SOVIET INDUSTRIAL PROPERTY SYSTEM AND LICENSING TO PLANNED ECONOMY COUNTRIES

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USSR EXCHANGE
LES NOUVELLES REPORT
LES BOOK - US/USSR TECHNOLOGY AND PATENTS

I STATUTES 1959 AND 1961

OFFICIAL USSR GOVERNMENT POLICY TO UTILIZE THE BEST, MOST UP-TO-DATE TECHNOLOGY AVAILABLE
INVENTIONS ARE IMPORTANT WAY TO OBTAIN THIS TECHNOLOGY

II INVENTIONS

PATENTS (15 YEARS FROM FILING DATE) AND INVENTOR'S CERTIFICATES (NO FILING OR MAINTENANCE FEES) (FORMAT)
NOVELTY - SAME WORLDWIDE
OWNERSHIP
INVENTOR CERTIFICATES SENT TO EXPERTS FOR COMMENT ON INDUSTRIAL NOVELTY AND USEFULNESS
PATENTS - NOT (CID MAKES DECISIONS)
GOVERNMENT ACTIONS TO INSURE USE OF INVENTOR'S CERTIFICATES
INCENTIVES TO INVENTORS <$22,000+ ADDITIONAL PAID BY ENTERPRISE
MATERIAL BENEFITS - APARTMENTS, STATUS POSSIBLE
TITLE - DISTINGUISHED INVENTOR INVENTION NAMED AFTER INVENTOR - MATROSOV'S BRAKE

CLAIMS
VALIDITY

PATENT INFRINGEMENT

ALL NEW PRODUCTS ARE SEARCHED

1. TO MAKE SURE INVENTORS OF INVENTOR'S CERTIFICATES RECEIVE THEIR REWARDS
2. ANY INFRINGEMENT OF SOVIET PATENT WILL NOT BE APPROVED BY THE STATE. ALL NEW PRODUCTS MUST BE APPROVED BY THE STATE.

	1970		
	SOVIET	FOREIGN	TOTAL
PATENT APPLICATIONS	7	4,946	4,953
INV. CERT. APPLICATIONS	110,501	66	110,567

PATENT INFORMATION USED BY SOVIETS - OG MICROFILM NEARLY ALL PATENTS ISSUED IN LAST 50 YEARS IN 30 LIBRARIES THROUGHOUT USSR

ENTERPRISES - 300,000
7,000 PATENT SERVICE GROUPS
30,000 PATENT SERVICE PEOPLE
PLANNING

ELECTROSILA - 12 PATENT PEOPLE
ZIL - 18 PATENT PEOPLE
VEF - 30 PATENT PEOPLE
PATON - 20 PATENT PEOPLE

ORGANIZATION

COMMITTEE ON INVENTIONS AND DISCOVERIES

1. PATENT EXAMINING - 2000 PEOPLE (1100 EXAMINERS) - 23 DEPTS.
2. PATENT LIBRARIES - 500 PEOPLE IN CENTRAL PATENT LIBRARY
3. PUBLISHING - TSNIIPI - 1000 PEOPLE
4. SEARCHING
5. APPLICATION PREPARATION

} PATENT - 2000 PEOPLE - 21 BRANCH OFFICE

6. COMMERCIALIZING AND USING INVENTIONS

7. INFORMATION FOR LICENSING INVENTIONS

8. DECIDES ON FOREIGN PATENTING - 1500 US P.A. PENDING

SOCIETY OF INVENTORS AND INNOVATORS - 1,200,000 MEMBERS

WHY SHOULD US FIRM FILE INVENTOR'S CERTIFICATE?

BASIC PATENT AND IMPROVEMENT INVENTOR'S CERTIFICATE

VALUE OF INVENTION SYSTEM IN SOVIET EYES

USSR GOVERNMENT VIEW OF PATENTS

A. USSR GOVERNMENT WILL NOT PERMIT UNLICENSED USE OF INVENTIONS COVERED BY SOVIET PATENTS

B. SOVIET PATENTS HAVE BEEN GRANTED ONLY AFTER THOROUGH REVIEW OF PRIOR ART AND ARE VALID

C. ISSUANCE OF A PATENT INDICATES THAT INVENTION IS NOVEL, USEFUL AND THAT VALUABLE AND COSTLY RESEARCH MUST HAVE GENERATED THE INVENTION

III. TRADEMARKS AND SERVICE MARKS

CAN BE REGISTERED WITH STATE COMMITTEE OF INVENTIONS AND DISCOVERIES

TERM: UP TO TEN YEARS

: CAN BE EXTENDED FOR UP TO TEN YEARS

RIGHT TO USE OF A REGISTERED TRADEMARK IS EXCLUSIVE

USE OF TRADEMARK IS <u>COMPULSORY</u> ON "MASS CONSUMPTION GOODS PRODUCED IN USSR" AND ON GOODS OF "A PRODUCTIVE AND TECHNICAL NATURE"

USE OF A SERVICE MARK (USED FOR RENDERING SERVICES)
IS NOT COMPULSORY

STATE COMMITTEE ON INVENTIONS AND DISCOVERIES WILL
NOT PERMIT INFRINGEMENT OF REGISTERED TRADEMARK

USSR ACTIVE IN REGISTERING ITS TRADEMARKS OUTSIDE USSR
(PEPSI-COLA CAN AND DOES INSPECT ITS LICENSED BOTTLING
PLANTS IN USSR)

UNLAWFUL USE OF ANOTHER'S TRADEMARK MAY BE PUNISHED
BY 6 MONTHS FORCED LABOR OR FINE OF 300 RUBLES

FUTURE OF LICENSING WITH USSR, EASTERN EUROPE AND PEOPLES REPUBLIC OF CHINA (PLANNED ECONOMY COUNTRIES)

DIFFERENCES BETWEEN DEALING WITH PLANNED ECONOMY COUNTRIES AND OTHER COUNTRIES

A. LICENSING TO PLANNED ECONOMY COUNTRIES

1. DEALING WITH A GOVERNMENT, NOT WITH INDEPENDENT COMPANY
2. MUST UNCOVER AND DEVELOP APPROPRIATE CHANNELS TO PROSPECTIVE LICENSEE
3. OFTEN CANNOT USE LICENSING INVESTIGATION TECHNIQUES TO LOCATE LICENSEE
   (DIRECTORY LISTINGS OF PRODUCTS, TECHNICAL SOCIETY MEMBERSHIP LIST, INDUSTRY REPORTS, ETC.)
4. NEGOTIATIONS MAY BE LENGTHIER
5. NEGOTIATIONS NEARLY ALWAYS TAKE PLACE IN MOSCOW
6. STRUCTURE OF BUSINESS ARRANGEMENT IS USUALLY DIFFERENT

   A. PLANNED ECONOMY COUNTRIES USUALLY PREFER

      1. LUMP SUM PAYMENTS (POSSIBLY SPREAD OVER A PERIOD OF TIME)
      2. TURNKEY PLANTS
      3. STRICT PERFORMANCE GUARANTEES
      4. BUYING COMPLETELY DEVELOPED TECHNOLOGY

NOTHING PREVENTING RUNNING ROYALTIES, JOINT VENTURES OR ANY OTHER BUSINESS ARRANGEMENT, AND THESE MAY HAPPEN IN FUTURE, BUT ARE RARE TODAY

B. LICENSING FROM PLANNED ECONOMY COUNTRIES

7. USSR GOVERNMENT VIEW OF PATENTS
   A. USSR GOVERNMENT WILL NOT PERMIT UNLICENSED USE OF INVENTIONS COVERED BY SOVIET PATENTS
   B. SOVIET PATENTS HAVE BEEN GRANTED ONLY AFTER THOROUGH REVIEW OF PRIOR ART AND ARE VALID
   C. ISSUANCE OF A PATENT INDICATES THAT INVENTION IS NOVEL, USEFUL AND THAT VALUABLE AND COSTLY RESEARCH MUST HAVE GENERATED THE INVENTION

8. USSR USUALLY LICENSES OTHERS UNDER ITS FOREIGN PATENTS ONLY AFTER THEY ISSUE
9. DEAL ONLY WITH LICENSINTORG OR ITS AGENTS-DEVELOPER OF TECHNOLOGY IS NOT INVOLVED IN SELLING EFFORT