

Enforcement and Non-enforcement of TRIPS Agreement

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I. Introduction

IRANIAN LEGAL system relating to trademark and patent was approved in 1310 solar (1932) about 71 years ago having the roots in the French Intellectual Property law and containing 51 articles. Its accompanying regulations were passed in 1337 (1959).

Registration of inventions carried both civil and criminal protection. Iran is signatory to Paris Convention of 1958 and its amendments on July 4th, 1967 and Oct.2, 1979. It also ratified on Mehr 4, 1380 (Sept. 26, 2002), the Convention Establishing the World Intellectual Property Organization (WIPO). Iran envisages to adhere the agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS), and Patent Cooperation Treaty (PCT) which is necessary for international registration of patent as well as its commercialization.

The new Iranian Foreign Investment Promotion and Protection Act enacted on May 13, 2002 (Tir 22, 1381)¹ and its executive bylaw dated Oct. 26, 2002 (Aban 4, 1381)² guarantee the industrial property right to foreign nationals. Article 1 of the law stipulates that:

Foreign capital means the capital, both in cash and in kind, which may be imported by foreign investors comprising the following forms:

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5. Patent rights, technical know-how, trade names and marks and special services. So, the patent and trademarks are considered as foreign capital provided that the foreigner observes the

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1. Official Gazette No. 16706 dated 1381,4,22 (13.05.02).
2. Official Gazette No. 16795 dated 1381,8,4 (26.10.02).

procedure for investing in Iran which begins with a proposal by a foreign national to the organization of investment, economic and technical assistance of Iran in conformity with the foreign investment law and its executive bylaw.

Here in this paper, we will discuss the Iranian patent system concerning our subject.

II. Scope of patentability

A letter patent (certificate of registration an invention) is a document which grants the patentee the exclusive right to exploit his invention. It is a right which prevents competitors from exploiting such invention to the detriment of the patentee.

Article 26 of the Registered Trademarks and Patents Iranian law thus provides that, "any type of *discovery* or *new invention* in various branches of industry or agriculture shall entitle the discoverer or inventor to a *monopoly rights* to exploit his discovery or invention in accordance with the provisions and time limits prescribed by this law and subject to its registration by the said Office. Such registration authorized by the registration office shall be known as letters patent."

Thus, an invention may only be granted protection after it has been properly deposited and requested in conformity with the regulations.

Article 26 refers to "*Any type of discovery or new invention*". The same reference is repeated in Article 27 which says:

The following patent may be registered:

- Discoveries of novel and industrial products;
- Discovery of new means in the application of present method to obtain a novel industrial or agricultural product.

Another reference is found in the footnote of Article 37. It declares that each invention or completion of an existing invention which, before the date of registration, whether in Iran or abroad has been explained or its plan has been published, applied or used in written text or available to the public is not a new invention.

The scope of Patent Act limits to the industry and agriculture but the word *industry* is very large. It contains producers and-distributors of goods and services and industrial and commercial property. It can be concluded that the word industry is not limited to products but to the services sectors such as industry of insurance and tourist industry.

The word agriculture in the above articles means the patentability of plants or new flowers.

Article 27 of one of the TRIPS Agreement stipulates: "... patents shall be available for any inventions, whether products or processes, in all fields

of technology, provided that they are *new*, involve an *inventive step* and are capable of industrial application”.

In this article the word *invention* and *discovery* are not defined. That will be the lack of uniform definitions in the TRIPS Agreement. It seems that “discovery” is mere recognition of what existed in the nature before, such as living materials or substances existing in the nature. So, patents are not available for discovery.

The Iranian legislator should clarify the words “invention” or “discovery” in order to join the World Trade Organization. In addition, the Iranian Patent Act should provide the words “all fields of technology”.

III. Exclusions from patentability

According to Article 27, financial plans, any invention or improvement of an invention disturbing public order or contrary of chastity and morals or against public health are not patentable. Besides, the formulae or pharmaceutical compositions are not patentable except the process for the manufacture or pharmaceuticals. It seems that the Iranian Patent Act should be amended in accordance with the TRIPS Agreement concerning the pharmaceuticals and compounds.

According to Article 33 of the Patent Act 1931, letter patent enjoys protection for a period of 10, 15 or 20 years as solicited by the applicant. The duration must be expressly mentioned in the letter of patent in that case. Inventor or his legal assignee shall have the exclusive right of production, sale, application or make use of his invention.

After expiry of 20 years, because of public interest, the society can use the patent in case it is needed. Besides, Article 37(4) envisages that if the invention is not being used practically or is not produced within 5 years so the grant of the invention is possible to any interested person who can ask the court to abolish the patent documents.

With regard to the burden of proof, Article 1257, the Civil Code of Iran declared that, “anyone who claims a right has to establish the same, and if the defendant wishes to defend himself claims something which may need evidence, it is he who must prove it”. So the burden of proof lies on the defendant. According to Article 34 of TRIPS Agreement, the burden of proof is reserved to the defendant concerning the infringement of the patent rights.

Hence Article 1257 of the civil code of Iran should be amended in accordance with the TRIPS Agreement.

In the Iranian Law, contrary to French Law, merely because of the claim of the inventory, the registration office shall register the claimed invention. It is not obliged to do any examination in this area. Article 36 of the law on the declarative aspect of registration and no necessity

examination of sincerity declaration of inventor reads:

Letter patent may not be referred to for approval of usability or novelty or trueness of the invention. Moreover, the said letters never notifies that the applicant or his principal is the true inventor or the explanation of the invention or its plans are correct and beneficiaries may refer to Tehran courts of justice and approve the contrary.

It is believed that above mentioned articles have caused the invalidity of the Iranian letters patent and only give the right to the injured party for opposition against registration of the patent or discovery and their cancellation and require compensation from the party who has caused damages. Under French Law, in order to protect any patent, the following conditions must exist:

1. The product must be novel and have innovative character.
2. Patent must have industrial and agricultural character.
3. It must establish a new activity in the market and must be the continuation of the present activity.

In France, the application for a letters-patent is submitted to the national institute of industrial property in Paris or in provinces to the local state office³.

IV. Conclusion

The basic aim of TRIPS Agreement is the protection of published interests and to promote dissemination of technology and its transfer for the developing countries. The national interest should be taken into consideration in conformity with Article 7 and 8 of the TRIPS Agreement. Moreover, the preamble of the TRIPS declared that "recognizing the underlined public policy objectives of national systems for the protection of intellectual property including developmental and technical objectives".

I hope that Iran joins TRIPS Agreement and adopts necessary measures in conformity with Article 8 in order to, "protect public health and nutrition and to promote the public interest in sectors of vital importance to their socio-economic and technological development and should adopt measures needed to prevent abuse of intellectual property right by the right holders or resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology".

3. Loi, 11 Juin 1970 et Decret. 9 Sept, 1971.