

# **ACT ON THE EXCLUSIVE RIGHT IN THE LAYOUT –DESIGN (TOPOGRAPHY) OF AN INTEGRATED CIRCUIT 11.1.1991/32**

## Chapter I - General provisions

### Section 1 - Definitions

For the purposes of this Act:

- (1) "layout-design" means the three-dimensional pattern of the elements of an integrated circuit, however implemented or expressed, and
- (2) 'integrated circuit' means a circuit in which the elements, at least one of which is an active element, and some or all of the interconnections between them, have been placed on a semiconductor substrate to form a functional entity and which is intended to perform electronic circuitry functions.

### Section 2 - Originality of layout-design

This Act shall not apply to a layout-design or a part thereof that is not original.

### Section 3 - Obtaining an exclusive right

Anyone who has created a layout-design, or to whom the right of the creator of a layout-design has been transferred, may obtain an exclusive right in the layout-design by registration.

If a layout-design has been created within the scope of duties in an employment situation, the employer shall be entitled, unless otherwise agreed, to obtain by registration, the exclusive right in the layout-design. This shall also apply mutatis mutandis to a layout-design created within the scope of a civil service post.

The provisions in the second paragraph, above, shall not be applied to a layout-design created by a person engaged in teaching or research work in a university-level institution, except for institutions of military education.

### Section 4 - Applicability of the Act

The exclusive right in a layout-design under the present Act may be obtained:

- (1) by the creator of a layout-design who is a Finnish citizen or a person with a permanent residence in Finland or
- (2) by anyone to whom the right of the creator of a layout-design has been transferred and who is a Finnish citizen or a person with a permanent residence or place of business in Finland or by the creator of a layout-design or anyone to whom the right of the creator of a layout-design has been transferred, if the layout-design was first distributed to the public in Finland or
- (4) by anyone to whom the right of a person referred to in items (1) to (3) has been transferred. Subject to reciprocity, it may be prescribed by decree that the exclusive right may also be obtained by a person other than the persons referred to in the first paragraph. For a special reason, other than reciprocity, it may also be prescribed by decree, for a maximum of three years at a time, that the exclusive right may also be obtained by a person other than the persons referred to in the first paragraph.

## Section 5 - Time limit for registration

Registration shall be applied for no later than two years from the day on which the layout-design was first distributed to the public.

## Section 6 - Term of the exclusive right

The exclusive right shall be enforceable as from the earliest of the following dates:

- (1) the date on which the application for registration was filed, or
- (2) the date on which the layout-design was first distributed to the public, provided that the application for registration was filed within two years from such date.

The exclusive right shall expire when 10 years have elapsed from the year in which the exclusive right began under the first paragraph.

If, within 15 years from the end of the year of creation of a layout-design, registration of the layout-design has not been applied for or the layout-design has not been distributed to the public, an exclusive right may no longer be obtained.

## Section 7 - Scope of the exclusive right

The exclusive right in a layout-design shall, subject to the limitations prescribed hereinafter, include the right to:

- (1) produce an integrated circuit or any other copy of the layout-design;
- (2) distribute the layout-design to the public by offering it for sale, lease or loan, or by any other means; and
- (3) import the layout-design for distribution to the public in the manner referred to in item (2).

## Section 8 - Transfer of the exclusive right

The exclusive right in a layout-design or the right to use a layout-design in the manner referred to in section 7 (licence) may be transferred to another party. The transfer of a copy of a layout-design does not include the transfer of the right pertaining to the layout-design.

## Section 9 - Reproduction of a layout-design for certain purposes

Copies of a layout-design may be produced by anyone for private use, for teaching concerning the layout-design, or for analysis of the layout-design. Such copies shall not be used for other purposes.

## Section 10 - Use of the results of analysis

The results of the analysis referred to in section 9 may be used in an original layout-design. The holder of the exclusive right in the analysed layout-design shall not have a right in the layout-design thus created.

## Section 11 - Distribution and importation in certain cases

If, at the time of acquiring an integrated circuit, a person did not know, and also did not have reasonable grounds to suspect, that the circuit had been produced illegally, he may redistribute the circuit or import it. However, the holder of the exclusive right in the layout-design of the circuit shall be entitled to fair compensation for any distribution or importation which has taken place after the distributor or importer became aware of the illegal production of the circuit or had reasonable grounds to suspect such illegal production.

## Section 12 - Exhaustion of the exclusive right with respect to distribution and importation

An integrated circuit that has been distributed to the public with the consent of the holder of the exclusive right, or in accordance with the provisions of section 11, may be redistributed and imported.

It may be stipulated by decree that an integrated circuit may be distributed further and be imported only if the distribution referred to in the first paragraph took place in the State referred to in the decree.

## Chapter II - Application for registration and the processing of applications

### Section 13 - Registration authority

The registration authority shall be the National Board of Patents and Registration of Finland.

### Section 14 - Application for registration

The application for registration shall be made in writing to the registration authority. 4  
The application for registration shall contain all materials necessary for the identification of the layout-design. More detailed stipulations regarding the form and content of the application shall be issued by decree.

The applicant shall pay the prescribed registration fee.

### Section 15 - Object of the Application

Registration of two or more layout-designs may not be applied for in one and the same application.

### Section 16 - Agent

An applicant for or holder of an exclusive right who is not domiciled in Finland shall require an agent resident in Finland who is empowered to represent him before the registration authority in all matters concerning the application and concerning the registered layout-design.

### Section 17 - Processing of application for registration

When processing an application for registration, the registration authority shall check that:  
(1) the application relates to the layout-design of an integrated circuit and

(2) the application fulfils the requirements of sections 4 and 5, section 6(3), and sections 14 and 15.

#### Section 18 - Correction of deficiencies

If the applicant has not complied with the regulations concerning applications or if the registration authority finds other obstacles to the registration of the layout-design, the applicant shall be directed, by an official action, to submit a statement or to correct the deficiency within a prescribed period of time.

If the applicant fails, within the period prescribed in the official action, to submit a statement or to take steps to correct the deficiency that has been noted, the application shall be dismissed. The official action issued under the first paragraph, above, shall include notice of such consequence.

A dismissed application shall be reinstated if, within two months from the expiration of the period specified in the official action, the applicant so requests and submits a statement or takes steps to correct the deficiency and, within the same period, pays the prescribed reinstatement fee. Reinstatement may be afforded once only.

#### Section 19 - Rejection of application

If, after a statement has been submitted by the applicant, there still exists an obstacle to the registration of the layout-design and the applicant has had an opportunity to submit a statement regarding the obstacle, the application shall be rejected, unless there are grounds for issuing to the applicant a new official action.

#### Section 20 - Claim to superior title

If anyone claims to the registration authority that he and not the applicant has superior title to the layout-design and if the case is deemed unclear, the registration authority may in an official action direct him to bring a suit before a court of law within a prescribed period. If a suit is not brought within the prescribed period, the claim shall be dismissed; this is to be pointed out in the official action.

If an action regarding superior title to the layout-design is pending before a court, the processing of the application for registration may be suspended until the case has been finally settled.

#### Section 21 - Transfer of application

If a person proves to the registration authority that he and not the applicant has superior title to a layout-design, the registration authority shall, upon the request of such person, transfer the application to him. At the same time, he shall pay a new registration fee.

Before the request for transfer has been finally settled, the application may not be dismissed, rejected, granted or withdrawn.

## Section 22 - Entering a layout-design in the register

When a layout-design is entered in the Register of Layout-Designs, the registration shall be publicly announced and a certificate of registration shall be issued to the applicant.

## Section 23 - Entering a transfer in the register and the legal effects of such entry

Whenever the exclusive right in a layout-design has been transferred to another party, or a licence therein has been assigned, an appropriate entry shall be made, on request, and against a prescribed fee, in the Register of Layout-Designs. The same shall apply to a mortgage right granted to the exclusive right. If it is proved that a licence or a mortgage right entered in the Register has expired, the entry shall be deleted from the Register.

The provisions of the first paragraph shall be applied mutatis mutandis to the right referred to in section 30(3). In lawsuits and other cases pertaining to an exclusive right in a layout-design, the party who has last been entered in the Register of Layout-Designs as the holder of the exclusive right shall be deemed to be the holder of the exclusive right.

Whenever a person has requested that an entry be made in the Register to the effect that the exclusive right in a layout-design has been transferred to him or that he has received the licence or the mortgage right therein and if, at that time, he was in good faith with regard to his right, any previous assignment to another person of the exclusive right or the licence or the mortgage right in the layout-design shall not be valid against him unless the other person had previously requested his own right to be entered in the Register of Layout-Designs.

## Section 24 - Publicity

Subject to the provisions of Section 24a or 24b, the documents pertaining to an application shall be public as from the date of the registration.

### Section 24 a - Protecting a trade secret

To protect a trade secret, the applicant may request a decision to the effect that the material necessary for identification of a layout-design be maintained confidential.

The request for confidentiality may not be directed at more than half of the number of the layers in an integrated circuit. The request may relate to a part of a layer of a layout-design. The request shall clearly state the appendices to the application letter at which it is directed.

The appendices at which the request for confidentiality is directed shall be left apart from the other appendices or submitted together with the other appendices in two series so that the appendices for which confidentiality is requested are included in only one of the series.

### Section 24b - Delimitation of a trade secret

Documents or other material that are necessary for identification of a layout-design or for determining the year the layout-design was created or the date the layout-design was for the first time distributed to the public before the filing of the registration application shall not be counted among trade secrets.

## Chapter III - Invalidation of registration

### Section 25 - Request for invalidation of registration

If the registration of a layout-design does not fulfil the requirements specified in sections 2 or 17, anyone may submit a request for the invalidation of the registration of the layout-design in its entirety or in part.

The request shall be submitted to the registration authority in writing and the grounds for the request shall be presented therein. The party submitting the request shall pay the prescribed fee. If the fee is not paid, the request shall not be considered.

A request for the invalidation of the registration of a layout-design shall not be handled if a dispute is pending with respect to transfer of the registration.

### Section 26 - Hearing the holder of the registration

The registration authority shall notify the holder of the registration regarding a request submitted under section 25 and provide for him an opportunity to submit a statement within a prescribed period. If he does not oppose the request within the allowed period, the registration shall be invalidated in its entirety.

If the holder of the registration opposes the request, the registration authority shall investigate the request that has been submitted.

### Section 27 - Invalidation of registration

If, as a result of a request, the registration authority notes that the registration of a layout-design does not fulfil the requirements specified in sections 2 or 17, the registration shall be invalidated in its entirety or in part.

If a registration is invalidated, the decision shall be announced publicly upon its taking legal effect.

### Section 28 - Right of appeal

An appeal from a final decision concerning the registration of a layout-design or the invalidation of the registration of a layout-design may be brought by the applicant or the holder of the registration if the decision is against him. An appeal from a decision by which a request for the invalidation of a registration has been rejected may be brought by the party who has submitted the request.

An appeal from a decision by which a request referred to in the third paragraph of section 18 for reinstatement of an application has been rejected or by which a request referred to in section 21 regarding the transfer of an application has been granted, may be made by the applicant. An appeal from a decision by which a request for the transfer of an application has been rejected may be filed by the party who submitted the request.

## Section 29 Appeal of decisions of the registration authority (31.3.2013/106)

A decision made by the registration authority pursuant to this Act may be appealed to the Market Court in the manner provided in the Act on the National Board of Patents and Registration (572/1992).

The provisions on the consideration of the appeal referred to in subsection 1 above by the Market Court are laid down in the Market Court Proceedings Act (100/2013).

## Chapter V - Expiration of the exclusive right and obligation to notify regarding the exclusive right

### Section 30 - Transfer of registration

If a layout-design has been registered in the name of anyone other than the person entitled under section 3, a court of law shall, upon a suit brought by the person entitled to the right in the layout-design, transfer the registration to that person.

The suit shall be filed within a year from the date on which the person filing the suit gained knowledge of the registration and of any other factors on which the suit is based. If the holder of the registration acted in good faith at the time the layout-design was registered or the exclusive right in the registered layout-design was transferred to him, a suit may not be filed more than three years after the registration of the layout-design.

If the person from whom the registration is transferred was acting in good faith at the time of his beginning to use the layout-design in Finland in the manner referred to in section 7, or at the time of taking steps essential therefor, he may for a reasonable consideration or on otherwise reasonable conditions continue the use of the layout-design or begin the intended use while retaining unchanged its general character. Such right shall belong, where the necessary conditions are met, to the holder of a licence entered in the Register.

The right referred to in the third paragraph, above, may be transferred to another party only together with the business, or part of the business, in which it is used or in which it is intended to be used.

### Section 31 - Renunciation of registration

If the holder of the exclusive right in a layout-design declares in writing that he renounces the registration, the registration authority shall delete the layout-design from the Register and announce that the exclusive right has terminated.

If the exclusive right in a layout-design has been distrained, or if there exists therein a mortgage right entered in the Register, or if a dispute is pending regarding the transfer of the registration to another party, the layout-design shall not be deleted from the Register, on the request of the holder, for as long as the distraint or the mortgage right subsists or the dispute has not been finally settled.

## Section 32 - Public announcement in certain cases

Whenever the registration of a layout-design has been transferred by a court decision which has taken legal effect or the registration authority has declared that the exclusive right has terminated, the registration authority shall make public announcement thereof.

## Section 33 - Obligation to notify regarding the exclusive right

If the applicant for registration invokes his application, when asserting a claim to another party before the application documents have become public under section 24, he shall on request give his consent to the other party acquainting himself with the documents.

Anyone who directly addresses other parties in an advertisement, on the packaging of a product or in any other manner by declaring that registration has been applied for or that it has been granted, without at the same time giving the number of the application or the registration, shall be required on request to provide such information without delay. If it is not explicit in the advertisement that registration has been applied for or that registration has been granted, but the advertisement tends to create such an impression, the party concerned shall on request declare without delay whether registration has been applied for or whether it has been granted.

## Chapter VI - Provisions regarding penalties and payment of damages

### Section 34 - Reference provision

Penalties for industrial property right offences against rights referred to in this Act are laid down in section 2 of Chapter 49 of the Penal Code.

### Section 35 - Violation of a right in a layout-design

Anyone who wilfully or out of gross negligence infringes the provisions laid down by this Act for the protection of layout-designs shall be sentenced, unless his action is punishable as an industrial property right offence under the section 2 of Chapter 49 of the Penal Code, to a fine for a violation of a right in a layout-design.

### Section 36 - Failure to fulfil the obligation to notify

Anyone who wilfully or out of other than minor negligence fails to fulfil the obligation to notify under section 33 regarding a layout-design shall be sentenced to a fine for failure to fulfil the obligation to notify. Anyone who, in cases referred to in that Section, provides false information shall also be sentenced to the same penalty, unless a penalty for such act has been prescribed in the Penal Code.

### Section 37 - Right to institute criminal proceedings (13.5.2011/472)

A prosecutor shall not raise charges for a criminal act referred to in sections 35 and 36, unless an injured party refers the criminal act for prosecution.

## Section 37a Injunction against infringement (21.7.2006/681)

When anyone infringes the exclusive right in a layout-design the court may enjoin them from continuing or repeating the infringement.

## Section 37b Cease-and-desist order to intermediary (21.7.2006/681)

In considering a claim referred to in section 37a, the Court may, at the request of the holder of the exclusive right, order the administrator of a transmitter, server or other such hardware or another service provider acting as an intermediary to cease and desist from the allegedly infringing use of the layout-design under threat of a fine (*cease-and-desist order*) unless this may be deemed unreasonable, taking into account the rights of the alleged infringer of the layout-design, the intermediary and the holder of the exclusive right.

Before the bringing of a claim referred to in section 37a the Court, at the application of the holder of the exclusive right, may issue a cease-and-desist order when the conditions for issuing the order mentioned in subsection 1 are present and when it is apparent that the realisation of the rights of the holder of the exclusive right might otherwise be seriously jeopardised. The Court shall afford an opportunity to be heard for both the party against whom the order is sought and the party alleged to be infringing the exclusive right concerning the layout-design. Service on the party against whom the order is sought may be accomplished by mail or by telefax or email.

Upon request, the Court may issue the cease-and-desist order referred to in subsection 2 as an interim order without hearing the alleged infringer when this is essential owing to the urgency of the matter. The order shall remain in force until other disposition is made. Subsequent to the issue of the order, the alleged infringer shall without delay be afforded an opportunity to be heard. Once the alleged infringer has been heard, the Court shall without delay decide whether to uphold or withdraw the order.

The cease-and-desist order issued pursuant to this section may not jeopardise the right of a third party to send and receive messages. The cease-and-desist order takes effect when the applicant lodges with the bailiff the security referred to in chapter 8, section 2 of the Enforcement Code (705/2007). The provisions on waiver of the security are laid down in chapter 7, section 7 of the Code of Judicial Procedure. A cease-and-desist order issued pursuant to subsections 2 or 3 above lapses if the claim referred to in section 37a is not brought in a court within one month of the issue of the order.

The party requesting the cease-and-desist order shall compensate the party against whom the order has been issued as well as the alleged infringer for the harm arising from the enforcement of the order and for the costs incurred in the matter if the claim referred to in section 37a is dismissed or ruled inadmissible or if the matter is removed from the docket due to the claimant withdrawing its claim or failing to appear in court. The same applies when the cease-and-desist order is withdrawn pursuant to subsection 3 or lapses pursuant to subsection 4. The provisions of chapter 7, section 12 of the Code of Judicial Procedure apply to bringing the claim for compensation of harm and costs.

## Section 38 - Compensation liability

Anyone who wilfully or out of negligence produces an integrated circuit or any other copy of a layout-design, or distributes or imports a layout-design, in violation of the provisions of the

present Act, shall be liable to pay to the holder of the exclusive right reasonable compensation and damages for any prejudice he has caused.

Even in the absence of negligence, the infringer shall be liable to pay reasonable compensation for the use of the layout-design.

Compensation or damages may be claimed in respect of an infringement of the exclusive right in a layout-design only for the period of the last five years before the raising of the charges.

The relevant parts of the provisions of the Law on Damages and Tort Liability (412/74) shall additionally apply for the compensation and damages referred to in the first paragraph, above.

#### Section 39 - Prevention of continued infringement

If anyone produces an integrated circuit or other copy of a layout-design or distributes or imports a layout-design in violation of the provisions of the present Act, a court of law may, at the request of the holder of the exclusive right, order, to the extent deemed reasonable, for the purpose of preventing the continuance of the infringement, that the integrated circuit or other copy of the layout-design shall be destroyed or altered or be surrendered, against payment, to the holder of the exclusive right. The foregoing shall not apply to a party who has acquired the integrated circuit or other copy of a layout-design, or a special right therein, in good faith.

An integrated circuit or other copy of a layout-design may be confiscated if the industrial property right offence can be assumed to have occurred. In such case, the provisions of the Coercive Measures Act (806/2011) on confiscation shall be applied.

On application and if there is special reason, a court of law may grant permission, instead of issuing an order under the first paragraph, for the integrated circuit or other copy of a layout-design referred to in the first paragraph to be distributed to the public or otherwise used for the intended purpose against specific compensation to be paid to the holder of the exclusive right and under the conditions stipulated by the court.

#### Section 40 - Effect of invalidation of a registration

If the registration of a layout-design has been invalidated by a registration authority decision that has taken legal effect, no penalty, compensation, damages or other consequence referred to in sections 35, 38 and 39 and in section 2 of Chapter 49 of the Penal Code may be adjudicated.

#### Section 40a - Publication of judgment (21.7.2006/681)

In a civil case concerning infringement of an exclusive right in a layout-design, the court, at the request of the claimant, may order the respondent to compensate for the costs incurred by the claimant in making public, by appropriate means, information about the final judgment in which the respondent is found to have infringed the exclusive right in the layout-design. Such an order may not be issued when dissemination of the information is restricted in another Act. In considering the issue and contents of the order, the court shall have regard to the overall importance of publication, the nature and scope of the infringement, the costs arising from publication and other equivalent factors.

The court shall determine a cap on the reasonable costs of publication compensable by the respondent. The claimant shall not be entitled to compensation if information about the judgment has not been made public within the court-ordered time period after the issue of the judgment that has become final.

## Chapter VII - Special provisions

### Section 41 - Obligation to notify

Repealed by the Act 31.3.2013/106.

### Section 42 - Jurisdiction in Civil matter (31.3.2016/106)

Civil and petitionary matters based on this Act shall be considered by the Market Court.

The provisions on the consideration of civil and petitionary matters by the Market Court are laid down in the Market Court Proceedings Act.

### Section 43 - Jurisdiction in criminal matters (31.3.2016/106)

A charge for an intellectual property offence infringing the right to a layout-design, as referred to in chapter 49, section 2 of the Criminal Code of Finland, and for the violation of a right in a layout-design referred to in section 35 of this Act and the failure to fulfil the obligation to notify referred to in section 36 of this Act shall be considered by Helsinki District Court.

Notwithstanding the provisions of section 42, a claim for compensation and damages arising from the charged offence, as provided in section 38, and a claim under section 39 may be considered in the context of the charge referred to in subsection 1 above.

The court remains competent to consider the claim referred to in subsection 2 even in the event of a change in the circumstances which establish competence taking place after the making of the claim.

### Section 43a - Opinion of registration authority in criminal case (31.3.2016/106)

The provisions of chapter 4, section 22 of the Market Court Proceedings Act shall apply to the right of the court considering a matter referred to above in section 43 to request the registration authority to provide an opinion.

### Section 43b - Expert in criminal matter (25.8.2016/722)

In considering a matter referred to in section 43, the District Court may draw on the expertise of no more than two expert members as referred to in chapter 17, section 10, subsection 2 of the Courts Act (673/2016).

The expert shall submit a written opinion on the questions put to the expert by the court. The expert shall have the right to put questions to the parties and the witnesses. Before deciding the matter, the District Court shall afford the parties an opportunity to comment on the expert's opinion.

The provisions on the expert's right to a fee are laid down in chapter 17, section 22 of the Courts Act.

#### Section 44 - Notice to registration authority in criminal matter (31.3.2016/106)

The provisions of chapter 4, section 23 of the Market Court Proceedings Act on the obligation of the Market Court to provide notice of a decision shall apply to the duty of the court considering a matter referred to in section 43 above to provide notice of a decision to the registration authority.

#### Section 45 - Fees

Separate provisions shall apply to the amounts of the fees to be paid under the present Act.

#### Section 46 - Further provisions

Further provisions on the implementation of the present Act will be given by decree. The registration authority may issue detailed regulations regarding applications for registration and their processing.

#### Chapter VIII - Entry Into force

##### Section 47 - Entry Into force and transitional provisions

The present Act enters into force on 1 July 1991. The present Act shall also be applied to a layout-design created before it enters into force. If a layout-design has been distributed to the public before the present Act enters into force, the exclusive right therein under the present Act may be obtained through registration, provided that the application for registration is filed within two years of the entry into force of the Act. However, notwithstanding the provisions of this Act, such a layout-design may be distributed to the public and be imported.