Lauder

VSW, a German business association, brought proceedings to stop the use of the name 'Clinique' on cosmetics marketed by the defendants in Germany. The plaintiffs contended that 'Clinique' was likely to mislead customers into believing that the product had a therapeutic effect. On appeal the ECJ held that the name had not given rise to confusion, as consumers in Germany would not be misled as the goods were always sold through cosmetic outlets. Moreover, the prohibition of the use of the name which was used everywhere else in the Community would, in principle, be an obstacle to interstate trade.

• Deutsche Renault AG v Audi AG

This case arose out of the dispute in January between Audi (proprietor of the mark QUATTRO for four-wheel drive vehicles) and Renault which had begun to sell its own four-wheel drive ESPACE in Germany under the mark QUADRA (registered in France). Renault claimed that to uphold Audi's rights in their mark QUATTRO would constitute a restriction on trade between member states. The ECJ held that member states were not prevented from relying on their own trade mark criteria, provided that the measures adopted did not lead to arbitrary discrimination or a disguised restriction on the free movement of goods.

In the absence of Community Trade Mark legislation, the case had to be considered by reference to Articles 30 and 36 of the Rome Treaty and the application of German Trade Mark Law did not constitute unlawful discrimination on inter community trade.

• Eurim-Pharm Case

The decision of the Court of First Instance in their parallel imports case, recognised the agreement between Germany and Austria for the free movement of goods between the two countries. The consequence of this decision was that the EEA was initially already in existence as far as trade marks were concerned.

The EEA Agreements

• World's Largest Single Market

The EEA Agreements came into force on 1 January 1994 for Austria, Finland, Iceland, Norway and Sweden. As a result of the Swiss Referendum in December 1992, it will not at present extend to Switzerland. Together with the European Union it creates the largest single market in the world of 370 million consumers, responsible for over 40% of world trade. By taking on 1500 of the EC single market measures, the EFTA States will have to open up their markets, e.g. in respect of public purchasing contracts, alignment of technical standards etc., and will also be subject to EC rules on competition (for effects of this see the TMPDF Review of 1992/93).

Since the EEA Agreement was signed (on 2 May 1992 at Oporto), Austria, Finland, Norway and Sweden have entered into negotiations for full membership of the European Union, with a target date for entry of 1 January 1995.

European Patent Office

• 'Charting a Course'

This document from the EPO was an attempt to outline the future of the European patent system, and was reviewed by the Federation's Patents Committee in some detail.

The Federation felt that the document did not deal in a focused, practical way with how to improve the main job of the EPO, which is to grant patent rights to applicants in as rapid and cost effective manner as possible. It was seen more as a visionary statement of strategic intent, rather than a concrete proposal for improvement. The concerns of applicants were more related to matters of cost and delay in granting rights than, for example, to the proposal of the EPO to set up liaison offices in national patent offices to strengthen the awareness of patents, which was seen as but one illustration of the EPO's ambitions extending beyond its means.

The Federation advocated a 'back to basics' approach for the EPO, concentrating on its core business, exercising strict financial control and making improvements that would benefit all applicants, particularly the small and medium size enterprises. Grandiose schemes of expansion should be left until after the basic problems had been put right.

All these points were put into a letter to the EPO's Director of International Legal Affairs, Mr Kolle.

• Opposition and Board of Appeal Practice

The meetings of Members of SACEPO and the Boards of Appeal in October 1991 and November 1992 discussed opposition and appeal procedure, especially the vexed

questions of late submissions of evidence and amended claims. In March 1993 and March 1994 SACEPO considered whether there should be Rule and Guideline amendments. After a preliminary round of discussions at the March 1993 SACEPO meeting and further discussion at the March 1994 meeting the following emerged:

1. Belated submissions filed without good reason at an advanced stage of the proceeding would be disregarded at least if further evidence were needed to ascertain that they would lead to a different decision. EPO was keen to introduce a new Rule 66a to exclude the late submission of facts and evidence on appeal that had not been considered by the department below.
2. Amendment practice should be relaxed before the examining and opposition divisions and the Boards of Appeal. The applicant or patentee should always have the right to cancel a claim. This would allow a claim by claim approach and reduce the necessity for multiple sets of auxiliary requests in the form of complete sets of claims. Some of the interested circles would prefer this to go further to allow the deletion of alternatives within a claim and to allow the addition of limitations for which there is a textual basis in the description as such amendments do not cause surprise, either to the EPO or to opponents. However, amended claims may not relate to non-uniform unsearched matter.
3. EPO would consider again complaints that the opposition divisions did not always decide all the issues before them. This causes too much to-ing and fro-ing between opposition divisions and the Boards.
4. Translations of claims should be abandoned and there should be a unitary period for filing national translations of three months after grant, the six month grace period for payment of renewal fees should run from notification of non-payment, renewal fees should be paid on the first of the next month, and there should be simplification of transfers and amendments to Rule 35(12) in connection with the use of measurement recognised in international practice (usually SI Units).

At the November 1993 meeting of members of SACEPO and the Boards of Appeal, amicus curiae briefs to the Enlarged Boards were approved and there were discussions on restitution, specifications allegedly containing matter contrary to 'ordre public' and morality, and disclaimers.

• Professional Qualifying Examination

In 1992 the pass rate for the European Professional Qualifying Examination was only 35%. The EPO considered that this was too low and also that the examination was becoming too expensive, and proposed a series of measures to improve the examination itself and the quality of the candidates. Many of these proposals met with general approval, but two were controversial: to reduce the number of times the examination might be taken and to institute a preliminary examination in the form of a multiple choice test. The interested circles were unanimously against these two proposals at the March 1993 SACEPO Meeting. The matter was referred to a working party of EPO and EPI members, which recommended a modular examination system having the objective of avoiding the retaking of papers already passed and encouraging candidates to sit only those papers which they felt confident of passing. These recommendations have been approved by both EPO and EPI.

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INTERNATIONAL MATTERS

The Berne Convention

• Protocol Considered

The two Committees of Experts (one to consider a protocol to the Berne Convention and the other to consider a new instrument to protect the rights of performers and producers of phonograms) will reassemble for the next session of their deliberations in June 1994. The European Commission will represent the Community in WIPO.

The Biodiversity Treaty

• Interpretation still a worry

The Council of Ministers Decision of 25 October 1993 concerning the conclusion of the Convention on Biological Diversity was published in the Official Journal of the EC on 13 December 1993 (No.L309 p.1–20). This constitutes the EC's official approval of the Convention, signed in June 1992. Amongst the Annexes to the Decision is one which states that 'compliance with intellectual property rights constitutes an essential element for the implementation of policies for technology transfer and co-investment'. This represents a partial reassurance to the European biotech industry, which was concerned by rather vague wording of the Convention which might be interpretable as legitimising compulsory licensing, and/or denial of IP rights, by countries whose genetic resources played a role in the development of relevant technology. However, it remains to be seen how the provisions of the Convention will be interpreted in practice.

GATT: TRIPS

• Implementation to start in 1995

The TRIPS Agreement was accepted at Geneva, along with other elements of the GATT Uruguay Round on 15 December 1993. It was signed along with the other Agreements arising from the Uruguay Round on 15 April 1994 at Marrakesh.

The only change of substance to the Dunkel text was to Article 31(c) which now excludes semi-conductor technology from compulsory licensing, except in the case of public non-commercial use or to remedy an anti-competitive practice. This will require primary UK legislation for ratification and so there will have to be an Intellectual Property Act.

Otherwise, it is understood that only minor changes were made. The principal one is that time periods are to be calculated from the coming into force of the WTO (World Trade Organisation) Agreement.

It is expected that the Agreements, including TRIPS, will come into force in early 1995. Developed countries will then have a year to implement the Agreement. Developing countries and countries in the process of transformation from centrally-planned to market free-enterprise economies will have five years, and least developed countries will have 11 years. However, developing countries that do not at present allow full product protection have 10 years to implement it.

Madrid Protocol

• Ratifications Awaited

The year under review saw no new ratifications of the Protocol, so the total still stands at only one (Spain). But the omens are more favourable than a year ago. The new UK Bill contains a provision for ratification, and the Government has indicated that it intends to ratify the Protocol at an early date, although the opportunity may be taken to ratify in co-ordination with some of its European partners. Meanwhile, legislation is pending before the US Congress which will, if passed, enable the USA to apply to join. The Implementing Regulations for both the Protocol and the Madrid Agreement will be discussed at a WIPO meeting in May 1994, after which everything should be in order for the Protocol to become a reality, probably in 1995.

Nice Classification

• Restructuring Proposed

The US has put forward proposals for restructuring the Nice Classification through the creation of new classes for some of the subjects in classes 9, 16 and 42.

TMPDF does not favour any change to classes 9 and 16, but would be prepared to see class 42 subdivided.

Discussions are at an early stage but as all members of WIPO have to agree to any changes it can be expected that any change will not be rapid.

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