

Newsletter

August 2000 - No.1, Year I

NEW INDUSTRIAL PROPERTY LAW OF THE DOMINICAN REPUBLIC

Industrial Property Law No. 20-2000 came into force on May 11 of the year 2000. This Law repeals the former Patent Law No. 4994 from 1911 which was a simple registration system inherited from the 1844 French Patent Law and Trademark Law No. 1450 from 1938.

Regulation No. 408-00 of August 11, issued by the Executive Branch, regulates certain aspects of the law related to the administrative requirements for the granting of the contemplated rights.

The new law creates the National Office of Industrial Property (NOIP) which will have the attributions established by the law regarding the granting, maintenance and duration of Patents of Invention and Utility Models as well as the registries of Industrial Designs and Distinctive Signs.

PATENTS OF INVENTION

The new law eliminates the simple deposit method for the registration of Patents inherited from the French Patent Law of 1844. This law sets out three criteria for the grant of a patent: novelty, industrial application and degree of inventiveness. An invention is considered to be new if it does not form part of the present state of the art. Absolute novelty is required, however it will not be destroyed if disclosure occurred not more than one year preceding the filing date and such disclosure was the direct or indirect result of actions of the inventor himself or his assignee, or of an abuse of confidence, breach of contract or illegal act committed against any of them. Degree of inventiveness is defined as being not

obvious to a “specialized person or expert in the corresponding technical field” and “the invention is neither obvious nor evidently derived from the pertinent state of the art.

Exclusions from Patentability

The new Industrial Property Law specifically excludes the following from patentability:

- a) Discoveries that consist of making known something which already exists in nature, scientific theories and mathematical methods.
- b) Exclusively aesthetic creations.
- c) Economic or business plans, principles or methods, and those referring to purely mental or industrial activities or to games.
- d) Presentations of information.
- e) Computer software.
- f) Therapeutic or surgical methods for human or animal treatment, as well as diagnostic methods.
- g) All kinds of living matter and substances preexisting in nature.
- h) The juxtaposition of known inventions or mixtures of known products, variation in their form, dimensions or materials, unless said combination or fusion is such that it does not allow its elements to function separately or that the characteristic qualities or functions of the same are modified so as to obtain an industrial result not obvious to a technician in the field.
- i) Already patented products or procedures, due to their having been given a use different from that covered in the original patent.

Also, the following inventions shall not be patented:

- a) Those that the exploitation of which would be contrary to public order or morality.
- b) Those which would evidently be harmful to the health or life of persons or animals or capable of gravely damaging the environment.
- c) Plants and animals, except for microorganisms, and essentially biological procedures for the production of plants or animals that are not non-biological or microbiological procedures. Vegetable findings will be regulated by a special law, in compliance with article 27.3(b) of the TRIPS Agreement.

Right to Patent

The law confers the right to patent to the inventor or inventors.

When an invention is made in fulfillment of a contract for a job or service or a labor contract, the right to the patent belongs to the employer or the person commissioning the invention, in the absence of any contrary contractual provisions. Should the economic value of the invention given in such terms, be greater than that foreseen by the parties, the inventor has the right to a special remuneration set by a competent court. This competent court is not however established by the law.

Application and Granting of the Patent

Contrary to former patent law 4994, the new law introduces a change of method from simple deposit to an examination procedure where the merits of the invention shall be examined to determine if its object constitutes an invention according to its provisions with respect to novelty, industrial application and degree of inventiveness. If the examination is favorable, the patent shall be granted and published in the official bulletin.

The compliance of the application with the formal requirements pertaining to the admission and description of the patent and the corresponding regulatory provisions shall be

examined within 60 days of the date of the application by a competent authority.

Upon completion of the 18 month period counted from the filing date of the application or, should it be the case, from the date of the applicable priority, the application shall be open to the public for information purposes.

Within a period of 12 months from this publication, the applicant shall pay the corresponding fees for the examination procedure. **Novelty and patentability examinations filed in accordance to the Patent Cooperation Treaty provisions, best known as PCT, may be accepted.**

Rights, Obligations and Limitations

The patent has a duration of 20 years counted from the date of filing of the application. Priority of an application in a member country of the Paris Convention can also be claimed in the Dominican Republic.

Annual fees must be paid at the beginning of each yearly period after the third year counted from the date of the application. Failure to pay the annuities will result in the automatic expiration of the patent.

Patents granted under the former law 4994 shall not have an extension of their present duration of 15 years, notwithstanding the provisions of the TRIPS Agreement, and shall be construed to pay the annuities applicable to new patents.

The patent confers upon its holder the right to exclude third parties from the exploitation of the patented invention, thereby, granting the holder the right to act against any person who carries out without his authorization any act tending to commercial purposes unless that person had, in good faith, been exploiting the patent prior to the filing date or of the priority of the corresponding patent application.

Parallel Imports

The Law contemplated the international exhaustion of patent rights. Article 30 d) authorizes the import of patented products provided the same have been put the market of any country, even when these products have been commercialized without the consent of the

owner of the patent in a country who does not protect industrial property rights.

Transfer of Rights

The patent may be transferred by a legal act between living persons or by succession. All transfers shall be in writing and recorded at the National Office of Industrial Property. Contractual licenses may also be granted to third parties for the exploitation of the invention.

Compulsory Licenses

The law also provides for the granting of compulsory licenses for lack of exploitation, anti-competitive practices and public interest. The exploitation of a patent is understood as the “supply to the internal market in reasonable quantity, quality and price, through production in this country and importation”. **It is therefore required both the import and the local manufacturing of the product to satisfy the exploitation requirement.** Anti-competitive practices and public interest have not been defined by the law.

The law also allows a third party to obtain a **compulsory license for refusal to deal** of the holder of the patent. This license would be granted after 210 days from the date of application of the license, provided the potential licensee proves his technical and economic capability of exploiting the patent. Should the objectives for which this license has been granted not be met within two years of its granting, the original patent shall be declared expired.

UTILITY MODELS AND INDUSTRIAL DESIGNS

The law allows for utility models to be protected for a term of 15 years. Industrial designs shall also be protected for a term of 5 years from the filing date of the application, term renewable for 5 additional years.

DISTINCTIVE SYMBOLS

Contrary to former legislation, No. 1450, of 1938, which contemplated the registration of trademarks, commercial trademarks and

tradenames, the new Industrial Property Legislation, broadens the scope of registered rights with respect to trademarks by including under the denomination of Distinctive Symbols, the possibility of registering:

- ✓ Collective Trademarks
- ✓ Trademarks of Certification
- ✓ Service Trademarks
- ✓ Signs,
- ✓ Emblems
- ✓ Commercial Slogans
- ✓ Geographic Indications,
- ✓ Trade-dress
- ✓ Appellations of Origin among others,

Trademarks may consist, among other things, of words, fantasy denominations, names, pseudonyms, commercial slogans, letters, numbers, monograms, figures, portraits, labels, shields, stamps, cartoons, borders, lines and bands, combinations and arrangements of colors and three-dimensional forms. They may likewise consist of the form, presentation or conditioning of the products or their containers and wrappings, or of the means and locations of expending the corresponding products or services.

International Classification of Goods

According to the former Law, the Dominican Republic maintained a national classification of goods according to which trademarks were registered. The new Industrial Property legislation adopted the Nice International Classification of Goods of June 15, 1957.

Requirements for the Registration of a Trademark

The application for a trademark shall be filed at the National Office of Industrial Property and shall include the following:

- a) name and domicile of the applicant;
- b) name and domicile of the representative in this country, when the applicant has neither domicile nor establishment in the country;
- c) the denomination of the trademark whose registry is being applied for, when it is a question of a nominative trademark;
- d) reproductions of the trademark when denominative, stylized, with particular shape, kind or color, or figurative, mixed or

- three-dimensional trademarks with or without color;
- e) a list of products or services for which it is desired to protect the trademark, grouped by classes according to the International Classification of Products and Services in effect, with an indication of the number of each class;
 - f) the signature of the applicant or his or her duly empowered representative, if any;
 - g) proof of payment of the established fee.

Term of Registration

The registration of a trademark expires in ten years counted from the date of granting of the registration. The registration of a trademark may be renewed for successive periods of ten (10) years counted from the date of expiration of the preceding period.

Transfer and License for the Use of a Trademark

The rights relating to a trademark that is either registered or in process of registration can be transferred by an act between living persons or through succession. The owner of the registered trademark may grant a license to a third person.

Cancellation of the Registration for Non-Use of the Trademark

At the request of any interested person, the National Office of Industrial Property shall cancel the registration of a trademark when the same has not been used in this country for an uninterrupted period of three years preceding the date on which the cancellation action is initiated. The request for cancellation shall not be applicable before three years have passed counting from the date of the registration of the trademark. The registration shall not be cancelled when there are justifiable reasons for the lack of use.

LEGAL ACTIONS AND APPLICABLE SANCTIONS

The action for violation of industrial property rights corresponds to the holder of this right. However, the law is not clear with respect to the actions open for the protection of industrial

property rights. As it appears, the interested party may choose between civil or criminal actions to ensure the protection of his rights. Regarding civil action, the law does not specify whether the same can be taken as a principal action or as an accessory to criminal action.

The law is also not clear regarding the possibility of initiating an administrative action before the Administrative Courts since it establishes that resolutions issued by the General Director of the NOPI shall be appealed before the ordinary Courts of Appeal and subject to review by the Supreme Court of Justice.

Sanctions for violation of copyright include prison from three months to two years and the confiscation of the materials and equipment used in the violation.

Fines have been indexed up to the amount of fifty minimum wages notwithstanding the compensation for damages that could result. The determination of these damages has been established by Article 175 of the law, but only refers to material damages.

The holder may also have the right to request preventive measures when he understands that his rights are in danger of being violated.

This law, contrary to the previous, **extends responsibility to the owners, and executives of the companies violating copyright. It also eliminates the need for foreigners to post a bond when initiating a lawsuit.**