



Law No. 354
on Patents, Utility Models and Industrial Designs*
(of September 19, 2000)

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Chapter I General Provisions

Object of the Law

1. The object of this Law is to introduce legal provisions for the protection of inventions, utility designs and models, industrial designs and business secrets and the prevention of acts constituting unfair competition.

Competent Body

2. The Ministry of Development, Industry and Commerce, acting through the Intellectual Property Registry (IPR), is the body responsible for the implementation of this Law.

Terms Used

3. For the purposes of this Law:

“invention” means the technical solution to a specific problem, consisting of or applicable to a product or a process;

“product” means any substance, composition, material (including biological material), apparatus, machine or other object, or part thereof;

“process” means any method, operation or set of operations, or application or use of a product;

“utility model” means an invention consisting of a shape, configuration or arrangement of the components of any object, or of a part thereof, that gives it a certain technical effect in its manufacture, operation or use;

“industrial design” means the particular aspect of a product that results from the characteristics of its shape, line, configuration, color, material or ornamentation among other things, and which includes all two-dimensional and three-dimensional industrial designs;

“patent” means the exclusive rights granted by the State in an invention, the effects and scope of which shall be determined by this Law;

“business secret” means any confidential information possessed by a natural person or legal entity that meets the conditions specified in this Law;



“Registry” means the Intellectual Property Registry.

Legal Protection

4. Any person, whether natural person or legal entity, regardless of his country of origin, nationality or domicile, shall enjoy the rights and benefits provided for in this Law.

Reciprocity

5. The nationals of any State which, while not party to the Paris Convention for the Protection of Industrial Property or to the Agreement Establishing the World Trade Organization (WTO), grants effective protection to the nationals of the Republic of Nicaragua shall enjoy the benefits of this Law by virtue of reciprocity.

Chapter II **Protection of Inventions and Entitlement to the Patent**

Subject Matter not Constituting an Invention

6. The following among other things shall not constitute inventions:
- (a) mere discoveries;
 - (b) material or energy in the form in which it is found in nature;
 - (c) biological processes as occurring in nature which do not entail human intervention for the production of plants and animals, with the exception of microbiological processes;
 - (d) scientific theories and mathematical methods;
 - (e) purely esthetic creations and literary and artistic works;
 - (f) economic, advertising or business plans, principles, rules or methods, and those relating to purely mental or intellectual activities or the playing of games; computer programs in isolation.

Subject Matter Excluded from Patent Protection

7. Patent protection shall not be granted for:
- (a) the registration of animals;
 - (b) therapeutic, surgical or diagnostic methods applicable to human beings or animals;
 - (c) inventions the commercial exploitation of which has to be prohibited for the upholding of public policy or morality;
 - (d) the protection of human, animal or plant health or life or the preservation of the environment; for these purposes the exclusion of patenting shall not be considered applicable



only on account of exploitation being prohibited, restricted or made subject to conditions by any legal or administrative provision.

Patentability Requirements

8. Inventions that are novel, involve an inventive step and are capable of industrial application shall be patentable.

Novelty

9. An invention shall be considered novel if it is not anticipated by the current state of the art. The current state of the art shall comprise everything that has been disclosed or made accessible to the public in any form, anywhere in the world, prior to the filing date of the patent application in Nicaragua, or prior to the recognized priority date where priority is claimed. For the sole purposes of determining novelty, the current state of the art shall also include the contents of another pending patent application whose filing or priority date, as the case may be, is earlier than that of the application under consideration, but only to the extent that the contents were included in the earlier-dated application when it was published.

Exceptions to the Current State of the Art

10. The current state of the art shall not include anything that has been disclosed in the course of the year preceding the filing date of the patent application, or where applicable in the course of the year prior to the relevant priority date, insofar as such disclosure is the direct or indirect result of acts performed by the inventor himself or his successor in title, or of a breach of contract or unlawful act committed against any of them.

Special Exception

11. The disclosure resulting from publication effected by a competent authority in the course of the procedure for the grant of a patent shall not be covered by the exception under the foregoing Article except where the application has been filed by a person not entitled to the grant of a patent, or where publication was due to an error on the part of that authority.

Inventive Step

12. An invention shall be regarded as involving an inventive step if it is not obvious to a person skilled in the corresponding technical field or could not obviously have been deduced from the current state of the art.

Industrial Applicability

13. An invention shall be considered industrially applicable where its subject matter can be produced or used in any kind of industry or productive activity. For these purposes



industry shall be understood in the broad sense that includes among other things crafts, agriculture, animal husbandry, manufacturing, construction, mining, fishing and services.

Right to the Patent

14. The right to the patent shall belong to the inventor, without prejudice to the provisions of Articles 15 and 16 of this Law. If the invention has been made by two or more persons working together, the right to the patent shall belong to them jointly. The right to the patent may be assigned in the forms recognized by this Law.

Inventions Made Under a Contract

15. Where the invention has been made in the discharge or implementation of a contract to make a work, a service contract or an employment contract the right to the patent shall belong to the person who contracted for the work or service or to the employer, as the case may be, unless otherwise provided in the contract.

Where the invention has an economic value far in excess of what the parties might reasonably have expected on entering into the contract, the inventor shall be entitled to proportional remuneration which shall be determined by the competent judicial authority in the absence of agreement between the parties.

Inventions Made by an Employee Not Contracted to Make Inventions

16. Where an employee who is not obliged by his work contract to engage in inventive activity makes an invention that pertains to his field of work, and does so using data or materials to which he has access by reason of his employment, he shall communicate that fact to his employer in writing, and shall include such information as may be necessary for the understanding of the invention. The employer shall, within a period of two months from the date on which he received the communication from the employee, or became aware of the invention by any other means, inform the employee in writing of his interest in the invention. In that case the right to the patent shall belong to the employer, and in the opposite case it shall belong to the employee.

Where the employer declares his interest in the invention, the employee shall be entitled to equitable remuneration that reflects the estimated economic value of the invention. In the absence of agreement between the parties, the remuneration shall be set by the competent judicial authority.

Naming of the Inventor

17. The inventor shall be entitled to be mentioned in the patent that is granted and in the official documents and publications concerning it, except where he opposes such naming in a written declaration addressed to the Intellectual Property Registry.

Chapter III Patent Grant Procedure

Status of Applicant

18. The applicant for a patent may be a natural person or legal entity. Where the applicant is not the inventor, he must state how he acquired the right to the patent.

Patent Application

19. The application for a patent shall be filed with the Intellectual Property Registry and shall comprise:

- (a) a request for the grant of a patent, with the particulars of the applicant and inventor and the name of the invention;
- (b) a description of the invention;
- (c) one or more claims;
- (d) drawings where appropriate;
- (e) a technical abstract;
- (f) proof of payment of the application fee;
- (g) an address for service;
- (h) the signature of the applicant;
- (i) a power of attorney or document accrediting a representative where applicable;
- (j) where applicable, a record of deposit of biological material, issued by the depository institution.

In the case of applications in which priority is claimed, a mention shall be made of the date, number and office of filing of the application or other protection title applied for or obtained abroad and relating to the same invention as that claimed.

The regulations under this Law shall determine the number of copies of the application that have to be filed.

Filing Date of the Application

20. It shall be understood that the filing date of the application is that of its receipt by the Intellectual Property Registry, provided that it contains at least the following at the time of receipt:

1. an express mention that the grant of a patent is applied for;
2. sufficient information for the applicant to be identified;



3. a description of the invention, submitted in any language.

Should any of the requirements specified in this Article be omitted, the Intellectual Property Registry shall notify the applicant accordingly so that he may remedy the omission within a period of two months counted from the date of the notification. Where the aforesaid right is exercised, it shall be understood that the filing date of the application is the date of receipt of the elements omitted; should the opposite be the case, the application shall be regarded as not having been filed and shall be shelved.

Where the description refers to drawings that have not been filed, the Intellectual Property Registry shall inform the applicant accordingly so that he may submit them within two months counted from the date on which he is so informed. Where the omission is remedied within the specified period, the filing date of the application shall be maintained; should the opposite be the case, the drawings in question shall be regarded as not having been mentioned.

Where the description has been filed in a language other than the official language, the appropriate translation shall be filed within a period of two months counted from the date of notification. If it is filed within that period, the date of receipt of the elements specified in items 1, 2 and 3 of this Article shall be taken as the filing date of the application; should the opposite be the case the application shall be regarded as not having been filed and shall be shelved.

Description

21. The description of an invention shall be clear and complete so that a person skilled in the corresponding technical field may understand it and carry it out. The description shall specify:

1. the technological sector to which the invention refers or relates;
2. the prior art known to the applicant that may be useful for the understanding and examination of the invention, and a reference to earlier documents and publications concerning the same technology;
3. a description of the invention in terms that permit the technical problem and the solution provided by the invention to be understood, with an explanation of the differences and possible advantages in relation to the earlier technology;
4. an explanation of the drawings, if any have been filed;
5. a description of the best method known to the applicant of carrying out the invention, which shall make use of examples and references to the drawings, if any have been filed;
6. a description of the manner in which the invention is industrially applicable, if it is not obvious from the description or nature of the invention.

Description of Biological Material

22. Where the invention relates to a product or process concerning biological material that is not available to the public, and the invention cannot be described in such a way as to be understood and carried out by a person trained in the technical field concerned, the description shall be supported by the deposit of a sample of that material. The deposit of the material shall be made with an institution inside or outside the country that is recognized by the Intellectual Property Registry. The deposit shall take place no later than on the filing date of the application in Nicaragua or on the priority date where applicable.

If the deposit has been made, it shall be mentioned in the description together with the name and address of the depositary institution, and the deposit date and number assigned to it by that institution.

Validity of the Deposit

23. The deposit of biological material shall be valid for the grant of a patent only if it takes place under conditions that enable any interested party to obtain samples of the material not later than on the publication date of the corresponding patent application, without prejudice to any other conditions that may be specified in the regulations under this Law.

Drawings

24. Drawings shall be filed where they are necessary for the invention to be understood or carried out. They shall be treated as an integral part of the description.

Claims

25. The claims shall be clear, precise and supported by the description appearing in the patent application, and they shall define the essential characteristics of the subject matter that the patent is intended to protect.

Technical Abstract

26. The technical abstract shall convey the essential features of the technical problem and of the solution provided by the invention, and also the main use thereof, and it shall include where appropriate the chemical formula or drawing that best characterizes the invention; it shall serve only for the purposes of technical information.

Unity of Invention

27. A patent application may relate to one invention only or to a group of inventions so linked among themselves that they constitute a single inventive concept.



Division of the Application

28. The applicant may at any time in the proceedings divide his application into two or more divisional applications, but none of them may enlarge on the disclosure contained in the initial application.

Every divisional application shall require payment of the prescribed fee and shall benefit from the filing date of the initial application and where applicable the priority date claimed in it.

Amendment or Correction of the Application

29. The applicant may amend or correct his application at any time in the proceedings, but in doing so may not effect any extension of the disclosure contained in the initial application. Any amendment or correction shall give rise to payment of the prescribed fee.

Examination as to Form

30. The Intellectual Property Registry shall examine the application to determine whether it complies with the requirements of Article 19 of this Law and with the corresponding regulatory provisions. Where any deficiency is noted, the applicant shall be notified so that he may make the correction within a period of two months counted from the date of notification, and warned that the application will otherwise be considered abandoned and be shelved *ex officio*. Where the applicant does not make the correction in the period specified, the Intellectual Property Registry shall enforce the warning in the form of a resolution with a statement of reasons.

Publication of the Application

31. The patent application shall be laid open to the public for information on the completion of a period of 18 months counted from the filing date of the said application within the country, or, where a right of priority has been claimed, from the relevant priority date. The Intellectual Property Registry shall order *ex officio* that it be published in the form of a single insertion of a notice in the official journal *La Gaceta*, or in another major newspaper, at the expense of the person concerned.

The applicant may at any time before the expiry of the period specified in the foregoing paragraph ask the Registry to publish the application, which shall be ordered immediately.

Within the 15 working days from the issue of the order to publish, the applicant shall submit proof of payment for publication of the notice to the Intellectual Property Registry, failing which the application shall lapse as of right and the record of the proceedings shall be shelved. The interested party shall within the three months following publication file with the Intellectual Property Registry a copy of the page of the printed journal in which the notice appeared, or a photocopy thereof. Where this is not submitted within the period specified, the application shall lapse as of right and the file shall be shelved *ex officio*.

Where the publication order has been given as provided in the second paragraph of this Article, the period specified for submission of proof of payment shall be counted as from the end of that specified in the first paragraph of this Article.

Contents of the Notice of Application

32. The notice of publication of the application shall contain the following:

- (a) number;
- (b) filing date;
- (c) name and address of the applicant;
- (d) name of the agent, if any;
- (e) country or office, date and number of applications the priority of which has been claimed;
- (f) classification symbol or symbols, if any have been assigned;
- (g) name of the invention;
- (h) technical abstract;
- (i) drawing showing the invention, if there is one.

The regulations under this Law may specify other aspects of the contents of the notice.

Third-Party Comment

33. At any stage in the proceedings, before the final decision on the application, any comments or documents that may be relevant to the decision on whether or not the patent application is acceptable may be submitted to the Intellectual Property Registry.

The Intellectual Property Registry shall inform the applicant of comments received. The applicant may submit such comments or documents of his own that may be relevant to the comments conveyed to him.

The Intellectual Property Registry shall not rule on the application before two months have elapsed from the date on which comments were conveyed to the applicant, except where, before that period expires, the applicant files his comments or documents or asks for processing to continue.

The submission of comments shall not stay the processing of the application. Comments shall not give rise to litigation, and the person who makes them shall not thereby become party to the procedure.

Substantive Examination

34. The applicant shall prove payment of the amount payable for the substantive examination of the patent application within a period of six months counted from the publication date of the notice of application. Where that period expires without the amount having been paid, the application shall be considered abandoned and the file shelved *ex officio*. Where any of the requirements or conditions for the patenting of the invention are not complied with, the Intellectual Property Registry shall notify the applicant so that, within a period of three months, he may complete the documentation, correct, amend or divide the application or make such comments in support of it as he sees fit. Should the opposite be the case, the application shall be rejected in a decision with a statement of reasons.

The examination may be conducted by the Intellectual Property Registry direct or through the agency of independent experts or public or private bodies, either national or foreign, or under regional or international agreements.

Where applicable, the examination shall be conducted on the basis of documents supplied by the applicant relating to novelty or patentability examinations conducted by other intellectual property offices or under the procedure provided for in the Patent Cooperation Treaty (PCT) that relate to the same subject matter as is claimed in the application under examination. The Intellectual Property Registry may recognize the findings of such examinations as being sufficient to prove compliance with the conditions of patentability of the invention.

The examination shall be conducted by the Intellectual Property Registry according to the procedure laid down in the regulations under this Law.

Documents Relating to Foreign Applications

35. For the purposes of the patentability examination, the applicant shall, at the request of the Intellectual Property Registry, provide the following, with the corresponding translation:

(a) a single copy of the foreign application and the results of the novelty and patentability examination conducted in relation to that application;

(b) a single copy of the patent or other title of protection granted by the patent office of the issuing country.

Where necessary for a better decision on a patent application or on the validity of a granted patent, the Intellectual Property Registry may at any time request the applicant or patent owner to submit a copy of any decision or ruling that has rejected, refused, revoked, cancelled or invalidated the foreign application or the patent or other title of protection granted thereon.

Where the applicant who has the required information or document at his disposal does not comply with the request that he submit it within the period specified in the request, which shall be three months from the date thereof, the patent applied for shall be refused. At the



request of the applicant or *ex officio*, the Intellectual Property Registry may suspend the processing of the patent application where any document that should be submitted under this provision is still pending before a foreign authority.

The applicant may submit observations and comments on any information or document supplied pursuant to this Article. Where necessary or where there is reasonable doubt as to the legitimacy of a document, the Intellectual Property Registry may request that it be legalized or authenticated.

Conversion of the Application

36. The applicant for a patent may request that his application be converted into a utility model application, or conversely that the latter be converted into a patent application.

The request for conversion of an application may only be filed once, at any stage in the proceedings, and shall require payment of the prescribed conversion fee. In such a case the filing date of the original application shall be retained.

Grant of the Patent

37. Where the prescribed formalities and requirements have been complied with, the Intellectual Property Registry shall grant the patent in a resolution and shall order:

- (a) the registration of the patent;
- (b) the issue of the certificate of grant, with a copy of the patent document;
- (c) the publication, once only, of the notice of patent grant in the official journal *La Gaceta*, or in another national circulation daily newspaper, which shall specify:
 - (i) the number and date of grant of the patent;
 - (ii) the number and date of the patent application;
 - (iii) the country or office, date and number of the applications the priority of which has been claimed;
 - (iv) the name and address of the owner of the patent;
 - (v) the name of the inventor;
 - (vi) the title of the invention;
 - (vii) the classification of the invention.



Chapter IV Term of the Patent and Amendments Thereto

Term of the Patent

38. The patent shall have a non-renewable term of 20 years, counted from the filing date of the application. For a patent to remain in force, the appropriate annual fees shall be paid in accordance with the procedure laid down in this Law. Failure to pay shall cause the patent to lapse as of right.

Correction of the Patent

39. The owner of a patent may request that any material error or omission affecting the patent or the registration thereof be corrected. The correction shall give rise to payment of the prescribed fee and shall be binding on third parties as from its filing for registration with the Intellectual Property Registry, without any need for publication. Where the error or omission is attributable to the Intellectual Property Registry, the correction may be made *ex officio* without any need for publication.

No correction that has the effect of broadening the disclosure of the original application shall be allowed.

Amendment of the Patent

40. The owner of a patent may request at any time that a change in the name, address or other particulars of the owner be recorded. The change shall be binding on third parties as from its filing for recording with the Intellectual Property Registry, and shall give rise to payment of the prescribed fee. Where the change has been recorded and at the owner's request, a new certificate of grant shall be issued against payment of the prescribed fee.

No change that has the effect of broadening the disclosure of the original application shall be allowed.

Amendment of the Claims

41. The owner of a patent may request at any time that one or more of the claims of the patent be amended to reduce or limit the extent thereof. The request shall be subject to payment of the prescribed fee. No amendment that has the effect of broadening the disclosure of the original application shall be allowed.

When the amendment has been recorded and at the owner's request, a new certificate of grant and the patent document with the amended claims shall be issued.

Division of the Patent

42. The owner of a patent may at any time request that it be divided into two or more fractional patents. The division shall take place on the basis of the corresponding expert finding, and certificates shall be issued for each of the fractional patents resulting from the division. The division shall be published in the official journal *La Gaceta* or in another national circulation daily newspaper as provided in this Law, and shall give rise to payment of the prescribed fee.

Chapter V **Scope and Limitations of the Patent**

Scope of Patent Protection

43. The scope of the protection conferred by the patent shall be determined by the claims. They shall be interpreted in the light of the description and the drawings, if any.

Rights Conferred by the Patent

44. The patent shall confer on its owner the right to prohibit third parties from exploiting the patented invention. To that end the owner of the patent may proceed against any person who engages in any of the following acts without his consent:

- (a) where the patent claims a product:
- (b) producing and manufacturing the product;
- (c) offering for sale, selling or using the product;
- (d) importing it or storing it for any of the aforesaid purposes;
- (e) where the patent claims a process:
- (f) using the process;
- (g) engaging in the act mentioned under subparagraph (a) in relation to a product obtained directly by means of the process.

Scope of Patents for Biotechnology

45. Where a patent protects biological material that possesses certain characteristics that have been claimed, protection shall extend to any biological material derived from the patented material by multiplication or propagation and possessing the same characteristics.

Where the patent protects a process for obtaining biological material that possesses certain characteristics that have been claimed, the protection provided for in the foregoing Article shall extend also to any biological material derived by multiplication or propagation

from the material directly obtained by means of the process and possessing the same characteristics.

Where the patent protects a specific genetic sequence or biological material containing such a sequence, the protection shall extend to any product that incorporates the sequence or material and expresses the relevant genetic information.

Limitation of Patent Rights

46. A patent shall not confer the right to prohibit the following acts:

(a) those conducted in a private circle and for non-commercial purposes, and also those conducted solely for the purposes of experimentation in relation to the subject matter of the patented invention;

(b) those performed exclusively for teaching or scientific or academic research purposes in relation to the subject matter of the patented invention, and those referred to in Article 5^{ter} of the Paris Convention for the Protection of Industrial Property;

(c) where the patent protects biological material capable of being reproduced, the use of that material as a starting point for producing viable new biological material, except where the production of that material requires repeated use of the patented material;

(d) where the patent protects reproductive or vegetative propagating material, reproduction or propagation by a farmer of the product obtained from the protected material, and the marketing of that product for agricultural and livestock use or for human consumption, insofar as the product has been obtained on that farmer's own farm and the reproduction or propagation takes place also on that farm.

Exhaustion of Patent Rights

47. The patent does not confer the right to prohibit a third party from engaging in commercial acts in relation to a product protected by the patent after that product has been brought on to the market in any country by the owner of the patent or by another person who has the owner's consent or is economically connected with him.

For the purposes of the foregoing paragraph, two persons shall be considered economically connected where one of them can exert a direct and decisive influence on the other with respect to the working of the patent, or where a third party can exert such influence on both persons.

Where the patent protects biological material capable of reproduction, the patent shall not extend to material obtained by multiplication or propagation of the material that is brought on to the market as provided in the first paragraph of this Article insofar as the multiplication or propagation is the necessary consequence of the use of the material for the purposes for which it was brought on to the market, and the material resulting from that use is not used for multiplication or propagation purposes.

Rights of the Prior User of the Invention

48. The rights conferred by a patent may not be asserted against a person who in good faith, prior to the filing date or where applicable the priority date of the corresponding patent application, was already manufacturing the product or using the process constituting the invention in the country, or had made genuine and effective preparations for such manufacture or use. That person shall have the right to continue to manufacture the product or use the process as before, or to start the manufacture or use that he had planned. That right may only be assigned or transferred together with the business or establishment in which the manufacture or use was taking place or intended to take place.

The exception provided for in this Article shall not be applicable where the person wishing to avail himself of it obtained knowledge of the invention through an unlawful act.

Transfer of the Patent

49. A patent or patent application may be transferred to a natural person or legal entity in any manner recognized by law.

Any transfer relating to a patent or patent application shall be evidenced in writing. The transfer shall be binding on third parties as from the filing and recording thereof at the Intellectual Property Registry. The request for the recording of a transfer shall give rise to payment of the prescribed fee.

Contractual Licenses

50. The patent owner or applicant may grant a license for the exploitation of the invention, which shall be binding on third parties as from the filing and recording thereof at the Intellectual Property Registry. The request for the recording of a license shall give rise to payment of the prescribed fee.

Unless otherwise provided, the following provisions shall be applicable to patent licenses:

- (a) the license shall cover all acts of exploitation of the invention throughout the term of the patent, throughout the territory of the country and for any application of the invention;
- (b) the licensee may not transfer the license or grant sublicenses;
- (c) the license shall not be exclusive, and the owner of the patent may grant other licenses for the working of the patent within the country, and also work the patent himself;
- (d) where the license has been granted with exclusive rights, the licensor may not grant other licenses for the working of the patent or work the patent himself within the country.

The clauses of a license contract shall be null and void where their purpose or effect is to restrict competition unduly or where they constitute abuse of the patent.

Chapter VI Compulsory Licenses

Compulsory Licenses

51. At the request of an interested party or competent authority, the Intellectual Property Registry may, after having heard the owner of the patent, grant compulsory licenses for reasons of public interest or national emergency, or to control any anti-competitive practice. The Intellectual Property Registry shall order that:

(a) the invention for which a patent has been granted or for which a patent application is pending be used or exploited industrially or commercially by a State body or by one or more persons under public or private law designated for the purpose;

(b) the invention for which a patent has been granted or a patent application is pending remain open for the grant of one or more compulsory licenses, in which case the Registry may grant such a license to whoever may apply for one, subject to established conditions.

Those acts that unduly affect free competition or constitute an abuse of a dominant market position are included among those that are not consistent with the proper exercise of patent rights.

Where the patent protects any kind of semiconductor technology, the compulsory license shall be granted only for non-commercial public use, or to control a practice declared anti competitive in an appropriate procedure.

Request for a Compulsory License

52. A person who requests a compulsory license shall prove that he has already applied to the owner of the patent for a contractual license and has been unable to obtain one with a reasonable term and on reasonable commercial conditions. It shall not be necessary to meet this requirement in the case of a compulsory license for reasons of national emergency, extreme urgency or non-commercial use of the invention by a public body. It shall likewise be unnecessary to meet this requirement where the compulsory license is intended to control an anti-competitive practice. In both cases the owner of the patent shall be informed without delay of the grant of the license.

The request for a compulsory license shall specify the conditions on which the requester wishes to obtain the license.

The owner of the patent shall be notified of the request and shall be party to the proceedings.

Conditions Governing Compulsory Licenses

53. The compulsory license shall be granted mainly to supply the domestic market, and its owner shall receive adequate remuneration according to the circumstances of the case and

the economic value of the license. In the absence of agreement the Intellectual Property Registry shall set the amount of the remuneration and the manner of its payment.

The compulsory license may not be granted with exclusive rights, or be the subject of assignment or sublicensing, and it may only be transferred together with the business or establishment or part thereof that exploits the license.

Compulsory License in the Case of Patent Dependency

54. Where a compulsory license is requested to permit the working of a later patent that cannot be worked without infringing an earlier patent, the following additional conditions shall be observed:

(a) the invention claimed in the later patent must represent a substantial technical advance of considerable economic importance in relation to the invention claimed in the earlier patent;

(b) the compulsory license for working the earlier patent may only be assigned together with the later patent;

(c) the owner of the earlier patent may under the same circumstances obtain a compulsory license on reasonable terms for the exploitation of the invention claimed in the later patent.

Grant of the Compulsory License

55. The resolution granting a compulsory license shall specify:

(a) the scope of the license, including its duration and the acts for which it is granted, which shall be limited to the purposes that gave rise to it;

(b) the amount and manner of payment of the remuneration payable to the owner of the patent;

(c) the conditions necessary for the license to achieve its purpose.

Revocation and Amendment of the Compulsory License

56. A compulsory license may be wholly or partly revoked by the Intellectual Property Registry at the request of any interested party if the licensee fails to comply with the obligations incumbent on him, or if the circumstances that gave rise to the license have ceased to exist and are unlikely to recur. In the latter case the Intellectual Property Registry may make the necessary arrangements for the adequate protection of the legitimate interests of the licensee affected by the revocation.

A compulsory license may be amended by the Intellectual Property Registry at the request of the interested party where new facts or circumstances dictate, especially where the

owner of the patent has granted contractual licenses on terms more favorable than those accorded to the beneficiary of the compulsory license.

Chapter VII Termination of the Patent

Invalidation of the Patent

57. The Intellectual Property Registry shall, at the request of an interested party or competent authority or *ex officio*, declare the absolute invalidity of a patent where:

(a) the subject matter of the patent no longer constitutes an invention within the meaning of Articles 3 and 6 of this Law;

(b) the patent has been granted for an invention to which the prohibition in Article 7 of this Law applies or which does not meet the conditions of patentability provided for in Articles 8, 9, 12 and 13 of this Law;

(c) the patent does not disclose the invention as required by Articles 21 and 22 of this Law;

(d) the claims included in the patent do not meet the requirements specified in Article 24 of this Law;

(e) the disclosure in the granted patent is broader than in the original application.

Relative Invalidity

58. Where a patent is granted to an unentitled person, relative invalidity may be alleged. This invalidation action may only be initiated by the person to whom the right to the patent does belong, and shall be brought before the competent judicial authority; it shall be barred after five years from the date of patent grant, or two years from the date on which the person to whom the right to obtain the patent belongs became aware of the exploitation of the invention in the country, whichever period expires first.

Partial Invalidity

59. Where the invalidity affects only one or some of the claims of the patent or part of it, the invalidity shall be declared only in respect of the affected claim or claims or part. The invalidity may be declared by the ordering of a limitation or specification of the corresponding claim.

Effects of the Declaration of Invalidity

60. The effects of the declaration of absolute invalidity of a patent shall be retroactive to the relevant date of grant, without prejudice to any conditions or exceptions that may be specified in the invalidation decision.

Where a patent on which a license has been granted is declared invalid, the licensor shall not be required to refund payments made by the licensee except where the latter has not availed himself of the license.

Renunciation of the Patent

61. The owner of the patent may renounce one or more of the claims of the patent, or the patent in its entirety, at any time by means of a duly legalized written declaration filed with the Intellectual Property Registry.

The renunciation shall be effective as from the date of its filing, without prejudice to the provisions of the following paragraph.

The declaration of renunciation shall be notified to any person in whose favor any encumbrance or a restriction of ownership of the patent is recorded, and shall only be allowed on presentation of a written statement by the third party consenting thereto.

Chapter VIII Utility Models

Subject Matter Excluded from Utility Model Protection

62. The following may not be the subject matter of a utility model patent:

- (a) processes;
- (b) chemical, metallurgical or any other substances or compositions;
- (c) subject matter excluded from invention patent protection under this Law.

Utility Model Patentability Requirements

63. A utility model shall be patentable when it is industrially applicable and novel. It shall not be considered novel where it does not add any discernible utilitarian characteristic to the state of the art.

Utility Model Unity Requirements

64. An application for a utility model patent may only relate to one object or to a set of two or more parts that constitute a functional unit. Two or more elements or aspects of that object or unit may be claimed in the same application.

Term of the Utility Model Patent

65. A utility model patent shall have a non-renewable term of 10 years, counted from the filing date of the application therefor.

Application of Provisions to Utility Models

66. The provisions relating to patents shall be applicable to utility models where appropriate.

Chapter IX Industrial Design Protection

Compatibility with Other Protection Regimes

67. The protection conferred on an industrial design shall not preclude or affect any protection to which it might be entitled under other legal provisions.

Subject Matter Excluded

68. An industrial design shall be excluded from protection where its aspect is determined entirely by a technical function and does not embody any arbitrary contribution by the designer. A design shall likewise not qualify for protection where it consists of a shape the exact reproduction of which is necessary to allow the product embodying the design to be mechanically assembled or connected to another product of which it constitutes an integral part or component.

Right to Protection

69. The right to the protection and registration of an industrial design belongs to the designer. Where the design has been created under a contract to make a work, a service contract or an employment contract, the right shall belong to the person who contracted for the work or service or to the employer, as the case may be, unless otherwise provided in the contract.

Where the industrial design has been created by two or more persons working together, the right to protection shall belong to them jointly.

The right to the protection and registration of an industrial design may be transferred by *inter vivos* transaction or by succession.

Mention of the Designer

70. The designer shall be mentioned as such in the registration of the corresponding design and in the documents relating to it, except where, in a written statement addressed to the Intellectual Property Registry, he states that he does not wish to be mentioned.

Acquisition of Protection

71. Any person who has the right to the protection of an industrial design shall acquire it as a result of any of the following acts, without distinction:

(a) the first public disclosure of the industrial design, by any means and any place in the world, by the designer or his successor in title or a third party who has obtained the design as a result of any act performed by any of them;

(b) registration of the industrial design.

Requirements for Protection

72. An industrial design shall be protected if it is new. It shall be considered such if it has not been disclosed publicly before any of the following dates, the earliest being applicable:

(a) the date of the first public disclosure of the design by the designer or his successor in title or by a third party who has obtained it by any legal means;

(b) the filing date of the application for registration of the industrial design or, as the case may be, the filing date of the application the priority of which is claimed.

Criteria Determining the Novelty of a Design

73. For the purposes of determining the novelty of an industrial design in respect of which an application for registration has been filed, no account shall be taken of disclosure that occurred within the year preceding the filing date of the application or, as the case may be, within the year preceding the applicable priority date, provided that such disclosure is the direct or indirect result of acts performed by the designer himself or his successor in title, or of a breach of contract or unlawful act committed against any of them.

An industrial design shall not be considered new if it has differences in relation to an earlier design that would be insufficient to give the product an overall impression different from that of the earlier design.

Protection Without Formalities

74. An industrial design conforming to the provisions of Articles 3, 68 and 72 of this Law shall benefit from protection for a period of three years counted from the date of the disclosure mentioned in Article 71 of this Law.

The protection referred to in the foregoing paragraph confers the right to prohibit third parties from copying or reproducing the industrial design. The owner of the rights may proceed against any person who, without his consent, produces, sells, offers for sale or uses, or imports or stores for any of those purposes a product incorporating the copied or reproduced industrial design or to which it has been applied.

The protection of an industrial design under this Article shall be independent of that obtained through registration of the design.

Scope of the Protection Deriving from Registration

75. The registration of an industrial design shall confer on its owner the right to prohibit third parties from exploiting the industrial design. The owner of the registered industrial design may proceed against any person who, without his consent, produces, markets or uses, or imports or stores for any of those purposes, a product incorporating the registered industrial design or the appearance of which gives the same overall impression as the design.

Limitation of Design Protection

76. The protection of an industrial design shall not include those elements or features of the design that are entirely dictated by the performance of a technical function that entails no arbitrary contribution by the designer.

The protection of an industrial design shall likewise not include those elements or features of the design the reproduction of which is necessary for the product incorporating the design to be mechanically assembled or connected to another product of which it constitutes an integral part or component. This limitation shall not be applicable in the case of products in which the design consists of a shape intended to permit the multiple assembly or connection of the products, or their connection within a modular system.

Chapter X

Industrial Design Registration Procedure

Status of the Applicant

77. The applicant for registration of an industrial design may be a natural person or a legal entity. Where the applicant is not the designer, he shall state how he acquired the right to registration.

Application for Multiple Designs

78. The registration of two or more industrial designs may be sought in one and the same application insofar as all relate to products included within one class of the classification.

Application for Registration

79. The application for registration of an industrial design shall be filed with the Intellectual Property Registry and shall include:

(a) a request for the grant of registration with the particulars of the applicant and designer;

(b) a graphic or photographic reproduction of the industrial design, it being possible to submit more than one view (plan, profile, section) of the design where it is three-dimensional;



in the case of two-dimensional designs in textiles, paper or another flat material, the reproduction may be replaced by a sample of the product incorporating the design;

(c) the designation of the products to which the design is to be applied, with the class and subclass to which they belong;

(d) proof of payment of the application fee according to the number of subclasses of goods and the number of designs of each product;

(e) an address for the service of notices;

(f) the signature of the applicant;

(g) the power of attorney or document attesting representation.

The regulations under this Law shall specify the number of copies and the dimensions of the reproductions of the industrial design, and other aspects relating thereto.

Filing Date of the Application

80. The date of receipt by the Intellectual Property Registry shall be considered the filing date of the application, provided that it contains at least the following at the time of receipt:

(a) an express or implicit mention that the registration of an industrial design is applied for ;

(b) sufficient information to identify and communicate with the applicant;

(c) a graphic or photographic reproduction of the industrial design;

(d) in the case of two-dimensional designs in textiles, paper or another flat material, the reproduction may be replaced by a sample of the product incorporating the design.

Where certain elements have been omitted from the application, the Intellectual Property Registry shall notify the applicant so that he may remedy the omission within a period of two months from the date of the notification. If he does remedy the omission within the period specified, the date of receipt of the omitted elements shall be taken as the filing date of the application, failing which the application shall be considered not to have been filed and shall be shelved.

Substantive Examination

81. The Intellectual Property Registry shall examine whether the subject matter of the application constitutes an industrial design according to the definition in the fifth item of Article 3 of this Law, and whether its subject matter is not excluded from protection under Article 68 of this Law.

Publication of the Application

82. The Intellectual Property Registry shall order *ex officio* one publication of the application in the official journal *La Gaceta*, at the expense of the person concerned.

At the request of the applicant, made at any time prior to publication being ordered, the Intellectual Property Registry shall defer publication for the time specified in the request, which may not exceed 12 months from the filing date of the application.

The provisions of Article 31 of this Law shall be applicable where appropriate.

Contents of the Notice

83. The notice of publication of the industrial design application shall contain:

- (a) its number;
- (b) the filing date;
- (c) the name and address of the applicant;
- (d) the name of the representative or agent, if any;
- (e) the country or office, date and number of the applications the priority of which has been claimed;
- (f) a reproduction of each industrial design included in the application, individually numbered;
- (g) the designation of the goods to which each industrial design will be applied;
- (h) the class and subclass of the products concerned.

The regulations under this Law shall specify other aspects of the contents of the notice.

Decision and Registration

84. Where the requirements specified in this Law have been complied with, the Intellectual Property Registry shall register the industrial design and grant the certificate of registration containing the particulars of the design and other information.

Chapter XI Provisions on Industrial Design Registration

Duration of Registration

85. The registration of an industrial design shall have a term of five years from the filing date of the relevant application, which shall be renewable for an equal period if the owner so requests in accordance with the provisions of the following Article.

Renewal of Registration

86. The registration of an industrial design may be renewed for two additional periods of five years on payment of the prescribed fee. The renewal fee shall be paid before the date on which it becomes due; it may also be paid within a period of grace of six months following the due date subject to payment of the prescribed surcharge. The registration shall remain in full force during the period of grace.

The Intellectual Property Registry shall record every renewal.

Invalidity of Registration

87. At the request of an interested party or a competent authority or *ex officio*, the Intellectual Property Registry shall declare the absolute invalidity of the registration of an industrial design in any of the following cases:

(a) the subject matter of registration is not an industrial design within the meaning of this Law;

(b) the registration has been granted for subject matter excluded from protection as an industrial design, as provided in Article 68 of this Law, or which does not meet the protection requirements provided for in Article 72 of this Law.

An industrial design registration shall be liable to relative invalidity if it has been granted to a person not entitled to it. The action may only be brought by the person to whom the right to registration does belong. It shall be brought before the competent judicial authority and shall be barred after five years from the date of the grant of registration, or two years from the date on which the owner of the right became aware of the marketing of the product incorporating the design, whichever period expires first.

Application of Provisions on Inventions

88. The provisions of Articles 28, 29, 30, 33, 39, 40, 42, 46, 47, 49, 50, 60, 61 and 76 of this Law shall be applicable as appropriate to industrial designs.

Chapter XII General Principles Governing Priority Rights and Joint Ownership

Right of Priority

89. The right of priority of a patent application, utility model or industrial design may be claimed 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.

Formalities Concerning Priority

90. The right of priority shall be claimed in a declaration which shall be filed with the Intellectual Property Registry together with the application for a patent or registration, or within four months following the expiry of the applicable priority period. The declaration shall provide the following particulars in respect of each application the priority of which is claimed:

- (a) the name of the country or office with which the priority application was filed;
- (b) the filing date of the priority application;
- (c) the number of the priority application, if known.

For the purposes of the right of priority, a copy of the priority application or a reproduction of each industrial design, as the case may be, certified by the office that received it, including the description, claims and drawings if any and a certificate attesting the filing date thereof, issued by that office, shall be filed with the Intellectual Property Registry together with the application or within the four months following the expiry of the applicable priority period. The documents shall be accompanied by the appropriate translation, they and it being exempted from legalization.

Where the number of the priority application is not known at the time of filing of the declaration of priority, it shall be given as soon as it is known.

Joint Ownership

91. The joint ownership of the titles of protection provided for in this Law or applications therefor shall be governed by the following provisions unless otherwise agreed between the parties:

- (a) any amendment or limitation of or withdrawal from an application shall be made jointly;
- (b) the voluntary renunciation, limitation or cancellation of a title, whether total or partial, shall be made by common consent;
- (c) each joint owner may exploit or use the subject matter of the application or title individually, but he shall equitably compensate the joint owners who are not exploiting or using it and have not licensed such exploitation or use; in the absence of agreement between the parties, compensation shall be fixed by the competent judicial authority;
- (d) the assignment of the application or title shall be made by common consent, but each joint owner may separately assign his share, the others having a preferential right for a period of two months from the date on which the joint owner informed them of his intention to transfer his rights;
- (e) each joint owner may grant a non-exclusive right of exploitation or use of the subject matter of the application or title to third parties, subject to equitable compensation of



the joint owners who are not exploiting or using it or have not licensed its exploitation or use; in the absence of agreement between the parties, the compensation shall be set by the competent judicial authority;

(f) an exclusive license may only be granted by common consent between the joint owners;

(g) any joint owner may inform the others that he is abandoning his share of the rights in their favor, being thereby freed of any obligation towards them as from the notification of the abandonment to the Intellectual Property Registry.

Chapter XIII Procedures

Representation

92. Where an applicant for or owner of rights provided for in this Law has his domicile outside the country, he shall be represented by an agent domiciled in Nicaragua. Such representation shall not be necessary for the following:

- (a) submission of the translation of a document;
- (b) submission of the drawings of an invention;
- (c) making or proving payment of any fee or charge;

(d) requesting the issue of any receipt or record concerning any of the acts referred to in the foregoing subparagraphs.

If the authority to represent a particular applicant, owner or other petitioner has already been attested by a power of attorney held at the Intellectual Property Registry, it shall be sufficient in the administrative proceeding to refer to the file in which the power of attorney is to be found.

Representation by an unofficial manager who meets the requirements to that end may be allowed subject to his providing sufficient guarantees to cover his responsibility for the outcome of any business where the person concerned does not approve what has been done in his name.

Grouping of Requests

93. The amendment or correction of two or more applications or titles may be sought in a single request insofar as it is the same for all of them.

The recording of assignments concerning two or more applications or titles may be sought in a single request insofar as the parties are the same. This provision shall apply by analogy to the recording of licenses.



For the purposes of the provisions of this Article, the requester shall identify each of the applications or titles in which the amendment, correction or entry should be made. The prescribed fees shall be paid according to the number of applications or titles grouped together.

Notification Prior to Refusal

94. Without prejudice to the procedures provided for in this Law, the Intellectual Property Registry may not refuse or reject any application or request without first having notified the applicant or requester of the reasons for the refusal or rejection. In that case the applicant shall have a period of two months from the notification in which to make such statements as he sees fit.

Invalidation or Revocation Procedure

95. Requests for invalidation or revocation of a patent or registration shall be filed with the competent judicial authority and shall be prosecuted in an ordinary legal proceeding.

On the expiry of the periods for rebuttal and proof where the nature of the petition so requires, the court may order such technical opinions as may be required, which shall be given by experts, the provisions of Article 34 of this Law being applicable as appropriate.

Where revocation or invalidation of a patent, industrial design or utility model is ordered, the Intellectual Property Registry shall enter the invalidation or revocation notified in the appropriate record when the ruling handed down by the competent judicial authority is final, certification of the final ruling being sufficient to that end.

Third-Party Intervention

96. In the proceedings for the grant of a compulsory license or the renunciation or invalidation of rights, any person having a register entry in his favor in relation to the rights to which the proceedings relate may appear in person, as may any person proving a legitimate interest in the said proceedings.

Withdrawal

97. The applicant may withdraw his application at any stage in the processing thereof. Withdrawal shall halt proceedings and cancel the filing date. Any person entitled to the patent or registration may thereafter file another application.

Withdrawal shall not confer any right to repayment of any fees paid.



Appeals

98. The appeals provided for in the relevant legislation may be brought against rulings handed down by the Intellectual Property Registry. Only a liability appeal may be brought against mere procedural rulings.

Extension of Time Limits

99. The applicant or the owner of rights who gives good reason may request the Intellectual Property Registry to accord an extension of prescribed time limits, which must be done before the expiry of the time limit concerned or within the two months thereafter against payment of the prescribed fee.

Where extension is requested after the expiry of the time limit, its grant shall not affect third-party rights acquired in the period that elapsed between the expiry of the time limit and the grant of the extension.

Chapter XIV Registration, Publicity and Classification

Registration and Publication of Decisions

100. The Intellectual Property Registry shall register and publish in the official journal *La Gaceta* or in another national circulation newspaper, on payment of the prescribed fee, decisions and final rulings on the grant of compulsory licenses or the invalidation or renunciation of patents and registrations.

Publicity of Registration

101. Registrations of invention and utility model patents and industrial designs shall be public, and may be consulted on the premises of the Intellectual Property Registry. Any person may obtain copies of register entries on payment of the prescribed fee.

Publicity of Files and Inventions

102. Any person may consult, on the premises of the Intellectual Property Registry, the file on an application that has been published, even after the processing has been completed, and also obtain copies of the documents contained in the file of a published application, against payment of the prescribed fee. It shall also be possible to obtain, by observing the appropriate procedure, samples of biological material that has been deposited in support of the description of the invention.

The file of a pending application may not be consulted by third parties before the application is published, except where the written consent of the applicant has been obtained. This restriction applies also to applications that have been withdrawn or abandoned prior to publication.



The file of a pending application may be consulted before publication by a person who proves that the applicant has warned him, invoking the application, to discontinue any industrial or commercial activity.

Classification of Patents

103. The International Patent Classification established by the Strasbourg Agreement of March 24, 1971, as revised and updated, shall be used for classifying the documents relating to invention and utility models patents by technical subject.

Industrial Design Classification

104. The International Classification for Industrial Designs established by the Locarno Agreement of October 8, 1968, as revised and updated, shall be used for classifying industrial designs.

Chapter XV **Main Actions for Infringement of Rights**

Infringement Action

105. The owner of a patent or registration granted under this Law may bring action before the competent judicial authority against any person who engages in any act that constitutes an infringement of his rights.

In the case of joint ownership, any of the joint owners may, unless otherwise agreed, bring an action for patent infringement without the consent of the others being necessary, unless otherwise agreed.

The action shall be notified to all persons who have any register entries in their favor in relation to the title to which the proceedings relate. Those persons may intervene personally in the action at any time.

Measures in Infringement Action

106. The ruling that the competent judicial authority hands down in an infringement action may order one or more of the following measures:

- (a) the cessation of the infringing acts;
- (b) indemnification for damages and prejudice;
- (c) the removal from commercial channels of the goods resulting from the infringement and of the materials and means mainly used to commit the infringement;
- (d) the prohibition of the import or export of the goods, materials or means referred to in the foregoing subparagraph;

(e) the award of ownership of the goods, materials or means referred to in subparagraph (c), in which case the value of the property shall be included in the amount of the indemnification for damages and prejudice;

(f) the measures necessary to prevent the continuation or repetition of the infringement, including destruction of the goods, materials or means referred to in subparagraph (c);

(g) publication of the condemnatory sentence and communication thereof to the persons concerned, at the expense of the infringer.

Without prejudice to the other measures applicable, the person who has marketed goods infringing a protected right shall bear no liability for damages and prejudice except where he has manufactured or produced them or marketed them in full knowledge of their infringing character.

The court shall order the infringer to supply any information in his possession on persons who have been engaged in the production or marketing of the infringing goods or processes and concerning the distribution channels for those goods.

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

Calculation of Compensation

107. Compensation for damages and prejudice shall be calculated according to the following criteria in particular:

(a) the loss of income suffered by the owner of rights as a result of the infringement;

(b) the amount of profits earned by the infringer as a result of the infringing acts;

(c) the price that the infringer would have paid for a contractual license, due regard being had to the commercial value of the rights infringed and to the contractual licenses that the owner of the rights has already granted.

Capacity of Licensees to Bring Action

108. In the absence of any provision to the contrary in the license contract, an exclusive licensee whose license is registered may proceed against third parties who commit an infringement of the rights licensed to him. Where the licensee has no authority to act from the owner of the rights, he shall prove that he has requested the owner to bring action and the latter has allowed more than a month to elapse without doing so. Even before that period expires, the licensee may request the taking of precautionary measures; the owner of the infringed rights may intervene in person in the action at any time.



Presumption of Use of the Patented Process

109. Where the subject matter of a patent is a process for the making of a new product and the product has been made by a third party, it shall be presumed, in the absence of proof to the contrary, that the product has been made using the patented process.

In the submission of any proof to the contrary, due regard shall be had to the legitimate interests of the defendant regarding the protection of his business secrets.

Lapse of Infringement Actions

110. Infringement actions shall be barred two years after the owner had knowledge of the infringement, or five years after the infringement was last committed. The period which expires first will apply.

Protection Derived from Publication

111. The owner of a patent shall be entitled to bring a court action for unjustified enrichment from unauthorized use of the invention or utility model during the period between the publication date of the application concerned and the date of grant of the patent. The compensation shall be allowed only in respect of the subject matter covered by the patent granted, and shall be calculated according to the actual exploitation by the defendant during the said period.

This action may be brought before the patent is granted, but no ruling shall be handed down until the grant of the patent is final.

Claim of Rights

112. Where a patent or registration has been applied for or obtained by a person who does not have the right to it, or to the detriment of another person who does have the right to it, the person affected may claim it before the competent judicial authority, requesting that the pending application or the rights granted be transferred to him, or that he be recognized as the joint applicant for or joint owner of the rights. Compensation for damages and prejudice may be sought in the same action.

The action claiming rights shall be barred five years after the date of grant of the patent or registration. The action shall not be barred if the person who has obtained the patent or registration applied for it in bad faith.

Chapter XVI Precautionary Measures

Adoption of Precautionary Measures

113. A person who institutes or intends to institute proceedings for the infringement of rights protected under this Law may apply to the competent judicial authority, which shall order immediate precautionary measures with a view to preventing the commission of the infringement, avoiding the consequences thereof, securing or protecting evidencing or ensuring the effectiveness of the action or the compensation for damages and prejudice, all in conformity with the relevant legislation.

The precautionary measures may be applied for before infringement proceedings are instituted, in conjunction with them or after they have been instituted.

The following precautionary measures may be ordered among others:

- (a) immediate cessation of the infringing act;
- (b) seizure or sequestration of the goods resulting from the infringement and of the materials and means mainly used to commit the infringement;
- (c) suspension of the import or export of the goods, materials or means referred to in the foregoing subparagraph;
- (d) provision of a bond or other security considered sufficient by the competent judicial authority;
- (e) disclosure of documents.

Guarantees and Conditions in the Case of Precautionary Measures

114. A precautionary measure shall only be ordered when the person requesting it proves his capacity to act and the existence of the infringed right. The court shall require the person requesting it to provide sufficient guarantees in accordance with the Code of Civil Procedure.

Any person requesting a precautionary measure in relation to specific merchandise shall provide the necessary information and a sufficiently precise description of the merchandise to which the measure relates for it to be identified.

Measures Without the Intervention of One of the Parties

115. Where a precautionary measure has been implemented without the intervention of the other party, the party concerned shall be informed without delay immediately after the implementation of the measure. That party may appeal to the court concerning it. The court may rescind, modify or confirm the precautionary measure.



Duration of the Precautionary Measure

116. Any precautionary measure shall be void as of right if the main infringement action is not initiated within 15 working days following the implementation thereof.

Chapter XVII
Border Measures

Competence of Customs Authorities

117. Precautionary or other measures that have to be applied at the border shall be implemented by the competent authorities, on prior instructions issued by the court hearing the case, at the time of the import or export of the infringing goods and the material or means mainly used to commit the infringement.

Suspension of Import or Export

118. The owner of rights protected under this Law or his authorized licensee who has well-founded reasons to suspect that imports or exports of goods infringing those rights are passing through the national customs may request that the customs authorities be ordered to suspend import or export at the time of the processing thereof. The conditions and guarantees applicable to precautionary measures shall be applicable to that request and to the order issued by the court.

Any person requesting that border measures be instituted shall provide the customs authorities with the necessary information and a sufficiently precise description of the merchandise for it to be readily recognized.

Where suspension has been decreed, the customs authorities shall immediately inform accordingly the importer or exporter of the merchandise and the party requesting the measure.

Duration of Suspension

119. Once 10 working days have elapsed following the notification of the measure of suspension to the party who requested it without the latter having informed the customs authorities that he has initiated the main infringement action or that the court has ordered precautionary measures to prolong the suspension, the customs authorities shall lift the suspension and clear the detained merchandise.

When the main infringement action has been initiated, the party affected may appeal to the judge that he reconsider the suspension ordered. The court may rescind, modify or confirm the suspension.

Right of Inspection and Information

120. In order to justify extending the suspension of the merchandise detained by the customs authorities, or in support of an infringement action, the court shall allow the owner of the rights to inspect the merchandise in question. The importer or exporter of the merchandise shall have the same right. On allowing inspection, the court shall make the necessary arrangements for any confidential information to be protected, where appropriate.

Where the existence of an infringement has been proved, the name and address of the sender, the importer or exporter and the recipient of the merchandise and the quantity of merchandise affected by the suspension shall be communicated to the plaintiff.

Chapter XVIII **Unfair Competition**

General Principles

121. Any act shall be considered unfair that is contrary to honest usage and practice in industrial or commercial transactions within the context of national and international free market operations.

For there to be an act of unfair competition, it shall not be necessary for the person performing it to have the status of trader or professional, or for there to be a competitive relationship between the party performing the act and the party against whom it is performed.

The provisions of this Chapter may be applied in conjunction with the other provisions that protect intellectual property.

*Unfair Competition Involving Business Secrets Concerning
Subject Matter to which this Law Relates*

122. A business secret shall be considered such insofar as:

1. it is not, as a whole or in the exact configuration and combination of its components, either generally known or readily accessible to persons in the circles that normally handle the information concerned;
2. it has been the subject of reasonable action taken by its legitimate possessor with a view to keeping it secret.

Unfair Acts Concerning Business Secrets

123. The following shall be considered acts of unfair competition:

- (a) exploiting without the authority of its legitimate holder a business secret to which access has been had subject to a commitment to secrecy arising out of contractual or employment relations;

(b) communicating or disclosing a business secret as referred to in subparagraph (a) without the authority of its holder, for one's own or a third party's advantage or in order to prejudice the said holder;

(c) acquiring a business secret by means that are unlawful or contrary to proper business practice;

(d) exploiting, communicating or disclosing a business secret that has been acquired by the means referred to in subparagraph (c);

(e) exploiting a business secret that has been obtained from another person in the knowledge, or where it should have been known, that the person who communicated it acquired the secret by the means referred to in subparagraph (c) or that he did not have the authority of its legitimate holder to do so;

(f) communicating or disclosing a business secret obtained as provided in subparagraph (e) for one's own or a third party's advantage or in order to prejudice the legitimate holder of the business secret.

Unfair Means of Access to a Business Secret

124. A business secret shall be considered acquired by means contrary to proper usage and practice where the acquisition is the result among other things of breach of a contract or other obligation, abuse of trust, disloyalty or failure to abide by a duty of loyalty, including the performance of any such act at the instigation of others.

Information for Authorization of Sale

125. Where the submission of data or secrets is required for a competent national authority to authorize the marketing or sale of a pharmaceutical or agrochemical product that contains a new chemical compound, those data or secrets shall be protected against unfair commercial use in dealings with third parties and against disclosure.

Nevertheless, disclosure may be effected by the competent national authority where necessary to protect the public or where adequate measures have been adopted to ensure that the data or information remain protected against unfair commercial use.

Action Against Acts of Unfair Competition

126. Any concerned person may apply to the court for the verification and confirmation of the fairness or unfairness of any act performed in the course of a trading activity.

Any person prejudiced by an act of unfair competition within the meaning of this Chapter may bring an action before the competent court to cause the act to cease or to prevent it from taking place, and to secure compensation for damages and prejudice.

The provisions of Article 106 of this Law and also the relevant provisions of ordinary legislation against unlawful acts shall be applicable, where appropriate, to proceedings against acts of unfair competition.

Lapse of Unfair Competition Actions

127. Unfair competition actions shall be barred two years after the prejudiced person had knowledge of the act of unfair competition, or five years from the last time that the act was committed, whichever period expires first.

Chapter XIX Fees and Other Payments

Intellectual Property Fees

128. ...*

Information Services

129. The Intellectual Property Registry shall provide such intellectual property information and documentation services as may be required against payment of an amount corresponding to the cost of the service.

Annual Fees

130. Annual fees shall be paid to keep a patent or patent application in force. Two or more annual fees may be paid in advance.

The annual fee shall be paid prior to the start of the corresponding annual period, which shall be calculated with the filing date of the patent application as the reference date. The first annual fee shall be paid before the start of the third year counted from the filing date of the patent application.

An annual fee may likewise be paid within a period of grace of six months counted from the start of the corresponding annual period, with the prescribed surcharge being paid at the same time. The patent or patent application shall remain in full force throughout the period of grace.

Failure to pay any of the annual fees as provided in this Law shall cause the patent application to lapse as of right.

Chapter XX Criminal Sanctions for Infringement

131. Any person shall be punished with imprisonment for a term of two to four years and a fine equivalent to 5,000 Central American pesos who:



(a) presents as a patented product or a product protected by a utility model or industrial design registration one that is not;

(b) without being the owner of a patent, utility model or industrial design, or without yet enjoying such privileges, invokes the title in dealings with third parties as if he did possess those privileges.

132. Any person shall be punished with imprisonment for a term of four to six years and a fine equivalent to 8,000 Central American pesos who:

(a) willfully falsifies on a commercial scale;

(b) discloses to a third party a business secret to which he is privy on account of his work, his commission, the conduct of his profession or of business dealings or by virtue of the grant of a license, without the consent of the person who keeps the business secret;

(c) appropriates a business secret without entitlement and without the consent of the person who keeps it or the authorized user thereof, in order to use it or disclose it to a third party with a view to securing an economic advantage for himself or for the third party, or with a view to prejudicing the person who keeps the business secret or the authorized user thereof;

(d) uses the information contained in an industrial secret to which he is privy on account of his work, his commission, the conduct of his profession or business dealings without the consent of the person who keeps it or the authorized user thereof, or in one that has been revealed to him by a third party, in the knowledge that the latter does not have the consent of the person who holds the business secret or the authorized user thereof for the purpose, with a view to securing an economic advantage or prejudicing the person who keeps the business secret or the authorized user thereof;

(e) manufactures goods that are patented or protected by utility model or industrial design registrations, or who uses patented processes without the consent of the owner thereof, or who acts without any license or authorization;

(f) imports, distributes or markets goods covered by a patent or protected by utility model or industrial design registrations in the knowledge that they have been manufactured or produced without the consent of the owner thereof or without any license or authorization.

Chapter XXI **Transitional and Administrative Provisions**

Pending Patent Applications

133. Patent applications that are pending before the Intellectual Property Registry on the date of the entry into force of this Law shall continue to be processed under the previous legislation except as provided in the following paragraph, but the patents that are granted shall be subject to the provisions of this Law.



The provisions of Articles 6, 7, 8, 21, 22, 23, 24, 25, 27, 28, 29, 31, 33, 36 and 99 of this Law shall be applicable to the applications referred to in the foregoing paragraph. The period for proving to the Intellectual Property Registry that the deposit under Article 22 of this Law has been made shall be two months counted from the date specified in the foregoing paragraph.

Where a pending patent application discloses subject matter that is patentable under this Law but is not covered in the claims, the applicant may amend those claims or introduce additional claims with a view to protecting that subject matter. For those purposes the provisions of Article 29 of this Law shall be applicable.

Pending Industrial Design Applications

134. Applications for the registration of industrial designs that are pending before the Intellectual Property Registry on the date of the entry into force of this Law shall continue to be processed under the previous legislation, but the registrations that are granted shall be subject to the provisions of this Law.

Patents in Force

135. Patents that are in force on the date of the entry into force of this Law shall be governed by the provisions of the applicable earlier legislation, with the exception of anything concerning the aspects covered by the Articles mentioned below and the corresponding regulatory provisions, which shall be applicable immediately:

(a) Article 38 of this Law where the term of the patent is shorter than the one specified in that Article, to which end the owner shall request the Intellectual Property Registry to extend the said term prior to the expiry of the patent;

(b) Article 130 of this Law, to which end the scale of annual fees shall apply as from the year following that of the entry into force of this Law for the country concerned, starting with the lowest fee provided for in the said scale;

(c) the provisions of Chapters XV, XVI and XVII of this Law where the actions, proceedings and appeals concerned are started after the date of entry into force of this Law;

(d) Articles 39 to 61 of this Law;

(e) Articles 92 to 101 of this Law.

Industrial Design Registrations in Force

136. Industrial design registrations that are in force on the date of entry into force of this Law shall be governed by the provisions of the applicable earlier legislation, with the exception of anything concerning aspects covered by the Articles mentioned below and the corresponding regulatory provisions, which shall be applicable immediately:

(a) Articles 67, 75 and 76 of this Law;



(b) Articles 85 and 86 of this Law, provided that the total term of the registration, including extensions, may not exceed 15 years counted from the filing date of the relevant application for registration;

(c) Article 88 insofar as it refers to Articles that are applicable immediately under Article 133 of this Law.

Actions Initiated Earlier

137. Actions that were initiated before the entry into force of this Law shall continue to be processed until they are finally settled in accordance with the provisions under which they were initiated. However, where an action alleges an exclusion from patentability that is not provided for in this Law, that exclusion shall not be applicable.

Chapter XXII Administrative Provisions

Beneficiaries of Fees

138. The Executive, acting through the Ministry of Finance and Public Credit, shall include an item in the relevant initiative on the Annual Budget Law for the amount of the fees referred to in this Law in order to cover the remuneration of the staff and officials of the Intellectual Property Registry and the improvement of their equipment and installations.

Regulations

139. This Law shall be regulated in accordance with the provisions of item 12 of Article 150 of the Constitution of Nicaragua.

Entry into Force

140. This Law shall enter into force 60 days after its publication in the official journal *La Gaceta*, at which time it shall abrogate the Patent Law of October 14, 1899, the Reform of the Patent Law of March 20, 1925, Decree No. 1302 of August 19, 1983, and any other legislation contrary to it.

* *Spanish title:* Ley de patentes de invención, modelo de utilidad y diseños industriales.

Entry into force: November 24, 2000.

Source: Communication from the Nicaraguan authorities.

Note: Translation by the International Bureau of WIPO.

** Added by the International Bureau of WIPO.



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