

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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

TRADE-RELATED INTELLECTUAL PROPERTY RIGHTS

Submission by Austria

The following submission has been received from the Permanent Delegation of Austria, with the request that it be circulated to members of the Negotiating Group.

In submitting this paper, Austria wishes to present the various oral statements of her delegation coherently, express some of her concerns and positions and contribute actively to a successful completion of the Uruguay Round in general and of this Negotiating Group in particular. Austria reserves her right to modify her position in the course of negotiations which should be conducted with an open mind in order to be effective.

International trade as well as international investment will profit from the successful establishment of internationally accepted standards and principles as well as enforcement rules for intellectual property rights. Thus, a source of international conflicts and frictions which threaten the multilateral system will be eliminated to the benefit of all participants in international trade and investment. While harmonisation of national legal systems which reflect different cultures and history cannot be the aim of these negotiations, the creation of a stable, predictable international environment for intellectual property rights will increase international trade which is in the interest of all nations. It is recognised that inadequate as well as excessive protection of intellectual property rights may cause distortions or impediments to trade.

I. INTERNATIONAL STANDARDS AND PRINCIPLES

1. Copyright

1.1 The standards of the Paris Act of the Berne Convention are in general adequate and should therefore serve as a guideline for further discussion.

1.2 Thus, authors and their successors in title shall enjoy the economic and moral rights provided for in the Berne Convention.

1.3 Any limitations and exemptions to the exclusive rights of authors shall only be those provided for in the Berne Convention. In applying any of those limitations or exemptions, authors shall be guaranteed due process of law.

1.4 Computer programs

1.4.1 Whether computer programs can be considered a "work" protected by copyright on the international as well as on the national level remains a question of doubt. A future TRIPS instrument should strive to eliminate this uncertainty in providing protection for computer programs which is modelled after the protection of literary works under the Berne Convention.

1.4.2 The normal use of original computer programs already implies their copying for saving (on the hard disk or on a floppy disk as a back up copy). Copies for the personal use of individuals should be allowed, whereas the copying of programs for commercial use, including use by an employee in the interests of his company, shall be prohibited.

1.4.3 A shorter term of protection for computer programs compared to other works could be envisaged, e.g. 25 years (or even shorter) from the time of creation.

1.4.4 The protection of a work shall begin upon creation and shall not be subject to any formality.

1.4.5 The possibility of protecting computer programs incorporated in hardware through patents should be maintained.

2. Neighbouring rights

2.1 Further deliberation should be based on the Rome Convention. Broader adherence to this Convention would help to establish internationally accepted standards which still seem to be lacking.

2.2 Some states protect phonograms under copyright, neighbouring rights, or under unfair competition laws. Clarification should be sought on an international level. Austria favours the protection of phonograms as a neighbouring right.

2.3 The term of protection should be at least 50 years after fixation or 50 years after performance or broadcast took place.

3. Trademarks

3.1 "Mark" should mean any distinctive sign which may serve to distinguish in the course of trade, the goods or services of an enterprise from similar goods or services of other enterprises.

3.2 Letters, numerals, colours, three dimensional forms (including packaging, non-functional shapes) should only be protectable if acquired distinctiveness (secondary meaning) can be established.

3.3 Collective marks shall be included in the protection of marks.

3.4 The concept of "well-known trademark", allowing denial of protection, will need further elaboration to become operational.

3.5 The use of a trademark shall not be a prerequisite to registration.

3.6 The registration of a trademark grants the owner the right to prevent any third party from any unauthorized use of the trademark.

3.7 Limited exceptions to exclusive rights such as fair use of descriptive terms and exhaustion of rights should be allowed.

3.8 The term of protection should be at least 10 years and should be indefinitely renewable for further such terms.

3.9 There should not be any other conditions attached to the renewal of a trademark than the payment of an appropriate non-discriminatory fee.

3.10 The period of unjustified non-use before a trademark registration can be cancelled should be at least five years; each case should be decided on its own merits.

3.11 Compulsory licensing of trademarks shall not be permitted.

3.12 Trademarks should be transferable without the enterprise to which they belong.

4. Industrial designs

4.1 Industrial designs which are novel or original shall be protected. Protection should be granted upon application for registration.

4.2 The term of protection shall be five years, renewable for two consecutive periods of 5 years each; i.e. maximum protection of 15 years.

4.3 Compulsory licensing shall not be permitted.

4.4 Any future agreement on industrial design should be a tool to prevent identical reproduction of the appearance of products which differs only in immaterial details or features from that of the protected design.

4.5 The right owner should have the right to prevent others from illegal use of his design. This right shall include the possibility to prevent the import of products which infringe the rights of the right holder.

4.6 Designs in the field of fashion and textiles have not only a short life cycle, but due to the technological progress information is spread rapidly and copying can start nearly immediately. Therefore a special regime to protect designs in this field should be studied.

5. Patents

5.1 The patentability of micro-organisms, pharmaceuticals and chemicals shall explicitly be provided for. For the sake of clarity, human beings shall be explicitly excluded from patentability. Further studies are required concerning the patentability of plant and animal varieties or essential biological processes for the production of plants and animals.

5.2 The harmonisation of the various terms of protection should be achieved as the different length of protection in different states creates different markets which is in itself an obstacle to trade. The term of effective protection should be 20 years.

5.3 In cases where administrative authorisation for the marketing of patented pharmaceuticals by the competent authority exceeds (x) years after the filing of the application, the possibility of an extension of the term of protection of (x) years should be studied (patent term restoration).

5.4 Compulsory licences shall only be granted under the following conditions:

- non-exclusiveness
- grant of adequate compensation
- subject to effective judicial review
- for domestic sales only
- only after the right holder has refused to grant a licence on normal commercial terms.

5. The abuse of monopolies shall be dealt with under national competition law and shall not justify a compulsory licence.

6. Layout designs

6.1 Austria, having already passed an Act on the protection of integrated circuits in 1988, proposes that the Group should study this subject along the following lines:

6.2 An exclusive right to the creator of a topography, defined as a three-dimensional structure of microelectronic semi-conductor products should be provided for.

6.3 Protection shall be granted on the basis of originality resulting from an intellectual effort of the creator.

6.4 Concepts, processes, systems, techniques or stored information contained in the topography shall not be protectable.

6.5 Compulsory licences shall not be permitted.

6.6 An exemption for reverse engineering shall be included and a special regime for innocent infringers should be provided.

6.7 The term of protection under a registration system for eligible topographies should be ten years from the date of first commercial exploitation or the date of filing with the competent authority, whatever occurs first.

6.8 Protection shall be available to both nationals and residents of the state in which the topography has first been commercially exploited or filed with the competent authority and, on a reciprocal basis, to nationals and residents of states party to an international agreement to which this state is a party, or states officially identified.

7. Trade secrets

Information and know-how, independently or accompanying the grant of patents or other intellectual property rights, should be adequately protected under national law.

Under Austrian law the following means of protection are provided for:

7.1 The Penal Code:

- § 122: breach of trade or company secrets
- § 123: exploration of trade or company secrets
- § 124: exploration of trade or company secrets in the interest of a foreign power
- § 126 a: damage of data
- § 148 a: misuse of data processing

7.2 The Data Protection Act:

- § 48: breach of secret
- § 49: unauthorised participation in data exchange

7.3 The Act against Unfair Competition:

- § 11: disclosure of trade or company secrets for the purpose of competition
- § 12: misuse of entrusted documents for the purpose of competition

7.4 Contractual obligation under civil law:

There is a limit to protection of trade secrets as know-how is often linked to a person. According to Austrian law, an employee can be obliged to refrain from working with a competitor for one year.

8. Procedures for industrial property rights' protection

8.1 In addition to the examination of formal requirements, the following procedures should be applied:

- industrial designs: deposit
- trademarks: application, registration, examination as to substance;
- patents: application, examination as to substance, opposition procedure, registration.

8.2 All registration procedures should be speedy and all costs and fees involved should be reasonable. Ineffective and slow procedures may amount to an obstacle to trade and unreasonably high costs may deter especially small and medium sized companies from seeking international protection of their intellectual property rights. Whenever multiple registration or deposit requirements have to be met, fees should be degressive.

II COUNTERFEIT

9. Austria supports the efforts to establish an international regime to suppress trade in counterfeit goods. As in all other areas of intellectual property rights' protection, due consideration has to be given to avoiding setting up obstacles or unnecessary burdens to trade in legitimate goods.

III BASIC PRINCIPLES

10. National treatment, MFN

10.1 National treatment is a principle common to the GATT and to the various international conventions covering intellectual property rights. The protection of these rights should not be less favourable than that granted to nationals or domestically produced goods. National treatment is therefore a defence against discrimination and protectionism.

10.2 The MFN principle is a barrier against attempts by states to exert bilateral pressure to get better treatment for their nationals than that accorded by a state to other nationals including its own.

10.3 Parties to a future TRIPS instrument shall subscribe to international standards and principles which will eliminate any discriminatory treatment of nationals and assure a sufficient and internationally agreed level of protection.

10.4 The unconditional application of the national treatment principle (especially in connection with the MFN principle) which is limited in some international conventions on intellectual property rights to signatories i.e. members of a "union", may lead in some cases to a different level of obligations of states ("free rider problem").

11. Transparency

Transparency serves not only the predictability of situations in international trade and is essential to prevent the emergence of misunderstandings or trade disputes, but is also an essential feature to monitor the effective implementation of agreements. Therefore the notification of relevant national legislation and rulings to the parties of a future TRIPS instrument and/or the GATT secretariat or any body to be set up by the future agreement shall be part of such an agreement. This notification shall include within the limits of national constitutions advance information on planned changes of legislation relating to intellectual property rights. The GATT secretariat or any body to be set up by the future instrument shall monitor the implementation of the instrument.

12. Dispute settlement

12.1 The improvement of the multilateral dispute settlement mechanism within GATT is one of the key elements of the Uruguay Round. The GATT dispute settlement mechanism as amended by the results of the Uruguay Round negotiations should be used for disputes arising from the commitments of a TRIPS instrument to promote uniformity within the GATT system. The acceptance by all contracting parties of the multilateral approach to the settlement of disputes, including the multilateral authorisation for any suspension of the application of concessions or other obligations as a last resort after consultations and mediation attempts (good offices) have failed, will be in itself an incentive to resort to the dispute settlement mechanism and to a broad adherence to the future instrument.

12.2 Panels established under the above-mentioned regime may consult with international organisations specialising on intellectual property rights protection, such as WIPO, if specific problems closely linked to intellectual property rights' conventions administered by them are to be dealt with in the course of a dispute. Contracting parties may also consider to nominate governmental or non-governmental individuals having special knowledge in the field of intellectual property rights to be available to serve as panelists if their specialised knowledge may be helpful to the solution of the dispute in question.

13. Developing countries

13.1 The effective implementation of internationally agreed standards and principles and enforcement procedures will put an additional burden on all signatories to a future TRIPS instrument and may strain their financial and human resources. Developing countries and especially the least developed of them will therefore need special consideration in the spirit of international co-operation.

13.2 Technical assistance to help them to cope with the additional tasks should be envisaged.

13.3 Furthermore, developing countries should be granted special limited transitional periods to prepare themselves for shouldering all the obligations arising from the future TRIPS instrument. The grant of a transitional period of (x) years will help all signatories to accept the same obligations and enjoy the same rights under a future agreement in order to avoid a two tier system of states with different levels of obligations.

13.4 A reporting and review mechanism could be established to monitor the progressive implementation of all the provisions of the future TRIPS instrument.

14. Relationship of the future TRIPS instrument with other international agreements covering intellectual property rights

14.1 The goal to be realised is to avoid the creation of conflicting international systems of intellectual property rights protection due to non-overlapping membership of States in different international instruments.

14.2 As the already existing international conventions on intellectual property rights have established or aim to establish internationally accepted standards and principles, contracting parties are called upon to adhere to these conventions.

14.3 The standards and principles of the Paris and Berne Conventions in their most-widely subscribed versions seem to meet a high degree of acceptance. Contracting parties shall therefore adhere to these two international instruments.

14.4 If conflicts of law arise from the differing membership of states to different international instruments dealing with intellectual property rights, they should be resolved according to the rules set out in the Vienna Convention on the Law of Treaties, in particular its articles 30, 41, 59.