

International Treaties on Industrial Property Rights

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International Treaties on Industrial Property Rights

Japan is a signatory party to major international conventions protecting industrial properties, such as the Paris Convention for the Protection of Industrial Property (Paris Convention), the Treaty for Establishing the World Trade Organization (WTO Treaty), the Patent Cooperation Treaty, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement), the Strasbourg Agreement Concerning the Intellectual Classification (Strasbourg Agreement), and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (Budapest Treaty).

Apart from the above international treaties and conventions, Japan is a party to the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention, the Rome Convention for the Protection of Performers, Record Producers and Broadcasting Organizations (Rome Convention), the Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of the Phonograms and (Record Protection Convention), the WIPO Treaty on Copyrights and the International Convention for the Protection of New Varieties of Plants (UPOV).

Note: For more information on international treaties concerning designs, please see the text titled “Treaties Protecting Industrial Design.” For more information on the Patent Cooperation Treaty, please see the text titled “An Outline of the Patent Cooperation Treaty.”

I. Paris Convention for the Protection of Industrial Property (Paris Convention)

1. Outline

(1) History

The Paris Convention is an international convention for the international protection of industrial property that was signed by countries constituting a Union on March 20, 1883 in Paris. The number of countries in the Union has grown from 11 to 168 as of July, 2004.

Japan joined the Union in 1899 and has joined all related agreements later made under the Paris Convention. Japan's joining the Union was inspired by various bilateral treaties to revise the unequal treaties concluded with the United States and European countries at the end of the Edo period, which, in their protocols, included provisions requiring Japan to join the Paris Convention.

The Paris Convention was revised in Brussels in 1900, in Washington in 1911, in the Hague in 1925, in London in 1934, in Lisbon in 1958 and in Stockholm in 1967. The Major revisions included in the Stockholm Agreement are provisions recognizing applications for certifying inventions as a basis for priority claims and the modernization of management provisions among others.

(2) Features of the Paris Convention

Compared with other general treaties and conventions, the Paris Convention has two remarkable features.

Firstly, the Paris Convention is a convention binding a union of countries. Because simple individually-concluded treaties are not sufficient to ensure the international protection of industrial property, relationships among countries forming the Union were strengthened.

Secondly, the Paris Convention is designed to remain valid even when revisions and amendments are made to it (making various agreements included in the convention), a feature arising from its particular body, the "Union." It is possible therefore for a country to join the convention in its original form without ratifying other agreements added to the convention. However, a country outside the Union is only allowed to join the convention in its latest form.

In other words, the latest convention is effective instead of the former convention in the countries of the Union which have ratified (or joined) the latest convention. For the countries of the Union to which the latest convention is not applicable but the former convention is, the former convention remains valid only in that case.

Between a country A outside the Union which will join the Stockholm Agreement or other recent treaties and another country B which is a member country of the Union but has not joined the latest convention, the latest convention will be basically valid as long as A is a member of the union. If B wishes apply for the application of the latest agreements (including the Lisbon Agreement, etc.) A must recognize this.

Not specific to the Paris Convention itself, the Japanese Patent Law stipulates in Article 26:

“Where there are specific provisions relating to patents in a treaty, such provisions shall prevail.”

(3) Three Basic Principles

The Paris Convention has three basic principles, i.e. the principle of national treatment (the same treatment granted to a member country’s own people), the right of priority and the principle of territoriality.

The principle of national treatment is the most essential principle and ensures that nationals of member countries of the Union receive the same respect and protection that it grants to its own nationals.

The right of priority is to recognize an application in a second country as having been filed on the date of the application in the first country. In other words, it makes the filing date for an application retroactive in effect and provides a system extremely convenient for filing applications in foreign countries member to the Union.

The principle of territoriality makes it clear that the convention is not a uniform law but a law coordinated among different patent laws and ensures that a patent obtained in each country is effected, stayed and expires independently, irrespective of its status in other countries.

2. Details of the Three (3) Basic Principles

The Paris Convention, while recognizing that member countries have respective patent and other laws, has coordinated such laws differently wherever possible and established many principles with respect to essential matters concerning the protection of industrial property. As its three basic principles, the Paris Convention sets forth: 1) national treatment, 2) the right of priority and 3) the principle of territoriality.

(1) Principle of National Treatment

National treatment is an essential principle in the convention and ensures that nationals (including incorporated bodies) of member countries of the Union grant the same rights and protection to member countries as it grants to its own nationals (as opposed to foreign nationals) (Article 2).

To be granted the same protection as a member country's own nationals, an applicant must comply with conditions and formalities required for nationals in the member country (Last Part of Article 2(1)). The conditions include the payment of application fees and annual fees, while formalities include those regarding applications, demands for examination, appeals, etc.

Items applicable to the nationals of a member country of the Union, are applicable in this principle to nationals of countries outside the Union who are domiciled or have a real and effective office in the territory of a member country of the Union (Article 3). In this case, the national outside the Union is called a quasi-national of a member country of the Union. The national treatment rule extends to quasi-nationals of member countries of the Union if they are domiciled or have a real and effective office in a member country of the Union. A real and effective office in this case means an office which, with establishments to enable a certain degree of business, independently does actual business, but does not include offices in name only. An invention made by that person contributes to the development of industry in that country and, therefore, needs not be distinguished from that of a national of a member country in the Union.

As for a person with no nationality but with an address in the territory of a member country of the Union, views are split over whether such a person should be recognized as a quasi-national of a member country of the Union under the interpretation of that person as a "national of a country not belonging to the Union." In light of the purpose of Section 3 of

the Paris Convention, a positive recognition is considered adequate.

(2) Right of Priority

(A) Priority

A person who has duly filed an application in a member country of the Union, or a successor in title, possesses the special benefit of a right of priority for a certain period of time (period of priority) from the date of the first application (priority date).

The first Part of Article 4B of the convention stipulates that by any reasons of any acts accomplished in an interval between an application in the first country (first application) and a subsequent application in a country (subsequent application) where a right of priority is declared, including another filing and the publication or exploitation of the invention, the application cannot be refused or a patent granted, nor can it be invalidated.

The Paris Convention also stipulated that acts such as additional filings of and/or the publication or exploitation of the invention will not give rise to any third-party rights such as a patent right, prior user's right or other rights of use.

In other words, the effect of a right of priority makes the date of the subsequent application retroactive to the date of the first application, in principle. A right of priority should ensure, at minimum, effects which could have been acquired if the subsequent application was actually filed on the same date of the first application.

(B) Priority Claim and Retroactivity

It should be kept in mind that the effect of a right of priority cannot always ensure retroactivity of the subsequent application as there could be an exception.

As apparent from Article 4B, the novelty of an invention and the first filing of the application should be determined based on the priority date. This is a typical case where the subsequent application can be retroactive to the priority date.

However, the problem is that the date of the subsequent application is retroactive with respect to the novelty of the invention but not with respect to applications provisions excepting lack of novelty. In other words, the basis for determining the novelty of the invention is not retroactive to any time within six months of the first application.

Acts which are not subject to "undesirable treatment" as stipulated in Article 4B under

the effect of priority claims are acts carried out in the time between the first application and its subsequent application but not any acts from before the first application date, which are subject to exceptions to a lack of novelty.

In the following cases, it is wrong to expect that subsequent applications be retroactive to the first application date. In cases where a patent law has been revised, the priority date applicable to the application under revised law is that deemed by the new law and not the former. For example, the provision of the present law in Japan for the expansion of grounds for loss of novelty (publications known throughout the world) or a revision in the law of 1975 to recognize a patent for a substance (deletion of non-patentable items) are applicable to a subsequent application in Japan as the second country.

(C) Requirements for the Right of Priority

To establish a right of priority, the following requirements must be met, including other requirements as mentioned above.

- ① An application serving the basis for a right of priority must be duly filed in the first country (Duly-filed application*1).
- ② An application in the first country must be the first application (First-filed application*2).
- ③ The applicant of a subsequent application in the second country must be the original applicant of a first application in the first country or a successor in title (Identity of applicant*3).
- ④ The subject of a subsequent application is the same as that of a first application (Identity of applications in substance*4).
- ⑤ A subsequent application must be filed within the period allowed for declaring a right of priority (Compliance with the time limit for declaring priority*5).
- ⑥ A right of priority needs to be claimed (Declaration of right of priority*6).

Naturally, an application in which a right of priority cannot be claimed will be handled as an ordinary application.

***1 Duly-Filed Application**

Each country will judge whether an application has been duly filed in accordance with domestic legislation. An application thus filed, formally accepted and assigned a filing date is a duly-filed application. The fate of an application after it has been formally accepted is irrelevant to in regard to the right of priority. In other words, the formal status of a duly-filed application is not affected by its invalidation, withdrawal, abandonment or refusal (Article 4A(1)).

***2 First-Filed Application**

An application in the first country must be the first. If a right of priority is recognized based on a subsequent application in the second or later country, a period allowed for declaring a right of priority can be freely extended by an applicants at their own discretion, making it meaningless that any certain period has been set for declaring a right of priority. However, the Paris Convention stipulates one special case not applicable to the above, where an application which is not the first can be considered as the first application (Article 4C(4)).

This provision can be effective in the case that a first application urgently filed was rejected for containing an incomplete invention not sufficiently reflecting the inventor's intention and another application must be filed anew.

The conditions for an application to be considered as the first application are (i) that a subsequent application concerning the same subject as a previous first application is filed in the same country, (ii) a previous first application has been withdrawn, abandoned or refused without having been laid open to public inspection and without leaving any rights outstanding and (iii) a previous first application (either in the same or another country) has not yet served as a basis for declaring a right of priority. In either case, a previous first application cannot be used as a basis for declaring a right of priority.

***3 Identity of Applicant**

Based on the assumption that the inventor is the same, the applicant of the first application in the first country naturally must be the same as the applicant of a subsequent application in the second country. It is also natural that a successor in title can enjoy the

benefits of the convention in accordance with Article 2 or 3.

The rights of applicants' successors in the first country to rights of priority should be noted. In other words, the transfer of a first application by its applicant does not carry a right of priority. It is possible for the first applicant to keep a right of priority or transfer it to a third party other than a successor.

***4 Unity of Application**

The unity of applications is defined as the identical nature of application subjects or, in short, the unity of application. In a broad sense, the unity of an application means that the substance of an invention within a priority-based application must be indicated in the original description or drawings of the first application as it was filed. In other words, no problem arises where corresponding applications are different in type (such as a utility model application based on a patent application) (Article 4E(1) and (2)).

The description and drawings of subsequent applications do not have to be identical with those of a first application. Nor does the scope of claims (elements of an invention). In other words, the scope of claims of a subsequent application, if different from that of a first application, is not denied priority so far as it contains elements clearly described in the whole of the documents of the first application (Article 4H).

The above provision is natural in view of the fairly large differences in the laws and their operations from one country to another.

***5 Compliance with a Time Limit for Declaring Priority**

A period of priority is the period of time during which the priority claim in the application's first country remains good. If a subsequent application is not filed within this period of time in a second country, the benefit of priority cannot be enjoyed. Periods of priority (Article 4A(1) and C(1)) during which a right of priority can be claimed are not necessarily the same (Last Part of Article 4D(1)).

The periods of priority are twelve months for patents and utility models and six months for designs and trademarks (Article 4C(1) to (3)).

A priority claim can be declared where applications in the first country and the second countries are different in type (Article 4E(1) and (2)). In other words, an application for

the registration of a utility model can be filed based on a priority claim arising from a patent application and vice versa. This is applicable between utility model and design registration applications. As for priority in the case of different types of applications, there is no problem with either a patent application or a utility model registration application for which the period of priority is twelve months. In cases where a design registration application based on a utility model application, the convention stipulates a period of six months set for the utility model (Article 4E(1)). However, there is no provision applicable in the case of an application for the registration of a utility model based on a design application. Views on this issue are split, some favor six months and others favor 12 months. The view favoring six months is prevailing. Apart from theoretical interpretations, this is safest when actually filing an application.

***6 Declaration of the Right of Priority**

One cannot take advantage of a right of priority by simply filing a secondary application in a second country within the periods of priority. Certain formalities must be followed. To declare a right of priority, one must indicate the name of a country where a previous first application was filed and the date of its filing (First Part of Article 4D(1)).

The declaration of a right of priority must be made in a prescribed time limit (Last Part of the same article). Also required are copies of documents (including description, drawings, etc.) concerning the application filed in the first country as necessary to declare a right of priority and certification in the first country (priority documents), which need to be filed within a certain period. Each country of the Union sets consequences for failure to comply with these formalities. Such consequences, however, are limited to the loss of a right of priority. (Middle and Last Parts of Article 4D(4)) Therefore, the invalidation, refusal, etc. of an application which is beyond the loss of a right of priority cannot be enacted.

◇ Combined Priority and Partial Priority (Secondary Consequence)

Usually, a right of priority is claimed with respect to an invention covered by a first application in a single country. However, there are cases where another application for a related invention is filed in the same country (or other countries) with the period of

priority. In such a case, it is not only convenient but economical if the related invention can be incorporated into a subsequent application in the second country together with the first invention.

The Paris Convention (First Part of Article 4F) allows the declaration of two or more priorities. However, it is natural that the date of the earliest applications in the first country serve as a basis for declared priorities.

In case the subject matter of a subsequent application in the second country comprises an invention for manufacturing and an invention for a manufacturing apparatus, for example, priorities can be claimed with the invention for manufacturing based on an application X filed in the same first country and the invention for a manufacturing device based on an application Y in the same first country (or a third country). The priority dates, in this case, are that of application X for the manufacturing invention and that for manufacturing apparatus Y.

Similarly, the convention recognizes a subsequent application in the second country containing elements that were not included in the first country's application. This is a so-called partial priority. Entitled to a right of priority in this case are natural elements included in an application in the first country. With respect to elements not included in the application in the first country, a subsequent application can be filed in any country (including the first country), claiming a right of priority under ordinary conditions (Last Part of Article 4F).

In cases where the subject matter of a subsequent application in the second country comprises a manufacturing invention and an invention for a manufacturing apparatus with only the first based on an application in the first country, a right of priority can be claimed for the subsequent application. With respect to the invention for a manufacturing apparatus, in this case, a later application can give rise to a right of priority under ordinary conditions.

In the cases of either a combined priority or a partial priority, the priority claim is not refused nor is the application rejected on the ground of a special priority as being claimed. However, the unity of invention is required (Lines 1-2 in the First Part of Article 4F). In the case that there is no unity of invention within the meaning of the law of a country where an application is filed (priority in a combined form), the application

can be divided. The division of an application can be effected either as a result of an examination or voluntary action. As to the dates of divided applications, the patent applicant can preserve the date of the initial application as the date of each of the divided applications (retroactivity of a filing date) and the benefits of a right of priority, if any (either a combined priority or a partial priority) (Article 4G). Each country of the Union can determine conditions under which such division is recognized.

◇ **Formalities after Filing an Application**

After the filing of an application, further proof other than priority documents may be required (First Part of Article 4D(5)). A person claiming a right of priority based on the first application is required to specify the application number (Last Part of Article 4D(5)).

Specifying an application number is to confirm the matter as required in Article 4D(1). Since it is not always possible to specify an application number, failure to comply with this requirement is not subject to any punishment.

Failure to specify an application number as required in Article 4D(5) is stipulated apart from formalities prescribed in Article 4D(4). Therefore, failure to comply with this requirement does not lead to the loss of a right of priority, etc.

(D) Right of Priority and Inventor's Certificate

Among signatory countries to the Paris Convention, there have been countries which recognize an inventor's certificate and a patent system. Thus it was possible for an applicant to apply for either a patent or an inventor's certificate (hereinafter referred to a double-system country).

In order to ease the interchange of technologies between double-system countries and others with only a patent system, the Stockholm Agreement stipulates that an application for an inventor's certificate has the same effects as those of a patent application with respect to a right of priority (Article 4I(1)). Conversely, it also stipulates that an application for an inventor's certificate based on a patent application, an application for the registration of a utility model or an application for an inventor's certificate in the first country can enjoy a right of priority (Article 4I(2)). Clearly, it is not possible to claim a

right of priority in other member countries of the Union based on an application for an inventor's certificate filed in a country only with an inventor's certificate system (hereinafter referred to as an "inventor's-certificate-only country) and claim a right of priority in single-system countries based on patent applications filed in other countries. Presently, there are no countries accepting inventor's certificates only..

(E) Relationship between the Nature (Substance) of Priority Claims and Applications

What relationship is there between an application which gives rise to a right of priority and the right of priority? How do we interpret the nature of a right of priority or the substance of a right of priority?

In regard to the nature of a right of priority, four elements are raised, i.e. independence, plurality, potentiality and belongingness. A right of priority arises from an application first filed but thereafter becomes independent from the application. In other words, a right of priority gains its independent existence (independence).

A right of priority is not an inseparable single right but a collection of plural rights (plurality). Theoretically, the number of plural rights is one less than the number of the member countries of the Union (one is a country where a first application gives rise to a right of priority).

A right of priority, though having effects in a number of countries, is not necessarily always executed. It may become extinguished without being executed. Usually, it is limited in execution. In other words, a right of priority may be executed or extinguished before being executed. It can be called a potential right (potentiality).

As explained above, a right of priority, which is independent from the first application, has its independence effective only until it is used as a basis for one or more countries. In other words, a right of priority, when used as a basis for subsequent applications in other countries, loses its independent effect and follows the fate of subsequent applications in accordance with legislation of the host country (belongingness).

(3) Principle of Territoriality

The Paris Convention does not make it possible for a single invention, if patented in a member country of the Union, to claim its patent right in other member countries of the

Union. An invention cannot be protected in any country unless it is patented there (territoriality).

This is apparent from the fact that the convention per se is not a uniform law. However, the convention not only makes this clear in its provisions and further stipulates that patents obtained in different countries are independent from one another and the destiny of a patent in a single country does not affect that of patents in other countries (Article 4^{bis}(1)). This is the principle of territoriality.

Judged from the purposes of the convention, this principle does apply to a utility model right and other industrial property rights (as for a trademark right, this is set forth in Article 6(3)).

3. Punitive Measures, Etc. against Non-Working

(1) Importation

Whether the importation of articles relating to a patent by a patentee into a country where the patent has been granted entails forfeiture of the patent was a subject of a heated debate at the time that the Paris Convention was being concluded. As a result, Article 5 was provided. Article 5 in its original form indicates:

“Importation by the patentee into the country where the patent has been granted of articles manufactured in any of the countries of the Union shall not entail forfeiture of the patent. However, the patentee shall be obligated to work the patent in accordance with the legislation of the country where articles relating to the patent are imported.” This provision has been revised three times since then to take its present form. In retrospect, these revisions were concessions worked out through heated debates between technology exporting countries (advanced countries) and technology importing countries (developing countries) over the abolition or maintenance of the last part of the provision (a substantial revision to the Paris Convention requires, by custom, a unanimous agreement).

After all, the issue is attributable to a dispute between domestic and international interests with respect to a patent system and an interesting turn of events, not only in the history of the Paris Convention but more widely in the history of patent systems.

According to domestic viewpoints, the patent system, because it exists to contribute to the development of industry in a given country, has no meaning unless resources and labor in

that country are cultivated and domestic industry promoted. In other words, the establishment of a right only serving to hamper its utilization for the nation and industry while depressing domestic industries is harmful and serves no benefit. If patented articles are supplied to a country only through their importation, they are not serving to utilize resources and labor, and inevitably suppress domestic industry. Thus, the recognition of the existence of such patents is also harmful without any benefits.

According to the international viewpoint, meanwhile, if patents granted in several countries need to be worked in all those countries, it will force an excessive burden on the patentee and serve as a negative economic factor for the host country. Patented articles can be made low in cost if produced in a single country rather than produced in many countries, so that their importation is, in many cases, economically advantageous for importing countries as well.

Whether the provision should be revised or not has long been an issue between advanced countries and developing countries. This debate has finally been put to rest with the signing of the TRIPs Agreement.

(2) Non-Working

In order to prevent abuses which may result from the exercise of exclusive rights based on a patent, for example, failure to work, Article 5A(2) of the Paris Convention in connection with Article 5A(1) stipulates that a member country of the Union can take legislative measures providing for the grant of a compulsory license.

However, “failure to work” is not defined in the convention, so that each member country in the Union can define the meaning at its own discretion. Under this compulsory license system, a demand for the grant of a compulsory license cannot be made before the lapse of a period of four years from the filing of an application resulting in a patent or a period of three years from the grant of a patent, whichever period expires later. In cases where the patentee justifies inaction by way of legitimate reasons, a demand for the grant of a compulsory license will be refused.

A compulsory license should not be exclusive and should be transferable together with business only.

A compulsory license system is also applicable to utility models (Article 5A(5)).

In the case where the above-mentioned abuses cannot be prevented by a compulsory license system, it is possible (limited in this case) to provide for the forfeiture (revocation) of a patent (It is interpreted that forfeiture is not effected due to importation as its reason (Article 5A(1)). Proceedings for the forfeiture of a patent cannot be instituted before the expiration of two years from the grant of the first compulsory license (Article 5A(3)).

Incidentally, as already stated earlier, the TRIPs Agreement includes importation as part of rights conferred by a patent.

4. Other

Besides the above-described provisions, the Paris Convention includes the following provisions concerning patents and utility models.

- (1) Right to have the inventor mentioned (Article 4^{ter})
- (2) Patentability of an invention for a product whose sale which is subject to restrictions or limitations resulting from the domestic law (Article 4^{quater})
- (3) Grace for payment of patent fees, etc. and restoration of a patent (Article 5^{bis})
- (4) Cases not considered as infringements of patent rights (Article 5^{ter})
- (5) Effects of a patent on an invention for manufacturing a product (Article 5^{quater})
- (6) Temporary protection of goods exhibited at exhibitions (Article 11)

Apart from these provisions, the Paris Convention provides for the establishment of a special industrial property service and a central office for reference materials and information, etc. (Article 12), an Assembly of the Union (Article 13), the Executive Committee (Article 14), the International Bureau (Article 15), Budget (Article 16), amendment of Articles 13 to 17 (Article 17), a revision to the convention (Article 18), special agreements (Article 19), the ratification of the revised convention and its accession by the countries of the Union (Article 20), accession to this revised convention by a country outside the Union (Article 21), the effects of ratification and accession (Article 22), no accession to earlier acts (Article 23), the application of the convention to territories subject to responsibility for external relations (Article 24), measures to ensure the application of the convention (Article 25), the denunciation of the convention (Article 26), relationship with earlier Acts of the convention (Article 27), settlement of a dispute concerning the interpretation and application of the convention (Article 28), signing, deposition, etc. (Article 29) and transitory measures (Article

30).

Article 19 (special agreements) stipulates that the countries of the Union can enforce separately between themselves special agreements for the protection of industrial property, in so far as these agreements do not contravene the provisions of the convention. Similar provisions are included in the European Patent Treaty, the Strasbourg Agreement Concerning the Intellectual Classification, the Patent Cooperation Treaty, the Budapest treaty concerning the deposit or division of microorganisms, and the Patent Law Treaty, among others.

II. Convention Establishing the World Intellectual Property Organization

The Convention Establishing the World Intellectual Property Organization concluded in Stockholm on July 14, 1967 together with the revisions of the Paris Convention and the Berne Convention and has 180 contracting states now (as of July, 2004).

1. Objectives

The objectives of the World Intellectual Property Organization (WIPO) are to promote the protection of intellectual property throughout the world and to ensure administrative cooperation among the Unions in order to modernize and render more efficient the administration of the Unions (Articles 1 and 3).

“Intellectual property” as used in the convention includes industrial property and copyrights combined (Article 2(viii)). Industrial property here in its broad sense includes, besides matters as included in Article 1(2) of the Paris Convention (patents, utility models, designs, trademarks, service marks, trade names, appellations for the country of origin or appellations for the place of origin and rights to prevent unfair competition), scientific discoveries and know-how.

2. Functions

In order to attain the above objectives, WIPO, through its appropriate organs and subject to the competence of each of the Unions (Article 4):

- (i) shall promote the development of measures designed to facilitate the efficient protection of intellectual property throughout the world and to harmonize national legislation in this field;
- (ii) shall perform the administrative tasks of the Paris Union, the Special Unions established in relation with that Union, and the Berne Union;
- (iii) may agree to assume, or participate in, the administration of any other international agreements designed to promote the protection of intellectual property;
- (iv) shall encourage the conclusion of international agreements designed to promote the protection of intellectual property;
- (v) shall offer its cooperation to States requesting legal-technical assistance in the field of

intellectual property;

(vi) shall assemble and disseminate information concerning the protection of intellectual property, carry out and promote studies in this field, and publish the results of such studies;

(vii) shall maintain services facilitating the international protection of intellectual property and, where appropriate, provide for registration in this field and the publication of the data concerning the registrations;

(viii) shall take all other appropriate action.

Concrete activities significant in the above function as a means to extend assistance to developing countries. In other words, WIPO takes measures to facilitate developing countries ability to acquire industrial property-related technologies, extends that assistance to developing countries so as to help improve their industrial property-related laws and regulations, and adopts model laws while holding seminars and dispatching experts.

3. Organization

WIPO is composed of four organs, i.e. the General Assembly (Article 6), the Conference of States (Article 7), the Coordination Committee (Article 8) and the International Bureau (Article 9). The General Assembly is composed of the States party to the convention which are members of any of the Unions (Article 6(1)(a)). The Conference is composed of the States to the convention (whether they are members of any of the Unions) (Article 7(1)(a)).

The Coordination Committee is composed of the States party to the convention which are members of the Executive Committee of the Paris Union or the Executive Committee of the Berne Union (Article 8(1)(a)).

Depending on matters to be discussed, one-fourth of the States party to the convention which are not members of any of the Unions can participate in the meetings of the Coordination Committee with the same rights as members of that Committee (Article 8(c)). The International Bureau is the Secretariat of the Organization with its Director General directing the Secretariat as a representative of the Organization (Article 9(4)(b)(2)).

III. Patent Cooperation Treaty (PCT)

1. Objectives

One of the major objectives of the Patent Cooperation Treaty (PCT) is to lessen the burden placed on both patent offices and applicants resulting from multiple applications filed in plural countries with respect to a single invention and the redundant examinations accordingly required for them. In addition, the PCT's objectives are to disseminate and provide technical information, primarily on the basis of published documents (Article 50(1)), and extend technical assistance to promote the development of patent systems in developing countries (Article 51(3)(a) (Preamble)). The Contracting States of the treaty stand at 123 now (July , 2004).

2. Entry into Force and History of PCT

In September 1996, the Executive Committee of the Paris Union, based on a memorandum submitted by an American delegate, recommended to the Director General of the then International Bureau of the Union for the Protection of Intellectual Property (BIRPI) that member countries urgently study measures to lessen amounts or duplicated labor borne by both applicants and patent offices, including via special agreements under the Paris Union.

Following this recommendation, Japan, the former West Germany, the United States, France, Britain and the Soviet Union and IIB held consultations and other conferences and, over about four years, came up with the final draft (third draft). Based on this draft, a diplomatic meeting to sign the proposed treaty was held (in Washington in May 1970). After about four weeks of discussions, a unanimous agreement was reached and the treaty was signed on June 1970 (35 signatory countries).

It was agreed that the treaty would go into effect three months after eight States have deposited their instruments of ratification or accession, provided that: 1) at least four of those States each fulfill any of the conditions that the number of applications filed in the States has exceeded 40,000, 2) nationals or residents of that State have filed at least 1,000 applications overseas according to the most recent annual statistics, and 3) at least 10,000 applications have been filed from overseas (Article 63(1)). The countries which had deposited their instruments of ratification or accession by October 24, 1977 were twelve, four of which

were largely patent-oriented countries (the United States, Germany, Switzerland and Britain). Thus, the treaty entered into force with the acceptance of applications starting on June 1 of the same year.

3. Procedures for Filing PCT Application

The major part of the PCT are provisions concerning PCT applications. The treaty leaves details with the Regulations under the PCT (hereinafter referred to as “Regulations”).

There are three procedures, i.e. the filing of a PCT application, an international search and an international preliminary examination.

Both the filing of a PCT application and an international search are procedures necessary for all applications. As prescribed in Chapter I, they are called first-stage procedures. An international preliminary examination is a voluntary procedure which an applicant can demand. As it is described in Chapter II, it is called a second stage procedure.

(1) International Application

(A) Qualifications of Applicants

Any person who is a national or resident of a State member to the PCT may file an international application based on the PCT, (Article 9(1)). Subject to a decision made by the General Assembly, a national or resident of any country party to the Paris Convention but not party to this treaty is allowed to file an international application (Article 9(2)).

(B) Receiving Office

An international application needs to be filed with a prescribed receiving office (a patent office in a Contracting States, in principle) (Article 10).

Prescribed receiving offices are national patent offices in countries such as those Japan and the United States, as well as the European Patent Office, the African Regional Industrial Property Organization (ARIPO) and WIPO (Rule 19 of the Regulations).

By an agreement, any Contracting State can designate the patent office in another Contracting State or any intergovernmental organization (such as WIPO, etc.) as a receiving office (Rule 19.1(b) of the Regulations).

(C) Application Documents

Application documents for an international application need to be prepared in accordance with formalities prescribed in the treaty (Article 3), including a request (Article 4, Rules 3 and 4 of the Regulations), a description (Article 5, Rule 5 of the Regulations), claims (Article 6, Rule 6 of the Regulations), drawings where necessary (Article 7, Rule 7 of the Regulations) and an abstract (Article 3(3), Rule 8 of the Regulations).

(D) Admitted Languages

In principle, an international application needs to be filed in the language specified in an agreement concluded between the International Bureau and an international searching authority competent for the international searching of the application (Rule 12.1 of the Regulations).

The following are the languages specified by international searching authorities at their first meeting.

Japan: Japanese (Currently either Japanese or English is accepted)

The United States: English

Russia (The Former Soviet Union): Russian and French

Austria: German, English and French

Sweden: Danish, English, Finnish, Irish, Norwegian and Swedish

European Patent Office: English, German and French

The official language of a receiving office is one of the languages in which the international application will be published. An international application can be filed in that official language even if the language is not specified in an agreement concluded between the International Bureau and the International Searching Authority competent for the international searching of the application (First Part of Rule 12.1(c) of the Regulations). This provision was included in the agreement between the Spanish and the European Patent Office.

(E) Formality Requirements for Application

Formality requirements for an international application are set forth in detail in the

treaty and the Regulations (Articles 3 to 9, Rules 3 to 13 of the Regulations). No Contracting State can require other formalities different from or in addition to these formalities (Article 27). This is a reason why the treaty is often called a uniform-in-formality treaty.

(F) Formality Examination

The receiving office examines whether an international application fulfills the above-described formalities (Articles 10 to 12 and 14) and, if it does, assigns it an international filing date (Article 11).

An international application assigned with an international filing date has the same effects as a national application filed in each designated country with its international filing date recognized as the corresponding national filing date (Article 11(3)).

Incidentally, a right of priority can be claimed for an international application (Article 8(1)).

According to its contents, a formality examination can be broadly divided into two categories.

One examination relates to essential requirements necessary for assigning an international filing date, that is the qualification of an applicant, the language used, intent to file an international application, the name of an applicant, the prescribed designation of a product name, the part on its face appearing to be a description and the part on its face appearing as claims (Article 11(1)). An international application failing to fulfill any of these requirements is not accorded an international filing date and its applicant is invited to file the required correction (Article 11(2)(a)). If the defect is corrected by the invited correction, the international application is accorded an international filing date (Article 11(2)(b)).

The other is a formality examination not affecting an international filing date (Article 14(1)(a)). In this examination, an international application is checked with respect to the indication of the title of an invention, an abstract, etc. If any defect is found, the receiving office invites the applicant to file the required correction. It continues its procedures if the defect is corrected and, if not corrected, deems the application withdrawn and declares to that effect (Article 14(1)(b)).

(G) Original and Copy of Application

An international application requires three copies, one copy transmitted to and kept by the International Bureau (“record copy”), one copy kept by the receiving office (“home copy”) and one copy transmitted to the competent International Searching Authority (“search copy”) (Article 12).

The receiving office transmits a record copy and search copy of an international application to the International Bureau and the competent International Searching Authority within a prescribed period from a priority date (Article 2(xi)). The prescribed period is set forth in Rule 22.1 of the Regulations and 13 months from a priority date, in principle. If the International Bureau does not receive a record copy within a prescribed period, the international application is deemed withdrawn (Article 12(3)).

(2) International Search

(A) Subject of International Search

An international application is subject to an international search (Article 15(1)). An international search has the objective of discovering prior art relevant to a subject international application and on the basis of an invention described in claims with due regard to the description and the drawings (Article 15(2) and (3)).

(B) International Searching Authority

An international search is carried out by the International Searching Authority (Article 15(1)). The International Searching Authority is selected from among patent offices or governmental organizations satisfying certain conditions (Rules 36 of the Regulations) by the General Assembly (Article 16(3)).

International search authorities are Patent Offices in Japan, the United States, Russia, Sweden, Austria, Canada, Korea, Spain, and Australia, as well as the Chinese Patent Office and the European Patent Office.

The International Searching Authority is required to work to discover as much of the relevant prior art as possible or meet the minimum documentation specified in the Regulations (Article 15(4)).

(C) Minimum Documentation

Minimum documentation includes patent documents in Japan, Britain, the United States, Germany, France, Russia and Switzerland (only those in French and German), international applications and regional applications published since 1920 and specific non-patent documents (about 170). With respect to patent documents in Japan, Russia and Spain, however, International Searching Authorities that do not recognize Japanese, Russian or Spanish as official languages can limit searches to their abstracts wherever available (Rule 34.1(e) of the Regulations).

(D) Establishment of International Search Report

The names of documents discovered as a result of international searches are identified in a list within an international search report (Rule 43 of the Regulations). The time limit for establishing an international search report is three months from the receipt of the search copy by the International Searching Authority or nine months from the priority date, whichever time limit expires later (Rule 42.1 of the Regulations).

An international search report needs to be transmitted to the International Bureau as well as the applicant as soon as it has been established (Article 18(2)). The International Bureau sends all application documents together with international search reports to each designated State (Article 20). The applicant, after having received the international search report, can judge whether to maintain or withdraw an international application. If an application requires an amendment (an amendment only once allowed for claims), the applicant may file amendments for each designated State through the International Bureau (Article 20).

(E) International Publication

International applications are published by the International Bureau promptly after the lapse of an 18-month period from the priority date (Article 21). At the request of the applicant, the international application can be published before the lapse of the above period.

The early publication system is included with consideration to laws in the Netherlands, Germany, France, and Japan, among other countries. At the request of an applicant, the

international application can be published before the lapse of a period of 18 months (Article 21(2)(b)). In this case, each designated State can provide by domestic law that a publication takes effect after the expiration of the 18-month period (Article 29(3)).

When a national application or a patent based on an international application is published by or on behalf of the national Office of any designated State having made a declaration that international applications are not required, the international publication of international applications are effected at the request of the applicant promptly after such publication (only after the lapse of 18 months from the priority date) (Article 64(3)(c)).

An international application filed in English, French, German, Japanese, Chinese, Spanish or Russian is published in the form of pamphlet in that language, together with the international search report (Rule 43.8(a) of the Regulations). When an international application has been filed in a language other than those seven languages, the international search report, title of the invention, abstracts, etc. are published in that language as well as in English (Rule 48.3(c) of the Regulations).

Through the international publication of international applications as described above, the public is allowed to, quickly with an ease, understand inventions published and assess their technical and economic values, and utilization.

The effects of international publication in designated States are the same as those provided for by the national law of the designated State. However, it is left to each designated State to determine when such effects take place at its own discretion (Article 29). Any State can declare that the international publication of an international application is not required (Article 64(3)(a)). In case where the declaring country is designated alone, the international application is not published internationally (Article 64(3)(b)).

The International Bureau, in parallel with the above international publication of an international application, communicates the application documents together with the international search report to each designated State, in principle (Article 20). Upon this, the international stage of an international application is complete, with domestic-stage procedures started then.

(F) Examination at Domestic Stage

An international application effective as an ordinary national application in each

designated State. The applicant is required to secure a prescribed translation and pay a national fee. The time limit for the furnishing the translation is 20 months from the priority date (Article 22).

Then, the designated State processes the international application the same way it handles an ordinary national application, with reference to the international search report.

(G) Incorrect Translation of International Application and Scope of Claim

“It is stipulated that if, because of an incorrect translation of the international application, the scope of any patent granted on that application exceeds the scope of the international application in its original language, the competent authorities of the Contracting State concerned may accordingly and retroactively limit the scope of the patent, and declare it null and void to the extent that its scope has exceeded the scope of the international application in its original language.” (PCT, Article 46)

(3) International Preliminary Examination

An international preliminary examination is conducted by an authorized organ at the request of the applicant seeking a judgment above that of the international search.

In other words, the international search report only cites relevant prior arts whereas a report obtained through an international preliminary examination, if demanded, includes opinions on questions as to whether the claimed invention appears to be novel, involve inventive step (to be non-obvious) and be industrially applicable. However, an opinion formulated in the report is preliminary and not binding each national Office (Article 33).

(A) Applicant Entitled to Demand International Preliminary Examination

Not all applicants can demand an international preliminary examination. In principle, demands for an international preliminary examination are limited to residents of a Contracting State bound by Chapter II of the Patent Cooperation Treaty who file international applications with the receiving Office (or acting for such State) (Article 31(2)(a)).

Since any Contracting State can declare that it is not bound by Chapter II (reservation of Chapter II) (Article 64(1)), Contracting States reserving Chapter II cannot be selected

States and are not subject to an international preliminary examination.

(B) Demand for International Preliminary Examination

As an international preliminary examination is a procedure separate from an international application or an international search; a demand for an international preliminary examination needs to be made separately from the international application (Article 31(3)). The demand needs to contain the prescribed particulars and indicate the Contracting States in which the applicant intends to use the results of the international preliminary examination. Additional Contracted States can be elected later (Article 31(4)).

If the election of any Contracting State has been effected prior to the expiration of the 19th month from the priority date, the applicant has a time limit of 30 months instead of the 20 months prescribed to furnish documents, etc. (Article 39). Each Contracting State is entitled to, however, keep this time limit to 20 months (Article 64(2)(a)(i)).

(C) International Preliminary Examination

An international preliminary examination is carried out by the International Preliminary Examining Authority (Article 32(1)). International Preliminary Examining Authorities can be selected the same way as international searching authorities (Article 32(3)).

International Preliminary Examining Authorities are Patent Offices in Japan, the US, Russia, Sweden, Austria and Australia, Canada, Korea, and Spain, as well as , the Chinese Patent Office and the European Patent Office.

At the request of the applicant, the International Preliminary Examining Authority establishes a report giving regard to documents cited in the international search report (Article 33).

The International Preliminary Examining Authority needs to give the applicant at least one written opinion unless such Authority considers that the invention satisfies all elements of patentability, i.e. novelty, inventiveness and industrial applicability, and provides the applicant an opportunity to amend any defect (Article 34(2)(c)). Meanwhile, the applicant has rights to communicate orally and in writing with the International

Preliminary Examining Authority (Article 34(2)(a), Rule 66.6 of the Regulations) and to amend the claims, the description and the drawings within the prescribed time limit (Article 34(2)(b)).

(D) Establishment of International Preliminary Examination Report

The International Preliminary Examination Authority needs to establish its preliminary examination report within 28 months from the priority date in the case where a demand for the preliminary examination is made before the expiration of 19 months from the priority date (within nine months from the start of the preliminary examination in the case of a demand for the preliminary examination is made after the lapse of 19 months from the priority date) (Rule 69.1(a) of the Regulations).

The established international preliminary examination report is transmitted to the International Bureau and the applicant. The International Bureau distributes the report to each selected Office (Article 36).

The applicant, after receiving the report, can judge whether to maintain or withdraw an application. The report also makes it possible for each selected State to carry out its own examination of the application in accordance with national legislation.

IV. Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPs Agreement)

1. Outline

The Agreement on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods (TRIPs Agreement) was signed in April 1994 in Marrakesh, Morocco, after seven years of negotiations in the GATT (General Agreement on Tariffs and Trade) Uruguay Round of Talks and took effect on January 1, 1995. The TRIPs Agreement can be called the first international agreement of its kind covering many substantial matters concerning the general aspects of intellectual property, including patents.

In the TRIPs Agreement, members must comply with obligations imposed under the Paris Convention (Article 2).

In addition to national treatment guaranteed in the Paris Convention (Article 3), the TRIPs Agreement calls for the grant of most-favored-nation treatment (Article 4).

The greatest achievement made through the GATT Uruguay Round of Talks is that while GATT had been a group of contracting states temporarily adopting and applying the agreement, the WTO (World Trade Organization) was established as a body to implement the results of the Uruguay Round of Talks and conduct multilateral trade negotiations in the future. At present (as of August 2004), WTO claims a total of 146 countries and the European Union as its members.

2. Provisions of TRIPs Agreement

The TRIPs Agreement is one of annexes to the Agreement Establishing the World Trade Organization. There are four annexes from 1 to 4. Annex 1A is composed of agreements concerning the conventional agreements included in GATT and matters arising from the past negotiations. Annex 1B is a general agreement concerning trade in services and Annex 1C is the TRIPs Agreement. Incidentally, Annex 2 is an understanding concerning rules and procedures for the settlement of disputes.

(1) Whole Structure of TRIPs Agreement

The TRIPs Agreement is a broad agreement composed of 73 articles divided in seven parts beginning with Part 1.

(A) General Provisions and Basic Principles

In Part 1 of the agreement, general provisions and basic principles are set forth. Members are required to modify domestic laws to meet provisions of the agreement and the term “intellectual property” is defined (Article 1). Members are also required to implement the existing obligations imposed on them under intellectual property-related conventions and treaties (Article 2).

Under the conventional intellectual property-related conventions and treaties, only national treatment is provided for, a fact which is often a cause of problems leading some countries to give certain other countries more advantageous protection than that granted to their own nationals. The TRIPs Agreement, in principle, provides most-favored-nation treatment (Article 4) in addition to national treatment (Article 3).

(B) Criteria for Protection

In Part II, the agreement sets forth criteria for the possibility of intellectual property being acquired and its scope and use.

① Copyright and Related Rights

The agreement provides for the confirmation of relationship with the Berne Convention (Article 9), the protection of copyrights with respect to computer programs and database (Article 10), rental rights (Article 11), the term of protection (Article 12), the protection of performers, producers of phonograms (sound recordings) and broadcasting organizations (Article 14), etc.

② Trademark

To supplement the provisions of the Paris Convention for the Protection of Industrial Property, the agreement ensures stronger protection by incorporating, in addition to provisions for a protectable subject matter (Article 15), rights conferred (Article 16), the term of protection (Article 18), etc., “Additional Protection for Geographical Indications for Wines and Spirits (Article 23).”

③ Design

The agreement provides for requirements for protection (Article 25) and protection (Article 26).

④ Patent

Many substantial provisions, most of which are almost absent from the Paris Convention for the Protection of Industrial Property, are incorporated.

⑤ Other Rights

As for layout-designs of integrated circuits, the scope of the protection (Article 36), acts not requiring the authorization of the right holder (Article 37) and the term of protection (Article 38) are included to supplement the Washington Convention on Intellectual Property Relating to Layouts-Designs/Topographies of Integrated Circuits. Also, terms are provided for the protection of undisclosed information and the control of anti-competitive practices in contractual licenses.

(C) Enforcement of Right

The agreement includes detailed provisions covering general obligations, civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and criminal procedures. Therefore, international harmonization is ensured for the enforcement of intellectual property rights. Water- edge's controls, i.e. controls at the border not successfully agreed on through the Tokyo Round of Talks were finally made possible, ensuring the adequate protection of intellectual property rights.

(D) Other Provisions

Apart from the above, the agreement provides for the acquisition and maintenance of intellectual property rights and related inter-parts procedures, dispute prevention and settlement, transitional arrangements, institutional arrangements and final provisions. Under the agreement, negotiations concerning the TRIPs Agreement and the settlement of a dispute, in principle, is uniformly subject to relevant GATT-related provisions. It is also stipulated that a special committee be established at WTO to exclusively handle intellectual property-related problems, monitor the implementation of the agreement and provide its member countries an opportunity to negotiate related matters.

Partly because the TRIPs Agreement provides a higher level of protection, a certain grace period for its implementation is provided with respect to developing countries and least-developed countries (five years for developing countries in general and 10 years for

least-developed countries in general).

(2) Provisions Concerning Patents

(A) Patentable Subject Matter

Under the agreement, it is basically not allowed to restrict patentable subject matters (Article 27(1)). Except for only a few cases, patents, so far as they satisfy requirements for a patent, should be available for any inventions, whether products or processes, in all fields of technology.

Exclude-able from patentable subject matters are inventions contrary to public order and morality (Article 27(2)), inventions for diagnostic, therapeutic and surgical methods for the treatment of humans or animals (Article 27(3)(a)), and inventions for plants and animals other than microorganisms and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes (Article 27(3)(b)).

Under these provisions, patent law provisions mainly effective in developing countries to exclude medicines, chemical substances, foodstuffs, etc. from patentable subject matters now constitute a violation of the agreement, leading the protection of inventions to be greatly improved in developing countries.

The agreement includes a comprehensive provision that comprehensively bans discrimination as to the place of invention, the field of technology and whether products are imported or locally produced (Last Sentence of Article 27(1)).

(B) Rights Conferred

The agreement divides third party's acts which can be excluded by patent rights into two cases, one where the subject matter of the patent is a product (Article 28(1)(a)) and the other where the subject matter of the patent is a process (Article 28(1)(b)).

Under the agreement, the exclusive rights conferred by a patent, in the case that the subject of the patent is a product, are rights to prevent third parties without consent of the patentee from making, using, offering for sale, selling, or importing for these purposes that product (following the provision of Article 6 (Exhaustion) applicable to all other rights conferred with respect to the use, sale, importation and distribution of a product

under the agreement). Exclusive rights in the case that the subject matter of a patent is a process are those preventing third parties without consent of the patentee from using the process, or using, offering for sale, selling or importing for these purposes at least the product obtained directly by that process.

It is also stipulated in the agreement that patent owners have the right to assign patents, or transfer them by succession, and conclude licensing contracts (Article 28(2)).

(C) Obligations of the Applicant

To balance the strengthening of protections accorded to a patent, the agreement provides for obligations on the part of a patent owner. It obligates an applicant to disclose the invention in a sufficiently clear and complete manner and makes it possible to require an applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date (Article 29(1)). An applicant is also required to provide information concerning corresponding foreign applications (Article 29(2)).

(D) Exceptions to Rights Conferred

As for exceptions to rights conferred by a patent (the effects of a patent), the agreement, taking account of the legitimate interests of third parties, stipulates that member countries are allowed to provide limited exceptions to the exclusive rights on the condition that such exceptions do not unreasonably conflict with normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner (Article 30).

This provision is included with consideration to the acts of working a patented invention for research purposes and the dosing of medicines by doctors as provided for by patent laws in many countries.

(E) Other Use without Authorization of the Right Holder

The agreement stipulates detailed provisions allowing other uses of the subject matter of a patent without the authorization of the right holder, i.e. a compulsory license, with conditions clarified to ensure the adequate establishment of a compulsory license (Article 31).

In negotiations on a revision of the Paris Convention for the Protection of Industrial

Property providing for the establishment of a compulsory license, advanced countries and developing countries were confronted with with a stalemate of no agreement reached and no progress made. Advanced countries insisted on limiting the establishment of a compulsory license. In the eyes of advanced countries, a compulsory license, if easily established without transparency, makes it impossible to sufficiently recover investments in the development of technology, which serves only to hamper the transfer of technology and leads to lack of the adequate protection by a patent, thereby creating a situation where it serves as an obstacle to the promotion of international trade as the importation and sale of patented products lead to be restricted.

On the other hand, developing countries called for flexibility to establish a compulsory license, arguing that the establishment of a compulsory license ensures a balance between the public interests and the interests of the right holder and is necessary and indispensable to prevent or correct abuses of patent rights such as the monopolization of technology with patent rights not exercised and help promote technological development in the country that the rights exist.

The following are conditions set forth in the agreement for the establishment of a compulsory license.

- ① Authorization of such use is considered on individual merits (Article 31(a)).
- ② Such use can only be permitted if, prior to such use, the proposed user has made 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 (Article 31(b)).
- ③ The scope and duration of such use shall be limited to the purpose for which it was authorized, and in the case of semi-conductor technology needs only to be for public non-commercial use or to remedy a practice determined after judicial or administrative process to be anti-competitive (Article 31(c)).
- ④ Such use is non-exclusive (Article 31(d)).
- ⑤ Such use is non-assignable, except with that part of the enterprise or goodwill which enjoys such use (Article 31(e)).
- ⑥ Any such use is authorized predominantly for supplying the domestic market of the member country authorizing such use (Article 31(f)).

- ⑦ Authorization for such use is liable, subject to adequate protection of the legitimate interests of the persons so authorized, to be terminated if and when the circumstances which led to it cease to exist and are unlikely to recur. The competent authority has the authority to review, upon motivated request, the continued existence of these circumstances (Article 31(g)).
- ⑧ The right holder will be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization (Article 31(h)).
- ⑨ The legal validity of any decision relating to the authorization of such use is subject to judicial review or other independent review (limited only to a review by a distinct higher authority) in that member country (Article 31(i)).
- ⑩ Any decision relating to the remuneration provided in respect to such use is subject to judicial review or other independent review (limited only to a review by a distinct higher authority) in that member country (Article 31(j)).
- ⑪ Members are not obliged to apply the conditions set forth in sub-paragraphs ② and ⑥ above where such use is permitted to remedy a practice determined via judicial or administrative processes to be anti-competitive. The need to correct anti-competitive practices are taken into account in determining the amount of remuneration in such cases. Competent authorities have the authority to refuse termination of authorization if and when the conditions which led to such authorization are likely to recur (Article 31(k)).
- ⑫ Where such use is authorized to permit the exploitation of a patent (“second patent”) which cannot be exploited without infringing another patent (“first patent”), the following additional conditions apply:
- the invention claimed in the second patent involves an important technical advance of considerable economic significance in relation to the invention claimed in the first patent;
 - the owner of the first patent is entitled to a cross-license on reasonable terms to use the invention claimed in the second patent; and
 - the use authorized in respect of the first patent is non-assignable except with the assignment of the second patent.

(F) Revocation or Forfeiture

It is stipulated in the agreement that any decision to revoke or forfeit a patent will be given opportunity for judicial review (Article 32).

(G) Term of Protection

The agreement stipulates that the term of protection available does not end before the expiration of a period of twenty years counted from the filing date (Article 33).

As for the term of protection, negotiations were split between advanced countries calling for at least 20 years and India and other developing countries favoring that the term of protection be determined by each member country. However, the view of the advanced countries was adopted. Japan, based on its position that the excessively long term of protection, as set by the U.S. Patent Act, effective in advanced countries causes undesirable effects, called for a ceiling on the term from the filing date. In response the United States insisted that it is adequate enough to set a minimum standard for the term of protection. Eventually, the U.S. view prevailed.

(H) Process Patents: Burden of Proof

If the subject matter of a patent is a process for obtaining a product, proving its worth is usually more difficult than that for a product patent (patent for a product). In order to lessen this burden of proof, the agreement stipulates that subject to certain conditions, the burden of proof can be adduced to the defendant as an alleged infringing party, ensuring sufficient protection of process patents (Article 34).

One concrete condition for the adduction of proof in respect to process patents are set forth as, the product obtained by the patented process is new, and another is where there exists substantial likelihood that an identical product was made by the same process and the patent owner was unable, through reasonable efforts, to determine the process actually used. To provide the burden of proof, either of the two conditions is adopted (Article 34(1) and (2)).

If the defendant, an alleged infringing party bearing the burden of proof, is required to disclose any kind of information, it may force the disclosure of trade secrets, and act which can be very damaging. Therefore, it is stipulated that unless the patent owner

justifies the disclosure of information and, where the defendant has argued that information sought is a trade secret, refutes that it is not a trade secret, the defendant can be freed from disclosing information or producing only the whole of the information (Article 34(3)), making it possible for the defendant to rationally protect any interests.

V. Strasbourg Agreement Concerning the International Patent Classification

1. Purpose

A patent classification is used to classify an invention or a device covered by a patent application or a utility model application and is designated on patent documents (Laid-Open Gazette, Patent Gazette, etc.). Indicating patent classes in patent documents is necessary and indispensable not only for an examination but the search of patent documents. Therefore, every country has been adopting a patent classification of its own. Along with the passage of time, only domestic patent documents have become insufficient for patent searches as overseas patents are increasingly required for them to take effect, and the necessity of unification for various patent classifications has arisen. Established under these circumstances is the European Convention on the International Classification of Patents for Invention (taking effect in 1955).

The Strasbourg Agreement Concerning the International Patent Classification (Strasbourg Agreement) was established with revisions made to the European-oriented convention in order to broaden classifications which can be adopted by as many countries as possible. This agreement was passed in October 1975 and claims 38 countries and one organization (European Patent Office) as its members now (as of July, 2004). Countries adopting the IPC now total about 100 countries and 5 government agencies.

2. Outline

Subject matters and contents of classes of the IPC are treated as follows:

- (1) The IPC is commonly used for patents, inventors' certificates, utility models and utility certificates .
- (2) The IPC is used as a primary or subordinate classification in publications in each country of the Special Union (Article 4(2)).
- (3) Classification symbols are indicated in their complete forms but group or sub-group symbols may not be indicated in any country which does not proceed to examination (Article 4(4)(ii)).

The IPC is composed of eight sections (A to H) (A: Human Necessities; B: Performing Operations; C: Chemistry and Metallurgy; D: Textiles and Papers; E: Fixed Constructions; F: Mechanical Engineering, Lighting and Heating; G: Physics; H: Electricity).

Each section is divided into several sub-sections which are further divided into classes (A01, for example) and sub-classes (A01C, for example). Sub-classes are developed into a main group and sub-group.

VI. Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (Budapest Treaty)

1. Purpose

As for inventions referring to microorganisms, the deposit of microorganisms has been required and samples must be furnished to third parties under certain conditions as well because of difficulties in publishing written statements. However, in cases where an application had been filed in several States, the inconvenience of having to deposit that microorganism in each state exists.

Therefore, the Budapest Treaty, which includes that contracting States allow microorganism deposits for the purpose of patent procedures as long as it is handled at one of the international depositary authorities, was concluded.

2. Recognition and Effect of the Deposit of Microorganisms

Contracting States shall allow the deposit of a microorganism with any international depositary authority for the purposes of national patent procedures. Any Contracting States may require a copy of the receipt of the deposit issued by the international depositary authority (Article 3 (1) (a)(b)).

3. Original Deposit and New Deposit

(1) Original Deposit

The depositor shall submit a written statement bearing the signature of the depositor and containing: ①an indication that the deposit was made under the Treaty ②the name and the address of the depositor ③details of the conditions necessary for the cultivation, storage and viability test of the microorganism (in case where a mixture of microorganisms is deposited, a description of the composition thereof and that of at least one method which confirms the existence thereof.) etc., with the international depositary authority, accompanied by the microorganism in the form and quantity required by the international depositary authority (Rule 6.1, 6.3).

(2) New Deposit

In case where the international depositary authority cannot furnish samples of the deposited microorganism, for reasons such as where such a microorganism is no longer viable, the said authority will send notification to the depositor indicating the reasons thereof. In this case, the depositor shall have the right to newly deposit the microorganism which was originally deposited with the international depositary authority. The new deposit, as a rule, shall be made with the international depositary authority with which the original deposit was made. The new deposit shall be treated as if it had been made on the day which the original deposit was made if the new deposit was made within three months of the date on which the depositor received the above mentioned notification (Article 4).

4. International Depositary Authority

(1) Qualification and Legal Status

In order to qualify for the status of international depositary authority, any depositary institution must be located on the territory of a Contracting State and benefit from assurances furnished by the State or an intergovernmental industrial property organization to the effect that the said institution complies with, and will continue to comply with, the requirements specified below (Article 6, Rule 2). The depositary institution must:

- ① have a continuous existence
- ② have the necessary staff and facilities, as prescribed in the Regulations, to perform the scientific and administrative tasks under this Treaty ;
- ③ be impartial and objective ;
- ④ be available, for the purposes of deposit, to any depositor under the same conditions ;
- ⑤ accept for deposit any or certain kinds of microorganisms, examine their viability and store them, as prescribed in the Regulations;
- ⑥ issue a receipt to the depositor, and any required certification on viability, as prescribed in the Regulations;
- ⑦ comply, in respect of the deposited microorganisms, with the requirement of secrecy, as prescribed in the Regulations; and
- ⑧ furnish samples of any deposited microorganism under the conditions and in conformity with the procedure prescribed in the Regulations.

(2) Acquisition of the Status of International Depositary Authority

In order for depositary institution to acquire the status of international depositary authority, it needs to acquire a written notification addressed to the Director General by the Contracting State or the intergovernmental industrial property institution, including a declaration of assurance to the effect that the said institution complies and will comply with the above mentioned requirements ①-⑧. The publication date of the notification shall be, as a rule, the date when the status of international depositary organization is acquired (Article 7, Rule 3).

5. Storage of Microorganisms

An international depositary authority shall store any microorganisms deposited for a period of at least 30 years after the date of the deposit with all the care necessary for keeping it viable without contamination, and shall also store the said microorganism for a period of at least five years after the most recent request for furnishing of a sample of the deposited microorganism. Furthermore, the international depositary authority shall keep any and all secrets regarding the deposited microorganism (Rule 9).

6. Furnishing of Samples

(1) Furnishing of Samples to the Interested Industrial Property Office

Any international depositary authority shall furnish a sample of any deposited microorganism to the industrial property office of any Contracting State, provided that an application referring to the deposit of that microorganism has been filed with that office and that the sample and any information on the sample accompanying or resulting from it will be used only for the purpose of the patent procedures, etc., (Rule 11.1).

(2) Furnishing of Samples to or with the Authorization of the depositor

Any international depositary authority shall furnish a sample of any deposited microorganism to the depositor upon request or authorization (Rule 11.2).

(3) Furnishing of Samples to Parties Legally Entitled

Any international depositary authority shall furnish a sample of any deposited

microorganism to the requester thereof, provided that an application referring to the microorganism is filed with the industrial property office, that publication for the purpose of patent procedure has been effected by that office and that the office certify that the requester owns the right to accept samples (Rule. 11.3).

7. Special Case of the Deposit Date

The deposit date where the national deposit is converted to the international deposit is as follows:

- ① the date on which such status was acquired, in case where the microorganism deposited to the depositary institution before the said institution acquired the position as the international depositary authority, is converted to the international deposit (Rule 6.4 (d)).
- ② the date of national deposit, in case where it is converted to an international deposit after the acquisition by such a depositary institution with the international depositary authority (authorized by the general assembly)

VII. Patent Law Treaty

1. Purpose

The Patent Law Treaty was adopted on June 1, 2000 for the purpose of harmonizing patent regulation systems among different countries in regard to provisions meant to facilitate formalities such as 1) conditions for qualifying the date of application, 2) introduction of systems for applications in their original language, and 3) formats for model applications, as well as provisions for 4) relief in regard to the reinstatement of terms of rights, among others. Furthermore, there is also discussion of the Substantive Patent Law Treaty (SPLT) for the purpose of the harmonization of substantive patent systems.

2. Outline

An outline of the PLT is as follows:

(1) Abbreviated Expressions

Prescribes definitions for terms used. (Article 1)

(2) General Principles

Prescribes favorable requirements and the absence of substantive patent law regulation. (Article 2)

(3) Applications and Patents to Which the Treaty Applies

Prescribes conditions regarding the types of applications and patents. (Article 3)

(4) Security Exception

Prescribes that the freedom of Contracting Parties to preserve security interests will not be restricted. (Article 4)

(5) Filing Date

Prescribes the conditions for the recognition of the filing date, languages for recognition of the filing date, notifications for applications which do not comply with requirements, citations of descriptions of drawings from prior applications, and replacing missing parts of

descriptions or drawings. (Article 5)

(6) Application

Prescribes the request form, language (to be used on the request form), fees, assertion of priority claim, evidence, instances of non-compliance with requirements, and the fact that the forms and contents of PLT applications be compliant with standards set in the PCT. (Article 6)

(7) Representation

Prescribes requirements for being a representative, the appointment of representation, and requirements that do not demand compliance. (Article 7)

(8) Articles for Submission; Addresses

Prescribes the forms and means of transmission (that is, conditions relevant to paper submissions), language of communications, model international forms, signature of communications, and addresses for correspondence and legal service. (Article 8)

(9) Notifications

Prescribes the concept of sufficient notification, the handling of cases where indications for contact are not present, and effects in cases where notification is missed. (Article 9)

(10) Validity of Patent; Revocation

Prescribes the validity of patents not affected by non-compliance with certain formal requirements and the opportunity to make observations, amendments or corrections in case of intended revocation or invalidation. (Article 10)

(11) Relief (as set by the Ministry) in Respect to Time Limits

Prescribes the extension of time limits and continued processing. (Article 11)

(12) Reinstatement of Rights

Prescribes the reinstatement of rights after the office has recognized due care or unintentionality. (Article 12)

(13) Correction or Addition of Priority Claim; Restoration of Priority Right

Prescribes the correction or addition of priority claims, delayed filing of a subsequent application, and failure to file a copy of an earlier application. (Article 13)

(14) Regulations

Prescribes what shall be set by the content of the regulations. (Article 14)

(15) Other

Also prescribed: Relation to the Paris Convention (Article 15), Effect of Revisions, Amendments and Modifications of the Patent Cooperation Treaty (Article 16), Assembly (Article 17), International Bureau (Article 18), Revisions (Article 19), Becoming Party to the Treaty (Article 20), Entry into Force; Effective Dates of Ratifications and Accessions (Article 21), Application of the Treaty to Existing Applications and Patents (Article 22), Reservations (Article 23), Denunciation of the Treaty (Article 24), Languages of the Treaty (Article 25), Signature of the Treaty (Article 26), Depositary; Registration (Article 27).