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Developments in International Patent Law Harmonization

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Abstract: It is well known that efforts to achieve worldwide harmonization of patent systems are not yet complete. Early work on building a complete system, however, started as early as the late 19th century, when the Paris Convention on the Protection of Industrial Property was concluded. Since that time, many steps towards a comprehensive harmonization of patent legislation have been taken on the national, regional and worldwide levels. The present contribution outlines these efforts and attempts to demonstrate that current developments are preparing the path for further harmonization of patent law in the future, whereby modern information technologies may play a decisive role. For the World Intellectual Property Organization, the main challenges consist in finalizing the Patent Law Treaty on patent formalities at a Diplomatic Conference in May and June of this year, and, subsequently, to endeavor to further harmonize patent laws as well as to study possible developments of the Patent Cooperation Treaty. In order to fully achieve these goals, it will be necessary that all circles involved concentrate their attention on further cost reductions and simplification of patent procedures in the interests of the users of the patent system worldwide.

Keywords: Conventions · Draft Patent Law Treaty · Harmonization · Intellectual property · Patents · TRIPs

Introduction

Efforts for the international harmonization of patent laws date back to the origins of patent protection, and are, to a large extent, influenced by the quest for the reduction of costs for obtaining and maintaining a patent in different countries. Indeed, each harmonization step leads, directly or indirectly, to a reduction of costs. Initially, the question of harmonization was a less central issue than today, since the marketing of inventions and their patent protection were strictly limited to national boundaries, and since markets were less interdependent. Therefore, early harmonization treaties, like the Paris Convention for the Protection of Industrial Property (hereinafter referred to as the 'Paris Convention'), operating in the context of a bundle of single national markets, concentrated on harmonizing a few basic principles for the benefit of the users of patent systems, such as national treatment (Article 2 of the Paris Convention) or the right of priority (Article 4 of the Paris Convention). The need for further harmonization began, however, to receive more specific attention with the globalization of economies as well as the progressive removal of barriers to trade, and the consequent necessity to extend patent protection to a growing number of countries. Past efforts on the regional and worldwide levels reflect the growing need for international harmonization due to increasing economic activities across national borders.

Harmonization of Patent Law at the Regional Level

Following the establishment of the basic principles contained in the Paris Convention, important steps were achieved on a regional level, including, *e.g.* the European Patent Convention (EPC) of 1973, the efforts for the creation of a Community Patent, the Eurasian Patent Convention (EAPC) adopted in 1995, the establishment of an African Intellectual Property Organization (OAPI) in 1962, the Harare Protocol adopted in 1982 in the framework of the African Regional Industrial Property Organization (ARIPO), and the establishment of the Patent Office for the Gulf Cooperation Council of the Arab States (GCC) in 1999.

Worldwide Harmonization

The creation of regional patent systems, however, was not considered satisfactory by all users. Therefore, increasingly, harmonization on a worldwide level gained support. It is in this context that, in 1995, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement) was concluded under the auspices of the World Trade Organization (WTO). The TRIPs Agreement establishes minimum standards for the protection of intellectual property rights, including substantive provisions as well as enforcement aspects. In the area of patents, the TRIPs Agreement contains several important principles, such as the duration of patents (20 years from the filing date), the subject matter of patent protection (patents shall, as a general rule, be obtainable in all fields of technology), the rights conferred by a patent, and the conditions to be met where compulsory licenses are granted. In addi-

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tion, the World Intellectual Property Organization (WIPO) undertakes a number of activities related to the harmonization of patent law, which are described below.

WIPO's Activities Related to the Harmonization of Patent Law

In the context of the harmonization of patent law, WIPO plays an important role, since it not only encourages worldwide protection and harmonization of intellectual property, but also administers several international treaties in those fields. Among others, the following activities of WIPO may be mentioned:

The Patent Cooperation Treaty (PCT)

One of the most important among the WIPO administered treaties, the Patent Cooperation Treaty (PCT), the basic objective of which is to provide a single procedure for the filing of international applications having the same effects as national applications in the designated Contracting States of the PCT, has proven to be very successful. Indeed, in 1999, over 70 000 international applications were filed under the PCT. Notwithstanding such success, it must be acknowledged that the PCT could evolve further, and thus become even more attractive to applicants. In particular, ways could be explored in order to eliminate or at least reduce the present duplication of examination work and thus to streamline and reduce the costs of the national phase of the PCT procedure.

The Draft Patent Law Treaty

In terms of the harmonization of patent law, the most relevant and recent initiative undertaken under the auspices of WIPO is the draft Patent Law Treaty (PLT), which aims at harmonizing national patent formalities throughout the world. The PLT is expected to be adopted at a Diplomatic Conference to be held from May 11 to June 2, 2000 [1]. Among other issues, the draft PLT contains provisions on the following issues: provisions on the requirements which countries will be allowed to impose in order to accord a filing date, on the contents of a patent application, on representation, on the recordation of a change in applicant or owner, on the recordation of a licensing agreement or a security interest, on the correction of a mistake in an application or patent and on harmonization of the requirements for changes in the applicant or owner. Other user-friendly provisions include the obligation of Offices to notify applicants and owners of any non-compliance with procedural requirements and provisions concerning adequate time limits for subsequent compliance with such requirements. In addition, Offices would be required to provide for relief in respect of the non-compliance with time limits fixed by the Office (*e.g.* for response to a substantive examination report), subject only to a request and the payment of a fee, as well as re-instatement of rights.

A further major achievement consists in incorporating many provisions of the Patent Cooperation Treaty concerning form or contents of an international application, and also the requirements which may be imposed under the national law at the time the international application enters the national phase, into the PLT by reference.

The harmonization of the different procedural aspects of national patent laws is expected to result in an easier access to worldwide patent protection and in significant cost reduction in those procedures for applicants. It should also reduce the administrative costs of patent Offices of both industrialized and developing countries, the benefit of which could be passed on to applicants in the form of lower fees, as well as representation costs. The Patent Law Treaty will therefore be of great advantage for applicants from foreign countries, and in particular for applicants from smaller or developing countries, who will be able to rely on a known set of formal requirements for filing applications abroad. The cost aspect will be particularly relevant to applicants who wish to protect their inventions in a significant number of countries.

Other Measures

Among further aspects related to the harmonization of patent law, which are presently being addressed or may be addressed in the future by WIPO, are the following:

Centralization of Certain Procedural Aspects of Patent Law

In order to avoid duplication of the same work in many Offices, several measures may be taken to centralize certain procedures of patent law. In particular, the central recordation of changes in ownership or representation concerning patents or patent applications, of DNA sequence listings and of licensing and security agreements are examples of useful measures which currently are or soon may be considered by WIPO.

Enforcement

A further topic, which may become subject to harmonization in the future, concerns enforcement issues after the grant of a patent. In that area, WIPO has set up the Advisory Committee on Enforcement of Industrial Property Rights. It is proposed that it will consider current issues concerning the enforcement of rights, including infringement of patents and counterfeiting of trademarks and designs. The Committee may also address other enforcement issues, such as exhaustion of industrial property rights or practices of national courts. In view of the fact that harmonization of patent laws progresses in different areas, it would be of the utmost importance to follow the same path with respect to enforcement issues.

Information Technologies

A further issue, which has and increasingly will have a considerable influence on the harmonization of patent law, concerns the implementation of modern information technologies. Modern information technologies increasingly influence or even determine large portions of our daily life. This is also the case in the field of patents. The Japanese Patent Office, which has already reached an advanced stage regarding electronic filing and the storage of applications, the United States Trademark and Patent Office and the European Patent Office are making rapid progress. The possibility to file and store applications and patents and to transmit all communications in electronic form will significantly contribute to cost savings.

WIPO is among those organizations which are participating actively in such developments. One example of WIPO's current use of modern information technologies is the PCT Easy software, which allows the filing of the PCT Request Form on diskette. A further step of WIPO's plans is the implementation of the electronic filing of international applications under the PCT. Another example is the implementation of WIPONET, which aims at creating a network between WIPO and the intellectual property Offices of the Member States and may lead to important simplifications, especially in conjunction with the creation of digital libraries.

Future Developments

Past efforts have already led to considerable success regarding the harmonization of patent law, but much remains to be done. For many, the goal to achieve is a single, unified patent valid throughout the world. In terms of costs, this appears to be the most appealing solution. However, since there are also other issues to take into consideration, *e.g.* issues of a national or political nature, the objective of reaching a political solution regarding a single worldwide pat-

ent may not be that easy to achieve. A system where harmonization would concentrate on the most important aspects of patent law, and leave other, less relevant, aspects to the discretion of national laws may already constitute a big step forward. In the meantime, the worldwide discussion on further harmonization of patent law must continue.

Some possible steps in order to achieve further improvements on harmonization may be the following:

- easier access to and concentration of existing databases on prior art;
- harmonization of the main conditions of patentability, for instance novelty (including the definition of prior art), inventive step, industrial applicability (utility), disclosure requirements, *etc.*;
- mutual recognition of search and examination results by national and regional patent offices, based on agreed guidelines and training of examiners.

Some of the above measures are already under consideration within, *e.g.* the framework of the Trilateral Cooperation (Japanese Patent Office, European Patent Office, United States Patent and Trademark Office), or under the PCT, as mentioned earlier. Whether these efforts will ultimately lead to a harmonization of the substantive criteria of patent law, or even to a unitary international patent system, which would constitute a major step towards the reduction of costs, remains an open question. The answer depends on the willingness and the solidarity of all players involved. It seems, however, that all the users, including applicants, practitioners and patent Offices can only benefit from future progress on harmonization of patent law.

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[1] The PLT documents, as well as other documents for the Diplomatic Conference for the Adoption of the PLT, may be found on the website of WIPO: *http://www.wipo.int/*.

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Importance of Trademark Protection for the Chemical and Pharmaceutical Industry

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Abstract: This article gives an overview of the marked shift which trademark protection has undergone during the past years. Burning trademark issues in the chemical and pharmaceutical area are parallel imports, central pharmaceutical product registration in the EU, counterfeiting, and Internet domain names.

Keywords: Central product registration · Community trademark · Counterfeiting · Internet domain names · Madrid Agreement Protocol · Parallel imports · Pharmaceutical industry · Trademarks

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For many years, intellectual property law – and trademark law in particular – led a shadowy existence. In management circles at many companies the brand was reduced to 'trademark, product labeling and protection law'. It thus came to be regarded as an instrument whereby short-term goals could be achieved. This attitude prevented trademarks from coming into their own, since an emphasis on labeling and rights of use often prevents a trademark's energy – its essential value – from being released.

Since the early 1990s, however, trademark thinking has undergone a marked shift.

During the last decade trademarks have increasingly been used as an important strategic instrument, even in companies not involved in consumer business.

With the realization that trademarks are essentially a positive force in the consciousness of the consumer of goods and services, they are being increasingly integrated into management responsibility. This