

word "patent" or the abbreviation "P.I." (*Patente de Invención*), either on the product itself or on its packaging.

Section V
Rights Conferred by the Patent

34. The scope of the protection conferred by the patent shall be determined by the wording of the claims. The description and drawings or plans, or the deposit of biological material where applicable, shall be used for the interpretation of the claims.

35. The patent shall confer on its owner the right to prevent third parties from exploiting the patented invention without his consent.

The owner may not exercise that right in any of the following cases:

(a) when the case concerns the importation of the patented product that has been marketed in any country with the consent of the owner, a licensee or any other authorized person;

(b) where the use takes place in a private circle and on a non-commercial scale;

(c) where the use is made at an experimental, academic or scientific level and for non-profit-making purposes.

36. The rights conferred by a patent may not be asserted against a third party who, in good faith and before the priority date or the filing date of the application on which the patent was granted, was already using the invention in a private circle, or had made real or effective preparations for such use.

In such a case, the said third party shall have the right to start or continue, within any Member Country, the manufacture of the product or use of the process, as the case may be, but that right may only be assigned or transferred together with the establishment or business in which the manufacture or use was taking place.

Section VI
Obligations on the Owner of the Patent

37. The owner of the patent shall be under the obligation to exploit the patented invention in any Member Country, either direct or through any person authorized by him.

38. For the purposes of this Decision, exploitation shall be understood to mean the industrial manufacture of the patented product or the full use of the patented process, including the distribution and marketing of the results thereof. Exploitation shall also be understood to mean the importation of the patented product, including distribution and marketing, of the patented product, where

this is done on a scale sufficient to satisfy the demands of the market.

39. The owner of the patent shall register with the competent national office any contract for the assignment or licensing of the patent or any other form of use thereof by third parties in whatever capacity.

This obligation shall be met by the patentee or his successors in title, assignees, licensees or any other person who holds a right deriving from the patent.

Section VII
Licensing

40. The patentee may license another person to work the patent, but only by written contract.

License agreements shall be registered with the competent national office, failing which they shall not be binding on third parties.

41. The competent national office shall not register license agreements for the working of patents that do not conform to the provisions of the Common System for the Treatment of Foreign Capital and for Trademarks, Patents, Licenses and Royalties.

42. On expiration of a period of three years following the grant of the patent, or four years following the application for the patent, whichever is the longer, the competent national office may grant a compulsory license for the industrial manufacture of the product to which the patent relates, or for the full use of the patented process, at the request of any interested party who has failed to secure a contractual license on reasonable terms, but only if, at the time of the request, the patent has not been worked in the manner specified in Articles 37 and 38 of this Decision in the Member Country in which the license is sought, or if exploitation of the invention has been suspended for more than one year.

A compulsory license shall not be granted if the owner of the patent provides legitimate justification of his failure to act, which may be reasons of *force majeure*, in accordance with the domestic provisions of each Member Country.

The compulsory licensee shall pay appropriate compensation to the owner of the patent.

Any person who applies for a compulsory license shall prove that he has the technical and economic capability to carry out the industrial manufacture of the product to which the patent relates or the full use of the patented process.

43. The decision on the grant of compulsory licenses referred to in the foregoing Article shall be taken after the owner of the patent has been notified, so that, within 60

working days following the said decision, he may, if he sees fit, present his arguments.

The said grant decision shall specify the scope or extent of the license, and in particular shall specify the period for which it is granted, the subject matter of the license, the amount of the royalties and the conditions for the payment thereof.

The competent national office shall determine the amount of the consideration, after hearing the parties, in relation to the scale of the exploitation of the licensed invention and the cooperation that the patentee may have obtained to facilitate the said exploitation especially in terms of the provision of the necessary technical skills and whatever other conditions the office considers relevant thereto.

A complaint shall not prevent working or have any effect on periods that may be running. The making of a complaint shall not prevent the owner of the patent from collecting, among other things, the royalties specified by the office in respect of the part unaffected by the said complaint.

44. At the request of the owner of the patent or his licensee, the licensing conditions may be altered by the body that approved them, after the parties have been heard, where new circumstances dictate and in particular where the owner of the patent grants another license on terms more favorable than those previously granted.

45. The licensee shall be bound to exploit the licensed invention, which, unless the licensee justifies his inaction with legitimate reasons, shall occur within a period of two years following the date of grant of the license, failing which the license shall be revoked.

46. Following a declaration by the Government of the Member Country concerned regarding the existence of public interest, emergency or national security considerations, and only for as long as those considerations obtain, the said Government may make the patent subject to compulsory licensing at any time, in which case the competent national office may grant such licenses as are applied for. The owner of the patent so licensed shall be notified where reasonably possible.

The decision to grant a compulsory license shall specify the scope or extent of the license, and in particular the term for which it is granted, the subject matter of the license and the amount of royalties and the conditions for the payment thereof, without prejudice to the provisions of Article 49 of this Decision.

In the cases provided for in this Article, licenses may be granted for working according to the provisions of Articles 37 and 38 of this Decision.

The grant of a compulsory license for reasons of public interest shall not diminish the right of the owner of the patent to continue to work the said patent.

47. The competent national office may, either *ex officio* or at the request of a party, and after having obtained the consent of the national authority on free competition, grant compulsory licenses where practices are noted that are not in keeping with the proper exercise of industrial property rights and adversely affect free competition, especially when they constitute an abuse by the owner of the patent of his dominant position on the market.

In the decision on the appropriateness and the possible amount of economic compensation, due account shall be taken of the assessment made by the competent national authority.

48. The competent national office may grant a license at any time where it is applied for by the owner of a patent the exploitation of which requires the use of another, and where the said owner has been unable to secure a contractual license on reasonable terms. Such a license shall, without prejudice to the provisions of Article 49 of this Decision, be subject to the following:

(a) the invention claimed in the second patent must embody substantial technological progress in relation to that claimed in the first;

(b) the owner of the first patent shall have the right to a cross-license on reasonable terms for the exploitation of the invention claimed in the second;

(c) the license under the first patent may not be assigned without assignment also of the second.

49. Compulsory licenses shall be subject to the following:

(a) the compulsory license shall not be exclusive and may not be transferred or sublicensed except with the consent of the owner of the patent; it shall be evidenced in writing and registered with the competent national office;

(b) the compulsory license shall be granted mainly to supply the domestic market of the Member Country that grants it; the Member Country shall be under no obligation to apply the provisions of this subparagraph where the compulsory license was issued pursuant to the provisions of Article 47 of this Decision;

(c) the compulsory license may be revoked, subject to the adequate protection of the legitimate interests of the licensee, where the circumstances that gave rise to it no longer obtain.

50. Except as provided in Article 40, licenses that do not conform to the provisions of this Section shall be devoid of legal effect.

Without prejudice to the provisions of this Section, the procedure for the grant of compulsory licenses shall be that laid down in the domestic legislation of the Member Countries.

*Section VIII
Legal Protection of the Patent*

51. The owner of the patent or the person who considers himself entitled to a patent by virtue of this Decision may institute any actions claiming ownership or indemnification that are available to him under the national legislation of the Member Country concerned.

Without prejudice to any other action that may be available to him, the owner of the patent may, after the patent has been granted, bring action for damages against any person who, without his consent, has exploited the patented process or product, where such exploitation took place after the publication date of the patent application.

In cases of alleged infringement of a patent relating to a process for the manufacture of a product, the defendant shall be responsible for proving that the process used by him to manufacture the product is different from that protected by the patent allegedly infringed. To that end it shall be assumed, in the absence of proof to the contrary, that any identical product manufactured without the consent of the owner of the patent has been manufactured by means of the patented process if:

(a) the product manufactured by means of the patented process is new;

(b) there is a reasonable likelihood that the identical product was manufactured by means of the process, and the owner of the process patent is not able to establish, after reasonable effort, what process actually was used.

In the submission of proof to the contrary, due account shall be taken of the legitimate interests of the defendant with respect to the protection of his trade and manufacturing secrets.

*Section IX
Invalidation of the Patent*

52. The competent national authority may, either *ex officio* or at the request of a party, declare the patent null and void, after the parties concerned have been heard, where:

(a) it has been granted in contravention of any of the provisions of this Decision;

(b) it has been granted on the basis of false or inaccurate particulars contained in the application which are essential.

Invalidation actions under this Article may be brought at any time.

Where the grounds specified above are applicable only to some of the claims or some parts of a claim, invalidation shall be pronounced only in respect of those claims or those parts of the said claim, as the case may be.

The patent, claim or part of a claim that has been invalidated shall be deemed null and void as from the filing date of the patent application.

*Section X
Lapse of the Patent*

53. In order to keep the patent in force or maintain a pending patent application, as the case may be, periodical fees shall be paid as provided by the competent national office.

Before the patent is declared lapsed, the Member Countries shall allow the person concerned a period of six months within which to effect payment of the fees referred to in the foregoing paragraph. The patent or pending application shall remain in full force during the periods referred to.

**Chapter II
Utility Models**

54. A utility model patent shall be granted to any new shape, configuration or arrangement of components of any device, tool, implement, mechanism or other object, or any part thereof, that makes for improved or different operation, use of manufacture of the object incorporating it, or which endows it with any usefulness, advantage or technical effect that it did not have previously.

55. Procedures and materials excluded from patent protection may not be the subject of utility model patents.

The following shall likewise not be considered utility models: sculptures, works of architecture, painting, engraving or stamping, or any other subject matter of purely aesthetic character.

56. The provisions of this Decision on patents shall be applicable to utility models, *mutatis mutandis*.

57. The term of the utility model shall be 10 years following the filing date of the application in the Member Country concerned.

**Chapter III
Industrial Designs**

58. New industrial designs shall be registrable.

Any arrangement of lines or combination of colors, or any two-dimensional or three-dimensional outward shape, incorporated in an industrial or craft product in order to give it a special appearance without the intended purpose or use of the said product being thereby changed, and which serves as a model or pattern for manufacture, shall be considered an industrial design.

Industrial designs relating to clothing shall not be registrable, neither shall those that are contrary to morality, public policy or proper practice.

The industrial designs subject to the prohibitions provided for in Articles 82 and 83 of this Decision shall not be registrable.

59. An industrial design shall not be new if, before the filing date or validly claimed priority date, it has been made available to the public in any place or at any time by description, use or any other means.

An industrial design shall not be new by virtue of the mere fact that it embodies secondary differences in relation to earlier creations, or that it refers to a category of products different from that to which the said creations belong.

60. The application for registration shall contain the following:

(a) the identity of the applicant;

(b) a mention of the type of goods for which the industrial design is to be used, and the category to which those goods belong;

(c) a specimen of the object incorporating the design, or a graphic or photographic representation thereof.

Failure to comply with any of the requirements specified in this Article shall cause the competent national office to regard the application as not having been accepted for processing, and no filing date shall be assigned to it.

61. The application shall be accompanied, on filing, by such powers of attorney as may be necessary and by whatever other matter may be specified in the national legislation of the Member Countries.

62. On acceptance of the application for processing, the competent national office shall, within 15 working days following the filing thereof, examine whether it meets the conditions of form specified in this Chapter. If it does, the said office shall order one publication of the application.

63. Within 30 working days following publication, any person having a legitimate interest therein may comment on the registration. The handling of comments shall be subject to the same procedures as are laid down for comments on patent applications, *mutatis mutandis*, and also to those laid down for the purpose in the national legislation of the Member Countries.

64. Where no observations are submitted, or where they are rejected, the competent national office shall proceed with its examination of the novelty of the design.

65. The registration of an industrial design shall have a term of eight years, counted from the filing date of the application.

66. The file may not be consulted by third parties until publication has taken place, except where written consent has been obtained from the applicant. Once the publication

has taken place, the file shall be public in character and may be consulted.

67. Member Countries shall use the International Classification established by the Locarno Agreement of October 8, 1968, for the organization and classification of industrial designs.

68. The first application validly filed in a Member Country, or in another country that grants reciprocal treatment to applications from Member Countries of the Cartagena Agreement, shall confer on the applicant or his successor in title a right of priority for a period of six months for the securing of registration in any of the other Member Countries.

69. Registration of an industrial design shall confer on the owner thereof the right to prohibit third parties from making use of the design concerned. By virtue of that prohibition, the owner of the registration shall be entitled to proceed against any third party who, without his consent, manufactures, imports, offers for sale, markets or makes commercial use of products reproducing the design.

Registration shall likewise confer the right to proceed against any person who produces or markets a product the design of which embodies only minor differences in relation to the protected design, or the appearance of which is the same.

The owner may transfer or license the design. Any license or change of ownership shall be registered with the competent national office.

70. The competent national authority may, either *ex officio* or at the request of a party, declare the registration null and void, after the parties concerned have been heard, where:

(a) it has been granted in contravention of any of the provisions of this Decision;

(b) it has been granted on the basis of false or inaccurate particulars contained in the application which are essential.

Invalidation actions under this Article may be brought at any time.

The registration that has been invalidated shall be deemed null and void as from the filing date of the application for registration.

71. The provisions of this Decision on patents shall be applicable, *mutatis mutandis*, to the owners of design registrations.

Chapter IV Industrial Secrets

72. Any person who lawfully takes control of an industrial secret shall be protected against the disclosure,