

Patents, Trademarks, and Related Rights
National and International Protection

Stephen P. Ladas

VOLUME I

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1975

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Patents, Trademarks, and Related Rights
National and International Protection, *Volume I*

To Christine

Preface

Many years ago Harvard University Press published my book *The International Protection of Industrial Property*. This book of 1930 was based on theoretical principles and their application as revealed by historical development. It was also essentially an exposition of the international protection of the various rights of industrial property as particularly regulated by the International Convention of Paris. That the study was received so generously by the international legal profession is testimony to the need of such an exploration of industrial property.

It was after the publication of that book that my professional life commenced. My attachment to and interest in the subject of industrial property have expanded through international practice in this field during the last forty years. I have had the advantage of long experience with the law and custom of many countries and have sought to acquire an understanding of the conflicting interests and claims involved in this field. My extensive participation in the work of the International Association for the Protection of Industrial Property and my association for more than two decades with the Commission on Industrial Property of the International Chamber of Commerce and of the United States Council have been invaluable in broadening the international scope of this subject for me. Many good friends from many countries have been pressing me for years to bring out a new book. I am glad that notwithstanding the requirements of a busy professional life I have been able to undertake the task.

The present book seeks to present the national as well as the international regime of patents, designs, trademarks, know-how, and related rights of industrial property as they have evolved to the present time. In recent years, multiple pressures have been building up: from administrations concerned with the functioning of the whole system of industrial property; from private enterprises affected by delays, costs, and insecurities of the system; from developing countries anxious to receive and adapt foreign technology at reasonable cost and without excessive restrictions; and from the increasing tendency of antitrust law to curb even legal monopolies in order to ensure free competition.

As a result of these pressures, there have been worldwide efforts to resolve the conflicting interests and demands seeking recognition and satisfaction in this field and to harmonize law and procedure by revision of existing laws and treaties and by new international arrangements. Although all these may be unavoidable and welcome, there is an inescapable need to seek principles and rules which reconcile the need for stability and the need for change. Nothing real can be accomplished without both. As Whitehead has said: "Mere change without conservation is passage from nothing to nothing. Mere conservation without change cannot conserve."*

* Alfred North Whitehead, *Science and the Modern World* (Macmillan, 1925), p. 201.

This new book has gone further than did my earlier one in presenting the national treatment of the various rights of industrial property, in dealing with agreements between enterprises involving such rights, and in the problems stemming from the impact of antitrust law on such agreements. It also reviews all new treaties and international arrangements touching on industrial property. It does not purport, however, to replace special collections and digests of foreign industrial property laws which furnish the practitioner up-to-date specific information and data on practical points of foreign law. Nor can this book be a substitute for the abundant literature in this country and abroad of special treatises, monographs, and articles in periodical publications dealing with the subject of industrial property rights, all of which have been of immense value to me in this study.

I have worked on this book in what I would call "extra time"—early mornings, nights, and weekends for over six years. This could never have been possible without the patience, forbearance, and active assistance of my wife to whom this book is dedicated.

Quotations or material from articles I have published in the past are used here with the kind permission of their publishers and are acknowledged in the appropriate places.

Many colleagues in foreign countries have been especially generous and helpful in supplying information and data I needed. I extend to them collectively here-with my deep appreciation. The partners of my law firm have been continually helpful, and I owe special thanks to S. Delvalle Goldsmith and Lester Horwitz for many useful suggestions. Thanks are due also to my longtime, faithful secretary, Celia Lyons, who has struggled unsparingly with my manuscript all along. Special thanks are also due to Mrs. Natalie Frohock of the Harvard University Press for her excellent care in the copyediting of the book.

Throughout, I have cited provisions of the texts of Conventions in English using the translations published by the International Bureau of Geneva now identified as WIPO. Quotations from the Minutes of conferences published in French are given in English translation for which I am responsible.

Stephen P. Ladas

New York, New York
January 1974

ABBREVIATIONS

Since it is hoped that this book may be of interest to jurists and legal practitioners in many foreign countries, an effort has been made to avoid unnecessary abbreviations of references in the text or footnotes. However, abbreviations have been used in instances of very frequent references, particularly those generally understood by any who may use the book.

A.B.A.	American Bar Association (U.S.A.)
AIPPI	Association Internationale pour la Protection de la Propriété Industrielle
ALAI	Association Littéraire et Artistique Internationale
<i>Annales</i>	<i>Annales de la Propriété Industrielle, Artistique et Littéraire</i> (France)
<i>Annuaire</i>	A journal published from time to time by the AIPPI, recording its activities
ASIFI	Asociación Interamericana de la Propiedad Industrial
ATF	<i>Arrêts du Tribunal Fédéral</i> (Switzerland)
<i>Banks Report</i>	The British Patent System – Report of the Committee to Examine the Patent System and Patent Law, July 1970, HMSO London, Command.4407
B.G.E.	<i>Entscheidungen des Schweizerischen Bundesgerichts</i> (Decisions of Swiss Federal Tribunal)
B.G.Z.	<i>Entscheidungen des Bundesgerichtshofs in Zivilsachen</i> (German Supreme Court decisions)
B.I.E.	<i>Bijblad bij De Industriële Eigendom</i> (Netherlands) (Review for Industrial Property)
BIRPI	Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle
Bundesgericht	German Supreme Court since 1945
<i>Bundesgesetzblatt</i>	Collection of Federal Laws, Parts 1 and 2 (Germany)
<i>Bull. Off.</i>	<i>Bulletin Officiel de la Propriété Industrielle</i> (France)
C.A.	Circuit Court of Appeals (followed by number to indicate the Circuit of the Federal jurisdiction) (U.S.A.)
CACM	Central American Common Market
CCH	Commerce Clearing House (U.S.A.)
CCPA	Court of Customs and Patent Appeals (U.S.A.)
CEIF	Council of European Industrial Federations
CH. D.	Chancery Division (Great Britain)
<i>Clunet</i>	<i>Journal de Droit International</i> (France)
CNIPA	Committee of National Institutes of Patent Agents (limited to Patent Agents of the UK, the Netherlands, and Germany)
COMECON	Council for Mutual Economic Assistance (Union of Socialist States)
COM. MARK. L. REP.	<i>Common Market Law Reports</i>
COM. MARK. L. REV.	<i>Common Market Law Review</i>
DC	District Court (Federal) (U.S.A.)
<i>Droit d'Auteur</i>	Copyright periodical of BIRPI
ECOSOC	United Nations Economic and Social Council
ECSC	European Coal and Steel Community (Paris Treaty)
EEC	European Economic Community (Rome Treaty)
EFTA	European Free Trade Association

EIRMA	European Industrial Research Management Association (limited to leading European firms)
EURATOM	European Atomic Energy Community
Fed	Federal Reporter (U.S.A.)
F. 2d	Federal Reporter, 2nd Series (U.S.A.)
F. Supp.	Federal Supplement (U.S.A.)
FICPI	Fédération Internationale des Ingénieurs Conseils en Propriété Industrielle
Fox. Pat. C.	Patent, Trademark, Design, and Copyright Cases (Canada)
F.S.P.R.	Fleet Street Patent Law Reports (Great Britain)
<i>Gazette du Palais</i>	Collection of Decisions (France)
<i>Giur. It.</i>	<i>Giurisprudenza Italiana</i> (Italy)
GRUR	<i>Gewerblicher Rechtsschutz und Urheberrecht</i> (Germany)
GRUR Ausl.	<i>Ausländischer und Internationaler Teil</i> (Germany)
GRUR Int.	(changed in 1967 to <i>GRUR Int.</i>)
ICC	International Chamber of Commerce
<i>Idea</i>	<i>The Patent, Trademark and Copyright Journal of Research and Education</i> (formerly <i>PTCJ Res. & Ed.</i>)
IFIA	International Federation of Inventors' Associations
IIB	Institut International des Brevets (International Patent Institute at The Hague)
IIC	International Review of Industrial Property and Copyright Law (Germany)
<i>Ind. Prop.</i>	<i>Industrial Property</i> (periodical of BIRPI)
<i>Ingénieur Conseil</i>	<i>Revue de Droit Intellectuel, L'Ingénieur-Conseil</i> (Belgium)
JPOS	<i>Journal of the Patent Office Society</i> (U.S.A.)
LAFTA	Latin American Free Trade Association
<i>Mitteilungen</i>	<i>Mitteilungen des deutschen Patentanwälte</i>
MuW	Markenschutz und Wettbewerb (until 1942) (Germany)
OAMPI	Office Africain et Malgache de la Propriété Industrielle
OAS	Organization of American States
ÖBL	<i>Österreichische Blätter für gewerblichen Rechtsschutz und Urheberrecht</i> (Austria)
OECD	Organization for Economic Cooperation and Development
OMPI	Organisation Mondiale pour la Propriété Intellectuelle (French name for WIPO)
<i>Pasicrisie</i>	<i>Pasicrisie Belge</i> (Collection of Decisions)
PCT	Patent Cooperation Treaty
<i>Prop. Ind.</i>	<i>La Propriété Industrielle</i> (BIRPI)
<i>Rass. Prop. Ind.</i>	<i>Rassegna della Proprietà Industriale Letteraria Artistica</i> (Italy)
<i>Reichsgericht</i>	German Supreme Court until 1945
Recueil Dalloz	Collection of Decisions (France)
Rep. Jur.	Repertorio de Jurisprudencia Aranzadi (Spain)
<i>Rev. Mex. Prop. Ind.</i>	<i>Revista Mexicana de la Propiedad Industrial y Artistica</i> (Mexico)
R.G.Z.	<i>Reichsgerichts Entscheidungen in Zivilsachen</i> (Germany)
<i>Riv. Dir. Ind.</i>	<i>Rivista di Diritto Industriale</i> (Italy)
<i>Riv. Prop. Int.</i>	<i>Rivista della Proprietà Intellettuale ed Industriale</i> (Italy)
R.P.C.	Reports of Patent, Design, and Trademark Cases (Great Britain)
<i>T.M.Rep.</i>	The Trademark Reporter (U.S.A.)
Trade Cases	Trade Cases Commerce Clearing House (U.S.A.)

TRT	Trademark Registration Treaty
<i>U.S.T.A. Bull.</i>	<i>Bulletin of the U.S. Trademark Association</i> (combined with <i>T. M. REP.</i> in 1941)
UNCITRAL	United Nations Commission for International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
<i>Unesco Bulletin</i>	<i>Unesco Copyright Bulletin</i> (<i>Copyright Bulletin</i> after 1967)
UNICE	<i>Union des Industries de la Communauté Européenne</i> (group of industrialists in the Common Market countries)
UNIDO	United Nations Organization for Industrial Development
UPOV	Union for the Protection of New Varieties of Plants
U.S.	United States Supreme Court Reports
U.S.C.	<i>United States Code</i>
U.S.P.Q.	The United States Patents Quarterly
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WuW	Wirtschaft und Wettbewerb (Germany)

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10. General Inter-American Convention for Trade Mark and Commercial Protection of Washington, 1929 1967
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§ 1. What is “Industrial Property”? It is a truism today to say that commerce is essentially international; that, as a result of the striking growth of industry and the great multiplication and development of means of communication in the last two or three generations, the unity of the world is real; and that no country in the modern world can expect to satisfy and protect adequately the interests of its own people without securing for them the protection of the other countries. This is even more true in regard to the multiple aspects of industrial and commercial activity which are known under the name of industrial property.

The French term “*propriété industrielle*” has given origin to the English term “industrial property” and to similar terms in all the other tongues.¹ It is not an altogether adequate term. First, the word “industrial” is ambiguous: it is derived from the word “industry,” which may be taken in a strict sense, as opposed to trade, agriculture, and extractive work, or in a broad sense, embracing all sorts of human labor.² Second, the word “property” not only does not apply here to tangible things with which it is commonly associated but is made to include very dissimilar kinds of interests and rights.

It is doubtful, too, whether the term is proper as serving to distinguish the rights in question from those of literary and artistic property. For a difference of substance would seem to be lacking in certain cases between the two categories of rights, and the classification of certain intellectual creations in the one or other category is sometimes difficult. But the division of intellectual property into literary or artistic and industrial property is very generally admitted.

1. The Spanish term is “*propiedad industrial*”; Italian, “*proprietà industriale*”; Portuguese, “*propriedade industrial*”; Rumanian, “*proprietății industriale*”; Dutch, “*industrieele Eigendom*”; Norwegian, “*industrielle Retsvern*”; Swedish, “*industrielt rättskydd*.” In Germany the term “*industrielles Eigentum*” is sometimes used, although more general is the use of the terms “*gewerbliches Eigentum*” or “*gewerblicher Rechtsschutz*.” The Chinese and Japanese characters for “industrial property” are pronounced “*Kōgyō (industrial) Shoyūken*” (ownership right).

2. Renouard, *Droit Industriel* (Paris, 1860), p. 5.

Literary and artistic property is the right created by the law for authors of all forms of literary and artistic creations. Industrial property is only a collective name for an aggregate of rights referring to the industrial or commercial activity of a person. With the purpose of furthering his economic interest, a man invents, creates, devises or uses different things. He invents a new product or a new process of manufacture. He creates a new design or model. He adopts a distinctive mark for his goods, or uses a trade name or the name of the place where his business is established, and so forth. It is to all these aspects of a man's activity that the name "industrial property" is applied.³

The nature of the rights included in the term "industrial property," and their classification in the whole scheme of legal rights, are great questions of juristic speculation, on which an agreement has not yet been reached. Following, however, Kohler's and Picard's studies and doctrinal speculation, it is very generally admitted today in the civil law countries that these rights, together with the authors' rights in literary and artistic works, form a distinct category, besides the classical Roman law categories of personal and real rights. These new rights are variously termed as "incorporeal rights" or "incorporeal property," "intellectual rights," or "intellectual property."⁴

In the common law countries there has never been, to the writer's knowledge, any thorough study or juristic search into the nature of industrial property rights. They are considered interests of substance,⁵ and the word "property," as applied to them, is not conceived in the common law idea of property, but, as Justice Holmes said, speaking of copyright, "has reached a more abstract expression. The right to exclude is not directed to an object in possession or owned, but is in vacuo, so to speak. It restrains the spontaneity of men when but for it there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right."⁶

Leaving aside the questions of definition and classification, we shall find that no disagreement exists on the general scope of industrial property rights. In this respect they may be divided into two classes.⁷

Patents of invention, utility models, and industrial designs and models are legal monopolies. The law recognizes in their authors the privilege of exclusive use or exploitation of their respective creations for a limited time. This is due to a policy of encouraging improvements of industry by which the community profits. At the

3. Moreau, *Traité de la Concurrence Illicite* (Brussels-Paris, 1904), p. 5; cf. Zoll, "A Propos de la Loi Polonoise du 2 Août, 1926," in *Prop. Ind.* (1927), p. 64.

4. Kohler, *Deutsches Patentrecht* (Mannheim, 1878), *Forschungen aus dem Patentrecht* (Mannheim, 1888), and *Handbuch des Deutschen Patentrechts* (Mannheim, 1900); Picard, *Des Droits Intellectuels* (Brussels, 1879); Braun, *Traité des Marques de Fabrique* (Brussels, 1880), p. 88; Moreau, *Traité de la Concurrence Illicite* (Brussels, 1904), pp. 27 ff.; Breuer Moreno, *Derecho Intelectual Comparado* (Buenos Aires, 1921), pp. 6, 67; Weiss, *Traité de Droit International Privé* (Paris, 1908), II, 253 ff.

5. Dean Pound includes in the individual interests of substance: (a) property; (b) freedom of industry and contract; (c) promised advantages; and (d) advantageous relations with others. See his *Outline of Lectures on Jurisprudence* (Cambridge, Mass., 1920), pp. 80-82.

6. *White-Smith Music Publishing Co. v. Apollo Co.* (1908), 209 U.S. 1, 19.

7. This classification is adapted from Chafee's distinction of injuries to business in his case book on *Equitable Relief Against Torts* (Cambridge, Mass., 1924), pp. 67, 81.

lapse of the period for which the privilege is granted, the public becomes possessed of the invention, design or model.⁸

Trademarks, trade names, appellations of origin, and other distinctive signs connected with the commercial or industrial organization of a manufacturer or merchant are vehicles of advantageous business relations. They are devices used by the latter to protect, maintain, and extend their activities and their association with the public. They cannot be conceived of apart from the business or goods to which, or in connection with which, they are applied. They are not creations in the same sense that inventions or designs and models are. They are understood only with the business in connection with which they are used, and their protection may last as long as the business continues.

A new legal right of industrial property recognized in recent years is the right in "know-how" developed in association with a production organization, which is discussed in a separate chapter.

However inappropriate the word "property" may be for all these interests and rights for the purposes of national law, it is not objectionable in view of their international protection. It is a convenient common denominator for various interests springing out of the commercial and industrial activity of men, which are considered today equally important and valuable with those in tangible objects.

It is not disputed that the genesis and development of all these rights, with the exception of patents, does not date back farther than the nineteenth century. For some of them, such as those referring to the indications of place of origin and the protection against acts of unfair competition, it may be said that recognition by the law is yet to come in some countries. Under these conditions it is apparent that the international protection of rights of industrial property could not possibly begin before the last century. And it will be seen that the maturity of the law of industrial property has often coincided with its international protection.

A branch of industrial property for which ancient origin is claimed is that of trademarks. Historical jurists have sought in marks of ancient Greece, of the Roman epoch, and of the Middle Ages, the embryo and the antecedents of the trademark law and trademarks of today.

§2. Alleged Trademarks of Ancient Greece and Rome. The archaeological discoveries of ancient Greek inscriptions on sculptural works, paintings, vases, precious stones, lamps, glass works, bricks, and the like, reveal some features which might be thought, at first sight, to be trademarks or trade names.⁹ The hypothesis that

8. Allart, *Traité des Brevets d'Invention* (1911), p. 1, and Breuer Moreno, *Derecho Intelectual Comparado* (Buenos Aires, 1921), p. 5, distinguish the various rights of industrial property by three categories, making industrial designs and models an additional category. In another part of this study the present writer points out the fact that industrial designs and models are more closely identified with artistic works than with inventions and describes the movement for extending to them the protection of the copyright law *infra* ch. 22). In regard to the general scope, however, of the right, industrial designs may properly be classified with inventions and utility models. There are now also two further additions to the first category: certificates of inventorship in Socialist East European countries and certificates of utility under the French law of 1968.

9. See Salomon Reinach, *Traité d'Epigraphie Grecque* (Paris, 1885), pp. 434 ff.; Henri Francotte, *L'Industrie dans la Grèce Ancienne* (Brussels, 1901), II, 136 ff.