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SUBJECT: COMMENTS ON DRAFT PATENT LAW

1. THE FOLLOWING ANALYSIS IS OF THE DRAFT LAW OF INTELLECTUAL PROPERTY OF THE DOMINICAN REPUBLIC ("ANTEPROYECTO LEY DE PROPIEDAD INTELECTUAL," HEREINAFTER "DRAFT DOMINICAN LAW"). THE DRAFT DOMINICAN LAW IS A GREAT IMPROVEMENT OVER THE EXISTING PATENT LAW IN THE DOMINICAN REPUBLIC. IN PARTICULAR, THE TERM IS LENGTHENED TO MEET INTERNATIONAL STANDARDS AND THE DRACONIAN PROVISIONS REGARDING LOCAL WORKING OF AN INVENTION HAVE BEEN REMOVED. NONETHELESS, THE DRAFT DOMINICAN LAW WILL HAVE TO BE AMENDED TO BRING IT INTO COMPLIANCE WITH INTERNATIONAL AGREEMENTS TO WHICH THE DOMINICAN REPUBLIC IS A PARTY. IN PARTICULAR, THE ARTICLES GOVERNING PATENTS, ESPECIALLY THOSE ON COMPULSORY LICENSING, EXHIBIT A BIAS AGAINST STRONG PATENT PROTECTION.

CHAPTER 1 - INVENTIONS

ARTICLE 2

ARTICLE 2 CONTAINS A LIST OF SUBJECT MATTERS THAT ARE NOT CONSIDERED INVENTIONS. THIS LIST OF EXCLUDED SUBJECT MATTERS GOES BEYOND THAT ALLOWED UNDER ARTICLE 27(3) OF THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS ('1TRIPS AGREEMENT"). IN PARTICULAR, ARTICLE 2 (1) (E) WOULD EXCLUDE COMPUTER SOFTWARE FROM PATENTABILITY. THIS RAISES CONCERNS THAT INVENTIONS OF PRODUCTS OR PROCESSES THAT ARE OTHERWISE PATENTABLE MAY BE DENIED PATENT PROTECTION SIMPLY BECAUSE THEY INCLUDE OR

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ARE IMPLEMENTED BY COMPUTER SOFTWARE. FOR EXAMPLE, A PROCESS FOR MANUFACTURING A CHEMICAL COMPOUND MAY BE DESCRIBED IN THE PATENT AS BEING CONTROLLED BY MICROPROCESSOR, OR COMPUTER, PROGRAMMED SPECIFICALLY TO RUN THE PROCESS CLAIMED IN THE INVENTION. EXCLUDING SUCH

INVENTIONS FROM PATENTABILITY PRESENTS SERIOUS PROBLEMS AND IS INCONSISTENT WITH OBLIGATIONS UNDER THE TRIPS AGREEMENT.

ARTICLE 2(2) (C) EXCLUDES PLANTS AND ANIMALS FROM PATENTABILITY, EXCEPT FOR MICROORGANISMS. THIS SUBPARAGRAPH ALSO EXCLUDES ESSENTIALLY BIOLOGICAL PROCESSES FOR THE PRODUCTION OF PLANT OR ANIMALS. ARTICLE 27(3) (B) OF THE TRIPS AGREEMENT ALLOWS SUCH SUBJECT MATTER TO BE EXCLUDED UNDER NATIONAL LAWS. THAT ARTICLE, HOWEVER, SPECIFICALLY PRECLUDES THE EXCEPTION FROM EXTENDING TO NON-BIOLOGICAL AND MICROBIOLOGICAL PROCESSES. THIS PRECLUSION, FOUND IN THE TRIPS AGREEMENT, MUST BE INCLUDED IN THE DOMINICAN LAW.

ARTICLE 11

ARTICLE 11(2) PROVIDES THAT "IN THE CASE OF INVENTIONS RELATIVE TO PHARMACEUTICAL COMPOSITIONS, CHEMICAL PRODUCTS, MEDICINES AND ANY OTHER PRODUCT RELATIVE TO HEALTH, THE APPLICATION SHALL BE ACCOMPANIED BY A CERTIFICATE OF APPROVAL GRANTED BY THE SECRETARY OF STATE OF PUBLIC HEALTH AND SOCIAL ASSISTANCE." THERE SHOULD BE NO CONNECTION BETWEEN APPROVAL BY HEALTH AUTHORITIES AND THE GRANT OF PATENT PROTECTION. WHILE THERE IS A ROLE FOR HEALTH AUTHORITIES IN THE ENFORCEMENT OF PATENT RIGHTS -

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THE REFUSAL TO GRANT MARKETING AUTHORITY IN RESPECT OF PATENTED PRODUCTS TO OTHER THAN THE RIGHT HOLDER - THAT ROLE DOES NOT EXTEND TO PLAYING A ROLE IN THE GRANT OF PATENT PROTECTION IN THE FIRST PLACE.

ARTICLE 27(1) OF THE TRIPS AGREEMENT LIMITS THE PREREQUISITES TO THE GRANT OF PATENT PROTECTION TO

NOVELTY, INVENTIVE STEP AND CAPABILITY OF INDUSTRIAL APPLICATION. THE PRESENCE OR NOT OF A CERTIFICATE OF APPROVAL GRANTED BY HEALTH AUTHORITIES IS NOT ONE OF THE ALLOW PREREQUISITES OF PATENT PROTECTION AND ARTICLE 11(2)

SHOULD BE DELETED.

ARTICLE 13

ARTICLE 13(4) ALLOWS AN APPLICANT TO DEPOSIT BIOLOGICAL MATERIAL IN A DEPOSITORY INSTITUTION IN LIEU OF A WRITTEN DESCRIPTION WHERE SUCH MATERIAL CANNOT BE DESCRIBED IN WRITING. SUCH INSTITUTIONS ARE THOSE PREVIOUSLY DESIGNATED BY THE NATIONAL OFFICE OF INDUSTRIAL PROPERTY. WE WISH TO CLARIFY THAT SUCH INSTITUTIONS MAY INCLUDE INTERNATIONAL DEPOSITORY AUTHORITIES (IDA) RECOGNIZED UNDER THE BUDAPEST TREATY ON THE INTERNATIONAL RECOGNITION OF THE DEPOSIT OF MICROORGANISMS FOR THE PURPOSES OF PATENT PROCEDURES. THE DOMINICAN REPUBLIC IS NOT CURRENTLY A MEMBER OF THE BUDAPEST TREATY. WE ENCOURAGE SUCH MEMBERSHIP. MOREOVER, WE ENCOURAGE THE NATIONAL OFFICE OF INDUSTRIAL PROPERTY TO RECOGNIZE DEPOSITS MADE WITH AN IDA EVEN PRIOR TO THE DOMINICAN REPUBLIC BECOMING A MEMBER OF THE BUDAPEST TREATY. SUCH RECOGNITION LEADS

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TO THE SMOOTHEST POSSIBLE OPERATION OF THE PATENT SYSTEMS OF THE WORLD IN THE IMPORTANT FIELD OF BIOTECHNOLOGY, THE LARGEST NUMBER OF PATENT APPLICATIONS IN THAT FIELD IN THE DOMINICAN REPUBLIC, AND, CONSEQUENTLY, THE GREATEST DEGREE OF THE TRANSFER OF TECHNOLOGY IN THAT FIELD TO THE DOMINICAN REPUBLIC.

ARTICLE 21

ARTICLE 21 APPEARS TO ADDRESS TWO SEPARATE CONCEPTS: PUBLICATION OF A PATENT APPLICATION AND OPPOSITION. ARTICLE 21(1) STATES THAT THE NATIONAL OFFICE OF INTELLECTUAL PROPERTY WILL PUBLISH AND EXTRACT OF THE DESCRIPTION OF THE INVENTION AND THE CLAIMS AFTER CONCLUDING THE FORMAL EXAMINATION AND WITHIN THE FOLLOWING 18 MONTHS. THIS IS INCONSISTENT WITH THE INTERNATIONAL TREND THAT PUBLICATION OF APPLICATIONS TAKE PLACE 18 MONTHS AFTER THE FILING DATE OR, IF PRIORITY IS CLAIMED, AFTER THE PRIORITY DATE. WE SUGGEST THAT ARTICLE 21 BE

AMENDED TO REFLECT THIS TREND.

ARTICLE 21 ALSO SPEAKS IN TERMS OF AN OPPOSITION TO A PATENT APPLICATION. THE INTERNATIONAL TREND HERE IS TOWARDS THE ELIMINATION OF OPPOSITION IN FAVOR OF SIMPLY ALLOWING THIRD PARTIES TO MAKE OBSERVATIONS ON THE

PATENTABILITY OF AN INVENTION CLAIMED IN A PUBLISHED APPLICATION. THE REASON FOR THIS TREND IS THAT OPPOSITION PROCEEDINGS UNDULY DELAY THE GRANT OF PATENT PROTECTION BY ALLOWING THIRD PARTIES TO RAISE OBJECTIONS TO THE GRANT OF PROTECTION EVEN BEFORE A NATIONAL OFFICE HAS MADE A

DECISION ON THE MERITS OF AN APPLICATION. A LESS COMPLICATED AND, THEREFORE, LESS TIME CONSUMING PROCEDURE IS SYSTEM OF OBSERVATIONS WHICH ALLOWS THIRD PARTIES TO SUBMIT INFORMATION BUT THE OFFICE IMMEDIATELY THEREAFTER MAKES AN INDEPENDENT DECISION ON THE MERITS OF AN APPLICATION.

WHILE ARTICLE 21 15 ENTITLED "RECOURSE TO OPPOSITION" THE TEXT OF THAT ARTICLE DOES NOT MAKE IT CLEAR THAT A FULLY OPPOSITION SYSTEM, AS DESCRIBED ABOVE, IS INTENDED OR SIMPLY A SYSTEM OF OBSERVATIONS.. CLARIFICATION ON THIS IS SOUGHT AS TO WHICH SYSTEM IS BEING FOLLOWED.

ARTICLE 22

ARTICLE 22 DEALS WITH THE QUESTION OF SUBSTANTIVE EXAMINATION. ARTICLE 22(2) ALLOWS THE NATIONAL OFFICE OF INTELLECTUAL PROPERTY TO REQUEST INFORMATION OF EXPERTS OR QUALIFIED ORGANIZATIONS TO DETERMINE IF THE INVENTION IS PATENTABLE. A GOOD SOURCE OF INFORMATION ON THE PATENTABILITY OF INVENTIONS IS THE RESULTS OF EXAMINATIONS DONE IN OTHER OFFICES, SUCH AS THE U.S. PATENT AND TRADEMARK OFFICE OR THE EUROPEAN PATENT OFFICE. CONSIDERATION SHOULD BE GIVEN, THEREFORE, TO ADDING A PROVISION, IF THE POWER DOES NOT EXIST ALREADY, TO ENABLE THE NATIONAL OFFICE OF INTELLECTUAL PROPERTY TO REQUEST

INFORMATION ABOUT EXAMINATIONS DONE ON THE SAME INVENTION IN OTHER OFFICES. IF THIS IS DONE, THE WORK OF SEARCH AND EXAMINATION DOES NOT HAVE TO BE REPEATED. EVEN IF THIS IS DONE, THE NATIONAL OFFICE OF INTELLECTUAL PROPERTY WOULD AND SHOULD RETAIN THE AUTHORITY TO ENSURE THAT THE

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CONDITIONS FOR PATENTABILITY UNDER THE LAW OF THE DOMINICAN REPUBLIC ARE MET.

ARTICLE 30

ARTICLE 30(1) (D) PROVIDES FOR THE SO-CALLED "EXHAUSTION" OF A PATENT RIGHT. THAT SUBPARAGRAPH PROVIDES THAT PATENT RIGHTS MAY NOT BE EXERCISED IN RESPECT OF A PRODUCT PROTECTED BY A PATENT OR OBTAINED BY A PATENTED PROCESS THAT HAS BEEN PLACED IN COMMERCE IN ANY COUNTRY, WITH THE CONSENT OF THE RIGHT HOLDER OR A LICENSEE OR ANY OTHER LEGAL MEANS. THIS SHOULD BE CHANGED TO LIMIT SUCH

"EXHAUSTION" OF PATENT RIGHTS TO CASES WHERE THE PRODUCTS HAVE BEEN PLACED ON THE MARKET IN THE DOMINICAN REPUBLIC ONLY, INSTEAD OF THE ENTIRE WORLD, BY THE RIGHT HOLDER OR WITH HIS CONSENT. FIRST, THIS IS CONSISTENT WITH THE TERRITORIAL NATURE OF PATENT RIGHTS AND THE OBLIGATION IN ARTICLE 28 OF THE TRIPS AGREEMENT THAT PATENT OWNERS CAN PREVENT OTHERS FROM IMPORTING PRODUCTS COVERED BY A PATENT OR PRODUCTS MADE IN ACCORDANCE WITH A PATENTED PROCESS. SECONDLY, BY PROVIDING FOR NATIONAL RATHER THAN INTERNATIONAL "EXHAUSTION" THE RIGHT HOLDER THAT EXPENDS TIME, EFFORT AND MONEY IN DEVELOPING THE MARKET IN DOMINICAN REPUBLIC MAY OBTAIN THE ECONOMIC BENEFIT. THIS BENEFIT MAY BE OBTAINED ONLY IF THE RIGHT HOLDER IS NOT CONFRONTED WITH IMPORTS OF PRODUCTS, THOUGH LEGITIMATELY OBTAINED, THAT MAY BE CHEAPER. THIS MAY OCCUR WHERE THE COST OF DOING BUSINESS IN THE DOMINICAN REPUBLIC, DUE, FOR EXAMPLE, TO THE REGULATORY ENVIRONMENT, LABOR COSTS, SIZE OF MARKET, ARE HIGHER THAN IN ANOTHER COUNTRY. A THIRD

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PARTY, NOT CONFRONTED WITH THE HIGHER COSTS OF SUPPORTING A PRODUCT IN THE DOMINICAN REPUBLIC, BUYS PRODUCT, ALBEIT LEGITIMATELY, IN A LOWER COST COUNTRY AND EXPORTS TO THE DOMINICAN REPUBLIC. THIS UNDERCUTS THE WILLINGNESS OF THE PROPRIETOR TO INVEST IN THE DOMINICAN REPUBLIC.

ARTICLE 33

ARTICLE 33 PROVIDES SEVERAL BASES WHEREBY THE PATENT RIGHT MAY BE NULLIFIED OR EXPIRE. ARTICLE 33(3) (C) OF THE DRAFT DOMINICAN LAW PROVIDES THAT A PATENT EXPIRES AS A MATTER OF LAW WHEN AN OBLIGATORY (COMPULSORY) LICENSE IS GRANTED TO A THIRD PARTY WHO CANNOT EXPLOIT THE INVENTION WITHIN A PERIOD OF TWO YEARS "FOR REASONS IMPUTED TO THE OWNER OF THE PATENT." THIS IS CONTRARY TO THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY, TO WHICH THE DOMINICAN REPUBLIC IS A PARTY, AND THE TRIPS AGREEMENT.

THE DOMINICAN REPUBLIC IS A PARTY TO THE PARIS CONVENTION, SPECIFICALLY THE HAGUE ACT OF 6TH NOVEMBER, 1925. ARTICLE 5(3) OF THE HAGUE ACT OF THE PARIS CONVENTION PROVIDES THAT FORFEITURE OF A PATENT IS NOT PERMITTED UNLESS THE GRANT OF A COMPULSORY LICENSE PROVES INSUFFICIENT. THIS ALSO APPLIES UNDER THE TRIPS AGREEMENT BY VIRTUE OF ARTICLE 2 OF THE TRIPS AGREEMENT WHICH INCORPORATES BY REFERENCE THE RELEVANT ARTICLE OF THE PARIS CONVENTION. ARTICLE 31 OF THE TRIPS AGREEMENT SETS THE STANDARDS AND CONDITIONS THAT APPLY TO THE GRANT OF COMPULSORY LICENSES.

ARTICLE 33(3) (C) ALLOWS FOR THE FORFEITURE OF A PATENT NOT

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ONLY WHERE A COMPULSORY LICENSE PROVES INSUFFICIENT BUT ALSO, CONTRARY TO THE PARIS CONVENTION AND THE TRIPS AGREEMENT, WHERE THE PATENT CANNOT BE EXPLOITED WITHIN TWO YEARS OF THE GRANT OF A COMPULSORY LICENSE "FOR REASONS IMPUTED TO THE OWNER OF THE PATENT." THAT IS, IT IS NOT A DEFECT IN THE COMPULSORY LICENSE THAT LEADS TO FORFEITURE BUT SOME OTHER, UNDEFINED REASONS PURPORTEDLY WITHIN THE CONTROL OF THE PATENT OWNER. THIS VIOLATES THE TRIPS AGREEMENT AND ARTICLE 33(3) (C) MUST BE DELETED.

ARTICLE 36

ARTICLE 31 OF THE TRIPS AGREEMENT ALLOWS THE GRANT OF COMPULSORY LICENSES PROVIDED ALL OF THE CONDITIONS OF THAT ARTICLE ARE MET. AMONG THE CONDITIONS IS THAT FOUND IN ARTICLE 31(B) THAT THE PROPOSED COMPULSORY LICENSEE MUST EXPEND EFFORTS TO OBTAIN AUTHORIZATION FROM THE RIGHT HOLDER ON "REASONABLE COMMERCIAL TERMS AND CONDITIONS AND THAT SUCH EFFORTS HAVE NOT BEEN SUCCESSFUL WITHIN A REASONABLE PERIOD OF TIME." WHILE ARTICLE 36(1) OF THE DRAFT DOMINICAN LAW DOES MAINTAIN THE OBLIGATION THAT AGREEMENT ON "REASONABLE COMMERCIAL TERMS AND CONDITIONS" BE SOUGHT, IT SETS AS AN OUTER LIMIT 180 DAYS IN WHICH VOLUNTARY AGREEMENT MUST BE REACHED. SETTING AN ARBITRARY TIME LIMIT IS INCONSISTENT WITH THE OBLIGATION IN ARTICLE 31(1) OF THE TRIPS AGREEMENT THAT NEGOTIATIONS PROCEED FOR "A REASONABLE PERIOD OF TIME." IN SOME CIRCUMSTANCES, A PERIOD OF 180 DAYS MAY BE REASONABLE. SOME NEGOTIATIONS1 HOWEVER, INVOLVING MULTIPLE PARTIES IN SEVERAL COUNTRIES, ESPECIALLY WHERE THE BUSINESS INTERESTS AND TECHNOLOGY ARE COMPLICATED, MAY TAKE LONGER. SOME NEGOTIATIONS MAY TAKE
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LESS THAN 180 DAYS TO CONCLUDE TKAT NO AGREEMENT CAN BE REACHED. IN SHORT, SETTING AN ARBITRARY LIMIT OF 180 DAYS IS INCONSISTENT WITH REASONABLE BUSINESS PRACTICES AND THE TRIPS AGREEMENT AND SHOULD BE DELETED.

ARTICLE 31(C) OF THE TRIPS AGREEMENT STATES AND "IN THE

CASE OF SEMI-CONDUCTOR TECHNOLOGY)A COMPULSORY LICENSE(SHALL ONLY BE FOR PUBLIC-NON-COMMERCIAL USE OR TO REMEDY A PRACTICE DETERMINED AFTER JUDICIAL OR ADMINISTRATIVE PROCESS TO BE ANTI-COMPETITIVE." ARTICLE 37 OF THE DRAFT DOMINICAN LAW SHOULD BE AMENDED TO EXCLUDE SEMI-CONDUCTOR TECHNOLOGY FROM THE TYPE OF LICENSE THAT CAN BE GRANTED UNDER THAT ARTICLE.

ARTICLE 38

ARTICLE 38 ESTABLISHES THE RIGHT TO SEEK A COMPULSORY

LICENSE IN CASES WHERE THE RIGHT HOLDER IS ENGAGED IN "ANTICOMPETITIVE PRACTICES." ARTICLE 38(A) THEN GOES ON TO DEFINE 11ANTICOMPETITIVE PRACTICES" TO INCLUDE SITUATIONS WHERE THERE EXIST OFFERS TO SATISFY THE MARKET AT PRICES SIGNIFICANTLY LESS THAN THOSE OFFERED BY THE PATENT OWNER FOR THE SAME PRODUCT. ARTICLE 38(B) FURTHERS THE DEFINITION TO INCLUDE FAILURE TO SATISFY THE MARKET ON COMMERCIALLY REASONABLE TERMS.

THERE IS A PRACTICAL AND LEGAL DANGER TO THIS APPROACH. AS A PRACTICAL MATTER IT IS DIFFICULT, IF NOT IMPOSSIBLE IN SOME CASES, TO SAY THAT A GIVEN PRODUCT IS THE "SAME" AS A PATENTED ONE.

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PRESUMABLY THE PATENTED PRODUCT HAS QUALITIES OR FEATURES THAT MAKE IT MORE ATTRACTIVE AND, THEREFORE, MORE VALUABLE TO CONSUMERS, THAN OTHER PRODUCTS IN ITS CLASS. THESE QUALITIES OR FEATURES MAY INDEED WARRANT A HIGHER PRICE. IN A MARKET BASED ECONOMY, PRICE IS A MARKET DETERMINATION THAT REFLECTS ALL ECONOMIC CONDITIONS AND SHOULD NOT ALONE BE THE CRITERIA FOR DETERMINING ANTI-COMPETITIVE - PRACTICES. ARTICLE 31 OF THE TRIPS AGREEMENT ALLOWS FOR THE GRANT OF COMPULSORY LICENSES ONLY ON REASONABLE COMMERCIAL TERMS TAKING INTO ACCOUNT THE ECONOMIC VALUE OF THE LICENSE. THE ECONOMIC VALUE OF THE LICENSE MAY BE SUCH THAT, EVEN WITH A COMPULSORY LICENSE, FINISHED

PRODUCTS MADE UNDER LICENSE WILL BE PRICED HIGHER THAN COMPETING PRODUCTS ON THE MARKET. ARTICLE 38(A) AND (B) SHOULD BE DELETED.

ARTICLE 44

AGAIN, THE DOMINICAN REPUBLIC IS A PARTY TO THE PARIS CONVENTION AND THE TRIPS AGREEMENT BOTH OF WHICH PROVIDE THAT FORFEITURE OF A PATENT IS NOT PERMITTED UNLESS THE GRANT OF A COMPULSORY LICENSE PROVES INSUFFICIENT. IN CONTRAST, ARTICLE 44 PROVIDES FOR THE FORFEITURE OF A PATENT IN THE CASE OF ABUSE OF A PATENT OR ANTICOMPETITIVE PRACTICES. THERE IS NO PRECONDITION FOR SUCH FORFEITURE, AS REQUIRED BY THE PARIS CONVENTION OR THE TRIPS AGREEMENT, THAT A COMPULSORY LICENSE WAS GRANTED AND WAS INSUFFICIENT TO CURE THE PURPORTED ABUSE OR ANTI COMPETITIVE PRACTICE.

ARTICLE 44 SHOULD BE AMENDED TO BRING IT INTO COMPLIANCE WITH THE PARIS CONVENTION AND THE TRIPS AGREEMENT.

CHAPTER II - UTILITY MODELS -

ARTICLE 46

ARTICLE 46 MAKES THOSE ARTICLES IN CHAPTER I RELATIVE TO PATENTS APPLICABLE TO UTILITY MODELS, WITH THE EXCEPTION OF ARTICLE 28 (1). ACCORDINGLY, THE COMMENTS MADE ON THE ARTICLES OF CHAPTER 1 APPLY IN RESPECT OF UTILITY MODELS WITH EQUAL FORCE.

CHAPTER M - INDUSTRIAL DESIGNS

ARTICLE 61

ARTICLE 61 MAKES ARTICLES 30, 31, 32, AND 40 APPLICABLE TO INDUSTRIAL DESIGNS. THE COMMENTS MADE IN RESPECT OF ARTICLE 30 APPLY HERE AS WELL.

ARTICLE 40 ESTABLISHES THE CONDITIONS FOR THE GRANT OF COMPULSORY LICENSES BUT DOES NOT ESTABLISH THE BASIS FOR THE GRANT OF COMPULSORY LICENSES. SUCH BASES ARE ESTABLISHED IN ARTICLES 36, 37, AND 38. THUS IT IS NOT CLEAR IF THE DOMINICAN REPUBLIC INTENDS TO PROVIDE FOR THE GRANT OF COMPULSORY LICENSES IN THE CASE OF INDUSTRIAL DESIGNS OR NOT. THE STRONG RECOMMENDATION OF THE UNITED STATES IS THAT THERE SHOULD BE NO POSSIBILITY OF COMPULSORY LICENSING IN THE CASE OF INDUSTRIAL DESIGNS. ARTICLE 50 DEFINES INDUSTRIAL DESIGNS AS BEING A
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BIDIMENSIONAL OR TRIDIMENSIONAL FORM THAT GIVES A 11SPECIAL APPEARANCE TO A UTILITARIAN PRODUCT. SINCE IT IS APPEARANCE, RATHER THAN STRUCTURE OR COMPOSITION, THAT IS PROTECTED, ONE IS FREE TO GIVE A PRODUCT A "SPECIAL APPEARANCE" DIFFERENT THAN THAT COVERED BY THE INDUSTRIAL DESIGN. SINCE THE APPEARANCE THAT CAN BE GIVEN TO A PRODUCT IS VIRTUALLY UNLIMITED, COMPULSORY LICENSING IS NOT NECESSARY. IT IS RECOMMENDED, THEREFORE, THAT THE REFERENCE TO ARTICLE 40 IN ARTICLE 61 BE DELETED.

TITLE III: DISTINCTIVE SIGNS

CHAPTER 1: DEFINITIONS

ARTICLE 69 - TERMS USED

CERTIFICATION MARKS: THE DEFINITION OF CERTIFICATION MARKS WAS NOT CLEAR DUE TO TRANSLATION DIFFICULTIES. IN THE U.S., CERTIFICATION MARKS CERTIFY THAT THE GOODS OR SERVICES (1) ORIGINATE IN A SPECIFIC GEOGRAPHIC REGION; (2) MEET CERTAIN STANDARDS REGARDING QUALITY, MATERIALS OR

MODE OF MANUFACTURE; OR (3) THE PERSON PROVIDING THE SERVICES OR THE MANUFACTURER OF THE GOODS HAS MET CERTAIN STANDARDS OR BELONGS TO A CERTAIN ORGANIZATION OR UNION.

ARTICLE 70: DEFINITION OF USE OF THE TRADEMARK

COMMENT: USE OF A TRADEMARK SHOULD BE USE THAT IS AUTHORIZED BY THE TRADEMARK OWNER. AS WRITTEN, IT DOES NOT APPEAR TO REQUIRE THAT THE USE BE WITH THE TRADEMARK
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OWNER'S CONSENT. IT IS RECOMMENDED THAT THE DEFINITION OF USE INCLUDE LANGUAGE TO THE EFFECT THAT WHEN THE TRADEMARK IS UNDER THE CONTROL OF THE OWNER, USE OF THE MARK BY ANOTHER PERSON SHALL BE RECOGNIZED AS USE OF THE TRADEMARK FOR THE PURPOSE OF MAINTAINING A REGISTRATION. THE LANGUAGE IN ARTICLE 93(3) APPEARS TO ADDRESS PART OF OUR COMMENT ABOVE ABOUT USE BY AN AUTHORIZED THIRD PERSON IS USE THAT INURES TO THE BENEFIT OF THE OWNER.

IT IS RECOMMENDED THAT THE PORTION OF THE DEFINITION REFERRING TO QUANTITY, SIZE OF MARKET AND THE MANNER OF MARKETING BE DELETED. THESE REFERENCES APPEAR TO IMPOSE AMBIGUOUS AND ARBITRARY REQUIREMENTS ON THE USE OF THE TRADEMARK AND MAY ENCUMBER THE USE OF THE TRADEMARK. SUCH REQUIREMENTS MAY VIOLATE ARTICLE 20 OF TRIPS.

ARTICLE 71: WELL-KNOWN TRADEMARKS

DOES THIS ARTICLE PROTECT UNREGISTERED WELL-KNOWN MARKS? WHILE THE LANGUAGE OF THIS ARTICLE COMPLIES WITH THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY, TRIPS, CLEAR LANGUAGE THAT THIS COVERS UNREGISTERED WELL-KNOWN MARKS WOULD ELIMINATE ANY QUESTIONS AS TO THE SCOPE OF PROTECTION. IF UNREGISTERED WELL-KNOWN MARKS IS NOT PROTECTED, THEN THE ARTICLE WOULD NOT COMPLY WITH EITHER THE PARIS CONVENTION OR TRIPS.

CHAPTER II: TRADEMARKS

ARTICLE 77:

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THIS ARTICLE RELATES TO THE EXAMINATION OF AN APPLICATION TO DETERMINE IF THE REQUIREMENTS OF AN APPLICATION ARE MET. HOWEVER, WE ARE CONFUSED BY THE LANGUAGE OF PARAGRAPH 2, WHICH REFERS TO ARTICLES 72 AND 83. BECAUSE PARAGRAPH 1 OF THIS ARTICLE REFERS TO ARTICLE 76, WHICH STATES WHAT IS REQUIRED IN AN APPLICATION AND WHAT WOULD NORMALLY BE EXAMINED, THE REFERENCES TO 72 AND 83 LEAD TO CONFUSION. A CLARIFICATION WOULD BE APPRECIATED.

ARTICLE 78

DOES THE APPLICANT WHOSE APPLICATION IS DENIED HAVE AN OPPORTUNITY TO EITHER ADMINISTRATIVELY OR JUDICIALLY APPEAL THE DECISION TO REFUSE REGISTRATION? ARE THE PROCEDURES REFERRED TO IN ARTICLES 143 AND 144 THE APPROPRIATE APPEAL PROCEDURES? IF ARTICLES 143 AND 144 ARE NOT APPLICABLE, THEN OTHER APPEAL PROCEDURES SHOULD BE ADDED.

ARTICLE 79

THIS ARTICLE PROVIDES THIRD PARTIES AN OPPORTUNITY TO OPPOSE AN APPLICATION. DO THIRD PARTY OPPOSES HAVE AN OPPORTUNITY TO REQUEST AN EXTENSION OF TIME TO FILE AN OPPOSITION IN ACCORDANCE WITH ARTICLE 139 AND IF THE OPPOSITION IS REJECTED, IS THERE AN OPPORTUNITY TO APPEAL THE REJECTED OPPOSITION? ARE THE PROCEDURES REFERRED TO IN ARTICLES 143 AND 144 THE APPROPRIATE APPEAL PROCEDURES? IF ARTICLES 143 AND 144 ARE NOT APPLICABLE, THEN OTHER APPEAL PROCEDURES SHOULD BE ADDED.

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ARTICLE 86

THE HEADING OF THIS-ARTICLE IS LIMITATION OF THE RIGHTS THROUGH EXPIRATION~. THIS ARTICLE DOES NOT HAVE ANY REFERENCES TO THE EXPIRATION OF THE TERM OF THE TRADEMARK REGISTRATION, BUT APPEARS TO REFER TO LIMITATIONS ON THE TRADEMARK OWNER'S REMEDIAL RIGHTS. IF THE ARTICLE REFERS TO THE AVAILABILITY OF REMEDIES AND LIMITATIONS ON LEGAL ACTIONS, WE RECOMMEND THAT THE HEADING OF THIS ARTICLE BE AMENDED TO REFER TO "EXHAUSTION" IN PLACE OF EXPIRATION".

ARTICLE 89

IT IS RECOMMENDED THAT REQUIREMENTS TO REGISTER LICENSES BE ELIMINATED. THE REQUIREMENT THAT TRADEMARK OWNERS REGISTER EACH LICENSE ENTERED INTO FOR THE USE OF ITS MARK IS ADMINISTRATIVELY AND ECONOMICALLY BURDENSOME. MOREOVER, THE ASSERTION THAT REGISTERING A LICENSE IS BENEFICIAL TO THIRD PARTIES BECAUSE IT PROVIDES NOTICE IS NOT PERSUASIVE.

A REGISTERED TRADEMARK IS KEPT ON THE NATIONAL REGISTER SO THAT THIRD PARTIES, IF INTERESTED, CAN DETERMINE IF A PARTICULAR MARK IS REGISTERED. FURTHERMORE, THE TRADEMARK OWNER AND THE LICENSEE, WHO ARE PARTIES TO ANY LICENSING

AGREEMENT, KNOW WHO IS OR IS NOT AUTHORIZED TO USE THE REGISTERED MARK. ANY THIRD PARTY, A COMMERCIAL ENTERPRISE OR ANY OTHER ENTITY, WHO DETERMINES THAT A MARK IS REGISTERED IS AWARE WHETHER IT HAS ENTERED INTO A CONTRACT WITH THE TRADEMARK OWNER AND IS THEREBY AUTHORIZED TO USE

THE REGISTERED MARK.

THE UNITED STATES, WHICH AT ONE TIME HAD A LICENSE REGISTRATION SYSTEM, HAS ELIMINATED THIS REQUIREMENT.

ARTICLE 94

ARTICLE 94(3) REQUIRES THE SUBMISSION OF PROOF OF USE EVERY FIVE YEARS FROM THE REGISTRATION DATE. IT SHOULD BE NOTED THAT SUCH A REQUIREMENT IS CONTRARY TO THE CURRENT INTERNATIONAL TREND TO ELIMINATE SUCH REQUIREMENTS. FOR EXAMPLE, THE TRADEMARK LAW TREATY'S ARTICLE 13(4) PROHIBITS CONTRACTING PARTIES FROM REQUIRING THE SUBMISSION OF A DECLARATION OR EVIDENCE OF USE. THE UNITED STATES IS IN THE PROCESS OF AMENDING ITS LAW AS PART OF THE ACCESSION PROCESS TO THE TRADEMARK LAW TREATY IN ORDER TO COMPLY WITH THIS PROVISION.

IF ARTICLE 94(3) 15 DELETED, THE SUBPARAGRAPHS THAT FOLLOW SHOULD ALSO BE DELETED.

CHAPTER IV TRADE NAMES, TITLES AND LOGOS

ARTICLE 108(2)

THIS ARTICLE STATES THAT THE PROVISIONS OF ARTICLE 82(1) AND (3) ARE APPLICABLE TO TRADE NAMES. HOWEVER, BECAUSE ARTICLE 82(3) REFERS TO PRODUCTS AND SERVICES ON WHICH A TRADEMARK IS USED, IT WOULD APPEAR THAT THIS SUBPARAGRAPH SHOULD NOT APPLY TO TRADE NAMES. WE RECOMMEND THAT THE REFERENCE TO SUBPARAGRAPH 3 BE DELETED.

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ARTICLE 113

THIS ARTICLE PROTECTS LOGOS. PLEASE PROVIDE AN EXPLANATION OR DEFINITION THAT DISTINGUISHES LOGOS FROM FIGURATIVE ELEMENTS THAT CAN CONSTITUTE A TRADEMARK.

TITLE VI: VIOLATIONS OF INTELLECTUAL PROPERTY RIGHTS

ARTICLE 152

THIS ARTICLE SETS FORTH THE PENALTIES THAT MAY BE IMPOSED

FOR CRIMINAL VIOLATIONS. ARTICLE 152(D) DEFINES

VIOLATIONS OF DENOMINATIONS OF ORIGIN AND INCLUDES SANCTIONS FOR THE USE OF "TYPE", "KIND", "MANNER", "ATTACHMENT" AND OTHER ANALOGOUS CLASSIFICATIONS.

WE RECOMMEND THAT THIS SUBPARAGRAPH BE REVIEWED AND COMPARED TO ARTICLE 23 OF THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY (TRIPS). TRIPS ARTICLE 23 PROVIDES THAT MEMBERS SHALL PREVENT THE USE OF GEOGRAPHICAL INDICATIONS IN CONNECTION WITH WINES AND SPIRITS WHEN REFERENCE IS MADE TO THE TRUE PLACE OF ORIGIN AND USED IN TRANSLATION OR ACCOMPANIED BY EXPRESSIONS SUCH AS "KIND", "TYPE", "STYLE", "IMITATION", OR THE LIKE.

AS CURRENTLY WRITTEN, ARTICLE 152(D) 15 MUCH BROADER IN SCOPE THAN ARTICLE 23 AND WOULD MAKE THE USE OF WORDS SUCH AS "KIND", "TYPE", ETC. A VIOLATION IN CIRCUMSTANCES THAT WERE NOT INTENDED TO BE A VIOLATION.

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FOR PURPOSES OF ARTICLE 152, 15 THE IMPORT OR EXPORT OF GOODS COVERED BY "USE IN TRADE" SO THAT THESE SANCTIONS CAN BE IMPOSED ON AN IMPORTER OR EXPORTER?

ARTICLE 161(C)

THE PROTECTIVE MEASURE IN THIS PROVISION ALLOWS FOR THE ATTACHMENT OF OBJECTS USED EXCLUSIVELY TO COMMIT THE VIOLATION. IT IS RECOMMENDED THAT THIS BE AMENDED TO ALLOW FOR ATTACHMENT OF OBJECTS WHOSE PREDOMINANT USE, NOT EXCLUSIVE USE, IS TO CREATE INFRINGING GOODS.

GENERAL COMMENT

IN THE SECTIONS REGARDING SANCTIONS, IT IS RECOMMENDED THAT A PROVISION BE ADDED STATING THAT THERE IS A PRESUMPTION OF THE LIKELIHOOD OF CONFUSION (INFRINGEMENT) WHEN A PARTY THAT DOES NOT HAVE THE OWNER'S CONSENT USES AN IDENTICAL OR SIMILAR MARK ON GOODS OR SERVICES WHICH ARE IDENTICAL OR SIMILAR TO THOSE FOR WHICH THE MARK IS

REGISTERED.
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