

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Negotiating Group on Trade-Related
Aspects of Intellectual Property Rights,
including Trade in Counterfeit Goods

STANDARDS AND NORMS FOR NEGOTIATIONS ON TRADE-RELATED
ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

Communication from Australia

The following communication has been received from the Permanent Mission of Australia, with the request that it be circulated to members of the Negotiating Group.

Any GATT-based intellectual property Agreement should address trade distortions or impediments to trade that result inter alia from:

- (1) deficiencies in existing internationally agreed intellectual property norms, which in some instances fail to establish adequate and effective standards for protection of intellectual property; and
- (2) the absence of adequate and effective, or the presence of excessive, protection for intellectual property under national law.

Such an Agreement should oblige signatories to agree to provide, in their national laws, for the protection of intellectual property at a level consistent with standards and norms contained in the Agreement. These standards and norms could, for example, be listed in the Agreement or contained in an Annex to the Agreement.

The Agreement should embody the basic GATT principles of non-discrimination, national treatment and transparency.

In order to accomplish the objectives specified in paragraph 4 of the TNC Decision on Trade-Related Aspects of Intellectual Property Rights, participants in the negotiations need to clearly specify the standards and norms required to redress trade distortions or impediments.

If it is agreed by participants that standards contained in the principal existing international Conventions or Agreements are appropriate they could be inscribed in the Agreement by reference. Reference should be confined to the most broadly subscribed Act of these Conventions or Agreements.

Participants could also examine provisions in national laws that would provide adequate protection for intellectual property, particularly in cases where standards are inadequate or excessive in, or absent from, the principal international Conventions or Agreements (i.e. Berne, Paris, Rome and Geneva Conventions).

The negotiation of a proposed positive list of standards and norms in the GATT Agreement should be without prejudice to complementary initiatives in other fora, particularly in the World Intellectual Property Organization.

The list of standards and norms in the Agreement could be developed and be amended by signatories over time, according to defined procedures. The adoption of standards and norms in the GATT agreement, although obviously related to other obligations under international Agreements and Conventions on intellectual property rights, would not affect rights under those Agreements and Conventions in any legal sense. The standards and norms in the GATT Agreement would serve as a basis for action in trade related disputes and would oblige signatories to remove trade distortions and impediments resulting therefrom.

Australia considers the following standards and norms, covering a range of trade related intellectual property issues, should be addressed in the negotiations.

Copyright

Rights in the copyright field should be protected in accordance with the existing provisions of relevant international Conventions; including the Berne Convention for the Protection of Literary and Artistic Works (1886).

The standards and norms in these Conventions are considered sufficient for the purposes of the proposed GATT Agreement.

Neighbouring Rights

Neighbouring rights should be protected in accordance with the existing provisions of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (1961) and the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of their Phonograms (1971).

The standards and norms in these Conventions are considered sufficient for the purposes of the proposed GATT Agreement.

Patents

(i) Subject Matter

Patents should be available for inventions in all fields of technology. However, inventions which could be described as:

- discoveries, scientific theory or mathematical methods to the extent that they do not constitute industrially applicable products or processes;
- aesthetic creations;
- schemes, rules or methods of performing a mental act, playing a game or doing business;
- the presentation of information; or
- contrary to public order or morality;

may be excluded from patent protection.

(ii) Criteria for Obtaining Protection

Patents should be available under the first to file principle.

Patents should be available for inventions which are novel and which involve an inventive step (be non-obvious).

Novelty should be judged against a prior art base which takes into account publication in a document anywhere in the world prior to the invention. The prior art base should also take into account at least local use.

An invention shall be considered to involve an inventive step if having regard to the prior art base it is not obvious to a person skilled in the art.

These standards are absent from the Paris Convention.

(iii) Formal Procedures

Formal procedures should not be imposed which are, whether by direct or indirect legal or practical effect, such as to render the obtaining or maintaining of patent protection more difficult for foreign applicants or patent owners than is the case for local applicants or owners.

This standard is absent from the Paris Convention.

(iv) Scope of Right

The owner of a patent should be entitled to prevent third parties, not having his consent, from exploiting the invention. Exploitation should cover at least the following acts:

- where the invention is a product, the making, importing, distributing, offering for sale, selling and using of the product or the stocking of the product for such purposes.
- where the invention is a process, the use of the process or the doing, in respect of a product obtained by means of the process, of any of the acts referred to above in connection with a product invention.

The Paris Convention is considered insufficient on this standard since it deals only with imported products obtained by means of a patented process.

(v) Duration of Rights

The term of a patent should be a minimum of fifteen years from the date of filing of the application.

The Paris Convention is silent on this standard.

(vi) Compulsory Licensing

Compulsory licences should be available to remedy adjudicated anti-competitive practices. Such licences shall in all circumstances be non-exclusive.

Government exploitation of patents in the national interest should be permitted.

Compulsory licences and Government exploitation of patents should be subject to payment of proper compensation and the grant of such licences and the payment of compensation should be capable of independent review by a distinct higher authority.

Forfeiture of a patent on the grounds of failure to work or insufficient working should occur only if the grant of a non-voluntary licence has not prevented anti-competitive behaviour.

The Paris Convention is considered insufficient on this standard.

Trade Marks

(i) Subject Matter

Protection should be available for all marks for goods and services on the basis either of registration or local use resulting in a reputation of the mark.

This standard accords with the provisions of the Paris Convention.

Protection or the right to use a mark should not be denied on the ground that the mark is used in another country or is rendered in a foreign language.

The Paris Convention is silent on this standard.

A mark is any visible sign serving to distinguish goods or services and should include any device, brand, heading, label, ticket, name, signature, word, letter or numeral, or any combination thereof.

The Paris Convention does not define a mark and hence is considered insufficient on this standard.

(ii) Criteria for Obtaining Protection

Where national legislation provides for registration use of a mark should not be required before it may be validly registered. Only marks capable of distinguishing the goods or services of one undertaking from those of another undertaking should be registered.

Registration should not be dependent upon any special requirements for the use of a mark in combination with another mark.

The Paris Convention is silent on the question of the use of a mark prior to registration and the use in combination with another mark.

Registration should be denied to trade marks which are:

- incapable of ever having any distinctive character;
- contrary to law or which contain scandalous matter;
- of such a nature as to deceive or cause confusion to the public as to the nature, quality or origin of the goods or services; or
- in conflict with earlier existing exclusive rights.

This accords with the provisions of the Paris Convention.

(iii) Formal Procedures

Formal procedures should not be imposed which are, whether by direct or indirect legal or practical effect, such as to render the obtaining or maintaining of registration of a mark more difficult for foreign applicants or owners than is the case for local applicants or owners.

This standard is absent from the Paris Convention.

(iv) Scope of Rights Conferred

The registration of a mark should confer on the owner of the mark the right to prevent third parties, not having the owner's consent, from using in the course of trade the same or a confusingly similar mark in respect of the same goods or services.

The Paris Convention is silent on this standard.

(v) Duration of Rights

The registration of a mark should be allowed to be renewed indefinitely. The registration should be capable of being cancelled if, at any time after registration, and immediately prior to the commencement of any action for cancellation, an uninterrupted period of at least three years has occurred during which there had been no use in good faith of the mark and no legitimate reasons for the non-use exist.

The Paris Convention is considered insufficient since it is silent on duration of rights (although indefinite renewal is an international norm), and does not prescribe a period of non-use prior to cancellation.

(vi) Compulsory Licensing

The compulsory licensing of a mark should not be permitted. Voluntary licensing should be permitted without restrictions, other than those necessary for the preservation of a connection with the owner of the mark. Assignment of marks should be available with or without the transfer of goodwill of the business concerned.

The Paris Convention is silent on compulsory licensing.

Industrial Designs

Industrial designs should be protected in accordance with the existing provisions of the Paris Convention.

Protection should not be denied solely on the ground that the design has a functional effect.

The total duration of protection, including any renewal period, should be not less than ten years.

The Paris Convention is silent on these standards.

Geographical Indications

Geographical indications including appellations of origin should be protected at least to the extent necessary to ensure consumer protection and to avoid consumers being misled, confused or deceived.

The standards in this regard in both the Madrid and Lisbon Agreements are considered excessive because they require protection to be afforded to names that have truly become generic and thus no significant consumer confusion or deception is involved in the use of the name.

Integrated Circuit Layout Designs

Integrated circuit layout designs should be protected in accordance with the existing provisions of the Treaty on Intellectual Property in Respect of Integrated Circuits done in Washington, May 1989.