REVIEW of trends and events

April 1989 – March 1990

TMPDF

Trade Marks Patents and Designs Federation

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REVIEW BY THE COUNCIL OF TRENDS AND EVENTS 1st APRIL 1989 TO 31st MARCH 1990

INTRODUCTION

By the time this Review is published the Federation will have passed the 70th Anniversary of its incorporation. The Council considered whether to celebrate this landmark but decided that it was more important to concentrate on increasing the work and influence of the Federation than stop to reflect on its past achievements.

The Review has always been regarded as the best way of recording and telling members and others about the part which the Federation has played in the developments of the past year. To recognise its importance, it is this year being produced as a companion to, rather than part of, the Annual Report and Accounts.

Pressure on bodies like the Federation to speak for industry and commerce in the political forums in which intellectual property rights are mostly decided continues to increase, and the Council and Committees have during the year been called upon to consider and comment on a greater number of issues than ever before. Representatives of the Federation have attended almost every major international gathering to which non-government bodies were admitted, in addition to taking a very active part in the deliberations of advisory committees and working groups both in the UK and elsewhere. The results of all this work – some of which, admittedly, were not what the Federation would have liked – are described below.

DOMESTIC ISSUES

Copyright, Designs and Patents Act, 1988

• Coming into Force

The majority of the provisions of this Act came into force on August 1st 1989 and involved some 28 Statutory Instruments, 14 of which relate to Copyright matters, three to the new Design Right and the remainder to other areas covered by the Act. However, Parts V and VI of the Act relating respectively to Patent & Trade Mark Agents and Patents County Courts, and part of Schedule 5 of the Act relating to miscellaneous patent amendments did not come into force at that time because the relevant rules had not been finalised. Whilst it is hoped that the new Rules relating to the Patents County Court will publish as a Statutory Instrument by mid-1990, the timing of any introduction of Rules relating to Schedule 5 remains uncertain.

• Registered Patent and Trade Mark Agents

Draft Rules under Part VI of the Act concerning the Registers of Patent Agents and Trade Mark Agents were issued by IPCD in May 1989 and comments were sought from CIPA and ITMA. The Federation also expressed a viewpoint in a written submission in July 1989, following a consideration of the Draft Rules by Council. The Federation viewpoint was based on the membership's role as employers of practitioners and users of the system and reflected the interest of the Federation in securing a good supply of well trained practitioners. The Federation wanted sound examination and registers but did not wish to take sides in any dispute between the professional bodies. In this connection it welcomed the move towards modular examinations and sought flexibility in assessing the experience of those seeking entry on the registers under the 'grandfather' arrangements. There is a reasonable prospect that an agreed set of Rules under Part VI of the Act will issue in mid–late 1990.

• Patents County Courts

During the year contact was maintained with officials in the Lord Chancellor's Office who were working on setting up the first Patents County Court under Section 287(1) of the Act. The Federation was given the opportunity to comment on early drafts of Order 48A which will contain the special county court rules applicable to patent cases and specify which of the existing county court rules are applicable to patent cases.

Discussion of Order 48A has centred on how best to implement the recommendations of the Oulton Committee. There has been no significant departure from those recommendations save that there will be no upper limit to damages which may be awarded by the new court.

TMPDF has continued to press for rules which ensure that the real issues in a patent action are identified at an early stage and that the judge is empowered to refuse expensive and time consuming procedures, such as Discovery, Experiments and Interrogatories, unless the party requesting them could show that they were needed.

In March, it was announced that the first Patents County Court would be the Edmonton County Court at the new Wood Green court complex in North London and that Mr Peter Ford, a former barrister at the Patent Bar and for several years a member of the Legal Board of Appeals at the European Patent Office, would be the first Patents County Court Judge.

The new court is expected to open for business in the summer of 1990.

TMPDF has been invited to be represented on the Users' Committee and looks forward with great interest to the implementation of the important new facility for handling patent litigation. It should have the effect of bringing patent litigation within the financial reach of many SMEs. Perhaps more important for the long term, the availability of affordable patent litigation may well have the effect of making patents in the UK a much more attractive proposition for small and large companies alike.

• Patent Provisions

Among the patent provisions, Section 295 as far as paragraphs 24 and 29 of Schedule 5 are concerned, came into force on Royal Assent and Sections 293 and 294 (abolition of licences of right for new existing patents relating to medicinal products) came into force on 15th January 1989; under the provisions of Section 293, licences of right for new existing patents relating to pesticide (including herbicide) products were abolished by the Secretary of State on 14th August 1989. The provisions of paragraphs 12 to 16 of Schedule 5 (Section 295) came into force on 1st August 1989. The remaining patent provisions are still not in force.

• The Patent Rules

The provisions of the Act not yet in force include those of paragraphs 1 to 11, 17 to 23, 25 to 28 and 30 of Schedule 5. It seems that the Government has not brought into effect these provisions because they require changes in the Patents Rules 1982.

The Government decided that, while drafting these new Rules, an opportunity should be taken to deal with certain anomalies etc which have come to light in the Rules already in force. The Federation has been advising the Patent Office on the new Rules, but it seems that it will be some time before they are brought into force.

One of the Rule changes which has been under discussion is the amendment of Rule 97 which provides that any document sent to the Patent Office by post should be given the date on which it would have arrived in the ordinary course of post. This in practice means that the Patent Office gives the document as its date of filing, the date of posting plus one day. The Federation suggested some time ago that a better system would be to give the document the date of posting as its date of filing providing that adequate proof of posting is provided. The Patent Office accepted this change in principle but wanted to replace the old system by the new one and not make it additional as the Federation and other interested parties wanted. The Federation has continued to assist the Patent Office in the drafting of this new Rule and the Patent Office's final decision on it is awaited. Latest news is however that the Patent Office now sees legal difficulties with making this amendment to Rule 97.

Trade Mark Law

• An Act too far?

Under the terms of the EC Directive on Harmonisation of Trade Mark Laws (see below), the Government is bound to make substantial changes in UK Trade Mark Law by the end of 1991 or, possibly, by the end of 1992. The Federation argued strongly that reform of the 1938 Act should not stop at merely an introduction of the changes suggested in the Directive, but should include other reforms which seemed to many to have become desirable since the Trade Marks Act was passed over 50 years ago. This would require primary legislation, and because of the difficulty of finding space in the legislative programme for this, it had been suggested that the provisions of the Directive could be brought in by secondary legislation, i.e. a Statutory Instrument, or Order in Council. The Federation lobbied strongly against such a step, which it considered would make interpretation of the law on trade marks highly confusing to both trade mark owners and their advisers. At the end of March, the President led a small delegation to see the Minister for Industry and Enterprise, Mr Douglas Hogg QC MP, and although no firm assurances were given, the Department of Trade and Industry does seem to be seized of industry's strong views on the need for a new Act.

The IPCD circulated through the SACIP a paper outlining possible changes in the law if time for primary legislation could be found, and the Federation found much to commend in this imaginative paper which could form the basis of a White Paper in due course.

One of the measures proposed in the Directive is the introduction of Collective Marks and, in response to a request from IPCD, the Federation confirmed its view that Certification Marks should be retained and that Collective Marks – which are not the same thing – should be introduced as a new concept into UK Law.

Trade Marks Registry

• Efficiency drive

Following its move to South Wales, the Trade Marks Registry introduced a number of measures designed to improve efficiency and speed up the examination of pending applications, all with a view to reducing the considerable backlog of marks awaiting examination. The Federation commented on proposals by the Registry for reducing the backlog, and

contributed several suggestions of its own. One was that Hearings could be conducted by members using their own video conferencing facilities (where these were compatible with those employed by the Patent Office) thus avoiding the need for a trip to London to use the Registry's facilities.

Intellectual Property Rights in Collaborative R&D ventures

• The Cooper Report – 1990 Conference

The Licensing and Competition Laws Committee considered at some length the draft of a report passed to the Federation by IPCD on 'Intellectual Property Rights in Collaborative R&D Ventures with Higher Education Institutions'. This report recommended inter alia that in such collaborative ventures between HEIs and industry, it would be preferable for ownership of emergent rights to be vested in the HEI and that there should be a right of exploitation available to the HEIs in respect of such rights. The Federation indicated that it was by no means confident that all HEIs were likely to be able to administer and enforce emergent Intellectual Property Rights as effectively as the industrial partners. Furthermore, the Federation felt that there was a latent dichotomy of interest between the HEIs and industrial partners in respect to whether, and if so how, any emergent rights should be exploited. It was noted that industry was primarily interested in using such rights to improve its competitive position and that independent exploitation by HEIs, particularly through third parties, could create difficulties in this context. While supporting the need to clarify the issues involved, the Federation emphasised that contracts of the type discussed in the report were essentially dependent on particular circumstances and that accordingly the parties should be free to negotiate appropriate terms.

In the final report (subsequently referred to as the 'Cooper Report') it was noted that the latter point had been fully accepted.

This is to be the subject of a conference jointly organised by TMPDF, CBI and European Study Conferences which will be held in London on 9th July 1990.

PIN Libraries

• Form of Specifications held

In relation to a suggestion that UK 'A' patent specifications should be provided to the libraries of the Patents Information Network (PIN) in microfiche rather than paper copies, the Federation wrote to the British Library pointing out the harmful effects this would have. It was noted particularly that the weekly scan of new 'A' specifications carried out by many companies as an important part of their intellectual property strategy would be rendered extremely difficult with potential problems arising, for example, from inadequate microfiche reading equipment, the discomfort of scanning microfiche for any length of time, the inability to view text and drawings simultaneously, photocopying complications and mis-filing. The British Library replied saying that the decision to accept or reject microfiche if they became available rested entirely with the management of the individual PIN Libraries and it was not the intention of the British Library to impose the supply of UK 'A' specifications in microfiche format on them. Interested Federation members are recommended to ensure that the management of their local PIN library is kept aware of their wishes in this respect.

The British Library

• Access after the move

The Patent Specifications at present held at the British Library (SRIS) sites in the Holborn area are being moved over the next few years to the new British Library building at St Pancras. The open access at present to these Specifications is not as complete as the Federation would like. The Federation has been keeping a careful watch for announcements by the British Library on the degree of open access to the Specifications in the new building, and will give its views on this subject to the British Library in due course.

EEC

Community Patent Convention

• Luxembourg Diplomatic Conference

A further Diplomatic Conference at Luxembourg in December 1989 completed the texts of the Community Patent Agreement and Convention. The issues of sharing out the contributions and receipts and the mechanism and rules for filing translations of the specification of the patent in all the languages of the EC have been settled but entry into force has not been. The latter has been relegated to a Protocol to permit a start with less than all the countries (to which the southern countries object) and a Declaration that it must come into force by the end of 1992 for the Single European Market.

The outcome on translations and renewal fees is that the overall cost to industry on the basis of its present extent of filing will be increased by 46% at grant and by about 30% between the 10th and 20th years of the life of the patent. The conditions for filing translations are complex and if one such translation misses its deadline the Community patent will have to be converted to a European patent. In the opinion of the Commission and the main governments at the Diplomatic Conference, this will lead to free circulation without consent from the country in respect of which there was a missing translation. If there is a failure to convert to a European patent, the patent will be void ab initio, thereby potentially removing the whole contents attack against later applicants.

In view of these and other disadvantages – e.g. central revocation for the whole life of the patent and difficulties with enforcement if the infringer is domiciled in a southern country, thereby forcing the proprietor to sue country by country in northern countries and removing one of the advantages of the CPC in this respect – it seems that the Community patent package is one for enthusiasts alone.

To alleviate these problems and to ensure coming into force in the whole Community by the commencement of the Single European Market, the Federation suggests amendment to the Treaty of Rome to restrict free circulation to cases involving express consent and a return to the idea of the 'Flexible Community Patent'. Furthermore, since little use will be made of the Convention, to obtain the benefits of harmonisation and experience with the CPC litigation system, COPAC should be opened up to the proprietors of European patents.

• Prior Use

The question of a common European law for the right of prior use arises from a resolution in the Community Patent Convention and has arisen in UNICE following a Dutch Industry initiative. The Federation has defined its position and has advised IPCD and UNICE accordingly, accepting that such a right will have to extend over the whole EC and to all members of a group of companies, but wishing to establish a realistic level of activity necessary to establish such a right and a sensible technical scope for it that does not have the effect that the filing of patent applications becomes unnecessary.

Patent Term Restoration

• EC Commission Regulation

The problem of shortened patent life arising out of regulatory delay in obtaining permission to market products (such as pharmaceuticals, agrochemicals) in some industries has been recognised by the European Commission, which has decided to adopt a proposal from DGIII for a Regulation which creates a new intellectual property right called a Certificate of Supplementary Protection.

The Certificate, which is presently applicable only to medicinally active substance(s), will provide protection similar to a patent for a maximum of 10 years after the patent expires, as long as the total protection of the patent and the Certificate is not longer than 16 years from the date of first approval for marketing in an EEC country. The Certificate will cover the product for use in all medicinal applications approved during the normal patent term. According to the proposal, the Certificate will be granted separately by the national patent offices, where the normal patent has existed, on application by the patentee.

It is intended that the Regulation will come into effect on 1st January 1992.

Similar legislation has already been enacted in Japan and USA.

The Federation fully accepts the need for provisions of this nature in industries where patent lives are considerably shortened through delay brought about in obtaining Government approvals, but would always wish to see such provisions capable of extension to any industry where the length of patent protection is affected by such delay.

European Commission

• Contact Strengthened

Contact was maintained and strengthened with the European Commission, particularly DGIV, during the year. The Federation was involved in considering whether there was any interest in a block exemption in regard to trade mark licence agreements. The Commission and the Federation both came to the conclusion that at this stage there were no interests which were likely to benefit from such a block exemption and the matter is understood to have been shelved by the Commission. Other discussions have continued in regard to the competition effects of the proposed Directive on the legal protection of computer programs. It is hoped to continue these once outstanding issues on the proposed Directive have been resolved.

Discussions also took place with the European Commission (DGXXIII) in respect to the problems of small and medium sized enterprises in benefiting from the proposed Community Patent Convention.

Community Trade Mark

• Directive and Regulation

The Directive concerning the harmonisation of national Trade Marks law had been approved last year and the governments of the Member States have embarked in their various ways on implementing its provisions. For comments on the British position, see the previous remarks on UK Trade Mark law.

There has been some movement on the Regulation, in particular on the issue of the official language to be used in the Office. The Federation, along with UNICE, has consistently called for only one official language, but nevertheless the Federation expressed a cautious welcome for the Commission's compromise proposal, published in January 1990, that an applicant should be able to use his own and one other language. This seemed likely to lead to the use of English, French and German as the principal languages of the Office without affecting countries whose languages were not adopted.

There has been no decision on where the Office should be situated. Ultimately the decision on this will have to be taken politically, and it is thought the Commission will want to settle this as soon as possible. The idea has been floated in Brussels that since there are currently quite a few Community institutions looking for a permanent seat, an ideal solution might be for these to be shared out equitably, one to each of the claimant countries.

The problem of securing common precedent in opposition and infringement proceedings under the CTM still has to be resolved, and the Federation has supported UNICE in continuing to push for a European Court to resolve appeals.

European Court of Justice

• SA CNL SUCAL NV versus HAG GFAG. 'HAG II'

The above case was referred to the ECJ by the West German Federal Court of Justice. It concerns the import into the Federal Republic of Germany of 'Hag' coffee from Belgium. The facts were almost a complete reversal of the circumstances which gave rise to the HAG 1 case which was decided by the ECJ in 1973. In that case it was held that a trade mark was not infringed by the use of the identical mark if it could be proved that there had been a common origin between plaintiff and defendant, however long ago this might have been, and despite the fact that numerous subsequent ownership changes in the meantime might have made the two parties totally unconnected.

In response to the Government's call for comments, the Federation argued that HAG 1 had been wrongly decided and urged that the ECJ should look again at the common origin rule and, hopefully, reverse it.

• Pall Corporation versus P J Dalhausen

This case was referred to the ECJ from Regional Court (Landgericht) of Munich, and concerns the use in Germany by an Italian company of the circled R device in respect of a trade mark which was registered in Italy but not in West Germany. Under German case law this is prohibited, and the ECJ was asked to adjudicate as to whether this constituted a restriction of the free flow of goods. The IPCD called for comments, and the Federation submitted that since there was doubt generally among trade mark owners as to the true meaning of the circled R, this would prove a good opportunity for the ECJ to rule on the matter. The Federation also pointed out that the outcome of the case could have a bearing on patented articles and registered designs which also were often indicated as such by their manufacturers.

• Compulsory Licences: proceedings against the UK and Italy

The patent laws of most EEC countries, including the UK, provide that a compulsory licence may be granted with respect to a patent where the invention claimed is not being worked domestically. The European Commission informed the UK Government in March 1989 that this provision in UK law was incompatible with Article 30 of The Treaty of Rome as it constitutes a restriction on exports from the rest of the EEC. In response to a UK Government request for views on this, the Federation submitted that the UK Government should accept that UK law should be changed so that a compulsory licence would not be granted if the invention is being worked in another EEC country. However, UK law should only be actually changed if other countries with similar problems change their laws too, and an attempt should be made to achieve harmonisation throughout the EEC on compulsory licence laws through the Commission issuing a Directive on this subject. Proceedings have now been started by the Commission in the European Court of Justice against the UK Government on the local working requirements for compulsory licences on patents; this action followed the Commission starting similar proceedings against the Italian Government over the law in that country on compulsory licences for new patent varieties.

Computer Programs

• Proposed EC Council Directive

The proposed Council Directive was published in April 1989. It has the objective of harmonising computer program protection in the Community and forms part of the 1992 programme for the completion of the internal market.

The Directive as published proposed that computer programs should be protected under copyright as literary works but sought to exclude ideas, principles, logic, algorithms and programming languages.

Key questions have arisen about the protection of interfaces and whether reverse engineering should be permitted. Industry and the Commission are divided on these questions.

The aim of reaching a common position by the end of 1989 was missed and the European Parliament is still debating the proposed Directive. The Commission plans to bring forward amended wording to deal with the questions of interfaces and reverse engineering which will have to be debated anew in the European Parliament. It is expected that a common position will take at least until mid-1990 to be reached.

INTERNATIONAL

GATT

• Mid-term Review

The Ministerial Mid-term Review in April 1989 opened the door to the negotiation of a Gatt Agreement containing substantive standards for intellectual property rights, including their enforcement. The EC Commission and the USA have prepared draft agreements, both being favourable to industrial interests, although the US one does not extend national treatment and non-discrimination to other parties to the Agreement with respect to enforcement of intellectual property rights. The EC negotiators are confident that they are in a comfortable negotiating position and that the outcome will be an Agreement along the lines of their draft.

• Exhaustion of Rights: Exeter Study

A two year study of this subject by the Department of Law at Exeter University, sponsored by the DTI, was concluded in late 1988 and the Report on the study was given limited circulation in May 1989. The study examined the possible effects of the adoption of the principle of exhaustion of intellectual property rights on trade between the countries adhering to GATT. The adoption of such a principle was viewed by the Government as being one possible component of an agreement relating to intellectual property rights in the Uruguay round of GATT negotiations, and this possibility was viewed with great concern by the Federation. Several members of the Council had met the staff members of Exeter University carrying out the study in early 1988 and had discussed industry's concerns with them. The Federation was therefore pleased that the Report concluded that the overall effect of adopting the principle of exhaustion of rights on a wider scale than in the EEC was probably adverse to UK interests. The economic analysis supporting this conclusion appeared less convincing than the legal analysis. The Federation supported the Report's conclusions in the hope that they would be accepted by the Government for the purposes of the GATT negotiations.

WIPO

• Patent Law Harmonisation

The Paris Union has proposed a date in 1991 for a Diplomatic Conference and the final preparatory meeting takes place in June 1990. The Federation has followed the development of the treaty texts closely, has provided advice to the Government and UNICE and has attended at preparatory meetings and provided a representative for UNICE. The text of the treaty remains broad and some articles depend on the outcome of the Gatt Agreement. The principal issues of concern to the Federation are the proposed rules for novelty including whole contents, the grace period which leads to a first to publish system instead of the required first to file system (it still provides a priority from the publication and allows the first to publish to assure to himself all obvious variants and uses as well as what is published and will lead to interferences), and the extent of protection which remains uncertain and excessive with reference to equivalents.

• Treaty on Integrated Circuits: lay-out designs

At the conclusion of the Diplomatic Conference in Washington on 26th May 1989 the Treaty was adopted but with the United States and Japan forcing a vote in order to register their own rejection of the terms of the Treaty.

TMPDF recommended against ratification of the Treaty by either the UK Government or the European Communities on the grounds of the low standards of protection and the wide provisions on non-voluntary licences. The view was expressed by TMPDF and others that ratification of the Treaty with its arguable standards of protection and burdensome provisions on non-voluntary licences would be contrary to the interests of European industry. Moreover it was considered that a ratification would be prejudicial to the GATT negotiations on TRIPS where the issue of compulsory licensing is likely to be prominent and where it would not be consistent for industrialised countries to take a firm line and at the same time accept such wide provisions in a treaty on one of the leading new technologies.

Currently the Treaty has not come into force due to an insufficient number of ratifications and this position is likely to remain for the foreseeable future. On 2nd April 1989 the European Community tabled a draft legal text for a TRIPS Agreement in which support was given to the substantive provisions of the Washington Treaty subject to certain desired additions in relation to the period of protection and innocent infringer/remuneration rights. Regrettably this draft which has the support of all EC Member States fails to deal with the non-voluntary licences issue in a manner which is acceptable to industry.

- **Harmonisation of Trade Mark Law**

The first meeting of the Working Group on the Harmonisation of Trade Mark Laws was held under WIPO auspices in Geneva at the end of November 1989. Although there appears to be general agreement on some of the issues, many delegations remain wedded to their existing systems and will not easily alter the way in which they conduct their affairs. Like the harmonisation of patent law, this subject is likely to run for some years yet.

Paris Convention

- **Little Activity during the Year**

The United States, Canada, Australia and New Zealand submitted a joint draft to Group B for article 5A, the one prepared by the German Government based on the Nairobi text having been disapproved. This was also criticised by the Federation as based on the Nairobi text. The Federation wishes to go back to the Stockholm text or make a fresh start – as already proposed by it last year. No Group B text has yet found acceptance. Nevertheless, despite lack of any prospects for fruitful results, the Paris Union in September 1989 decided to convene a Diplomatic Conference in late 1991 for which there will be a preparatory conference in 1990.

Madrid Agreement

- **Protocol Concluded at Diplomatic Conference**

The major achievement on the trade mark front during the year was the conclusion of a Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. This took place at a Diplomatic Conference held in Madrid from June 12–28 1989.

The various problems which had been the subject of discussion during the previous 3 years were all resolved in a manner quite satisfactorily from the United Kingdom's point of view. These included: basing an International Registration on either a home application, or a home registration, extending to 18 months the time limit for notification of a refusal by the national office, revision of the fee system so that a national office may – optionally – charge an applicant its full national fee, the transformation of a 'centrally attacked' international registration into a series of national applications, and a link with the proposed European Community Trade Mark. The Madrid Agreement itself was preserved intact, with a suitable safeguard clause written into the Protocol.

The Protocol was held open for signature until the end of 1989, at which time 28 countries had signed it. It needs four countries to adhere to it before it enters into force and it seems most likely that there will be no immediate moves in this direction until firstly the European Community Trade Mark becomes a reality, when the Community Trade Mark Office can become a party to the Protocol, and the United Kingdom indicates its intention to join. It seems probable that most EC countries will adhere to the Protocol at about the same time. The Federation was represented at the Madrid Diplomatic Conference and contributed to the debate. The next step is to conclude the Regulations to the Protocol.

Microbiologically Derived Plants and Animals

- **Progress made on Interface Problems**

The EC Draft Directive on the legal protection of biotechnological inventions published in 1988 was still the subject of much debate. Then in June, a Memorandum of Questions concerning the Interface between Patent protection and Plant Breeders' Rights appeared under the joint auspices of WIPO and UPOV. Similar problems are addressed in both documents. A SACIP meeting had been held in January 1989 and another was convened in January 1990.

The Federation agreed that there should be adequate patent protection for any improvements made in the gene structure of plant varieties, but accepted albeit reluctantly, that it might be necessary to exclude the patenting of plant varieties as such. This recognised that, on the one hand, a novel variety is best protected by plant variety rights and, on the other, that the complete absence of any patent protection would tend to dry up the current level of research on this subject, which presently is considerable. The Federation also came out strongly against any system of compulsory licensing for plant breeders' rights.

A joint WIPO/UPOV Meeting was held in Geneva in January 1990, at which the Federation was represented. The outcome was encouraging, with the main remaining controversy being how to define 'variety'. Discussion on this still continues.

European Patent Office

• Workload a Continuing Problem

As last year, the dominant question is the workload of the Office since applications are now running at 60,000 per year and can be expected to increase to 100,000 by 1994. In response, the EPO is recruiting staff, building further facilities and streamlining operations. There is a project to bring examination and search together and applicants are asked to reply to official letters as soon as possible. There is also a long term project with the JPO and USPTO to review methods for coping with the workload in all three main offices. The SACEPO has met twice and has discussed patent law harmonisation, the community patent, inventive step, patent term restoration and biotechnology (where the EPO is uncomfortable with initiatives of the European Commission) in addition to those issues which directly concern EPO operations.

National Laws

• A Year of New Patent Legislation

New laws have been enacted or proposed in many countries, including Yugoslavia, the USSR, Ireland, Singapore, New Zealand, Australia, Canada, Kenya and Saudi Arabia. While the Federation has taken an interest in all of these, it has become actively involved in connection with the following:

• USSR

The new draft patent law has many provisions (for example, chemical compounds can be claimed *per se* – and not just processes for making them as under the present law – the term of the patent will be 20 years and there will be reversal of burden of proof in cases of infringement of process claims) which are acceptable to Federation members. The Federation informed the USSR Government of this but did point out that certain other provisions (such as those in the compulsory licensing field) were not acceptable.

• Ireland

The Federation learned in early 1989 that the Irish Government planned to introduce soon into the Irish Parliament a new Patents Bill and, following its enactment, to ratify the European Patent Convention. The new law would incorporate the substantive patent law provisions of the Convention. As the new Bill might take some time to pass through Parliament, the Government was encouraged to introduce a short Bill designed to extend at once the patent term from 16 to 20 years to bring the term into line with that of other EEC countries. A Federation member gave assistance in the drafting of this short Bill.

• New Zealand

Legislation (the Medicines Amendment Act 1989) was enacted in New Zealand, which gives the Government power to import medicines into New Zealand from whatever source and to distribute them directly to the public or through licensed wholesalers, irrespective of intellectual property rights. This meant, at least in theory, that pharmaceutical products which are patented in New Zealand could be blatantly infringed by the Government by such importation. Following strenuous objections by interested parties, including Federation members, the Government agreed to repeal this provision and the Importation of Medicines Bill 1989 has been introduced into Parliament.

• Canada

The new patent law in Canada is now in force. Canada has now acceded to the Patent Cooperation Treaty and it is now possible to designate Canada on an International Application. However, doubts have been raised about whether an International Application designating Canada can lead to a valid Canadian Patent. This is because the Canadian Government decided not to amend the detailed provisions of the Canadian Patent Act to conform to PCT requirements, but instead inserted an enabling provision to allow the Federal Cabinet to make rules which overruled the other provisions of the Act. The Rules made by the Cabinet included a Rule which applied PCT Rules directly to Canada, so PCT became in effect self-executing in Canada. The Federation expressed these concerns to the Government through a letter addressed to the Canadian High Commission in London. The Government's view is still however that a valid Canadian Patent can be obtained by the PCT route.

• Australia

The Patents Bill 1989 has been reviewed by the Federation and a letter was sent to the Commissioner of Patents in Australia welcoming the main provisions of the Bill but expressing concern about the patent term. This is to remain at 16 years except for patents for pharmaceuticals for which the term is now 20 years (following the coming into force of the Patents Amendment Act 1989). The Federation has always opposed discrimination in patent laws based on subject matter and in any case feels that the trend in patent laws worldwide is towards a term of 20 years.

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