INTERNATIONAL SYSTEM OF THE PROTECTION OF INDUSTRIAL PROPERTY: THE PARIS CONVENTION

CONTENTS

I. INTRODUCTION

1. During the last century, before the existence of any international convention in the field of industrial property, it was rather difficult to obtain protection for industrial property rights in the various countries of the world because the laws were very different. Moreover, patent applications had to be made roughly at the same time in all countries in order to avoid that a publication in one country destroyed the novelty of the invention in the other countries. These practical problems created a strong desire to overcome such difficulties.

2. In addition to those practical considerations, there was, as more and more countries developed a system for the protection of inventions during the second half of the last century, a general desire, as with other fields of law, for the harmonization of the laws of industrial property on an international and even worldwide basis. This was due to the development of a more internationally oriented flow of technology and to the increase of international trade, which made such harmonization urgent both in respect of patents and of marks.

3. The lack of adequate protection of foreign inventions became particularly apparent when the Government of Austria-Hungary invited the other countries to participate in an international exhibition of inventions held in 1873 at Vienna. Participation was hampered by the fact that many foreign visitors were not willing to exhibit their inventions at that exhibition in view of the inadequate legal protection offered to exhibited inventions.

4. This led to two developments: firstly, a special Austrian law secured temporary protection to all foreigners participating in the exhibition for their inventions, trademarks and industrial designs. Secondly, the Congress of Vienna for Patent Reform was convened during the same year 1873. The Congress for Patent Reform passed several resolutions, setting forth a number of principles on which an effective and useful patent system should be based, and urging governments "to bring about an international understanding upon patent protection as soon as possible."

5. As a follow-up to the Vienna Congress, an International Congress on Industrial Property was convened at Paris in 1878. The main result of that second Congress was a decision that one of the governments should be asked to convene an international (diplomatic) conference "with the task of determining the basis of uniform legislation" in the field of industrial property.

6. Following that Congress, a draft convention proposing an international "union" for the protection of industrial property was prepared in France. That draft was sent by the French Government to a number of other countries, together with an invitation to attend the International Conference in Paris in 1880. That Conference adopted a draft convention which contained in essence those of substantive provisions which are still today the main features of the Paris Convention.

7. A new Diplomatic Conference was convened in Paris in 1883, which ended with final approval and signature of the Paris Convention for the Protection of Industrial Property (hereinafter called "the Paris Convention"). The Paris Convention was signed by 11 States: Belgium, Brazil, El Salvador, France, Guatemala, Italy, the Netherlands, Portugal, Serbia, Spain and Switzerland. When the Paris Convention came into effect on July 7, 1884, Great Britain, Tunisia and Ecuador had adhered as well, bringing the initial number of member countries to 14. At the end of the nineteenth century, the number of member countries had risen to 19. It was only during the first quarter of this century and then in particular after World War II that the Paris Convention increased its membership more significantly. On July 15, 2001, the Paris Convention comprised 162 member States.

8. The Paris Convention has been revised several times after its signature in 1883. Revision Conferences were held in Rome in 1886, in Madrid in 1890 and 1891, in Brussels in 1897 and 1900, in Washington in 1911, in The Hague in 1925, in London in 1934, in Lisbon in 1958 and in Stockholm in 1967.

9. Each of the revision conferences, starting with the Brussels Conference in 1900, ended with the adoption of a revised Act of the Paris Convention. With the exception of the Acts concluded at the revision

conferences of Brussels and Washington, which are no longer in force, all those earlier Acts are still of significance, although the great majority of the member countries is now a party to the latest Act, that of Stockholm of 1967.

10. Compliance with all of the substantive provisions of the Paris Convention is mandatory even for countries which are not yet party to that Convention if they are Members of the World Trade Organization (WTO). Such compliance is mandatory as from the date of general application in each country bound to apply the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as "the TRIPS Agreement," which forms part of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations concluded within the framework of the General Agreement on Tariffs and Trade (GATT) and adopted in Marrakech on April 15, 1994). In its Article 2, the TRIPS Agreement obliges Members to comply with Articles 1 to 12 and Article 19 of the Paris Convention.

11. On October 27, 1994, the Trademark Law Treaty (TLT) was adopted, upon the conclusion of a Diplomatic Conference convened for that purpose, at the WIPO headquarters in Geneva. The said Treaty deals, in particular, with a simplification of administrative procedures concerning marks. It contains, however, also some substantive provisions.

II. MAIN FEATURES OF THE PARIS CONVENTION (STOCKHOLM ACT)

(1) *General*

12. The provisions of the Paris Convention may be subdivided into four main categories.

13. A first category of provisions contains rules of substantive law which guarantee a basic right known as the right to *national treatment* in each of the member countries.

14. A second category of provisions establishes another basic right known as the *right of priority*.

15. A third category of provisions defines a certain number of *common rules* in the field of substantive law which contain either rules establishing rights and obligations or rules requiring or permitting the member countries to enact legislation following those rules.

16. A fourth category of provisions deals with the *administrative framework*, which has been set up to implement the Convention, and includes the *final clauses* of the Convention.

(2) *National Treatment Principle*

17. The provisions concerning national treatment are contained in Articles 2 and 3 of the Convention.

18. National treatment means that, as regards the protection of industrial property, each country party to the Paris Convention must grant the same advantages as regards protection to nationals of the other member countries as it grants to its own nationals.

19. National treatment must be granted to nationals of countries which are not party to the Paris Convention, if they are domiciled in a member country or if they have a "real and effective" industrial or commercial establishment in such a country. However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of member countries as a condition for benefiting from an industrial property right.

20. This national treatment rule is one of the cornerstones of the system of international protection established under the Paris Convention. It guarantees not only that foreigners will be protected, but also that they will not be discriminated against in any way. Without that rule, it would frequently be very difficult and sometimes even impossible to obtain adequate protection in foreign countries for inventions, trademarks and other subjects of industrial property.

21. The national treatment rule applies first of all to the "nationals" of the member countries. The term "national" includes both natural persons and legal entities. With respect to legal entities, the quality of being a national of a particular country may be difficult to determine. Generally, no nationality as such is granted to legal entities by the various national laws. There is of course no doubt that State owned enterprises of a member country or other entities created under the public law of such country are to be considered as nationals of the member country concerned. Legal entities created under the private law of a member country will usually be considered a national of that country. If they have their actual headquarters in another member country, they may also be considered a national of the headquarters country.

22. According to Article 2(l), the national treatment rule applies to all advantages that the various national laws grant to nationals. This means that the national law, as it is applied to the nationals of a particular member country, must also be applied to the nationals of other member countries. In this respect, the national treatment rule excludes any possibility of discrimination to the detriment of nationals of other member countries.

23. This means furthermore, that any requirement of reciprocity of protection is excluded. Suppose that a given member country has a longer term of patent protection than another member country: the former country will not have the right to provide that nationals of the latter country will enjoy a term of protection of the same length as the term of protection is in the law of the latter country. This principle applies not only to codified law, but also to the practice of the courts (jurisprudence) and to the practice of the Patent Office or other administrative governmental institutions, as it is applied to the nationals of the country.

24. The application of the national law to the national of another member country does not, however, prevent him from invoking more beneficial rights specially provided in the Paris Convention. These rights are expressly reserved. The national treatment principle must be applied without prejudice to such rights.

25. Article 2(3) states an exception to the national treatment rule. The national law relating to judicial and administrative procedure, to jurisdiction and to requirements of representation is expressly "reserved." This means that certain requirements of a mere procedural nature which impose special conditions on foreigners for purposes of judicial and administrative procedure, may also validly be invoked against foreigners who are nationals of member countries. An example is a requirement for foreigners to deposit a certain sum as security or bail for the costs of litigation. Another example is expressly stated: the requirement on foreigners to either designate an address for service or to appoint an agent in the country in which protection is requested. This latter is perhaps the most common special requirement imposed on foreigners, and is a permitted exception from the national treatment rule.

26. As indicated initially, the application of the national treatment rule extends also to nationals of non-member countries, provided they are *domiciled* or have an industrial or commercial establishment in a member country. This provision is contained in Article 3.

27. The term "domiciled" is generally interpreted not to require a domicile in the strict legal sense of the term. A person is also "domiciled" in the sense of Article 3 if he lives more or less permanently in a particular place, without having his legal residence there. In other words, a mere residence, as distinct from a legal domicile, is sufficient. Legal entities are domiciled at the place of their actual headquarters.

28. If there is no domicile, there may still be an industrial or commercial establishment which gives a person the right to national treatment. The notion of the industrial or commercial establishment in a member country of a national of a non-member country is further qualified by the text of the Convention itself. It requires that the establishment be real and effective. This means that there must be actual industrial or commercial activity. A mere letter box or the renting of a small office with no real activity is not sufficient.

(3) *The Right of Priority*

29. The provisions concerning the right of priority are contained in Article 4 of the Convention.

30. The right of priority means that, on the basis of a regular application for a patent, utility model, industrial design or trademark protection filed by a given applicant in one of the member countries, the same applicant (or its or his successor in title) may, within a specified period of time (6 or l2 months), have certain rights when applying for protection in all the other member countries. These later applications will be regarded as if they had been filed on the same day as the first (or earlier) application. In other words, these later applications enjoy a priority status with respect to all applications relating to the same invention filed after the date of the first application. They also enjoy a priority status with respect to all acts accomplished after that date which would normally be apt to destroy the rights of the applicant or the patentability of his invention.

31. The right of priority offers great practical advantages to the applicant desiring protection in several countries. The applicant is not required to present all applications at home and in foreign countries at the same time, since he has 6 or l2 months at his disposal to decide in which countries to request protection.

The applicant can use that period to organize with due care the steps to be taken to secure protection in the various countries of interest in this case.

32. The beneficiary of the right of priority is any person entitled to benefit from the national treatment rule who has duly filed an application for a patent for invention or another industrial property right in one of the member countries.

33. The right of priority can be based only on the *first* application for the same industrial property right which must have been filed in a member country. It is therefore not possible to follow a first application by a second, possibly improved application and then to use that second application as a basis of priority in respect of subject matter included in the first application. The reason for this rule is obvious: one cannot permit an endless chain of successive claims of priority for the same subject, as this could, in fact, considerably prolong the term of protection for that subject.

34. Article 4A(l) of the Paris Convention recognizes expressly that the right of priority may also be invoked by the successor in title of the first applicant. The right of priority may be transferred to a successor in title without transferring at the same time the first application itself. This allows in particular also the transfer of the right of priority to different persons for different countries, a practice which is quite common.

35. The later application must concern the same subject as the first application the priority of which is claimed. In other words, the same invention, utility model, trademark or industrial design must be the subject of both applications. It is, however, possible to use a first application for a patent for invention as priority basis for a registration of a utility model and vice versa.

36. The first application must be "duly filed" in order to give rise to the right of priority. Any filing, which is equivalent to a regular national filing, is a valid basis for the right of priority. A regular national filing means any filing that is adequate to establish the date on which the application was filed in the country concerned. The notion of "national" filing is qualified by including also applications filed under bilateral or multilateral treaties concluded between member countries.

37. Withdrawal, abandonment or rejection of the first application does not destroy its capacity to serve as a priority basis. The right of priority subsists even where the first application generating that right is no longer existent.

38. The effect of the right of priority is regulated in Article 4B. One can summarize this effect by saying that, as a consequence of the priority claim, the later application must be treated as if it had been filed already at the time of the filing, in another member country, of the first application the priority of which is claimed. By virtue of the right of priority, all the acts accomplished during the time between the filing dates of the first and the later applications, the so-called priority period, cannot destroy the rights which are the subject of the later application.

39. In terms of concrete examples, this means that a patent application for the same invention filed by a third party during the priority period will not give a prior right, although it was filed before the later application. Likewise, a publication or public use of the invention, which is the subject of the later application, during the priority period would not destroy the novelty or inventive character of that invention. It is insignificant for that purpose whether that publication is made by the applicant or the inventor himself or by a third party.

40. The length of the priority period is different according to the various kinds of industrial property rights. For patents for invention and utility models the priority period is l2 months, for industrial designs and trademarks it is six months. In determining the length of the priority period, the Paris Convention had to take into account the conflicting interests of the applicant and of third parties. The priority periods now prescribed by the Paris Convention seem to strike an adequate balance between these conflicting interests.

41. The right of priority as recognized by the Convention permits the claiming of "multiple priorities" and of "partial priorities." Therefore, the later application may not only claim the priority of one earlier

application, but it may also combine the priority of several earlier applications, each of which pertaining to different features of the subject matter of the later application. Furthermore, in the later application, elements for which priority is claimed may be combined with elements for which no priority is claimed. In all these cases, the later application must of course comply with the requirement of unity of invention.

42. These possibilities correspond to a practical need. Frequently after a first filing further improvements and additions to the invention are the subject of further applications in the country of origin. In such cases, it is very practical to be able to combine these various earlier applications into one later application, when filing before the end of the priority year in another member country. This combination is even possible if the multiple priorities come from different member countries.

(4) *Provisions Concerning Patents*

(a) Independence of Patents

43. The rule concerning the "independence" of patents for invention is contained in Article 4*bis*. This rule means that patents for invention granted in member countries to nationals or residents of member countries must be treated as independent of patents for invention obtained for the same invention in other countries, including non-member countries.

44. This principle is to be understood in its broadest sense. It means that the grant of a patent for invention in one country for a given invention does not oblige any other member country to grant a patent for invention for the same invention. Furthermore, the principle means that a patent for invention cannot be refused, invalidated or otherwise terminated in any member country on the ground that a patent for invention for the same invention has been refused or invalidated, or that it is no longer maintained or has terminated, in any other country. In this respect, the fate of a particular patent for invention in any given country has no influence whatsoever on the fate of a patent for the same invention in any of the other countries.

45. The underlying reason and main argument in favor of the principle of independence of patents for invention is that the national laws and administrative practices are usually quite different from country to country. A decision not to grant or to invalidate a patent for invention in a particular country on the basis of its law will frequently not have any bearing on the different legal situation in the other countries. It would not be justified to make the owner lose the patent for invention in other countries on the ground that it or he lost a patent in a given country as a consequence of not having paid an annual fee in that country or as a consequence of the patent's invalidation in that country on a ground which does not exist in the laws of the other countries. Moreover, a system where patents are dependent on the fate of foreign patents might not be in conformity with the national treatment rule.

46. A special feature of the principle of independence of patents for invention is contained in Article 4*bis*(5). This provision requires that a patent granted on an application which claimed the priority of one or more foreign applications must be given the same duration which it would have according to the national law if no priority had been claimed. In other words, it is not permitted to deduct the priority period from the term of a patent invoking the priority of a first application. For instance, a provision in a national law starting the term of the patent for invention from the (foreign) priority date, and not from the filing date of the application in the country, would be in violation of this rule.

(b) The Right of the Inventor to be Mentioned

47. Another important common rule is Article 4*ter* which deals with the mentioning of the inventor. The Paris Convention provides for this question only a general rule. It states that the inventor must have the right to be mentioned as such in the patent for invention.

48. National laws have implemented this provision in several ways. Some give the inventor only the right for civil action against the applicant or owner in order to obtain the inclusion of his name in the patent

for invention. Others—and that tendency seems to be increasing—enforce the naming of the inventor during the procedure for the grant of a patent for invention on an *ex officio* basis. In some countries, for instance the United States of America, it is even required that the applicant for a patent be the inventor himself.

(c) Importation; Failure to Work and Compulsory Licenses

49. The Convention deals in Article 5A with the questions of failure to work a patented invention, of importation of articles covered by patents, and of compulsory licenses. In Article 5*quater* it deals with the importation of products manufactured by a process which is patented in the importing country.

(i) Importation

50. With respect to importation, Article 5A(1) states that importation by the patentee, into the country where the patent has been granted, of articles covered by the patent and manufactured in any of the countries of the Union will not entail forfeiture of the patent.

(ii) Importation of products manufactured by a process patented in the importing country

51. Article 5*quater* of the Paris Convention provides that, when a product is imported into a country of the Union where there exists a patent protecting a *process* of manufacture of the said product, the patentee will have all the rights with regard to the imported product that would normally be accorded to him on the basis of his process patent under the law of the country of importation with respect to products manufactured in that country.

52. This provision aims at giving the holder of a process patent the possibility of prohibiting the importation or distribution of articles or products which have been manufactured by using the patented process *outside* the country where the process patent was granted. The rationale for this is that the holder of a process patent should be protected against any circumvention of his exclusive rights by simply transferring abroad the use of the patented process and then importing into the country the finished product, relying on the fact that only the process (but not the product resulting from that process) is protected in the country of importation.

53. An example may help to illustrate this provision. If a patent were granted in country A covering a process for the manufacture of a product, and a person used that process for the manufacture of the said product within country A, that person would be liable for patent infringement, because unauthorized use of the patented process within country A is an infringement under its patent law. If, however, that person transferred his manufacturing operation to country B, and used in that country the process which is patented in country A (but not patented in country B), the act of using the process, having occurred outside the territory of country A, might not be considered as patent infringement in country A. The person using the process in country B could then take the products manufactured by using that process and import them into country A. The patentee in country A would find that goods manufactured by his patented process are being brought onto the market of that country by a third person who does not have his authorization, and yet would be unable to interdict such importation and distribution because (i) the use of the process did not take place in country A, so direct infringement of the patented process has not occurred within that country; and (ii) the product which is being imported and distributed is not covered by the patent granted in country A (which claims only the process).

54. Certain patent laws, however, provide that where a patent is granted only for a process, the patent holder may nevertheless prevent, on the basis of his process patent, the unauthorized performance by third parties of acts relating to the commercialization or use of *products* directly obtained by the patented process. In practical terms, this means that not only the unauthorized use of the process but also, and independently, the commercialization or use of products directly obtained from that process will constitute patent infringement.

55. Article 5*quater* therefore relies on such provisions as may exist in the patent laws of the member countries in respect of the "extension" of the rights in a process patent to the resulting products obtained by such process. It provides that, to the extent that a country has implemented in its patent law such "extension" of protection, it should apply to any product obtained by using the process regardless of where the use of the process actually took place. Under this provision, if a product which has been manufactured using a patented process is put on the market in the territory of the country where the process patent was

granted, the extended rights under this patent must apply regardless of whether the product was put on the market by importation from abroad or by local manufacture and distribution.

56. It is to be noted, however, that Article 5*quater* is only applicable if the following conditions are met, namely:

(a) the patent law of the country of importation provides that exclusive rights in a process patent extend to products directly obtained by the use of the patented process;

(b) the patented process is a process for the manufacture of a product; Article 5*quater* is not relevant in respect of patented processes the application or use of which does not result in a product (for example, processes for subsoil prospecting, or for quality control); and

(c) the products imported into the country have been manufactured by using the patented process, i.e. actually obtained *by the process*.

(iii) Failure to work and compulsory licenses

57. With respect to the working of patents and compulsory licenses, the essence of the provisions contained in Article 5A is that each country may take legislative measures providing for the grant of compulsory licenses to prevent the abuses which might result from the exclusive rights conferred by a patent for invention, for example, failure to work or insufficient working.

58. Traditionally, the main argument underlying the provisions requiring the working of an invention in the country where the patent was issued has been the consideration that, in order to promote the industrialization of that country, patents for invention should not be used merely to block the working by others of the invention in the country or to control importation of the patented article. They should rather be used to introduce the use of the new technology into the country. Whether the patent owner can really be expected to do so, is first of all an economic consideration and then also a question of time. Working in all countries of the world is generally not economical. Moreover, it is generally recognized that immediate working in all countries is impossible and that several factors require to be considered with regard to working.

59. Under Article 5A(4) of the Paris Convention, compulsory licenses for failure to work or insufficient working of the invention may not be requested before four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever expires last. The compulsory license must be refused if the owner of the patent justifies his inaction by legitimate reasons. The compulsory license must be a non-exclusive license and can only be transferred together with the part of the enterprise benefiting from the compulsory license.

60. All these special provisions for compulsory licenses in Article 5A(4) are only applicable to compulsory licenses for non-working or insufficient working.

61. Compulsory licenses may also be granted, on the grounds of public interest, in cases where there is no alleged abuse by the patent owner of his rights. These are, in particular, cases where a patent for invention affects a vital public interest, for example, in the fields of defense or public health.

(d) Grace Period for the Payment of Maintenance Fees

62. Article 5*bis* provides for a grace period for the payment of maintenance fees for industrial property rights and deals with the restoration of patents for invention in case of non-payment of fees.

63. In most countries the maintenance of certain industrial property rights, mainly the rights in patents for invention and trademarks, is subject to the periodic payment of fees. For patents, the maintenance fees must generally be paid annually, and in that case are also called annuities. Immediate loss of the patent for invention in the event that one annuity is not paid at the due date would be too harsh a sanction. Therefore, the Paris Convention provides for a period of grace, during which the payment can still be made after the

due date with the effect to maintain the patent. That period is six months, and is established as a minimum period so that countries are free to accord a longer period.

64. The delayed payment of the annuity may be subjected to the payment of a surcharge. In that case, both the delayed fee and the surcharge must be paid within the grace period. During the grace period, the patent for invention remains provisionally in force. If the payment is not made during the grace period, the patent for invention will lapse retroactively, that is, as of the original due date of the annuity.

(e) Patents in International Traffic

65. Another common rule of substantive importance, containing a limitation of the rights of the patent owner under special circumstances, is contained in Article 5*ter*. It deals with the transit of devices on ships, aircraft or land vehicles through a member country in which such device is patented.

66. The effect of this provision is essentially the following. Where ships, aircraft or land vehicles of other member countries enter temporarily or accidentally a given member country and have on board devices patented in that country, the owner of the means of transportation is not required to obtain prior approval or a license from the patent owner. Temporary or accidental entry of the patented device into the country in such cases constitutes no infringement of the patent for invention.

67. The device on board the ship, aircraft or vehicle must be in the body, in the machinery, tackle, gear or other accessories of the conveyance, and must be used exclusively for operational needs.

68. The provision covers only the use of patented devices. It does not allow the making of patented devices on board a means of transportation, nor the sale to the public of patented products or of products obtained under a patented process.

(f) Inventions Shown at International Exhibitions

69. A further common rule of a substantive nature is the provision concerning the temporary protection in respect of goods exhibited at international exhibitions, contained in Article 11 of the Convention.

70. The principle stated in Article 11 is that the member countries are obliged to grant, in conformity with their domestic legislation, temporary protection to patentable inventions, utility models, industrial designs and trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any member country.

71. The temporary protection may be provided by various means. One is to grant a special right of priority, similar to that provided for in Article 4. This priority right would start from the date of the opening of the exhibition or from the date of the introduction of the object at the exhibition. It would be maintained for a certain period, say twelve months, from that date, and would expire if the application for protection does not follow the exhibition within that period.

72. Another means of temporary protection, which is found in a number of national laws, in particular with respect to patents for invention, is that of prescribing that, during a certain period of, say, twelve months before the filing or priority date of a patent application, a display of the invention at an international exhibition will not destroy the novelty of the invention. When choosing that solution, it is important to protect the inventor or other owner of the invention during the same period also against abusive acts of third parties. This means in particular that the person exhibiting the invention must be protected against any copying or usurpation of the invention for purposes of a patent application by a third party. The owner of the invention must also be protected against disclosure by third parties based on the exhibition.

73. Article 11 applies only to official or officially recognized exhibitions. The interpretation of that term is left to the member country where protection is sought. An interpretation corresponding to the spirit of Article 11 is to consider an exhibition as “official,” if it is organized by a State or other public authority,

to consider it as "officially recognized," if it is not official but has at least been recognized as official by a State or other public authority, and to consider it as "international," if goods from various countries are exhibited.

(5) *Provisions Concerning Trademarks*

(a) Use of Trademarks

74. The Convention touches on the issue of the use of marks in Article 5C(1), (2) and (3).

75. Article 5C(1) relates to the compulsory use of registered trademarks. Most countries which provide for the registration of trademarks also require that the trademark, once registered, be used within a certain period. If this use is not complied with, the trademark may be expunged from the register. For this purpose, "use" is generally understood as meaning the sale or offer for sale of goods bearing the trademark, although national legislation may regulate more broadly the manner in which use of the trademark is to be complied with. The said Article states that, where compulsory use is required, the trademark's registration may be canceled for failure to use the trademark only after a reasonable period has elapsed, and then only if the owner does not justify such failure.

76. The definition of what is meant by "reasonable period" is left to the national legislation of the countries concerned, or otherwise to the authorities competent for resolving such cases. This reasonable period is intended to permit the owner of the mark enough time and opportunity to arrange for its proper use, considering that in many cases the owner has to use his mark in several countries. Under Article 19(1) of the TRIPS Agreement, a registration may be canceled only after an uninterrupted period of at least three years of non-use.

77. Cancellation of a mark's registration may only be decided if the owner does not justify the failure to use his trademark. Such justification would be acceptable if it were based on legal or economic circumstances beyond the owner's control, for example if importation of the marked goods had been prohibited or delayed by governmental regulations.

78. The Convention also establishes in Article 5C(2) that the use of a trademark by its proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union shall not entail invalidation of the registration nor diminish the protection granted to the mark. The purpose of this provision is to allow for unessential differences between the form of the mark as it is registered and the form in which it is used, for example in cases of adaptation or translation of certain elements for such use. This rule applies also to similar differences in the form of the mark as used in the country of its original registration.

79. Whether in a given case the differences between the mark as registered and the mark as actually used alter the distinctive character is a matter to be decided by the competent national authorities.

(b) Concurrent Use of the Same Trademark by Different Enterprises

80. Article 5C(3) of the Convention deals with the case where the same mark is used for identical or similar goods by two or more establishments considered as co-proprietors of the trademark. It is provided that such concurrent use will not impede the registration of the trademark nor diminish the protection in any country of the Union, except where the said use results in misleading the public or is contrary to the public interest. Such cases could occur if the concurrent use misleads the public as to the origin or source of the goods sold under the same trademark, or if the quality of such goods differs to the point where it may be contrary to the public interest to allow the continuation of such inconsistency.

81. This provision does not, however, cover the case of concurrent use of the mark by enterprises which are not co-proprietors of the mark, for instance when use is made concurrently by the owner and a licensee or a franchisee. These cases are left for the national legislation of the various countries to regulate.

(c) Grace Period for the Payment of Renewal Fees

82. Article 5*bis* requires that a period of grace be allowed for the payment of fees due for the maintenance of industrial property rights. In the case of trademarks this provision concerns primarily the payment of renewal fees, since it is by renewal that trademark registrations (and hence the rights that depend on such registrations) may be maintained. A failure to renew the registration will normally entail the lapse of the registration, and in some cases the expiration of the right to the mark. The period of grace provided by the Convention is intended to diminish the risks of a mark being lost by an involuntary delay in the payment of the renewal fees.

83. The countries of the Paris Union are obliged to accord a period of grace of at least six months for the payment of the renewal fees, but are free to provide for the payment of a surcharge when such renewal fees are paid within the period of grace. Moreover, the countries are free to provide for a period of grace longer than the minimum six months prescribed by the Convention.

84. During the period of grace, the registration remains provisionally in force. If the payment of the renewal fees (and surcharge where appropriate) is not made during the period of grace, the registration will lapse retroactively as of the original date of expiration.

(d) Independence of Trademarks

85. Article 6 of the Convention establishes the important principle of the independence of trademarks in the different countries of the Union, and in particular the independence of trademarks filed or registered in the country of origin from those filed or registered in other countries of the Union.

86. The first part of Article 6 states the application of the basic principle of national treatment to the filing and registration of marks in the countries of the Union. Regardless of the origin of the mark whose registration is sought, a country of the Union may apply only its domestic legislation when determining the conditions for the filing and registration of the mark. The application of the principle of national treatment asserts the rule of independence of marks, since their registration and maintenance will depend only on each domestic law.

87. This Article also provides that an application for the registration of a mark, filed in any country of the Union by a person who is entitled to the benefits of the Convention, may not be refused, nor may a registration be canceled, on the ground that filing, registration or renewal of the mark has not been effected in the country of origin. This provision lays down the express rule that obtaining and maintaining a trademark registration in any country of the Union may not be made dependent on the application, registration or renewal of the same mark in the country of origin of the mark. Therefore no action with respect to the mark in the country of origin may be required as a prerequisite for obtaining a registration of the mark in that country.

88. Finally, Article 6 states that a mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin. This means that a mark once registered will not be automatically affected by any decision taken with respect to similar registrations for the same marks in other countries. In this respect, the fact that one or more such similar registrations are, for example, renounced, canceled or abandoned, will not *eo ipso* affect the registrations of the mark in other countries. The validity of these registrations will depend only on the provisions applicable in accordance with the legislation of each of the countries concerned.

(e) Well-known Trademarks

89. The Convention deals with well-known trademarks in Article 6*bis*. This Article obliges a member country to refuse or cancel the registration and to prohibit the use of a trademark that is liable to create confusion with another trademark already well-known in that member country for identical or similar goods. The effect of this Article is to extend protection to a trademark that is well-known in a member country even though it is not registered or used in that country. The protection of the well-known

trademark results not from its registration, which prevents the registration or use of a conflicting trademark, but from the mere fact that it is well known.

90. The protection of well-known trademarks is deemed justified on the grounds that a trademark that has acquired goodwill and a reputation in a member country ought to give rise to a right for its owner and because the registration or use of a confusingly similar trademark would, in most cases, amount to an act of unfair competition and be prejudicial to the interests of the public who would be misled by the use of a conflicting trademark for the same or identical goods than those in connection with which the well-known trademark is registered.

91. The trademark that is protected by Article 6*bis* must be a "well-known" trademark. Whether a trademark is well known in a member country will be determined by its competent administrative or judicial authorities. A trademark may not have been used in a country, in the sense that goods bearing that trademark have not been sold there, yet that trademark may be well-known in the country because of publicity there or the repercussions in that country of advertising in other countries.

92. The protection of a well-known trademark under Article 6*bis* exists only where the conflicting trademark has been filed, registered or used for *identical* or *similar* goods. Whether the condition is fulfilled will be determined by the administrative or judicial authorities of the country in which protection is claimed.

93. The protection of a well-known trademark under Article 6*bis* results from the obligation of a member country to take *ex officio* where its legislation so permits, or at the request of an interested party, the following type of action:

First, a member country must refuse the application for registration of the conflicting trademark.

Second, the member country must cancel the registration of a conflicting trademark. A member country is required to allow at least a period of five years from the date of registration within which a request for cancellation of the conflicting trademark may be made, unless that trademark was registered in bad faith, in which event no time limit may be fixed.

Third, the member country must prohibit the use of the conflicting trademark. A member country is free to prescribe a period within which that request must be made; however, no time limit may be fixed for such a request in the case of a conflicting trademark used in bad faith.

(f) State Emblems, Official Hallmarks and Emblems of International Organizations

94. The Convention deals with distinctive signs of States and international intergovernmental organizations in Article 6*ter*. This Article obliges a member country, in certain circumstances, to refuse or invalidate the registration and to prohibit the use, either as trademarks or as elements of trademarks, of the distinctive signs specified in that Article of member countries and certain international intergovernmental organizations.

95. The purpose of Article 6*ter* is not to create an industrial property right in favor of the State or the intergovernmental organization in respect of the distinctive signs concerned, but simply to prevent the use of those signs as trademarks in industrial or commercial activities.

96. The provisions of Article 6*ter* do not apply if the competent authorities of the member country allow the use of its distinctive signs as trademarks. Similarly, the competent authorities of an intergovernmental organization may allow others to use its distinctive signs as trademarks. Moreover, in the case of the distinctive signs of a member country, nationals of any member country that are authorized to use the distinctive signs of their country may do so even if those signs are similar to those of another member country.

97. The distinctive signs of States that are referred to in Article 6*ter* are the following: armorial bearings, flags and other emblems, official signs and hallmarks indicating control and warranty and any imitation of those signs from a heraldic point of view.

98. The objective of the provisions of Article 6*ter*, insofar as the distinctive signs of States are concerned, is to exclude the registration and use of trademarks that are identical or present a certain similarity to the armorial bearings, flags or other emblems of *States*. The reasons for this are that such registration would violate the right of the State to control distinctive signs of its sovereignty and, further, might mislead the public with respect to the origin of the goods to which such marks would be applied.

99. To give effect to the provisions of Article 6*ter*, a procedure is established pursuant to that Article whereby the distinctive signs of the member countries and intergovernmental organizations concerned are communicated to the International Bureau of WIPO, which in turn transmits those communications to all the member countries.

(g) Assignment of Trademarks

100. Article 6*quater* of the Convention deals with the assignment of trademarks. The rule of Article 6*quater* arises because of the situation where a trademark is used by an enterprise in various countries and it is desired to make a transfer of the right to the trademark in one or more of those countries.

101. Some national legislation allow an assignment without a simultaneous or corresponding transfer of the enterprise to which the trademark belongs. Others make the validity of the assignment depend on the simultaneous or corresponding transfer of the enterprise.

102. Article 6*quater* states that it shall suffice for the recognition of the validity of the assignment of a trademark in a member country which requires transfer of the business or goodwill to which the mark belongs at the same time as the transfer of the mark, that the portion of the business or goodwill located in that country be transferred to the assignee, together with the exclusive right to manufacture in the said country, or to sell therein, the goods bearing the trademark assigned. Thus, a member country is free to require, for the validity of the assignment of the trademark, the simultaneous transfer of the enterprise to which the trademark belongs, but such a requirement must not extend to parts of the enterprise that are located in other countries.

103. It should be noted that Article 6*quater* leaves a member country free not to regard as valid the assignment of a trademark with the relevant part of the enterprise, if the use of that trademark by the assignee would be of such a nature as to mislead the public, particularly as regards important features of the goods to which the trademark is applied. This freedom may be exercised, for example, if a trademark is assigned for part only of the goods to which it is applied, and if these goods are similar to other goods for which the trademark is not assigned. In such cases, the public may be misled as to the origin or essential qualities of similar goods to which the assignor and assignee will apply the same trademark independently.

(h) Protection of Trademarks Registered in One Country of the Union in the Other Countries of the Union

104. Parallel to the principle of independence of marks which is embodied in the provisions of Article 6, the Convention establishes a special rule for the benefit of owners of trademarks registered in their country of origin. This exceptional rule is governed by Article 6*quinquies* of the Convention.

105. The provisions of Article 6*quinquies* come into operation in the case where a registration in the country of origin is invoked in the country where protection is sought. Whereas the principle of national treatment of applications calls for the normal rule of complete independence of trademarks (as recognized in Article 6), in the exceptional situation regulated by Article 6*quinquies* the opposite rule prevails, providing for extraterritorial effects of the registration in the country of origin.

106. There are two main reasons for this special rule. On the one hand, it is in the interest of both owners of trademarks and the public to have the *same* trademark apply to the *same* goods in various countries. On the other hand, there are some important differences in the domestic legislation of the member countries regarding the registration of trademarks. As a consequence, the differences in domestic legislation could prevent this uniform use of the same trademark.

107. In order to diminish the impact of those differences on the registration of trademarks in respect of goods in international trade, Article 6*quinquies* of the Paris Convention establishes certain effects where registration in the country of origin has taken place and is invoked in another member country where registration and protection is sought. This provision has the effect of bringing about certain uniformity of the law of the various countries as to the concept of trademarks.

108. For Article 6*quinquies* to apply it is necessary that the trademark concerned should be duly registered in the country of origin. A mere filing or use of the trademark in that country is not sufficient. Moreover, the country of origin must be a country of the Union in which the applicant has a real and effective industrial or commercial establishment or, alternatively, in which he has his domicile, or otherwise, the country of the Union of which he is a national.

109. The rule established by Article 6*quinquies* provides that a trademark which fulfills the required conditions must be accepted for filing and protected—*as is* (to use the expression found in the English version) or *telle quelle* (to use the expression adopted in the authentic French text)— in the other member countries, subject to certain exceptions. This rule is often called the "*telle quelle*" principle.

110. It is to be noted that the rule only concerns the *form* of the trademark. In this respect, the rule in this Article does not affect the questions relating to the nature or the function of the trademarks as conceived in the countries where protection is sought. Thus a member country is not obliged to register and extend protection to a subject that does not fall within the meaning of a trademark as defined in the law of that country. If, for example, under the law of a member country, a three-dimensional object or musical notes indicating tunes is not considered a "trademark" in that country, it is not obliged to accept that subject matter for registration and protection.

111. Article 6*quinquies*, Section B, contains certain exceptions to the obligation of accepting a registered trademark "as is" for registration in the other countries of the Union. That list of exceptions is exhaustive so that no other grounds may be invoked to refuse or invalidate the registration of the trademark. However, the list does not exclude any ground for refusal of protection for which there is a need in national legislation.

112. The first permitted ground for refusal or invalidation of a trademark exists where the trademark infringes rights of third parties acquired in the country where protection is claimed. These rights can be either rights in trademarks already protected in the country concerned or other rights, such as the right to a trade name or a copyright.

113. The second permitted ground for refusal or invalidation is when the trademark is devoid of distinctive character, or is purely descriptive, or consists of a generic name.

114. The third permissible ground for refusal or invalidation exists where the trademark is contrary to morality or public order, as considered in the country where protection is claimed. This ground includes, as a special category, trademarks which are of such a nature as to deceive the public.

115. A fourth permissible ground for refusal or invalidation exists if the registration of the trademark would constitute an act of unfair competition.

116. A fifth and last permissible ground for refusal or invalidation exists where the trademark is used by the owner in a form which is essentially different from that in which it has been registered in the country of origin. Unessential differences may not be used as grounds for refusal or invalidation.

(i) Service Marks

117. A service mark is a sign used by enterprises offering services, for example, hotels, restaurants, airlines, tourist agencies, car-rental agencies, employment agencies, laundries and cleaners, etc., in order to distinguish their services from those of other enterprises. Thus service marks have the same function as trademarks, the only difference being that they apply to services instead of products (or goods).

118. Article 6*sexies* was introduced into the Paris Convention in l958 to deal specifically with service marks, but the revision Conference did not accept a more ambitious proposal to entirely assimilate service marks to trademarks. However, a member country is free to apply the same rules it applies for trademarks also to service marks in analogous situations or circumstances.

119. By virtue of Article 6*sexies*, member countries undertake to protect service marks, but are not required to provide for the registration of such marks. This provision does not oblige a member country to legislate expressly on the subject of service marks. A member country may comply with the provision not only by introducing special legislation for the protection of service marks , but also by granting such protection by other means, for example, in its laws against unfair competition.

120. Article 15 of the TLT requires Contracting Parties to comply with the provisions of the Paris Convention which concern marks, even if they are not or not yet party to the Paris Convention. According to Article 16 of the TLT, any Contracting Party is obliged to register service marks and apply to such marks the provisions of the Paris Convention which concern trademarks.

(j) Registration in the Name of the Agent Without the Proprietor's Authorization

121. Article 6*septies* of the Convention deals with the relationship between the owner of a trademark and his agent or representative regarding registration or use of the trademark by the latter.

122. This Article regulates those cases where the agent or representative of the person who is the owner of a trademark applies for or obtains the registration of a trademark in his own name or uses a trademark without the owner's authorization.

123. In such cases, Article 6*septies* confers upon the owner of the trademark the right to oppose the registration or to demand cancellation of the registration or, if the national law so allows, to demand an assignment of the registration in his favor. In addition, Article 6*septies* confers upon the owner of a trademark the right to oppose the unauthorized use of the trademark by his agent or representative, whether or not application for registration of the trademark has been made or its registration has been granted.

(k) Nature of the Goods to Which a Trademark is Applied

124. Article 7 of the Convention stipulates that the nature of the goods to which a trademark is to be applied shall in no case be an obstacle to the registration of the mark.

125. The purpose of this rule, and also the comparable rule in Article 4*quater* regarding patents for invention, is to make the protection of industrial property independent of the question whether goods in respect of which such protection would apply may or may not be sold in the country concerned.

126. It sometimes occurs that a trademark concerns goods which, for example, do not conform to the safety requirements of the law of a particular country. For instance, the food and drug laws of a country may prescribe requirements concerning the ingredients of a food product or the effects of a pharmaceutical product and allow its sale only after approval of the competent authorities on the basis of an examination of the food product or of clinical trials as to the effect of the use of the pharmaceutical product on human beings or animals.

127. In all such cases, it would be unjust to refuse registration of a trademark concerning such goods. The safety or quality regulations may change and the product may be permitted for sale later on. In those cases where no such change is contemplated but the approval of the competent authorities of the country concerned is still pending, such approval, if imposed as a condition to filing or registration in that country, may be prejudicial to an applicant who wishes to make a timely filing for protection in another member country.

(l) Collective Marks

128. A collective mark may be defined as a sign which serves to distinguish the geographical origin, material, mode of manufacture, quality or other common characteristics of goods or services of different enterprises that simultaneously use the collective mark under the control of its owner. The owner may be either an association of which those enterprises are members or any other entity, including a public body.

129. Article 7*bis* of the Convention deals with collective marks. It obliges a member country to accept for filing and to protect, in accordance with the particular conditions set by that country, collective marks belonging to "associations." These will generally be associations of producers, manufacturers, distributors, sellers or other merchants, of goods that are produced or manufactured in a certain country, region or locality or that have other common characteristics. Collective marks of States or other public bodies are not covered by the provision.

130. In order that Article 7*bis* be applicable, the existence of the association to which the collective mark belongs must not be contrary to the law of the country of origin. The association does not have to prove that it conforms to the legislation of its country of origin, but registration and protection of its collective mark may be refused if the existence of that association is found to be contrary to that legislation.

131. Refusal of registration and protection of the collective mark is not possible on the ground that the association is not established in the country where protection is sought, or is not constituted according to the law of that country. Article 7*bis* adds a further stipulation that the association may not even be required to possess an industrial or commercial establishment anywhere. In other words, an association, without possessing any industrial or commercial establishment itself, may be one that simply controls the use of a collective mark by others.

(m) Trademarks Shown at International Exhibitions

132. The provision concerning marks shown at international exhibitions is contained in Article 11 of the Convention, which also applies to other titles of industrial property.

133. The principle stated in Article 11 is that the member countries are obliged to grant, in conformity with their domestic legislation, temporary protection to trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any member country.

134. The temporary protection may be provided by various means. One is to grant a special right of priority, similar to that provided for in Article 4. Another possibility for protection, which is found in certain national laws, consists in the recognition of a right of prior use in favor of the exhibitor of the goods bearing the trademark as against possible rights acquired by third parties.

135. In order to apply its national legislation regarding temporary protection, the competent authorities of the country may require proof, both as to the identity of the goods exhibited and as to the date of their introduction at the exhibition, in whatever form of documentary evidence they consider necessary.

(6) *Provisions Concerning Industrial Designs, Trade Names Appellations of Origin and Indications of Source, and Unfair Competition*

(a) Industrial Designs

136. The Paris Convention deals with industrial designs in Article 5*quinquies*.

137. This provision merely states the obligation of all member countries to protect industrial designs. Nothing is said about the way in which this protection must be provided.

138. Member countries can therefore comply with this obligation through the enactment of special legislation for the protection of industrial designs. They can, however, also comply with this obligation through the grant of such protection under the law on copyright or the law against unfair competition.

139. The normal solution, chosen by a great number of countries for compliance with the obligations under Article 5*quinquies* is, however, to provide for a special system of protection of industrial designs by registration or by the grant of patents for industrial designs.

140. There is a special provision dealing with forfeiture in the case of industrial designs. It is contained in Article 5B, and states that the protection of industrial designs may not under any circumstance be subject to any measure of forfeiture as sanction in cases of failure to work or where articles corresponding to those protected are imported. "Forfeiture" in this provision includes equivalent measures, such as cancellation, invalidation or revocation.

(b) Trade Names

141. Trade names are dealt with by the Convention in Article 8. This Article states that trade names shall be protected in all the countries of the Union without the obligation of filing or of registration, whether or not they form part of a trademark.

142. The definition of a trade name for the purposes of protection, and the manner in which such protection is to be afforded, are both matters left to the national legislation of the countries concerned. Therefore, protection may result from special legislation on trade names or from more general legislation on unfair competition or the rights of personality.

143. In no case can protection be made conditional upon filing or registration of the trade name. However, if in a member country protection of trade names were dependent on the use of the name and to

the extent that another trade name may cause confusion or prejudice with respect to the first trade name, such requirement and criterion could be applied by that member country.

(c) Appellations of Origin and Indications of Source

144. Appellations of origin and indications of source are included among the various objects of protection of industrial property under the Paris Convention (Article 1(2)).

145. Both these objects can be referred to under the broader concept of geographical indications, although traditionally, and for the purposes of certain special treaties (e.g., the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration), both concepts have been distinguished.

146. Indications of source may include any name, designation, sign or other indication which refers to a given country or to a place located therein, which has the effect of conveying the notion that the goods bearing the indication originate in that country or place. Examples of indications of source are the names of countries (e.g., Germany, Japan, etc.) or of cities (e.g., Hong Kong, Paris, etc.) when used on or in connection with goods in order to indicate their place of manufacture or their provenance.

147. Appellations of origin generally have a more limited meaning, and may be considered a special type of indication of source. An appellation of origin is the geographical name of a country, region or locality which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

148. The Paris Convention contains in Articles 10 and 10*bis* provisions on the protection of indications of source. These provisions cover in general any direct or indirect use of a false indication of the source (including, where applicable, the appellation of origin) of the goods or the identity of the producer, manufacturer or merchant, as well as any act of unfair competition by the use of indications or allegations which are liable to mislead the public as to the nature or the characteristics of the goods for which they are applied.

149. The Convention requires the countries to seize the goods bearing false indications or, to prohibit their importation, or otherwise to apply any other measures that may be available in order to prevent or stop the use of such indications. However, the obligation to seize goods on importation only applies to the extent that such a sanction is provided for under the national law.

150. The Convention provides that action may be taken not only by the public prosecutor but also by any interested party. In this connection, Article 10(2) provides that any producer, manufacturer or merchant, whether a natural person or a legal entity, engaged in the production, manufacture or trade in such goods established in the locality, region or country falsely indicated as the source or in the country where such false indications used, is in any case deemed to be an interested party. Moreover, in accordance with Article 10*ter*, the countries of the Union are required to provide measures to permit federations and associations representing interested industrialists, producers and merchants to take action before the competent authorities with a view to the repression of the acts referred to above.

(d) Unfair Competition

151. The Convention provides in Article 10*bis* that the countries of the Union are bound to assure to persons entitled to benefit from the Convention effective protection against unfair competition. The Convention does not specify the manner in which such protection should be granted, leaving this to the laws existing in each of the member countries.

152. Article 10*bis* defines acts of unfair competition as including at least those acts of competition which are contrary to honest practices in industrial or commercial matters. Further, the Article gives some typical examples of acts of unfair competition which should be prohibited in particular.

153. The first example refers to all acts of such a nature as to create confusion by any means whatever with the establishment, the goods or the industrial or commercial activities of a competitor. These acts cover not only the use of identical or similar marks or names, which could be attacked as an infringement of proprietary rights, but also the use of other means which can create confusion. Such could be the form of packages, the getup or style used on products and on their corresponding outlets or points of distribution, titles of publicity, etc.

154. The second example relates to false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor. It has been left to the domestic legislation or case law of each country to decide whether, and under what circumstances, discrediting allegations which are not strictly untrue may also be considered acts of unfair competition.

155. The third example of acts of unfair competition concerns indications and allegations which are liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quality of their goods. This provision may be distinguished from the previous cases to the extent that it is concerned with the interests and well-being of the public and is one of the provisions in the Convention that is more directly related to the consumer protection role of industrial property.

(7) *Provisions Concerning Industrial Property Offices*

156. The Paris Convention deals with the national industrial property services of its member countries in Article 12.

157. Each member country has the obligation to establish a special central industrial property service or office, which will be responsible for the communication to the public of patents for invention, utility models, industrial designs, and trademarks. For that purpose, it must publish an official periodical journal.

158. The obligation to establish a national office can also be satisfied under a regional scheme, if several member countries establish a common office which assumes the functions of national offices. For example, the African Intellectual Property Organization (OAPI) located at Yaoundé, Cameroon, constitutes the regional office for 15 African countries; the Benelux Trademark Office at The Hague, Netherlands, acts as regional office for Belgium, Luxembourg and the Netherlands.

(8) *Administrative and Financial Provisions*

(a) Organs of the Paris Union

159. The countries party to the Paris Convention constitute a "Union" for the Protection of Industrial Property. In creating a Union, the Paris Convention goes beyond a mere treaty establishing rights and obligations. It also establishes a legal entity in international law with the necessary organs to carry out certain tasks. The Union forms a single administrative entity, and an administrative link among the various Acts of the Paris Convention.

160. Under this concept of the Union, a state which becomes a member of the Union by acceding to the most recent (the Stockholm) Act of the Paris Convention becomes bound with respect to all member countries, even those not yet party to the Stockholm Act. Article 27(3) of the Convention says that such a country must apply the Stockholm Act also to member countries of the Union not yet party to that Act, and must recognize that member countries not yet bound by the substantive provisions of the Stockholm Act may apply, in their relations with it, that earlier Act which is the most recent of the Acts to which they are party.

161. The Union has three administrative organs, the Assembly, the Executive Committee and the International Bureau, headed by the Director General of the World Intellectual Property Organization (WIPO).

162. The *Assembly* is dealt with in Article l3. It consists of all member countries bound at least by the administrative provisions of the Stockholm Act. The Assembly is the chief governing body of the Union in which all policy-making and controlling powers are vested. It deals with all matters concerning the maintenance and development of the Union and the implementation of the Paris Convention. In particular, it gives directions for the preparation of conferences of revision of the Convention. It reviews and approves the reports and activities of the Director General of WIPO concerning the Union and gives him instructions concerning matters within the competence of the Union. It determines the program, adopts the biennial budget of the Union, and approves its final accounts. The Assembly meets once in every second calendar year in ordinary session, together with the General Assembly of WIPO.

163. The Assembly has an *Executive Committee*, which is dealt with in Article 14. It consists of one-fourth of the countries members of the Assembly, and is elected by the Assembly for the period between two ordinary sessions with due regard to an equitable geographical distribution. The Executive Committee meets once a year in ordinary session, together with the Coordination Committee of WIPO.

164. The Executive Committee is the smaller governing body of the Union. It deals with all the functions which have to be carried out during the period between the ordinary sessions of the Assembly and for which the Assembly is too big a body. It prepares the meetings of the Assembly and takes all necessary measures to ensure the execution of the program.

165. The provisions concerning the *International Bureau* are contained in Article 15. The International Bureau is the administrative organ of the Union. It performs all administrative tasks concerning the Union. It provides the secretariat of the various organs of the Union. Its head, the Director General of WIPO, is the chief executive of the Union.

(b) Budget and Finances

166. The financial provisions are contained in Article 16. The Union has its own budget which is mainly financed by mandatory contributions from member countries. The contributions are calculated in applying a class and unit system to the total sum of contributions needed for a given budgetary year. Until 1993, the contributions to the Paris Union were based on ten classes, going from class I to class IX, plus a special class ”S.”

167. At the twenty-fourth Series of Meetings of the Governing Bodies of WIPO and the Unions administered by WIPO, in September 1993, the WIPO Conference, the Assembly of the Paris Union and the Assemblies of the other Unions administered by WIPO and the Conference of Representatives of the Paris and other Unions which require contributions from their members States decided that, as of 1994, a *unitary contribution system* would replace the separate contribution systems of the Paris Union and the other contribution-financed unions (see WIPO document AB/XXIV/5, paragraphs 39 and 50). Under this new system, each State pays only one contribution irrespective of the number of such unions of which it is a member.

168. For the purposes of the unitary system of contributions, four new classes were introduced, so that there are now 14 classes to which the member States may belong. Those classes range from Class I in which a country contributes 25 units, to Class S*ter* in which a country contributes 1/32 of one unit.

169. The rights and obligations of each member State of the Paris Union are the same irrespective of the contribution class to which it belongs.

170. Any State may choose the class to which it wishes to belong, but developing countries which belong to any of the three special (“S”) classes are automatically assigned to the appropriate class, as follows:

(i) developing countries whose assessed share in the United Nations ("the UN") is 0.02% to 0.10% are assigned Class S;

(ii) developing countries which are not least developed countries ("LDCs") and whose assessed share in the UN is 0.01% are assigned Class S*bis*;

(iii) developing countries which are LDCs are assigned Class S*ter*.

171. Since the value of one unit for the year 1997 is 56,321 Swiss francs, the yearly contribution in that year in each class is, in Swiss francs, the following: I: 1,408,016; II: 1,126,420; III: 844,809; IV: 563,206; IV*bis*: 422,405; V: 281,604; VI: 168,962; VI*bis*: 112,641; VII: 56,321; VIII: 28,161; IX: 14,080; S: 7,040; S*bis*: 3,520; and S*ter*: 1,760.

(c) Amendments and Revision

172. Article l8 contains the principle of periodic revision of the Paris Convention. The Convention must be submitted to revision with a view to the introduction of amendments designed to improve the system of the Union. These revisions are dealt with by diplomatic conferences of revision in which delegations appointed by the governments of the member countries participate. According to Article l8(2), such conferences must be held successively in one of the member countries.

173. The preparations for the conferences of revision of the Paris Convention are carried out by the International Bureau in accordance with the directions of the Assembly and in cooperation with the Executive Committee. In performing it, the International Bureau may also consult with other intergovernmental and with international non-governmental organizations.

(d) Special Agreements

174. An important provision among the administrative clauses of the Paris Convention is Article l9, dealing with special agreements.

175. According to that provision, the member countries have the right to make separately among themselves special agreements for the protection of industrial property. These agreements must, however, comply with the condition that they do not contravene the provisions of the Paris Convention.

176. Such special agreements may take the form of bilateral agreements or multilateral treaties. Special agreements in the form of multilateral treaties may be agreements prepared and administered by the International Bureau, or agreements prepared and administered by other intergovernmental organizations. Examples of such special agreements are the Madrid Agreement Concerning the International Registration of Marks, the Patent Cooperation Treaty (PCT) and the Trademark Law Treaty (TLT).

(e) Becoming Party to the Convention; Entry Into Force

177. Accession to the Paris Convention is effected by the deposit of an instrument of accession with the Director General of WIPO, as provided in Article 21. The Convention enters into force, with respect to a country so adhering, three months after the accession has been notified by the Director General of WIPO to all Governments of the member countries. Accession therefore needs only unilateral action by the interested country and does not require any decision by the competent bodies of the Union.

178. Accession to the Convention automatically entails acceptance of all the clauses in the Convention, as well as admission to all the advantages thereof, as is indicated in Article 22.

(f) Denunciation

179. Provisions concerning denunciation are contained in Article 26 of the Convention.

180. Any member country may denounce the Convention by addressing a notification to the Director General of WIPO. In that case, the denunciation takes effect one year after the day on which the Director General receives the notification to that effect. It is provided, however, that the right of denunciation may not be exercised by any country before the expiration of five years from the date on which it became a member of the Union.

(g) Disputes

181. The matter of disputes is dealt with in Article 28 of the Convention. Any dispute between two or more countries of the Union concerning the interpretation or application of the Convention, which has not been settled by negotiation, may be brought, by any of the countries concerned, before the International Court of Justice. However, the countries concerned may agree on any other method for settling their dispute, for example, by international arbitration. In any case, it should be noted that the International Bureau may not take a position in controversies concerning the interpretation or application of the Paris Convention among member countries.

182. Any country acceding to the Convention may declare upon accession that it does not consider itself bound by the preceding provisions concerning the solving of disputes before the International Court of Justice.

(h) Languages; Depository Functions

183. The Stockholm Act of the Paris Convention was signed in a single copy in the French language, and has been deposited with the Government of Sweden. The Director General of WIPO, after consultations with the interested governments, established official texts of the Convention in various other languages, in particular English, Russian and Spanish.

184. In the event that any difference should arise regarding the interpretation of the various texts, the original French text will prevail.

III. CONCLUSION

185. The Paris Convention for the Protection of Industrial Property celebrated its centenary in 1983. During more than 100 years the Convention, as periodically amended, has proved by the ever increasing number of applicants and owners of industrial property rights that claim the benefit of its provisions all over the world, and by the continual growth of its membership, to be an effective international legal instrument for the protection and dissemination of technical achievements and distinctive signs through the industrial property system.