

AMENDMENTS AND ADDITIONS TO LAW No. 354

LAW ON PATENTS, UTILITY MODELS AND INDUSTRIAL DESIGNS

LAW No. 579 adopted March 21, 2006

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THE PRESIDENT OF THE REPUBLIC OF NICARAGUA

Declares to the Nicaraguan people that:

THE NATIONAL ASSEMBLY OF THE REPUBLIC OF NICARAGUA

WHEREAS

I

The Political Constitution of Nicaragua, in Articles 125 and 128, promotes and protects intellectual property; and establishes the duty of the State of Nicaragua to support national culture in all its expressions, either collective or individual.

II

In accordance with the powers established in Article 138(12) of the Political Constitution, the National Assembly adopted the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) through National Assembly Decree No. 4371, published in the Official Gazette, No. 199 of October 14, 2005.

III

The President of the Republic ratified the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), through Executive Decree No. 77-2005, published in the Official Gazette of November 20, 2005, in accordance with the powers set forth in Article 150 of the Political Constitution.

IV

The National Assembly adopted through National Assembly Decree No. 3245 of February 13, 2002, published in Official Gazette No. 38 of February 25, 2002, the Patent Cooperation Treaty (PCT), in force since March 6, 2003.

V

As regards intellectual property, it is necessary to guarantee the implementation of the immediate commitments set forth in Chapter Fifteen, Intellectual Property Rights, in CAFTA-DR.

In its sole discretion,

HAS DECLARED

The following:

**Amendments and Additions to Law No. 354,
Law on Patents, Utility Models and Industrial Designs**

Article 1. Article 7 is hereby amended and shall read as follows:

“Article 7. Subject matter excluded from patent protection. Patent protection shall not be granted for:

- (a) animal breeds;
- (b) therapeutic, surgical or diagnostic methods applicable to humans or animals;
- (c) inventions, the commercial exploitation of which must be prohibited to protect public order or morality;
- (d) inventions, the commercial exploitation of which must be prohibited to protect human, animal or plant health or life, or preserve the environment; to this end, the exclusion of patenting shall not be considered applicable on account of exploitation being prohibited, restricted or conditional upon any legal or administrative provision”.

Article 2. A second paragraph is hereby added to Article 11 and shall read as follows:

“A third party shall be allowed to use the subject matter of an existing patent to generate the necessary information to support an application for marketing approval of a pharmaceutical or agrochemical product, provided that a guarantee is made that any product created under the aforementioned authorization shall not be manufactured, used or sold in the country for purposes other than those related to the generation of information to meet the requirements for the marketing approval of the product once the patent has expired. Where production is for export, the product shall only be exported to meet the authorized marketing approval requirements.”

Article 3. A second paragraph is hereby added to Article 13 and shall read as follows:

“An invention is industrially applicable if it has a specific, substantial and credible use.”

Article 4. A second paragraph is hereby added to Article 21 and shall read as follows:

“An invention which is claimed shall be considered sufficiently supported by its disclosure, where that disclosure reasonably shows a person skilled in the art that the applicant was in possession of the claimed invention on the date it was filed”.

Article 5. Article 57 (1) is hereby amended and shall read as follows:

“Article 57. Invalidation of the Patent. The competent judicial authority at the request of the party concerned or competent authority shall declare the patent null and void where:

- (a) The subject of the patent is not an invention in accordance with Articles 3 and 6 of this Law.

- (b) The patent was granted for an invention to which the prohibition of Article 7 of this Law applies or does not meet the patentability requirements provided for in Articles 8, 9, 12 and 13 of this Law.
- (c) The patent does not disclose the invention in accordance with Articles 21 and 22 of this Law.
- (d) The claims included in the patent do not meet the requirements specified in Article 25 of this Law.
- (e) The disclosure in the patent granted is broader than in the original application.
- (f) The patent has been obtained through fraud or misrepresentation.”

Article 6. Article 89 is hereby amended and shall read as follows:

“**Article 89.** The right of priority of a patent application, utility model or industrial design may be invoked in accordance with the provisions of the Paris Convention for the Protection of Industrial Property or those of any other treaty signed by Nicaragua with another State.”

Article 7. Article 105 *bis* is hereby added and shall read as follows:

“**Article 105 bis.** Final court judgments, administrative decisions or rulings of general application concerning the enforcement of protected rights under this Law shall be made in writing and shall describe the relevant facts and legal grounds on which judgments, decisions or rulings are based. The said judgments, decisions or rulings shall be published or, where publication is not feasible, shall be made available to the public in some other way.”

Article 8. Article 106 is hereby amended and shall read as follows:

Article 106. Measures in an Infringement Action. The judgment the competent legal authority hands down in an infringement action may order one or more of the following measures:

- (a) The cessation of the acts that constitute infringement;
- (b) Compensation for harm and injury;
- (c) The withdrawal from commercial channels of the goods resulting from the infringement and of the means and materials used mainly to commit the infringement.
- (d) The prohibition of the import or export of goods, materials or means referred to in the foregoing subparagraph.
- (e) The necessary measures to prevent the continuation or repetition of the infringement, including the destruction of the goods, materials or means referred to in subparagraph (e)?
- (f) The publication of the judgment and its notification to the parties concerned, at the expense of the infringing party.

Without prejudice to the other applicable measures, the person who has marketed goods which infringe a protected right shall bear no liability for damages, except where he has manufactured or produced these goods himself, or where he was aware of the infringement and has marketed them.

The civil judicial authority, the better to take its decision, may order the defendant to provide any information in his possession concerning anyone involved in any way, and concerning the means of production or distribution channels for the goods or services that are the subject of the infringement, including identifying third parties involved in their production and distribution and their distribution channels, and provide this information to the right holder.

In handing down the judgment, the judicial authority shall relate the seriousness of the infringement to the measures ordered and the interests of third parties.”

Article 9. Article 106 *bis* is hereby added and shall read as follows:

“**Article 106 bis.** Where the judge appoints technical or other experts in civil proceedings concerning the enforcement of the rights set forth in this Law and which require that the parties cover the costs of said experts, these costs shall be closely related, inter alia, to the quantity and nature of the work to be undertaken and shall not unreasonably deter from using these proceedings.”

Article 10. Article 10 is hereby amended and shall read as follows:

“**Article 107. Calculating Compensation.** Compensation for harm and injury ordered by the courts shall be sufficient to compensate the right holder for the infringement and shall under no circumstance be less than:

(a) The loss of profit incurred by the right holder as a result of the infringement. This loss, taken as the basis, shall take into account, inter alia, the value of the good or service that is the subject of the infringement, based on the suggested retail price or other legitimate measure of value that the right holder presents.

(b) The price the infringer would have paid for a contractual license, taking into account the commercial value of the infringed right and the contractual licenses the right holder had already granted”.

Article 11. Article 107 *bis* is hereby added and shall read as follows:

“**Article 107 bis.** The Judge, except in exceptional circumstances, shall be authorized, when closing civil judicial proceedings on patent law infringements, to order the infringer to pay the right holder’s court costs and reasonable attorney’s fees.”

Article 12. Article 113, paragraph 3 (d), is hereby amended and shall read as follows:

“(d) Provision of a bond or other security considered reasonable and sufficient by the competent judicial authority; at a level that is sufficient to protect the defendant and prevent abuse, but under no circumstance may an amount be set which unreasonably deters from using the said proceedings”.

Article 13. Article 114 is hereby amended and shall read as follows:

“Article 114. Guarantees and Conditions in Case of Precautionary Measures. A rebuttable presumption of validity of patents is hereby established. The judge requires the party requesting a precautionary measure to prove it has authorization to act, on behalf of third parties, where necessary, and to provide adequate guarantees in advance in accordance with the Code of Civil Procedure.

The party requesting a precautionary measure must, with regard to specific goods, provide adequate information on the goods that the right holder can reasonably be expected to know so that the goods can easily be recognized by the competent authorities.”

Article 14. Subparagraphs (ñ), (o), (p), (q) and a final paragraph are hereby added to Article 128 and shall read as follows:

(ñ) Issuance of certificate, priority documents \$CA 20.00

(o) Substantive examination carried out by the Registry’s internal experts:

- (i) Patents \$CA 300.00
- (ii) Utility model patents \$CA 200.00
- (iii) Industrial designs \$CA 150.00

(p) Deadline extension application \$CA 10.00

(q) Restoration of patents in accordance with the Paris Convention for the Protection of Industrial Property \$CA 200.00

The fees set forth in this Article shall be reduced by 75 per cent if the applicant is a natural person and his yearly income in the year prior to filing the application was less than four thousand Central American pesos. The Regulations under this Law shall stipulate the documents the party concerned must include in order to benefit from this provision.”

Article 15. Transitional Provision. Actions which have been initiated prior to the entry into force of this Law shall be continued until they are settled in accordance with the provisions under which they were initiated.

Article 16. Entry into Force. This Law shall enter into force from the time of its publication in the Official Gazette.

Done at Managua, in the Conference Room of the National Assembly on the twenty-first day of March, two thousand and six. **EDUARDO GÓMEZ LÓPEZ**, President of the National Assembly. **MARIA AUXILIADORA ALEMAN ZEAS**, Secretary of the National Assembly.

Therefore: Let this be the Law of the Republic. To be published and executed. Managua, the twenty-second of March, two thousand and six. **ENRIQUE BOLAÑOS GEYER**, President of the Republic of Nicaragua.
