AIPPI SPLT SEMINAR

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Introduction of AIPPI
Objectives of the Seminar

by Vincenzo M. Pedrazzini
(AIPPI Secretary General)

Who is AIPPI

AIPPI - the International Association for the Protection of Intellectual Property - is the world’s leading International Organization dedicated to the development, improvement and harmonisation of intellectual property.

It is a politically neutral, non-profit organization, domiciled in Switzerland and currently has over 8000 Members representing more than 100 countries.

Its objective is to promote the protection of intellectual property on an international and national basis.

According to the AIPPI Statutes the Association shall have the following objects:

1. to promote the understanding of the necessity for international protection of industrial and other intellectual property in the broadest sense (such as patents, utility models, industrial designs, trademarks, service marks, trade names, copyright, integrated circuits, indications of source, appellations of origin and other forms of protection of intellectual property as well as the repression of unfair competition), and to encourage further development of the protection of intellectual property;

2. to study and compare existing laws and proposed new laws, with a view to taking steps to perfect and harmonize them;

3. to work for the development, expansion and improvement of international conventions and agreements concerning the protection of industrial and other intellectual property and.
AIPPI pursues its objectives by:

1. establishing consensus positions on current and important intellectual property issues;
2. organizing congresses and other meetings;
3. communicating those positions to international and regional Governmental Organizations such as WIPO, WTO, EPO and to Governments’ and
4. creating and distributing publications and other information relating to its activities.

History of AIPPI

AIPPI dates back to 1897 and has since then developed to become a truly international organisation.

The development of AIPPI into its present form has been a continual one. It included a deliberate broadening away from the original emphasis on Western Europe to a more universal role by the gradual inclusion of the industrial overseas countries, of Eastern European countries and the active participation of a growing number of developing countries.

In 1997 AIPPI celebrated its Centennial in Vienna and Budapest.

In its long history, AIPPI has adopted more than 700 Resolutions and Reports. The presentation of these to international Governmental Organizations, WIPO in particular, has contributed considerably to the development, improvement and harmonization of the international protection of intellectual property.

Organization and Membership of AIPPI

The Members of AIPPI are people actively interested in intellectual property protection on a national or international level. They include lawyers, patent attorneys and trademark agents, industry representatives as well as judges, scientists and engineers.

AIPPI is organized into 64 National and 1 Regional Groups and membership is obtained by joining one of these Groups.

In countries where no Group exists, membership is obtained as an Independent Member in the international organization.

The primary international bodies of AIPPI are:

1. the General Assembly, in which all Members have a right to participate and which is responsible for adopting and modifying the Statutes;
2. the Executive Committee, made up of Delegates of all of the Groups – around 300 in number; this is the principal decision-making body of AIPPI;
3. the Council of Presidents, made up of the Presidents of the Groups plus a representative of the Independent Members; and

4. the Bureau which directs the activities of AIPPI; it is formed of eight Members including the President of AIPPI who chairs the Bureau and the Vice-President; the Secretary General and a Deputy who are responsible for administration and representation; the Reporter General and two Deputies who, with two Assistants, organize the scientific work of the Association; and a Treasurer General who is in charge of financial resources.

5. The General Secretariat and staff have offices in Zurich, Switzerland.

Meetings of AIPPI

A Congress open to all Members is scheduled every two years. Normally, about 2000 Members attend with around 1000 accompanying persons. Recent and forthcoming venues include Melbourne, Montreal, Rio de Janeiro and Geneva, Gothenburg, Boston and Paris. At a Congress, pending Questions concerning international law are discussed and decisions taken on a consensus basis. At the same time, a Congress serves as a forum for Workshops which offer valuable educational programmes for the participants.

The Executive Committee convenes at each Congress and also in the years in between. The Council of Presidents also meets annually during each Congress and each intervening Executive Committee Meeting. This provides continuity of broadly based decision taking.

AIPPI has recently instituted a Forum which will meet every other year immediately preceding an Executive Committee Meeting. These are open to all Members but also to Non-Members and provide educational programmes of current interest as well as networking among participants.

Publications of AIPPI

AIPPI publishes the results of its substantive work in a Yearbook, prepared after each International Meeting. The Yearbook is distributed free of charge to Members and selected scientific institutions.

All international Reports are published in the three official languages of AIPPI: English, French and German. Resolutions are also published in Spanish.

In order to keep the Membership informed, the General Secretariat publishes a Newsletter four times per year. It includes executive summaries of the most recent international developments as well as articles on administrative matters.

AIPPI also has a Website (www.aippi.org) which has become an indispensable tool for all circles interested in intellectual property. Here, for example, may be found all substantive Questions which are currently being considered as well as those which have been considered since its founding in 1897. It also includes Reports of AIPPI Representatives to various Meetings and information on international, regional and national Meetings along with a list of Officers and Committee chairs. The entire Membership List is also there on a protected site for Members only.
Working Methods of AIPPI

Once the working programme is established, Working Committees are formed to study each pending Question. The Reporters General team prepares Working Guidelines which the Groups follow in preparing their individual Reports. The Group Reports are synthesized by the Reporter General team into a Summary Report.

These studies are the basis for the Working Committees in the preparation of draft Resolutions which are then discussed at Congresses and Executive Committee Meetings. When a consensus is achieved, final Reports and Resolutions are prepared for adoption by the EXCO.

In urgent cases, AIPPI’s attitude may be determined by correspondence. AIPPI’s Reports and Resolutions are regularly submitted to the relevant organizations and serve as a basis to AIPPI’s permanent Representatives and Experts.

Special Committees guarantee that AIPPI is promptly informed about current developments in specific fields and monitor the long range projects of international legal development.

AIPPI endeavours to promote the development of national law in International Forums and Symposia and by direct consulting work, in particular in developing countries.

These coordinated efforts for improving and harmonizing intellectual property protection at International Meetings often lead to relationships beyond the purely professional which in turn deepen mutual understanding across national borders.

AIPPI and the Harmonisation of the Patent Law

At a time when international exchanges have developed considerably to such an extent that we are today faced with the situation where the economy and therefore business strategy are considered on a world-wide scale, the patent system which no one denies plays an essential part in the promotion of innovation is suffering severely from excessive differences in regard to procedures required for acquiring patent rights and in regard to the protection afforded by a patent and exercise of the rights arising out of same.

Such a disparity in national legal systems harms the effectiveness of the protection:

- it makes patent protection at an international level more complex,
- it is the cause of possible errors which may involve loss of rights, adversely affecting the legal certainty of the patent system,
- it increases the costs of protection,
- it unduly prolongs the delay involved in the grant of protecting rights, and
- it results in substantially different levels of protection for the same invention from one country to another.

1 see Marc Santarelli: AIPPI and the Harmonisation of the Patent Law (in AIPPI 1897-1997 Centennial Edition)
Proposing harmonisation of the substantive provisions of national legal systems the SPLT seeks largely to remedy these shortcomings and presents itself in that respect as a particularly judicious addition to the conventions and treaties which already exist such as the EPC or the PCT: in particular it affords prospects of simplifying and rationalising the procedures required for obtaining patents as well as prospects in terms of effective protection for inventions and exercise of the protection rights involved, which are approximately similar throughout the world.

At this very stage, we are in a situation where the harmonisation of substantive issues of the Patent Law is blocked again. It therefore seems reasonable to look back and to understand, why the first attempt to reach harmonisation has failed. It is about the history of the Patent Law Treaty (PLT). Understanding the failure of the PLT may help to bring the SPLT to a success.

Eight sessions of the Committee of Experts representing more than twelve weeks of work at the offices of WIPO in Geneva up to the Diplomatic Conference of The Hague in June 1991 give an idea of the extent of the efforts involved throughout six years of reflection and discussion in the attempt to try to arrive at a consensus on the twenty-two subjects of harmonisation intended to form the object of the PLT.

Without counting the preparatory work for these sessions which involved the International Bureau of WIPO and its Director General in order in good time to present the governmental delegations and the professional organisations with draft Articles involving on each aspect of harmonisation a study of comparative law in respect of the existing provisions or draft amendments resulting from previous decisions from the Committee of Experts: in that respect more particular tribute should be paid to Dr. BOGSCH and to the International Bureau.

The first meeting of the Committee of Experts was held in July 1985 with the first three harmonisation subjects on the agenda: the conditions for attributing a filing date, the grace period and the designation of inventor in the application.

The grace period was one of the most controversial questions of the draft harmonisation treaty. It was put on the agenda again for most of the meetings of the Committee of Experts, the governmental delegations being greatly divided over the advantages and the shortcomings involved in such a provision, both in terms of its principle and in regard to its forms of application and its effects in relation to third parties who may have been aware of the invention by virtue of disclosure from the inventor.

As the harmonisation work progressed it became clear that it would be very difficult to arrive at a consensus between these in favour and these against the grace period and that only concessions from the parties on other provisions of the treaty would make it possible to arrive to an agreement.

The delegation from the United States was resolutely committed to that line when in March 1987 it notified the Committee of Experts in the initial discussions on the provisions of the draft treaty seeking to enshrine the principle of the first-to-file that the American Government could envisage abandoning the system of first-to-invent, the very basis of American patent law, provided that concessions were granted by the other governments on points of harmonisation considered by the United States to be particularly important, including in particular the grace period.

The tone was thus set and the American delegation opened the way to overall negotiation of the treaty which by mutual concessions on the different Articles of the draft treaty was to permit the
parties to overcome their differences and to arrive at a form of harmonisation that met the expectations of the users of the patent system.

Indeed such an approach had a positive effect on the work of the Committee of Experts which between 1985 and 1989 was able successively to study the twenty-two harmonisation subjects with which it had to deal and, one year before the Diplomatic Conference whose date had been fixed for June 1991, there was a reasonable hope that signature of the PLT could take place in spite of the differences which had appeared on certain points in the harmonisation programme on the one hand, between industrialised countries themselves, and on the other hand between industrialised countries and developing countries.

Unfortunately, in spite of the reasonably optimistic prospects of arriving to a general consensus by virtue of overall negotiation of the treaty, the horizon was clouding over as the Diplomatic Conference approached.

A number of reasons can explain this.

a) The opposition on the part of the American professional circles to abandoning the system of the first-to-invent:

When in 1987 the American delegation had stated that within the context of a well balanced draft treaty the American government would be disposed to envisage abandoning the system of the first-to-invent, the American professional organisations present in Geneva had shown themselves to be worried by the initiative adopted by their governmental delegation.

Throughout the meetings of the Committee of Experts which then followed the representatives of the American organisations showed increasing opposition to the United States adopting the principle of the first-to-file: this showed itself more on the part of these - representing individual inventors and small enterprises and on the part of the university circles than on the part of large industry which is accustomed to the practice of the system of the first-to-file for protecting its inventions outside the United States.

In the first part of the eighth session of the Committee of Experts in Geneva in June 1990 the American governmental delegation clearly stated that there was not a consensus in the United States for abandoning the system of the first-to-invent.

That declaration immediately gave rise to reservations on the part of European countries which were against the institution of the grace period and Japan which was against abandoning the pre-grant opposition proceedings.

It was clear that the change in American attitude in regard to the universal adoption of the system of the first-to-file brought into question once again the quest for overall negotiation of the treaty which the United States had been keen to promote.

On the part of the industrial countries therefore clouds were gathering as the Diplomatic Conference approached.
b) Hesitations on the part of the developing countries in regard to some provisions of the PLT:

In parallel the prospects were scarcely any more favourable in the relationships between industrialised countries and developing countries.

From the beginning of the work on the PLT the industrialised countries, in spite of the differences which could bring them into opposition on some points in the harmonisation programme, indicated their intention to adopt a modern patent system, providing both an equilibrium between the legitimate interests of innovators and those of third parties: in the course of the discussions they indicated a very strong wish to find solutions affording harmony throughout the world to the problems encountered by patentees in achieving rapid reliable grant of their patents and effective protection for their inventions.

It is true to say that the developing countries subscribe to that aim. However the government delegations of these countries revealed a certain mistrust regarding some provisions of the treaty which seem to them not to take account of the particular situation of such countries, having regard to their lagging behind on a technical and economic level in relation to the industrialised countries.

To take account of that situation the promoters of the PLT introduced reservations and transitional provisions in regard to some provisions of the draft treaty, such as to permit the developing countries to defer to a later date adoption of the provisions which were to be imposed on the other contracting States as soon as the treaty came into force.

Introducing such transitional provisions and reservations did not satisfy a good number of developing countries.

In seeking to find as broad a consensus as possible before the Diplomatic Conference the International Bureau of WIPO organised in June 1990 a consultative meeting of the developing countries.

Specific proposals were put forward by these countries but for the very great part thereof such proposals could not be accepted by the industrialised countries. However in November 1990 the developing countries induced the Committee of Experts to remit these proposals to the Diplomatic Conference for discussion on an equal footing with those of the industrialised countries which tended to reject them.

The chances of arriving at a consensus were therefore becoming slimmer all the time.

In the course of the month of March 1991 when the Diplomatic Conference had been called for The Hague from 3rd to 21st June 1991 the American government sent WIPO a proposal for amending some articles of the draft treaty, in particular Article 9 thereof relating to the right to a patent, seeking to permit the United States to retain their system of first-to-invent.

This last initiative which could have been expected following the reservations expressed under the pressure of the American professional circles involved by the governmental delegation of the United States at the eighth and last session of the Committee of Experts made the reversal in the position of the United States official and took away practically any hope of arriving at overall negotiation of the PLT at the Diplomatic Conference.
Faced with that proposal a number of governments asked for an Extraordinary General Meeting of the Paris Union to be called, and that Meeting was held in Geneva on 29th and 30th April 1991, scarcely a month before the beginning of the Diplomatic Conference.

It was decided that the Diplomatic Conference would be held in two parts:

- one of three weeks from 3rd to 21st June 1991 at The Hague, in the course of which the draft treaty would be examined but no decision would be taken: that first part of the Conference was intended to get the parties initially round the table and to find out the initial reactions in particular to the American proposal, and

- the other, at a date to be fixed subsequently, for final discussion and signature of the future treaty.

That was to take away from the Diplomatic Conference planned for the month of June the very essence of its aims.

The official declarations made at the opening of the Conference and the substantive discussions which followed were a reflection of the disappointment caused by the American initiative: it caused a large number of governmental delegations to set forth reservations regarding sensitive Articles of the treaty, in particular those relating to the grace period (Article 12) and administrative revocation (Article 18).

The delegations from European Countries such as., the Scandinavian Countries, Belgium, France, The Netherlands, Spain and Switzerland, stated that their acceptance of Article 12 was linked to the signature of a well balanced treaty including universal adoption of the principle of the first-to-file.

As regards the delegation from Japan, they expressly stated in relation to Article 18 that the Japanese government could accept a provision prohibiting opposition prior to grant of a patent only provided that the United States adopted the system of first-to-file.

All of the declarations in the course of the Conference therefore showed that if the PLT had a chance of being successful, it would be within the context of overall negotiation of the treaty: in that respect the first part of the Diplomatic Conference only confirmed the state of mind in which the sessions of the Committee of Experts had taken place.

This observation also applies in regard to the developing countries.

Very wisely the provisions of the draft treaty which had been the subject of reservations on the part of the developing countries and those which had been the subject of two additional draft Articles to be introduced into the PLT were not brought up for discussion at The Hague and gave rise only to very broad declarations on the part of the groups of countries in question.

Deferring examination of these Articles to the second part of the Diplomatic Conference gave a hint of the possibility of concessions on each side in the event of general negotiation.

The first part of the Diplomatic Conference therefore did not settle anything either as regards the American proposal or as regards the proposals from the developing countries.
At the end of that Conference however the general feeling was that the future of the PLT would depend very much on the attitude to be adopted by the American professional circles and government in regard to the principle of the first-to-file.

In the months which followed the first part of the Diplomatic Conference the American professional circles and the American administration appeared determined to move towards a resumption of negotiations.

Some American professional associations had adopted Resolutions in principle in favour of the adoption of the system of the first-to-file provided that the European countries and Japan were disposed to make major concessions in favour of the American requirements regarding other Articles of the treaty.

For its part the American administration had set up a Consultative Committee made up of representatives of the administration and people from the professional circles, with a view to determining the precise conditions under which the government would be prepared to envisage putting aside the system of the first-to-invent. The report from the Consultative Committee to the Secretary of State of Trade was published in the month of August 1992; it offered very sound prospects for arriving at a compromise.

Under these circumstances in September 1992 the General Meeting of the Paris Union fixed the date for the second part of the Diplomatic Conference for the month of July 1993 in Geneva.

At that time the harmonisation aspects which had been the subject of disagreements between the developing countries and the industrialised countries during the work of the Committee of Experts in Geneva ware withdrawn from the PLT, thus resolving some of the difficulties encountered when preparing the harmonisation draft.

In order to prepare for the action to be taken by the AIPPI representatives at the Diplomatic Conference AIPPI Committee Q89 met in Berlin from 22nd to 24th October 1993. Mr. BAUERMER, Director of the Industrial Projects Division of WIPO and Mr. KIRK, Assistant Commissioner for External Affairs of the American Patent Office had agreed to take part in the work of the Committee, the essential aim of which was to look for possible forms of compromise on all of the provisions of the PLT with a view to resulting in signature of the treaty.

The presence in Berlin of a Director of WIPO and one of the influential members of the American governmental delegation to the Committee of Experts in Geneva was an indication of the esteem enjoyed by AIPPI amongst national and international institutions.

A cautious air of optimism seemed to hang around the future of the PLT:

Two series of circumstances put an end to these prospects:

a) In November 1992, following the American elections, the new administration of President CLINTON replaced that of the outgoing President BUSH.

At the request of the United States the second part of the Diplomatic Conference was postponed, awaiting the appointment of the Commissioner of Patents of the new administration. An Extraordinary Meeting of the Paris Union called in April 1993 decided to postpone the Conference but without fixing a date.
b) The multilateral trade negotiations of the Uruguay Round which involved an important set of provisions concerning intellectual property were vigorously conducted by the new American administration during the year 1993. The GATT agreements were signed in Marrakech in April 1994.

The part of the agreement concerning intellectual property which is known under the name of TRIPS (Trade Related Aspects of Intellectual Property Rights) requires the contracting States to bring their national legal systems into harmony with the provisions which appear in that treaty.

As regard patents the TRIPS agreement contains the provisions of the PLT which had given rise to differences of opinion between the industrialised countries and the developing countries and which the General Meeting of the Paris Union in September 1992 had withdrawn from the PLT with a view to the second part of the Diplomatic Conference.

The provisions of the TRIPS agreement forced the United States to alter their national law on a number of different points and in particular the duration of patents.

The change in administration and the GATT agreements mobilised American public opinion on important present-day subjects which caused the interest of the PLT negotiations to be pushed into the background.

Under these circumstances the new American administration took the view that it was not appropriate to mobilise public opinion again on the major alterations in national legislation that would be imposed by abandoning the principle of the first-to-invent and adopting the principle of the first-to-file.

In January 1994 the Department of Trade of the United States officially stated through a press release that the United States was seeking to retain the system of the first-to-invent until further notice.

To try to save the PLT WIPO put forward various proposals which had to be submitted to the General Meeting of the Paris Union called for the end of September.

AIPPI examined these proposals at the meeting of its Executive Committee in Copenhagen in June 1994. At that time AIPPI Committee Q89 had put to the Executive Committee a draft Resolution inviting all the parties to resume negotiations and suggesting the inclusion in a first chapter of all of the provisions of the PLT which were not giving rise to particular difficulties and which were to come into force as seen as the treaty was signed. A second chapter would contain the most controversial Articles of the treaty including Article 9 relating to the principle of the first-to-file, Article 12 relating to the grace period, Article 16 relating to the search and examination periods and Article 20 relating to the rights of a prior user; that chapter would come into force only when the United States were ready to ratify it.

That AIPPI Resolution was adopted in Copenhagen by a very high majority.

In September 1994 the General Meeting of the Paris Union did not fix a date for the second part of the Conference.

In June 1995 WIPO called a consultative meeting of the Committee of Experts on the future of the draft.
The American delegates, supported by the American professional organisations, declared that it was not possible at that time, having regard to American public opinion to resume the PLT negotiations in any form whatsoever: in fact the United States had in the meantime voted for amendments in their national legislation which were required by the GATT agreements and the application thereof had given rise to lively debate.

Having regard to these circumstances, on a proposal from the International Bureau, the Committee of Experts recommended imparting a new direction to the harmonisation work; taking inspiration from the treaty relating to formalities in respect of marks (TLT) which had been recently signed, it was agreed that harmonisation in respect of patents should be progressed by way of simplifications in formalities and procedures.

Ten years of effort to try to harmonise the main provisions of patent law on a world-wide scale leave all these who took part in the preparation of the PLT with a feeling of frustration.

Conclusions

Harmonisation of national legal systems relating to substantive problems is felt to be a pressing necessity by the users of the patent system. The Americans who until 1990 preached a strategy of mutual concessions within the Committee of Experts do not deny this, even if at the present time the Government still considers it inappropriate to envisage abandoning the system of the first-to-invent. The TRIPS aspect of the GATT agreements incidentally represents a decisive step towards harmonisation on a world-wide scale of intellectual property rights. It is not a matter of mere chance if the main harmonisation provisions in respect of patents signed in Marrakech in April 1994 derive directly from the PLT draft.

It can be reasonably hoped that the negotiations on the SPLT will come to a positive end. AIPPI is of the firm believe that there is a way forward even though the negotiations held so far risk to follow the footsteps of the failed PLT. The objective of this Seminar is, to show a way out of the blocked negotiations. We hope to be able to help WIPO and its Member States to look at the substance of such a Treaty and its impact on those who are the users of the system.