

**Law No. 17.164 of September 2, 1999,
Regulating Rights and Obligations Relating to Patents,
Utility Models and Industrial Designs (1.827*R)***

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TITLE I PRELIMINARY PROVISIONS

1. This Law regulates rights and obligations relating to patents, utility models and industrial designs, in accordance with the public interest and national development objectives in various sectors.

2. The moral rights of inventors and designers recognized as authors of their inventions or creations shall be inalienable and not subject to limitation, and may be transmitted to their heirs.

The economic rights derived from inventions, utility models and industrial designs shall be protected by patents, which shall be guaranteed by the corresponding titles.

The inventor shall be mentioned as such on the patent granted and in publications and official documents relating thereto, unless this right is specifically renounced in writing.

Any agreement by which the inventor renounces his right to be mentioned prior to filing of the application for a patent shall be null and void.

3. The rights conferred on inventors or designers by patents shall take effect concurrently with the decision granting the patent, without prejudice to the right of priority or other rights derived from filing the application.

4. The State shall guarantee neither the merit nor the novelty of inventions patented pursuant to this Law and shall not be liable for the beneficiary's status as inventor.

5. National or foreign natural or legal persons may be owners of patents regulated by this Law.

6. The rules on national treatment and priority rights laid down in international patent agreements ratified by Uruguay shall apply equally to both nationals of States parties to such agreements and to persons treated in the same manner as nationals.

7. In the absence of an international agreement, foreigners shall enjoy the same rights as Uruguayan nationals. The Executive may restrict the application of this provision to nationals of those countries which grant suitable reciprocity, or to persons treated in the same manner as such nationals.

TITLE II
PATENTS

Chapter I
Patentability

8. Inventions of new products or processes which involve an inventive step and are susceptible of industrial application shall be patentable.

9. An invention shall be considered new if it does not form part of the state of the art.

State of the art shall be held to comprise the sum of technical knowledge made available to the public prior to the date of filing of the patent application or, where applicable, the recognized priority, by means of an oral or written description, by use, or by any other method of dissemination or information, in Uruguay or abroad, in such a way that the invention can be made.

The content of an application being processed in Uruguay whose date of filing, or where applicable priority, is prior to the date of the application being examined shall also be held to form part of the state of art provided that the content was included in the prior application when it was published.

10. Disclosure of an invention within the year preceding the date of filing of the application or of the priority claimed shall not affect its novelty, provided that it was directly or indirectly due to acts carried out by the inventor, his successors in title or third parties, on the basis of information directly or indirectly obtained from the inventor.

11. An invention shall be regarded as involving an inventive step when it does not result from the state of the art in a manner obvious to a person skilled in the art.

12. An invention shall be regarded as susceptible of industrial application when its subject matter can be used in industry defined in the broadest sense.

13. The following shall not be considered inventions for the purposes of this Law:

(a) discoveries, scientific theories and mathematical methods;

(b) plants and animals, with the exception of microorganisms and essentially biological processes for the production of plants or animals, except for non-biological or microbiological processes;

(c) schemes, plans, rules for playing games, business, accounting, financial, educational, publicity, lottery or taxation principles or methods;

(d) literary or artistic works, or any other aesthetic creation, as well as scientific works;

(e) computer programs considered in isolation;

(f) various methods of reproducing information;

(g) biological or genetic material existing in nature.

14. The following shall not be patentable:

- (a) diagnostic, therapeutic or surgical methods for the treatment of persons or animals;
- (b) inventions contrary to public order, morality, public health, the population's food supply, safety or the environment.

15. Pursuant to the provisions of this Law, products or processes already patented and included in the state of the art may not be the subject of a new patent simply because the purpose for which they are to be used differs from that in the original patent.

Chapter II Right to a Patent

SECTION I OWNERSHIP OF PATENTS

16. The right to a patent shall belong to the inventor or to his successors in title and it shall be transferable by an act *inter vivos* or by reason of death.

Where the same invention has been made independently by a number of persons, the patent shall be granted to the inventor or his successor who first files a patent application or claims the earliest priority for the invention.

SECTION II INVENTIONS IN THE COURSE OF A CONTRACT OF EMPLOYMENT

17. Where an invention has been made in fulfillment of a contract of employment, or a contract for work or a service, whose sole or partial object is research, the right to the patent derived therefrom shall belong to the employer, unless otherwise specified.

In case where the employee's personal contribution to the invention and its importance to the company obviously go beyond the explicit or implicit terms of his contract or work, the employee shall have the right to additional remuneration.

18. Where an employee makes an invention related to his professional activity in the company, without an obligation to carry out research, and the knowledge gained within the company or the use of means provided by the company has had a decisive influence thereon, he shall communicate this in writing to his employer.

If the employer notifies his interest in the invention in writing within 90 days, the right to the patent shall be jointly owned.

An invention for which a patent application has been filed within one year following cessation of employment shall be deemed to have been developed in the course of employment.

19. Inventions made in the course of employment not covered by the preceding Articles shall belong exclusively to their author.

20. Any contractual provision less favorable to the inventor than those provided in this Section shall be null and void.

SECTION III TERM OF PROTECTION

21. The term of protection for patents for inventions shall be 20 years as of the date of filing of the application.

Chapter III Requirements and Procedures for Granting Patents

22. Patent applications shall contain the following:

- (a) the names of the inventor and the applicant and their domiciles;
- (b) the class of patent which is the subject of the application;
- (c) the name given to the invention;
- (d) a clear and full description of the invention;
- (e) one or several claims;
- (f) an abstract of the description;
- (g) receipt for payment of fees;
- (h) date, country and number of the priority application claimed, where applicable;
- (i) documents assigning rights, where applicable.

23. Where the preliminary formal examination of a patent application shows that it does not meet the requirements prescribed in the preceding Article, but that it identifies the applicant, contains a description of the subject matter and the claims, the applicant shall be given the period laid down in the regulations but not exceeding 90 days to meet the requirements. The application shall retain the date of filing if the requirements are met within this time limit; if they are not, the application is deemed to be have been abandoned.

24. Where a foreign priority is claimed in accordance with Article 4.D of the Paris Convention for the Protection of Industrial Property (Decree-Law No. 14.910 of July 19, 1979), the applicant shall have a period of 90 days in which to transmit a certificate showing the date of filing and a copy of the application issued by the authority to which it was addressed. Failure to submit these shall lead to loss of the right of priority.

25. For applications relating to microorganisms, the biological material needed to describe their subject matter shall be deposited with the bodies approved by the National

Industrial Property Directorate of the Ministry of Industry, Energy and Mining, until the relevant international agreements have been ratified.

26. Following completion of the required formalities and procedures, the patent application shall be published in the Industrial Property Bulletin 18 months after the day following its filing or the day following the date of priority, where applicable.

The application may be published earlier at the request of the applicant.

27. Applications for patents, utility models or industrial designs may, at the request of the applicant and with the approval of the examining office, be changed into another class of patent prior to a decision thereon.

28. In the cases referred to in the preceding Article, the applicant shall publish the application again, retaining the date of the original application.

Any request for a change shall be liable to payment of the corresponding fees.

29. Patent applications shall cover one or several inventions, provided that they are related one to the other in such a way as to form a single inventive concept.

If the examination reveals that an application does not meet the aforementioned requirement, the applicant shall divide it into as many applications as necessary.

Divided applications shall have the same date of filing as the original application.

30. Patent applications may not be modified, except in the following cases:

- (a) to rectify errors in the data, the text or the graphic representation;
- (b) to clarify, explain, limit or restrict their subject matter;
- (c) when required by the examining officials.

No modification, rectification or clarification implying an extension of the information in the original application shall be permitted.

31. Any interested party may put forward comments based on the patent application within the period prescribed in the regulations, as of the date of publication. The submission of comments shall not suspend the application process and the person making the comments shall not become a party to the procedure.

32. The purpose of the substantive examination of applications shall be to determine whether the proposed invention meets the requirements and criteria for patentability laid down in this Law.

For this purpose, it shall be permissible:

- (a) to request the applicant to furnish copies of the anticipation search, the substantive examinations and other documentation available to him;
 - (b) to seek the advice of bodies which carry out scientific and technological activities;
-

(c) to utilize patent documents, search and examination reports or similar documents prepared by other patent offices.

All the comments resulting from the substantive examination shall be contained in a single act, unless there are new or supervenient elements that might affect patentability.

The comments made shall be shown to the applicant within the time limit fixed in the regulations.

33. Following completion of the requirements laid down in this Law, a decision on granting the patent shall be taken and, where applicable, the title shall be issued.

Chapter IV

Rights Conferred by Patents, Exceptions and Limitations Thereto and Termination

SECTION I

RIGHTS CONFERRED

34. Patents shall confer on their owners the right to prevent a third party from undertaking any of the following acts without their consent:

(a) where a patent has been granted for a product: manufacturing, offering for sale, selling or using the product, importing or stocking it for any of the aforementioned purposes;

(b) where the patent has been granted for a process: making use of the process, undertaking any of the acts cited in subparagraph (a) in respect of products obtained by means of the said process.

35. The scope of protection conferred by patents shall be determined by the claims, which shall be interpreted in conformity with the description and drawings.

SECTION II

TRANSFER OF PATENTS

36. The economic rights derived from patents or patent applications may be transferred or assigned by the owner or his successors in title, either in full or in part, by inheritance or by an act *inter vivos*. Such acts shall have effect against third parties as of their inclusion in the relevant register.

37. The fees for transfer or partial assignment of patents or patent applications shall be payable by the owner, unless otherwise agreed.

38. Where several interested parties apply for a patent, make a transfer or draw up a licensing contract, they shall declare specifically whether they are joint owners, associates or partners. The title shall not be granted and the transfer or contract shall not be registered without such a declaration.

SECTION III
EXCEPTIONS, SCOPE AND EXHAUSTION OF RIGHTS

39. The rights conferred by patents shall not cover the following acts:

(a) acts carried out in private for non-industrial or non-commercial purposes, provided that they do not cause economic prejudice to the owner of the patent;

(b) the preparation of a medicine for a single patient, according to a medical prescription and under the supervision of an authorized professional;

(c) acts carried out solely for experimental purposes, including acts anticipating future commercial exploitation, carried out during the year prior to expiry of the patent;

(d) acts carried out for teaching, scientific or academic research purposes;

(e) the import or entry of small quantities of goods not of a commercial nature contained in the personal effects of passengers or sent in small packages.

40. Owners of patents may not prevent a person from using, importing or commercializing a patented product in any way after it has lawfully been put on sale within Uruguay or abroad by the patent owner or by a third person with the owner's consent or lawfully authorized to do so.

Products or processes which infringe intellectual property rights shall not be considered as having been lawfully put on sale (Part III, Section 4, of the TRIPS Agreement [Agreement on the Trade-Related Aspects of Intellectual Property Rights] of the World Trade Organization [WTO]).

41. Owners of patents may not prevent acts carried out, even without disclosure, by third parties who, in good faith, on the date of filing of the application or priority where applicable, were already manufacturing the product or using the process that is the subject matter of the invention in Uruguay or had made serious preparations to manufacture, use or work it.

Such acts may be continued in order to meet the needs of the enterprise to the extent that they correspond to such needs and relate to the products obtained.

This right shall not be transferable without that part of the enterprise or its intangible assets which benefit from it.

42. Inventions made in authorized monopolies belonging to the State or to private individuals may be patented. They may only be industrially or commercially worked with the agreement of the owner of the monopoly or after the monopoly has ended.

43. The rights relating to an application filed or a patent granted may be expropriated by the State in accordance with the relevant rules.

Expropriation may be limited to the right to use the application or the patent for the needs of the State.

SECTION IV
INVALIDITY, LAPSE AND RENUNCIATION

44. Patents shall be invalid in the following cases:

(a) if they have been granted in violation of the patentability criteria and requirements set out in this Law;

(b) if the description was incomplete or inaccurate and did not allow the subject matter of the invention to be defined;

(c) if material not included in the original application is claimed, in accordance with the provisions of this Law.

45. Patents granted to persons who have no right to obtain them shall be invalid.

A complaint may be lodged by the person who claims to be the true owner within five years from the date of granting the patent or three years from the date on which the invention started to be exploited in Uruguay, whichever expires first.

46. When the complaint only relates to all or part of any claim concerning the patent, the decision shall be limited to the claim, whose scope must be defined, where applicable.

47. The National Industrial Property Directorate shall be the competent body and its decisions may be contested in the form defined in Articles 317 *et seq.* in accordance with the Constitution of the Republic.

48. Patents validly granted shall lapse in the following cases:

(a) upon expiry of the term for which they were granted;

(b) upon failure to pay the annual fees in the form and within the time limits laid down in this Law.

49. The owner of a patent may, at any time, renounce the patent in writing, either as a whole or one or more specific claims.

Renunciations properly submitted shall take effect upon the date of their submission.

Chapter V
Licenses and Other Uses

SECTION I
CONTRACTUAL LICENSES

50. Owners or patent applicants may grant licenses for the exploitation of the subject matter of the patent and these shall have effect against third parties as of their inclusion in the relevant register.

51. Unless otherwise provided, the following rules shall apply:

(a) licenses shall cover all exploitation or marketing of the subject matter of the patent throughout its entire term, in the whole of Uruguay and in respect of any application of the said subject matter;

(b) licensees may not assign or transfer their licenses nor grant sublicenses;

(c) licenses shall not be exclusive and the licensor may grant other licenses for working the patent in Uruguay or may work it himself;

(d) without prejudice to the powers given by the owner and if the latter does not take any measures, the licensee may adopt the measures necessary to safeguard the patent.

52. Contractual licenses may not contain clauses or terms that have an adverse impact on competition, constitute unfair competition, lead to possible abuse by the owner of the patented right or of his dominant position on the market.

In particular, clauses or terms that have the following effects shall not be included:

(a) cause a prejudicial impact on trade;

(b) impose exclusive grantback conditions;

(c) prevent contestation of the validity of dependent patents or licenses;

(d) place restrictions on the licensee at the commercial or industrial levels when they are not derived from the rights conferred by the patent;

(e) place restrictions on exporting the product protected by the patent to countries with which there is an agreement on establishing an economic and trade integration area.

SECTION II OFFER OF LICENSES

53. Patent owners resident in Uruguay may authorize any interested party with the technical and economic expertise needed to make the invention efficiently to exploit the patent.

The annual fees for patents offered shall be reduced by half.

Where applicable, the offer shall be regulated by the rules on contractual licenses.

In the absence of agreement on remuneration for the license, either of the parties may utilize the procedure provided in Articles 74 and 75 of this Law.

SECTION III
COMPULSORY LICENSES AND OTHER USES WITHOUT
THE CONSENT OF THE OWNER OF THE PATENT

Subsection I
Licenses and Other Uses for Failure to Work

54. Any interested party may request a compulsory license after three years have elapsed since the grant of the patent or four years since the date of application, whichever expires last, if the invention has not been exploited or if serious and effective preparations have not been made for its exploitation or if exploitation has been suspended for more than one year, provided that there are no reasons of *force majeure*.

In addition to the reasons recognized in the legislation, insurmountable objective problems of a technical or legal nature such as delays in the granting of authorizations by government bodies, independent of the will of the owner of the patent, which make working the patent impossible, shall be considered reasons of *force majeure*.

The exploitation of a patent shall include its production, use, import or any other commercial activity undertaken and related to its subject matter.

In this respect, the working of the patent by a representative or licensee shall be considered carried out by the owner of the patent.

Subsection II
Compulsory Licenses
or Other Uses Without the Patent Owner's Consent
for Reasons of Public Interest

55. In special situations that might affect the general interest, defense or national security, the economic, social and technological development of certain sectors strategic for Uruguay, as well as for urgent health reasons or other like reasons of public interest, the Executive may, by means of a special resolution, grant compulsory licenses or other uses without the patent owner's consent and their scope and term shall be adapted to the purpose for which they were granted.

56. The patent owner's rights may be restricted in accordance with the provisions of the preceding Article if commercial supplies essential to cover the domestic market's needs are lacking or insufficient.

57. Where a compulsory license or other uses without the patent owner's consent are granted, the application for a license or other use shall be notified to the owner and to the licensee of the patent within the prescribed period of 30 days, at the expiry of which it shall be considered approved if no specific objection has been lodged.

The regulations shall define the other procedures and the requirements to be met for the granting of licenses or other uses. The regulations shall ensure the equal participation of all

those interested in working the patent, providing for the necessary conciliation and arbitration bodies.

Persons applying to work the subject matter of the patent shall specify the terms on which they seek to obtain it, their economic situation and the availability of an establishment approved by the competent authority to carry out the work.

58. Decisions granting compulsory licenses or other uses pursuant to the preceding Article shall determine the final or provisional scope thereof and other aspects relating to compulsory licenses.

59. Authorization for such uses may be withdrawn, subject to appropriate protection of the legitimate interests of the persons who had received authorization, if the circumstances which gave rise to the authorization no longer exist and it is unlikely that they will recur. The competent authorities shall be empowered to examine whether such circumstances still exist, subject to a substantiated request.

Subsection III
Compulsory Licenses and Other Uses Without the
Patent Owner's Consent for Reasons of
Anti-competitive Practices

60. By means of a special decision, the National Industrial Property Directorate may grant compulsory licenses for a patent if the competent authority, following administrative or judicial proceedings which give the owner the right of defense and other guarantees, has determined that the owner has been involved in anti-competitive practices, or has abused the rights conferred by the patent or a dominant market position.

61. The circumstances cited in the preceding Article shall include the following:

(a) the fixing of prices that are excessive in comparison with the average international market price for the patented product;

(b) offers to supply the market at prices significantly lower than those proposed by the owner of the patent;

(c) refusal to furnish the local market with adequate and regular supplies of the raw materials or the product patented, on fair commercial terms;

(d) obstructing or causing prejudice to commercial or production activities in Uruguay;

(e) any acts which restrict trade to an unjustified degree or are detrimental to the transfer of technology.

62. After a period of two years as of the grant of the first compulsory license or other uses for reasons of anti-competitive practices or abuse of the rights conferred by a patent, if the owner continues the acts or practices that led to the compulsory license or other uses, the right to the patent may be cancelled, either automatically or at the request of an interested party, subject to notice within the prescribed period of 30 days.

63. The cancellation of a patent or license may not affect the acts committed or agreements reached while it was in force in relation to the working of the patent and may not prevent the marketing of the products concerned.

Subsection IV
Other Compulsory Licenses and Other Uses
Without the Patent Owner's Consent

64. Any interested party may obtain a compulsory license or other uses without the patent owner's consent if he has requested the owner for a contractual license and has been unable to obtain it on commercially fair terms customary in Uruguay, within 90 days following the request.

In any event, the National Industrial Property Directorate shall grant a compulsory license or other uses without the owner's consent if the interested party proves that:

(a) he has the technical and economic capacity to work the patent in question. Technical capacity shall be assessed by the competent authority in conformity with the special rules in force in Uruguay for each branch of activity. Economic capacity shall mean the capacity to meet the obligations arising from working the patent;

(b) he has a business structure that helps to promote the local market for the product that is the subject matter of the license;

(c) if the patent relates to a raw material from which the end product is to be developed, he is able to carry out such development himself or through third parties in Uruguay, unless it is impossible to produce the product in Uruguay.

In the case of technology sectors that were not protected at the time this Law entered into force and if the patent includes raw material from which an end product is to be developed, the licensee shall be obliged to obtain the raw material, molecule or principle from the owner of the patent or a person designated by him at the price at which they supply international markets and the patent owner shall undertake to sell them in the proper form and in a timely manner. If the owner gives his subsidiaries a special price, he shall offer the licensee the same price.

The licensee may obtain the raw material from another supplier if it is offered at a price that is 15% (fifteen per cent) lower than the price offered by the patent owner in Uruguay. In such cases, the licensee shall prove that the raw material obtained in this way has been put on sale lawfully, in Uruguay or abroad, by the owner of the patent or by a third party with his consent or legally authorized by him.

65. The remuneration provided in the preceding Article shall be fixed in accordance with the provisions of Article 77(b) of this Law.

66. Compulsory licenses or other uses without the owner's consent may not extend beyond the acts of working or marketing the subject matter of the license in Uruguay throughout the term of the patent and in respect of any application.

67. After a compulsory license has been granted, the owner of the patent shall furnish all the information needed to work the subject matter of the license, for example, technical know-how, manufacturing protocols, testing or verification techniques, and shall authorize use of patents relating to components or manufacturing processes connected with the patent that is the subject matter of the license.

Unsubstantiated refusal by the owner to furnish the technical know-how and to transfer the technology needed to achieve the purpose or failure to sell the raw material in the proper form and in a timely manner if it was the subject matter of the patent shall immediately lead to loss of the owner's royalty rights.

68. Patents shall lapse if, two years after the grant of the first compulsory license or other uses without the owner's consent, the holder of the compulsory license is unable to exploit the subject matter of the license for reasons attributable to the owner of the patent or his contractual licensee.

Reasons attributable to the owner of the patent shall mean *inter alia* refusal to provide the information or the authorization mentioned in the preceding Article.

Subsection V Dependent Patents

69. If a patented invention or utility model cannot be exploited in Uruguay without infringing an earlier patent, the owner or a licensee under any title of one of the patents may request the grant of a compulsory license covering the other dependent patent if it is needed to work the patent and avoid infringement.

Where the subject matter of one patent is a product and the subject matter of the other a process, it shall be considered that they are dependent patents for the purposes of their working.

70. Licenses or uses without the owner's consent for the purpose of working a dependent patent shall be granted subject to the following conditions:

(a) the invention claimed in the second patent must represent a significant technical step of considerable economic importance in comparison with the invention claimed in the first patent;

(b) the owner of the first patent shall have the right to obtain a cross license on fair terms in order to work the invention claimed in the second patent;

(c) assignment of the authorized use of the first patent shall include use of the second patent.

Subsection VI General Provisions and Procedures

71. Persons wishing to obtain a compulsory license or other uses shall provide evidence that they have requested a contractual license from the owner of the patent and have been

unable to obtain it on fair commercial terms customary in Uruguay, within 90 days following the request.

This requirement may be waived in situations of national emergency, extreme urgency, or in cases of non-commercial public use and anti-competitive practices.

72. Persons wishing to obtain a compulsory license or other unauthorized uses shall possess the technical and economic capacity and the proper infrastructure for starting to exploit the invention.

73. A compulsory license or other uses without the owner's consent may not:

(a) be exclusive;

(b) be the subject of a sublicense;

(c) be granted to a defrauder;

(d) be transferred without the firm or enterprise or the part thereof which exploits the subject matter of the license.

74. The owner of the patent shall be informed of an application for a compulsory license within 30 days, at the expiry of which it shall be considered as accepted unless there is specific opposition.

If the application is opposed, within 40 days a tribunal of three arbitrators with broad powers shall be appointed, one by the owner of the patent, one by the applicant for the license, and a third by common agreement between the other two arbitrators. If one of the parties does not appoint an arbitrator or if there is no agreement on the third arbitrator, he shall be appointed by the National Industrial Property Directorate within 10 days.

The arbitration tribunal shall decide on the rejection or the grant of a compulsory license, its scope, its terms and the remuneration, within a period not exceeding 60 days from its establishment.

75. Within the following 30 days, the National Industrial Property Directorate shall take a reasoned decision on the grant of a compulsory license on the terms sought by the applicant, the terms directly agreed by the parties, the terms fixed by arbitration, or the terms determined by the National Directorate in the absence of an arbitration decision.

76. The procedure defined in Articles 74 and 75 of this Law shall not apply to the situations envisaged in Subsections II and III of Section III of this Chapter.

77. Decisions granting licenses shall cover the following aspects:

(a) the scope of the license, identifying in particular the acts excluded therefrom;

(b) the payment of adequate remuneration by the licensee. The amount shall be fixed on the basis of the scope and economic value of the exploitation of the invention that is the subject matter of the license, taking into account average royalties for the sector in question in commercial licensing agreements between independent parties, as well as other circumstances specific to each case;

(c) the rights and obligations of both parties;

(d) the measures to ensure that the owner of the patent provides the industrial or commercial information needed to work the patent, together with guarantees of prudence and confidentiality on the part of the licensee;

(e) the time limit for starting to exploit the subject matter of the patent and the time limit after which failure to work shall result in cancellation;

(f) other aspects necessary or appropriate for working and marketing the patent, compliance with the license and its monitoring.

78. Compulsory licenses granted may be modified in accordance with the procedure defined for their grant if the owner of the patent has granted other licenses on more favorable terms.

79. Compulsory licenses and other uses without the owner's consent may be cancelled in any of the following situations:

(a) the licensee does not work the patent after expiry of the periods for commencement and failure to work the patent laid down in the decision granting the license (Article 77(e) of this Law);

(b) anti-competitive practices or abuse of rights by the licensee;

(c) non-compliance with the terms of the license.

80. Decisions granting compulsory licenses or other uses without the owner's consent shall be published and entered in the special register kept for this purpose.

TITLE III PATENTS FOR UTILITY MODELS

81. Any new arrangement or form obtained or incorporated in known tools, working instruments, utensils, devices, apparatus or other objects which lead to improved use or better performance of the operations for which they are intended or any other benefit for their use or manufacture, shall be considered a patentable utility model.

A utility model shall be deemed new if it is not included in the state of the art.

In order to be patentable, a utility model shall involve a minimum inventive step.

82. Applications for utility models may only refer to one object, although they may include two or more parts that operate as a single unit. Different elements or aspects of the object may be claimed in the same application.

83. The following may not be protected under an application for a patent for a utility model:

(a) changes in the shape, dimensions, size or material of an object unless these alter its characteristics or functions;

- (b) the simple replacement of elements by others already recognized as equivalents;
- (c) processes;
- (d) material excluded from patent protection in accordance with this Law.

84. Patents for utility models shall be granted for a term of 10 years as of the date of filing of the relevant application.

The term of protection for utility models may be extended once only for a period of five years.

Requests for extension shall be submitted within 180 days prior to expiry. They may also be submitted within 180 days after expiry, but shall then be liable to a surcharge of 50% (fifty per cent) of the corresponding fees (Article 117 of this Law).

85. Without prejudice to the provisions of this Title, where applicable, the provisions on patents shall apply to utility models.

TITLE IV PATENTS FOR INDUSTRIAL DESIGNS

Chapter I Requirements, Conditions and Scope of Protection

86. Original creations of an ornamental nature which, when incorporated in or applied to an industrial or craft product, give it a special appearance shall be considered patentable industrial designs.

The ornamental nature may be due *inter alia* to the shape, lines, contours, configuration, color and texture, or material.

87. The protection conferred on an industrial design under this Law shall not exclude nor affect the protection that may be granted to the same design under other intellectual property protection regimes.

88. The owners of patents for industrial designs shall have the right to prevent third parties from manufacturing, selling, offering for sale, using, importing or storing for commercial purposes a product bearing a design reproducing their own designs or like designs, incorporating the designs or only presenting minor differences in comparison with their designs, without their consent.

The acts cited in the preceding paragraph may also be prevented if the design reproduced or incorporated is applied to another type or branch of products other than those indicated on the patent.

89. The following may not be the subject of an industrial design patent:

(a) designs which have been the subject of a prior application in Uruguay or have earlier priority provided that they have been published, and designs whose content has been disclosed or made accessible to the public in any place through publication, description, exploitation, marketing, use or any other means, prior to the date of filing or of priority;

(b) designs which do not have an original shape or appearance and only show minor differences in comparison with prior designs;

(c) designs whose shape is basically for the purposes of a technical effect or due to requirements of a technical nature or the function to be performed by the product;

(d) designs which have no special defined shape;

(e) designs which consist solely of changing the color of designs already known;

(f) designs which involve works of art;

(g) designs contrary to public order or morality.

90. Novelty shall not be affected by disclosure of the design within six months preceding the date of filing of the application or of the priority claimed provided that the disclosure is directly or indirectly due to acts carried out by the designer, his successors in title or third parties.

91. Applications for industrial designs shall only refer to one object, although several elements, appearances or variations thereof may be claimed, provided that they have the same predominant distinctive characteristic.

Chapter II Procedures

92. Applications for designs shall meet the requirements set out in Article 22 of this Law, with the following amendments:

(a) the description and the claims may be omitted when this requirement is not appropriate to the nature of the design;

(b) a graphic representation or a photograph of the design shall be attached in order to give a clear, comprehensive and precise idea of the design;

(c) the minimum requirements provided in Article 23 of this Law shall consist of the identification of the application and a graphic representation or photograph of the design.

93. Applications shall be examined in order to verify compliance with the formal requirements defined in the preceding Article.

94. Following completion of the formalities and procedures, applications for patents for designs shall be published in the Industrial Property Bulletin, after 12 months have elapsed from the day following their filing or the day following the date of priority, where applicable.

Applications may be published earlier at the request of the applicant.

95. Comments may be submitted by any interested party or *ex officio* on the grounds of non-compliance with the terms and requirements for the grant of protection within the period prescribed in the regulations, as of the date of publication of the application.

The submission of comments by third parties shall not confer on the person submitting them the status of party to the procedure.

96. If no comments are submitted or if they are rejected and following completion of the formal requirements laid down in this Law, the design patent requested shall be granted and the corresponding title issued.

97. The term of patents for industrial designs shall be 10 years as of the date of filing of the application.

Patented industrial designs may be extended once only for a period of five years. Requests for extension shall be submitted within 180 days prior to expiry or within 180 days after expiry subject to payment of the corresponding surcharges.

98. Without prejudice to the provisions in this Title, the provisions on patents shall apply to industrial designs.

TITLE V ACTIONS AND PENALTIES FOR PATENT INFRINGEMENT

Chapter I Administrative and Civil Proceedings

99. Owners of patents may bring the relevant proceedings against any person who infringes the rights pertaining to the patent and may seek compensation for such acts carried out between the publication of the application and the grant of the patent.

They may also seek compensation for prejudicial acts carried out as of the filing of the application if the infringer has become aware of its content prior to publication, taking into account the date of commencement of exploitation.

Where the right belongs to several owners, each of them may bring the relevant proceedings.

100. Persons who market or distribute infringed products shall only be liable for the injury and prejudice caused, if there are unequivocal and definite indications that they were in a position to know of the infringement.

101. In civil proceedings, if the subject matter of a patent is a process used to obtain a product, the judicial authorities shall be empowered to order the defendant to prove that the process used to obtain a product is not the same as the patented process, provided that the product is new.

102. In cases of infringement, a licensee possessing a registered license may, through any administrative or judicial channels, take the measures and actions required to defend the rights derived from the patent.

103. The judicial authorities shall be empowered to adopt provisional or preventive measures in accordance with Title II of the General Code of Proceedings, either *ex officio* or at the request of a party.

104. Civil proceedings for compensation for damages shall be resolved within four years of the date on which the owner became aware of the infringement.

105. If a patent application has been submitted by a person not entitled, to the prejudice of the true inventor or designer, the latter may request that the patent be transferred to him.

The same shall apply to a co-inventor, co-designer or other co-owner of the patent right for the part belonging to them.

Requests for claims or transfer to the owner shall be resolved within five years from the date of granting the patent or within two years from the date on which it started to be worked in Uruguay, whichever expires first.

Chapter II Criminal Provisions

106. Persons who infringe any of the rights protected by patents for inventions, utility models or industrial designs shall be punishable by a term of six months to three years imprisonment.

In all cases, the infringing objects and the tools essentially used to make them shall be confiscated and shall be disposed of in consultation with the National Industrial Property Directorate.

107. The term shall be 15 months to four years imprisonment if the following aggravating circumstances apply:

- (a) the person concerned was an employee of the owner of the patent or a licensee;
- (b) the person obtained from the former, knowledge of the special methods needed to make the patented object.

TITLE VI REGISTRATION AND PUBLICATION

Chapter I Patent Registers

108. Patent registers shall be public and may be consulted by any interested party in the form laid down in the regulations.

109. Patent applications shall remain secret until they are published.

Applications that are rejected, abandoned or withdrawn before publication shall also remain secret.

Chapter II

Register of Patent Deeds and Contracts

110. The National Industrial Property Directorate shall keep the register of deeds and contracts related to the commercial and industrial working of patents and of acts and contracts which amend, affect or limit the rights derived from patents.

The following registers in particular shall be kept:

(a) contractual licenses, offers of licenses, compulsory licenses and other uses without the consent of the patent's owner, as provided in Chapter V of Title II of this Law, and amendments thereto;

(b) embargoes, bans on innovation and other acts which affect the use or disposal of patent rights;

(c) pledges and other rights which restrict or apply to patent rights.

TITLE VII

TRANSFER OF TECHNOLOGY

111. A register of contracts for the transfer of technology, research and development, franchising and similar contracts which have effect against third parties upon registration shall be established.

TITLE VIII

TAXES AND FEES

112. After a patent has been granted, the corresponding fee shall be paid within 60 days from the date of notification of the decision. Failure to pay the fees shall mean that the applicant has abandoned the application.

Annual fees shall be payable in order to maintain patent rights. The annual fees shall be payable within 60 days prior to expiry each year.

This period may be extended by up to six months from the date of expiry subject to payment of a surcharge of 50% (fifty per cent).

Failure to pay any of the annual fees shall lead to cancellation of the patent.

113. Applications and other acts covered by this Law shall be subject to the fees, prices and duties laid down in Article 117 of this Law.

The regulations may provide for exemptions, discounts or payment facilities in the following cases:

(a) cooperation agreements signed by the National Industrial Property Directorate and other teaching, research and development bodies or institutions;

(b) offers of agreements or licenses to work the patent in Uruguay;

(c) if the inventor has few economic resources.

114. Failure to pay the corresponding fees within the time limits may lead to the acts being deposited in the archives.

115. The Executive may grant a grace period of six months in which to pay the fees to maintain industrial property rights granted subject to payment of the corresponding surcharges.

Provision may also be made for the restoration of patents cancelled for non-payment of fees.

Restoration shall under no circumstances affect the prior rights lawfully acquired by third parties.

116. Income generated through implementation of this Law shall be used to improve the service, without prejudice to the provisions in subparagraphs (a), (b) and (c) of Article 305 of Law No. 16.736 of January 5, 1996, amending Article 290 of Law No. 16.170 of December 28, 1990, and Article 63 of Law No. 16.462 of January 11, 1994.

117. ...¹

TITLE IX GENERAL PROVISIONS

118. The period granted by this Law to interested and third parties, unless otherwise specified, shall be sequential and obligatory, and shall be computed from the working day following the notification of the act.

Publication in the Industrial Property Bulletin shall be deemed sufficient notification of the acts covered by this Law. The cost of publication shall be fixed in the relevant regulations.

119. The regulations shall fix the periods for notification, transfers and other time limits not laid down.

120. Officials responsible for processing applications for rights regulated by this Law shall be obliged to confidentiality regarding the content of the files. Breach of this duty shall be considered a serious fault.

121. Persons with responsibilities in the National Industrial Property Directorate involved in dealing with the rights conferred by this Law may not directly or indirectly act before the Directorate in such procedures, neither on their own behalf nor on behalf of third parties, until two years have elapsed after the end of the relationship.

Failure to respect the above provision shall lead to:

(a) dismissal, if the person concerned is a public official;

(b) cessation of employment, if the person has a contract with the National Industrial Property Directorate;

(c) a fine, if the person acts prior to expiry of the aforementioned two-year period.

The amount of the fine shall be from 10 to 100 UR (ten to one hundred adjustable units of account) according to the seriousness of the fault.

TITLE X ADMINISTRATIVE, TRANSITIONAL AND FINAL PROVISIONS

Chapter I Administrative Provisions

122. The National Industrial Property Directorate is the competent authority for this Law. Unless otherwise specified, it shall be given the powers and authority necessary to adopt decisions and regulations, administer and conduct the procedures required to carry out its functions.

Chapter II Transitional Provisions

123. Patent applications being processed upon the date of entry into force of this Law shall be dealt with according to the previous law.

Patent applications filed after the date of entry into force of this Law shall be governed by its provisions.

124. Patents in effect upon entry into force of this Law shall be governed by the previous law, except in the following cases:

- (a) total or partial withdrawal;
 - (b) licenses or other uses without the owner's consent;
 - (c) payment of fees, fines, surcharges, interest and annual fees for the remaining period;
 - (d) grace period for restoring rights lost due to non-payment of annual fees;
 - (e) registration of acts and contracts relating to patents;
 - (f) administrative or legal proceedings initiated after the date of entry into force of this Law;
 - (g) rights of various owners of a patent and dispute settlement procedures;
 - (h) term of patents, which shall be extended to 20 years as of the date of filing of the application.
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125. Patent protection under this Law shall be given for substances, materials or products obtained by chemical means or processes and substances, materials, food, chemical-pharmaceutical products and medicines of any type, if the first patent application was filed in a member country of the World Trade Organization as from January 1, 1995, and the subject matter has not been marketed in Uruguay or elsewhere and, on the date the patent was granted, no serious and effective preparations for working the subject matter of the patent had been made by third parties in Uruguay, provided that the patent application was filed with the National Industrial Property Directorate as from January 1, 1995.

Chapter III

Special Transitional Provisions as a Developing Country

126. Application of the reversal of the burden of proof provided in Article 101 of this Law shall be postponed until January 1, 2000.

127. Inventions of pharmaceutical and agrochemical products may not be patented until November 1, 2001.

Without prejudice to the foregoing, a patent may be sought for these products in accordance with the provisions and requirements of this Law, but the patent shall not be granted until the date laid down in the previous paragraph.

Where patents for pharmaceutical and agrochemical products claim the priority right provided in Article 4 of the Paris Convention for the Protection of Industrial Property, the first deposit may not under any circumstances be made prior to January 1, 1994.

Chapter IV

Final Provisions

128. This Law shall enter into force 120 days after its publication and upon its entry into force Law No. 10.089 of December 12, 1941, and Decree-Law No. 14.549, of July 29, 1976, shall be repealed.

* *Spanish title:* Ley 17.164 — Regúlanse los derechos y obligaciones relativos a las patentes de invención, los modelos de utilidad y los diseños industriales (1.827*R).

Entry into force: January 18, 2000

Source: *Diario Oficial* No. 25.360 of September 20, 1999, p. 553-A *et seq.*

Note: Translation by the International Bureau of WIPO.

** Added by the International Bureau of WIPO.

¹ Article not reproduced here (*Editor's note.*).