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PROTECTION AND USE OF WESTERN INVENTIONS IN THE UdSSR

by
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(Roughly translated from German)

The Soviet ordinance of discoveries, inventions and rationalization proposals, which I will define as "patent law" further on, has been discussed already in numerous lectures and publications, so that I believe that its contents are well known. In any case, it is easy to get hold of its wordings in original or in translations. Therefore, I will bring out only the main problems of the patent granting practice in this lecture.

As you know, a number of socialistic states (among them the Soviet Union) know two different forms of protection for inventions: The invention document and the patent. The definition of the patent does not have to be explained by me here; it means in the Soviet terminology an exclusive right as known in the laws of the western countries. So let us turn to the invention document certificate, an institution created by Lenin.

According to this, the inventor, by filing the application (or registration), assigns the right of use to the state. He receives a reward by evaluation, but does not have any influence on the business politics when using the invention.

What I want to say is that, in the western world, it is known that the patents are a means of competition and are used as such. But an invention document is at the free disposal of all enterprises and does not have any influence on the competition. If, in the different enterprises of a socialistic state, a competition does take place at all, this has to be handled in a different way. The invention document is an unsuitable means for this purpose.

In a certain way, the right of the invention document can be compared with the valid right of em-

ployees inventions in Western Germany. Also, here the invention is turned over to somebody else — the employer, in case he wants to take it over. Of course, this comparison is rough and unexact, but it still shows clearly that as a rule it is unquestionably more interesting for the foreign registrant to acquire a patent than an invention document. Also, the handling for the compensation for inventors is completely cut out for the conditions in the Soviet Union and practically not to be realized for foreign countries.

In this connection, it should be mentioned that also in the other socialistic states by far more patents than invention documents are registered. On the other hand, Soviet citizens in the UdSSR practically register only invention documents. For this reason, I think it is justified if I, as mentioned in the beginning, concentrate today on discussing only the patent granting practice, since that is the only thing that interests a foreign registrant.

In principle, this practice corresponds completely to that of other countries where special formalities have to be fulfilled — certain requirements as to the descriptions, the checking (examining) procedure, and so on and so on.

Naturally, there are additional rules for the checking procedure. Different questions are commented on and discussed in the Soviet specialist literature; unfortunately, only very few legal judgments have been published and these are regarding the ones concerned exclusively with the invention documents — explaining very shortly the contents of the legal document. One therefore has to act for himself and in the absence of a real court of appeals, and one must be satisfied with the decision of a patent office. Here it proved to be favorable to discuss a certain case in person with the examiner after several rejections. In addition to such Moscow meetings, on these occasions, there is often a chance to discuss and solve questions regarding the law text as well as other fundamental questions.

In the process of registration, generally there are difficulties in three points: In judging the unity of an application, the question of novelty, and the claim drafting.

Although the conception of unity in the Soviet patent law is defined as "concerning *one* invention", the interpretation in the examining practice declares that as a rule only claims over a single category will be accepted. Since variants are not considered "united", subclaims must be very strictly subordinated to the main claim and they must only further develop the content of the characteristic part of the main claim. For instance, a method and a device or an apparatus to set through the method in this sense is considered as "ununit".

Out of this strong definition of conception of unity, an additional hardship shows up for the registrant, since the changing from one claim category to another category is not permitted during the time of examination. It is not always possible for the registrant or inventor to determine the essence of his invention. It clears up during the examination time after finding out the citations. A corresponding change of claims is possible only by filing an application-in-part by which as a rule original priority can be claimed. It is evidently assumed that the change from one claim category to

another means the change to another invention, which cannot be examined within the scope of the same application. The Soviet granting practice used to permit such a change some time ago, and therefore I am asking the Soviet colleagues that are present here to request that the committee for inventions and discoveries at the Ministerrate of the UdSSR — or shortly said, the Patent Office — will take up such a practice again.

Regarding the question of novelty, I would like to point out that so-called absolute world novelty is requested, and that not-yet announced Soviet registrations are considered harmful to the novelty. This means that a previously registered paper can be shown to you as being harmful to novelty. Therefore, it is recommended to turn in a detailed description in which all aspects of the invention are taken into consideration. Only then, in case of a separation is it probable that complete consideration will be given and the priority maintained. In case more points should be necessary, the priority cannot be claimed and the older registered paper is facing the younger one.

In case more registrations have been planned in the beginning — for instance, for a method and apparatus — both have to be filed at the same time. Otherwise, the older registration will take priority over the younger one, since very often the process can be anticipated from the description of the device and vice versa, or one aspect of the invention might not be considered as an invention when the other one is known.

It is not recommended in any case, to turn in a registration without regard to the Soviet term "united" claims. There is a danger that the checker (examiner) makes his own choice out of one of the complexes and puts the other aside. This complex might be the least interesting for the registrant and a separation will be necessary which could have been avoided. I also like to point out that the Soviet Union knows about priority of exposition, which is only granted for certain Soviet expositions. Therefore, a claim for foreign exposition priority can be "novelty harmful" for one's own application.

A few essential rules of the Soviet Union have been discussed by me in connection with the question of unity. I would like to repeat that the subclaims must be subordinate to the main claim and they may only further develop the characteristic of the main claim. The buildup of these claims usually corresponds to the form of the German claims, the so-called type claims, in having a preamble and a characteristic part, whereby in the beginning the purpose of the invention has to be quoted. This quoting of the goal or purpose does not have a judicial — especially no restricted protected claim — according to Soviet experts. It just gives quicker and better understanding for the checker. These instructions are supposed to point out directly by the designated parts the most important technical effect. It has been proven in practice that this information is really useful to help the checker to understand the invention idea. During the course of the Soviet checking there are usually no checking reports, but a resolution to which objections are turned in (for which a charge is made), by giving the purpose-information, when turning in the registration on the main claim, a rejection based on misunderstanding and a corresponding complaint can be avoided.

The importance of the Soviet claims should be

considered as extraordinarily big. Since the description is supposed to only clarify and explain the claims, but does not give any additional protection, the protection is limited exactly by the wording of the claim. One would think that the result would be numerous claims, in which all variations would be included. But on the contrary, the Soviet patent practice has always tried to concentrate the essence of the invention into one single or into a few claims. Of course, this is possible only if, up to a certain point, similar solutions are considered equivalent. In fact, a certain "equivalent theory" has developed lately in the Soviet practice. Whatever serves the same purpose or has the same technical effect is considered equivalent. But these matters are still in the stage of development so that the comparatively small amount of literature has not yet quite specified the border of the meaning of "equivalent."

Let me get back now to the beginning of my lecture and handle a few questions with a few words resulting from the double forms of the Soviet invention protection. Starting from the idea that the invention document merely protects the interests of the state, and that the patent protects the interest of the inventors or the applicant, there must be certain areas in which the inventor can expect a compensation, but where the interests of the general public are clearly taken more into consideration. Thus, the Soviet patent law arranges that in certain parts of the technique, for instance, medicine and food and delicatessen, an invention document is given out, but no patent. I also would like to point out that the Soviet law, like that of other countries, does not have a protection of material. In the chemical areas, only the process can be protected. This causes quite a cavity for the foreigner applying for protection for the product resulting from a method that is not protected by the method. For instance, with a method patent, the import of the corresponding product cannot be prevented. This brings up the question of the purpose of such a patent registration.

The pharmaceutical industry is especially hit by this since an additional protection would be possible only for a utilized patent. However, only invention documents are given out for this line. A similar condition exists in the line of pest control. Here a "Stoffschutz" might be possible since these products are usually mixed with a carrier substance (Traeger-substanz). But the agricultural department of the Soviet checking department came to the decision lately to allow only "Verwendungspatente", since the "Traeger-substanzen" and mixing conditions are generally known. Exception: Combination of two factors. No explanation should be necessary to point out that it is hard for the patent owner to be aware of a violation of his patent since due to the "Verwendungspatent" the import or the process of a product cannot be prohibited.

I would like to point out very clearly that the Soviet checkers naturally are completely following the laws. But the brevity followed by uncertainty of the legal laws might allow a more liberal interpretation which could be used where a strict point of view of patent protection is questionable and might even make it worthless.

In the last decade, the Soviet Union emphasized

the intention to work together with all countries in the field of invention protection and showed her intention by joining the Paris Union in 1965. The Soviet patent law and the Soviet patent practice still have much to be desired if the desired collaboration from both sides is to be successful. We are hoping that the new Soviet patent law which is now under preparation will bring about such improvements.

Finally, let me say some words regarding the Soviet trade of licensing. I do not want to anticipate my Soviet colleagues who will commit themselves in detail to this point. Just for better understanding, I want to point out that, regarding this question, the fact of a socialistic economy, a planned economy, guided by the state has to be kept in mind. This means also that the purchase of a license is done centrally, and the invention will be used in the whole relevant industry. Naturally, this has a completely different significance than a purchase by a firm in a western country. On the other hand, it seems to me that the consequence will be that only inventions with economic significance will have a chance for a license contract, and with inventions of less significance it will happen less frequently. Here, the interest of the patent owner is probably the prevention of the import of competition products. Something else should be added: Soviet enterprises, but also the Soviet consumers, have the tendency to think that goods which are protected by a patent are of special quality. This is probably because of the strict checking of the applications on one side, and on the other side that an additional checking of usefulness for the invention documents is provided -- for the benefit of the whole economy. The patent has also a certain advertising value which should not be underestimated.

Similar facts are applicable for trademarks, which are gaining importance in the Soviet Union. A peculiarity of the Soviet trademark law is that filing a confusable trademark is forbidden, not only in the case of fully or part similarity of trademarks, but for all the classes for which the older trademark was entered. The result is a big distance from other trademarks, designated by the office, which has the only authority to decide about the registration eligibility and might not consider privilege or agreement declarations of the trademark owner.

I have shown you that an optimal protection cannot always be obtained by a Soviet patent. On the other hand, the market can be kept free for export by the help of a patent. Furthermore, the patent has an advertising importance which should not be underestimated. More knowledge is necessary to be able to judge the value of a patent; for instance, whether a violation or avoidance is probable.

Again and again we are hit by the old prejudice that the risk of violation is especially great in the Soviet Union — probably on account of relatively little knowledge of the Soviet market and the difficulty of watching the market situation. It is hard to eliminate this prejudice since hardly any violations have been published. On account of this fact, it can be assumed that the attitude of the Soviet economy is correct. Besides, it was noticed that the Soviet side showed an allergic reaction to the few violations that were reported, whereas a violation is considered a "gentleman delict" in the western countries. For instance, the violation of a Swedish patent by an

Ukrainian tractor firm ended in a verdict of penalty by a Soviet court.

I also want you to realize that the Soviet economy is functioning by the system of a strictly worked out state economy. Plans have been worked out on how to handle a patent violation by enterprises. It is natural that the high planning authority as well as the minister council of the Soviet Union will not risk being blamed for irregularity. Not the biggest gain could make up for the political damage which would result.

Another question is what a Soviet partner is expecting at license or know-how negotiations. The existence of a Soviet patent offers him security, for the checking is strict. The fact that about 40% of the applications turn into granted patents does not contradict the fact of the strict checking since many registrants, knowing the situation, register only the most important applications, and those with the best prospects. Eventual foreign patents in other examining countries are an additional proof of the value of an invention and are correspondingly valued by the Soviet.

I have spoken about important inventions and meant the ones important for the Soviet Union. A country with a planned economy, and a planned economy looking into the future like the Soviet Union has — interested in a quick development of its industries — is naturally interested in putting a large part of the social products in investments. Naturally, it has to satisfy the needs of the population, but I suppose it will avoid an abundance. Developments can be handled only with the help of the economy plans and go hand-in-hand with the application activity. In order to study the market, the study of the economy market has to be added in order to get a reasonable idea about the prospects of the outcome of a license contract.

For all these reasons, I believe that the license trade with the Soviet Union is expandable, especially since both parties have the good intention. But there is still a long way to go until "optimal" relations have been reached.

**About the Speaker: Patent Lawyer, Diplom-Chemiker Leo Zellentin was born in Odessa, studied chemical technology at the University of Riga from 1928 — 1934. He then worked in a rubber factory in Riga until 1938. After that, he worked at the "Deutschen Kabelwerke AG" in Berlin until the end of the war. From 1947 to 1948 he worked in the Berlin branch of the Soviet Patent Office as an examiner. From then on he turned more and more to the commercial protection of rights. He was put in charge of the patent department of a well known chemical industry in which he is still active as an advisor. In 1952 he was made a patent lawyer, and in the same year he took over the part of the practice applicable to the Soviet Union (handled previously by the deceased patent lawyer, Dr. Holmer Serafinowicz, who had made the first contacts with the Soviet Union at the beginning of the century). As the economic significance of the Soviet Union increased, so did the number of registrations. The firm of Zellentin and Luyken have worked with registrations in the Soviet Union for not only Germany and West-European countries, but also for Japanese, South African and American firms.*