

A I P P I — R E P O R T S

Symposium in Celebration of the Centenary of the Accession of Japan to the Paris Convention for the Protection of Industrial Property

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"International Harmonisation of Intellectual Property Rights System"

A Paper by
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I am deeply honoured to be invited as the representative of AIPPI to address you on this occasion. The accession of Japan to the Paris Convention on 15 July 1899, brought the number of sovereign states members of the Convention to eighteen. There are now over 150 members. Japan is, therefore, one of the most senior members, and has in all respects made great contributions to the Convention and to its development as a unique force in the promotion of intellectual property protection and the harmonisation of intellectual property law and practice. I am proud to say that the Japanese Group of AIPPI founded in 1956, has played an important role in that process over the last half of this century.

Up to the last decade, the history of the Paris Convention has been the history of the international harmonisation of industrial property laws and procedures. The foundation of this movement to harmonisation was laid with the establishment of the Paris Convention in 1883. Naturally for the time, the movement for extension and harmonisation of the regimes for the protection of industrial property had its origins in industrialised Europe. The accession to the Convention by Japan in 1899, only fourteen years after the foundation of Japan's own intellectual property system in 1885, shows how quickly the ideals of the Convention spread eastward.. On the occasion of the Centenary of the Paris Convention in 1983, Japan's Prime Minister, Yasuhiro Nakasone said:

"Technology is ultimately the common property of all mankind. Promotion the international transfer of technology helps to accelerate the industrial development of all countries and thus contributes to enhancing the welfare of mankind."

Common protection for this common property is the ultimate objective of the movement for international harmonisation.

The formation of AIPPI in 1897, brought together an international body of industrialists, lawyers, patent attorneys and academicians who have provided a private sector input to the Paris Convention of unparalleled importance.. The work of AIPPI and the vision of its founders and successive leaders, has been a principal factor in the growth of the Paris Union and the development of the principles of harmonisation. It was M. Pouillet, President of the Constitutive Meeting for the founding of AIPPI in 1897 who expressed the desire for universal harmony in the patent law when he said:

"An inventor protected everywhere, and everywhere protected in the same manner, oh what a beautiful dream this is!"

How far have we come in the realisation of that "beautiful dream" ? An examination of that question is very largely an examination of the history of the development of the Paris Convention to its present state. In this brief paper I can do no more than highlight what seem to me to be some of the more important developments in the history of the Convention through its various revisions.



The three fundamental principles of the international protection of industrial property are laid down in the Paris Convention. We now take these three great principles of the Convention for granted, but if only for that reason, it is worth restating them:

- The principle of national treatment, contained in Article 2 - whereby contracting states agree to accord to the nationals of foreign contracting states the same treatment with respect to protection of industrial property and the legal remedies against infringement as are accorded to their own nationals.
- The principle of mutual independence, inserted into the Convention by Article 4 bis in 1900 by the Brussels Revision - whereby patents granted in a contracting state are independent and not subject to invalidation on the basis of invalidation in another state.
- The principle of priority, contained in Article 4, whereby the filing of an application for protection in one contracting state, gives rise to a right of priority over third parties with respect to use and corresponding applications filed in another contracting state within the priority period.

The Convention of 1883 also contained provisions in Article 5, prohibiting forfeiture of patents on the ground of importation of the patented product. To these patent provisions, was added the trade mark and unfair competition related provisions of Article 6, the so-called "telle quelle" provision, requiring acceptance of trade mark applications in their original form; Article 7, prohibiting objection to a trade mark application on the basis of the nature of the goods to be protected; Article 8, requiring protection of trade names and Article 9 permitting seizure on importation of goods bearing unlawful trade marks or trade names, or fraudulent false indications of source. The importance at that time of officially recognised international exhibitions was reflected in Article 11 which required parties to the Convention to extend temporary protection to inventions, designs and trade marks in respect of goods exhibited at such exhibitions.

The provisions of the Convention have been successively revised and extended at diplomatic conferences, firstly as noted above, in Brussels in 1900, where the important principle of independence was added as Article 4 bis.

The Convention was next revised at Washington in 1911. This was an important revision in a number of respects. Article 2 was extended to embrace utility models, indications of source and unfair competition, and to prohibit the requirement for domicile or establishment in a country as a requirement for protection in that country. In the field of trade marks, Article 5 was extended to restrict the right of forfeiture for non-working, and Article 6 was expanded to make it clear that trade marks could be refused on the

basis of prior conflicting marks, lack of distinctiveness or public order or morality.

However, perhaps the most important development at Washington was not in the revision of the text of the Convention itself, but in the recommendations which accompanied it. The Washington Conference recommended that the International Bureau, established for the administration of the Convention, begin a study of a draft agreement for the simplification of formalities for patents, that protection of designs be facilitated in all countries and that a plan be worked out for their international registration. It further recommended a study for the adoption of a uniform classification of trade marks. Each of these recommendations was ultimately to bear fruit, through the adoption of special arrangements within the provisions of Article 15 of the Convention. The Washington recommendations may therefore be seen as the precursor to The Hague Agreement on the International Deposit of Industrial Designs, the Nice Agreement on the International Classification of Goods and Services to which Trade Marks are applied, the Patent Cooperation Treaty and the present proposals for the Patent Law Treaty.



The Convention was further revised at the Diplomatic Conference held at The Hague in 1925. It was at that revision that the present periods for priority established by Article 4 of the Convention, namely 12 months for patents and utility models, and 6 months for trade marks and designs was established. This revision also further restricted the rights of forfeiture of patents to cases where compulsory licensing had proved ineffective, and exempted from infringement foreign vessels and temporarily visiting aircraft and land vehicles. In the trade marks field, the concept of the "well known mark" was first introduced in Article 6 bis, and the special provision for protection of state flags, emblems and armorial bearings were introduced in Article 6 ter. Article 10 bis was extended to define acts of unfair competition, and by Article 10 ter, the contracting parties undertook to provide appropriate legal remedies to restrain such acts.

Once more, at The Hague, important matters were dealt with in the accompanying recommendations. These dealt with matters such as the contents of official journals and the publications of translations from the official language, French, of the Acts of the Convention and other publications of the Bureau.

The Act of London in 1934, made several additions to Article 4, dealing with matters such as priority date falling on official holidays, publication of particulars of priority claims, multiple priorities and the right of an inventor to be mentioned. Article 5 was extended to further restrict the right of cancellation of a trade mark in cases where the trade mark is used in a differing form in elements which do not effect the distinctiveness of the mark, or where there was concurrent use by co-proprietors. Article 6 quater was added to provide for the transfer of a mark together with a portion only of the goodwill of a business, and Article 7 bis was expanded to provide for the protection of collective marks.

Again, it was the recommendations of the Conference which pointed the way to important progress in the harmonisation of international procedures. The Conference recommended steps be taken for the standardisation of formalities and the publication of printed matter, and the adoption and updating of the international classification of goods for trade marks.

The process of revision continued at the Lisbon Diplomatic Conference in 1958. By

then, the successive revisions of the Convention and the further revisions made at Lisbon itself, had rendered the text somewhat untidy and confusing, and one of the recommendations of the Conference was an invitation to the International Bureau to establish a new text. Another important recommendation was for the establishment of a study of provisions in domestic laws for patent protection of new chemical products independently of the process of their making. The importance of this recommendation can be seen in the rapid growth of pharmaceutical research in the 1960's and 70's and the dependence of the pharmaceutical industry on patents for the protection of the fruits of that research.

Though not exactly a harmonising step, an important one for the growth of the Convention was the amendment of Article 13, to provide for English as well as French to be the language of the International Bureau and for the conduct of conferences and meetings in French, English and Spanish.

In accordance with the recommendation from Lisbon, the Diplomatic Conference in Stockholm in 1967 was presented with a revised and re-ordered draft of the Convention, and that, together with revisions and additions made at the Stockholm Conference itself and the amendments made in 1979, is the form in which we have the Convention today. Important at the time, though now overtaken by the dramatic events of 1989 and their aftermath in Eastern Europe was the addition to Article 4 of inventors certificates as giving rise to the right to claim priority. The most important outcome of the Stockholm Conference was, however, in the area of administration. With the establishment under Article 13 of the Assembly of the Union and the establishment of the World Intellectual Property Organization under the WIPO Convention, bringing together both the Paris Union and the Berne Union established under the Berne Convention for the Protection of Literary and Artistic Works of 1886, thus bringing about the possibility for greater harmony not only in the development and administration of the industrial property laws, but the whole field of intellectual property.



The establishment of the World Intellectual Property Organization (WIPO), greatly facilitated progress towards the establishment of the great treaties for harmonisation and simplification of intellectual property procedures, the Patent Cooperation Treaty and the Trade Mark Law Treaty. These in themselves provide scope for much discussion, but in the context of this paper I can do no more than note the almost universal adoption of the Patent Cooperation Treaty as the vehicle for the filing of patent applications internationally in all but the most limited international filing programmes. The impact of the Trade Mark Law Treaty, which came into force only in 1994 is clearly evident in the substantial changes and simplification of procedures in the amendments to the law in, for example, the United States.

Outside the Paris Convention, the movement for harmonisation and regionalisation has been the growth of regional treaties and arrangements. Clearly the most significant of these has been the European Patent Convention and the establishment of the European Patent Office, enabling centralisation of filing and examination procedures for patents to be granted in all of the European countries who are subscribers to that Convention. More recently, the establishment of the community trade mark and its rapid adoption by industry and business both within and without the European Union, has provided a parallel benefit in the field of trade marks.

A new force for harmonisation of intellectual property regimes came to being in 1993

with the Agreement on Trade Related Aspects of Intellectual Property (TRIPS). This Agreement conceived and negotiated outside and separate from the Paris Convention and the World Intellectual Property Organization has propelled intellectual property squarely on to the stage of world trade and world economic debate. Whilst the Paris Convention and its associated treaties and agreements have achieved much progress in relation to the harmonisation of the laws and procedures relating to the granting of intellectual property rights, those treaties have said little about the standards to be achieved in the protection conferred. The TRIPS Agreement has addressed this issue across the spectrum of intellectual property rights and has brought with it powerful trade-related pressures to ensure the acceptance and application of those standards.

Notwithstanding these great advances that have been made, there still remain significant areas of divergence both in substantive law and in procedure. Nowhere is this more evident than in the field of patent examination, and much remains to be done to overcome the problem of duplication of examination of patent applications filed in different national and regional offices. This is sought to be addressed by the tri-lateral cooperation between the Japanese, American and European Patent Offices; the current WIPO proposals for the extension of the Patent Cooperation Treaty and the issue of a Certificate of Patentability, and the counter-proposals being put forward by the European Patent Office.

In the area of substantive law, there remain still many areas in which international uniformity is far from complete. The United States maintains its "first to invent" system in the face of the adoption of "first to file" by almost all other countries, and no consensus has been achieved on the matter of the grace period. In trade marks there are still strong doctrinal differences between the common law and the civil law countries, and uniformity has not been achieved even within the context of the European Community in relation to the protection of designs and models, and the resolution of the interface between copyright and design protection. There are economic and moral disagreements in relation to the protection of certain inventions in the field of bio-technology and plant genetics, and there are many in industry and commerce who see the protection of software and business systems as reaching extremes.

Whilst much has been achieved in the process of the establishment of intellectual property protection, there remains one vital area which has so far remained largely outside the compass of international regulation and harmonisation, and that is the area of intellectual property enforcement. It is this vital area of intellectual property protection which remains subject to the greatest diversity. This is particularly so in the case of patents, where despite much uniformity in the substantive law, despite the harmonisation of procedures and despite the increasing availability of common data bases, the litigation of the same patent in relation to the same subject matter in different countries can result in widely divergent outcomes.



To take an example from the mechanical arts, where there are no fundamental issues in relation to the protectability of the subject matter, one can see quite different outcomes. I will refer to a case with which I have been concerned myself, where the same patent with the same specification and substantially the same claims, has been litigated in the United States, in Germany and in Australia. Whilst all of the outcomes of that case have not been settled, the following at least is apparent:

- In Germany, the patent has been found infringed. A separate trial on the question

of validity is proceeding in a different court, with estimates that there is a strong probability that the patent will be held to be invalid for lack of novelty or obviousness.

- In the United States, a "Markman" hearing has been held to determine questions of construction of the claims. The matter has been set for trial before a jury, but the case has been withdrawn from the jury on a motion for summary judgment for non-infringement based upon the application of the doctrine of equivalents applicable to the recital of "means plus function" in relation to one element of the claims. The question of validity therefore did not come to trial.
- In Australia the matter is yet to come to trial, but the defendant faces serious difficulties in establishing invalidity on novelty or obviousness grounds. The criterion of novelty for this case is domestic publication, and the High Court has ruled in a number of cases that prior art is not admissible to support an attack on the basis of obviousness unless it can be shown to be part of the common general knowledge in Australia at the priority date. On the other hand, the recent tendency of the Australian courts to invalidate patents on the "technical" grounds of lack of fair basis, insufficiency of description, and failure to disclose best method of performance, mean that the defendant has a better chance for succeeding on these grounds than is the case in other jurisdictions dealing with the same patent.

A recent survey of Australian industry showed quite clearly the most common single complaint related to the cost, time and complexity of the enforcement procedure, and the uncertainty and unpredictability of the outcome. I suspect that similar results would be found from surveys conducted in other jurisdictions.

I should add also that this complaint came from both sides, i.e. from those seeking to enforce their intellectual property rights, and those seeking to defend themselves against action for infringement.

As illustrated above, the problem is compounded when we consider the diversity of procedures internationally.

The fact that the judicial infrastructure which is relied upon to enforce intellectual property rights, is widely divergent across the major jurisdictions; and even within one jurisdiction can lead to differing results from different courts and from different judges; means that much of the benefit gained from uniformity of substantive law and granting procedures will be lost due to the diversity of the enforcement mechanisms.

This I think is where the real problem lies because, in relation to those mechanisms we are not dealing with an area in which the influence of industry and the desire for uniformity is so strong. The judicial system in most of the industrialised countries has evolved through the centuries as a result of social and political processes which are firmly entrenched in the history and traditions of the national society. The independence of the judiciary, from the influences not only of industry but also of government, is a corner stone of our democratic society. In countries such as my own and the United States where there is a constitutional separation of powers between the executive, parliament and the judiciary, the difficulties of achieving significant change are compounded.

Whilst such diversity exists in regimes and procedures for the enforcement of intellectual property rights, it is, I think, illusory to hope for a globalisation of the establishment and

granting of such rights. Particularly in the field of patents, it remains the case that a patent application drafted to best suit the courts of one country, may not be the best for others. The efforts made to ensure validity in the one, may lead to invalidity in the other. We must therefore continue to strive for harmonisation not only of our substantive laws and application and granting procedures, but also of our mechanisms for enforcement and dispute resolution.

It is the second part therefore of M. Pouillet's beautiful dream, "everywhere in the same manner" which is the most difficult to achieve, and it is here that we must direct efforts in the future.

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