SYMPOSIUM ON RECENT DEVELOPMENT OF INDUSTRIAL PROPERTY RIGHTS IN LATIN AMERICAN COUNTRIES*

INTRODUCTION**

The protection of industrial property[1] rights outside of the United States is vitally important to American companies seeking to utilize international markets and labor pools, as well as to all nations which wish to foster and support international trade.[2] For

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1. "Industrial property" is defined in Article 1 of the Paris Convention:

> (3) Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour.
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> (4) Patents shall include the various kinds of industrial patents recognized by the laws of the countries of the Union, such as patents of importation, patents of improvement, patents and certificates of addition, etc.

Paris Convention for the Protection of Industrial Property (Stockholm Revision), July 14, 1967, 21 U.S.T. 1629, T.I.A.S. No. 6923.

In comparison, "intellectual property" according to Article 2 (viii) of the WIPO Convention includes the

> rights relating to:
> - literary, artistic and scientific works,
> - performances or performing artists, phonograms, and broadcasts,
> - inventions in all fields of human endeavor,
> - scientific discoveries,
> - industrial designs,
> - trademarks, service marks, and commercial names and designations,
> - protection against unfair competition,
>
> and all other rights resulting from intellectual activity in the industrial, scientific or artistic fields.

Convention Establishing the World Intellectual Property Organization (WIPO), July 14, 1967, 21 U.S.T. 1749, T.I.A.S. No. 6932.

2. *See* Mossinghoff, *The Importance of Intellectual Property Protection in International Trade*, 7 B.C. INT'L & COMP. L. REV. 235 (1984). This article provides a good insight into the critical nature of this subject in the United States and other countries. The article discusses eight areas where patent and trademark protection is integral to handling U.S. trade and industry problems. First, patents are incentives to technological innovation. Second, patents provide information on technology and markets. Third, patent statistics show competition and trading trends. Fourth, the U.S. patent system protects against copying by

instance, a United States based company which is considering expanding into markets in Latin America needs to become familiar with the myriad of industrial property laws in those countries to protect its investments and competitive edge. This symposium was designed to introduce the variety of laws involved and to point out some of the similarities and differences in the laws of the countries involved.[3]

I. SCOPE OF THE SYMPOSIUM

This symposium was held on May 31, 1986, at California Western School of Law. To help with the task of comparing and contrasting the problems involved, the speakers were requested to address three general areas as they related to each of the countries involved.

First, the speakers were to examine important new court or legislative actions concerning national legal issues in their various countries. The second subject area concerned each country's experience with the Paris Convention and other relevant bilateral treaties. Naturally, much of the discussion focused on the areas where each country's own national laws varied from the treaties involved. For instance, both the Brazilian and Mexican papers discuss the important areas of nonuse cancellation of patents and compulsory licens-

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foreign competitors. Fifth, foreign patent systems aid U.S. firms in entering foreign markets. Sixth, intellectual property provides important international licence fee income. Seventh, trademarks provide international product recognition. Eighth, effective patent protection is important for economic growth in developing countries.

3. This symposium covers only a few of the many problem areas involved. However, one area which is covered in several papers is the working requirements of patents. Basically, a patent is a right given to the holder of a patent to exclude others from making, using or selling the invention covered by the patent. In the United States, this right is granted by the federal government for a period of seventeen years. 35 U.S.C. §§ 150-157 (1982 & Supp. III 1985). Further, in the United States, the patentee does not have to utilize or "work" the patent to maintain this protection. Wine Ry. Appliance Co. v. Enterprise Ry. Equip. Co., 25 F.2d 236, 238 (6th Cir. 1928).

On the other hand, many countries require that the patent be "worked" for the patentee to maintain the right to its exclusive use. *See* Kassman, *Intellectual Property, International Business and the Export Trading Company—Some Basic Training*, 2 B.U. INT'L L. REV. 231 (1983). Specifically, the Paris Convention makes allowance for this in Article 5A:

> (2) Each country of the Union shall have the right . . . [to grant] compulsory licenses to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent, for example, failure to work [the patent].
>
> (3) Forfeiture of the patent shall not be provided for except in cases where the grant of compulsory licenses would not have been sufficient to prevent the said abuses. No proceedings for the forfeiture or revocation of a patent may be instituted before the expiration of two years from the grant of the first compulsory licence.

Paris Convention, *supra* note 1.

The advantage to the countries that require working of the patents is that one could not preclude local production of articles simply by acquiring a patent in that country.

ing. These areas are important because the stricter the provisions requiring the use of a patent or compulsory licensing, the greater the ability of a country to prevent an outside entity from foreclosing production within the country.

The third area covered in these papers includes some specific topics of current interest in the field of industrial property. These include the protection of biotechnology advances, advances in computer technology, trade secret licensing and cross-licensing provisions in technology transfer agreements. Generally, these are the areas where technology or industrial advances are changing the face of the laws which protect industrial property. All of the papers reflect an emphasis on one or more of these areas as noted below.

II. AREAS DISCUSSED IN THE INDIVIDUAL PAPERS

The Argentine paper focuses on the national patent and trademark laws rather than international treaties. It includes a discussion of the Argentina Trademark Act of 1981 as well as recent developments in the much older patent rules dating from 1864. The discussion of the Trademark Act includes comments on the application procedure for obtaining trademarks. It then highlights several "novel" features in the Trademark Act including the requirement of trademark use to avoid forfeiture, other cancellation and compulsory assignment features and criminal sanctions for trademark misuse. The Argentine patent law section includes a discussion of the consequences of nonworking patents in light of the Paris Convention compulsory licensing provisions. The paper concludes with discussions of the newer areas of biotechnology, computer software, trade names and unfair competition laws.

The Brazilian paper begins with an interesting discussion of compulsory licensing with exclusivity in industrialized countries as compared to developing countries. This section focuses on recent talks on the revision of the Paris Convention and a variety of forces at work in Brazil which affect the application of this convention within Brazil. The paper moves on to touch other areas including trademark and trade secret protection and again the new areas of computer software and biological invention protection problems.

The Chilean paper provides an in-depth look at the recent changes in Chilean trademark regulations. It reviews both procedural aspects, such as a streamlined application procedure, and the jurisprudence aspects of these regulations. Examples discussed are the ability to file opposition or annulment claims, limitations on ex-

pressions used as trademarks and the use of advertising phrases. The analysis of trademark law then extends to an examination of possible defects in the present law and the proposed modifications to the law to alleviate some of these deficiencies. Following this, the paper provides several short comments on some of the international treaties and conventions, biogenetic products, computer technology and trade secret licensing.

Like several of the other papers, the Mexican paper examines some of the conflicts between Mexican national laws and international treaties, and subsequently notes some of the solutions which have been found to rectify these conflicts. First, the paper points to the apparent requirement in the national law (LIM) that trademarks be of Mexican origin, although this part of the law has been suspended. Second, the paper explains that the LIM has a more burdensome patent working requirement for the owner to maintain patent protection than is required in the Paris Convention. The article then notes several areas that a new revision of the LIM should address to stay in keeping with technology and modern legal requirements. This paper also concludes by discussing several of the symposium topics including biogenetic products, computer technology, trade secret licensing and cross-licensing provisions in technology transfer agreements.

The last paper addresses Venezuelan nonuse cancellation of trademarks. This paper differs from the others because it limits its discussion to this one portion of the greater symposium topic. However, because it is limited in breadth, this paper treats this topic in greater depth than the other papers.

CONCLUSION

We sincerely hope the reader will find these papers of interest. Please direct any inquiries about the authors or the papers to the *California Western International Law Journal.*