

PATENT LAW OF MONGOLIA

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Chapter One General Provisions

Article 1. Purpose of the law

The purpose of this law shall be to regulate the matters relating to the protection of the rights of authors of inventions, industrial designs and innovations and of patent owners, and to regulate the matters relating to the use of inventions, industrial designs and innovations.

Article 2. Legislation on patents

1. The legislation on patents is comprised of the Constitution, the Civil Code, this law and other relevant legislative acts of Mongolia.
2. If an international treaty, to which Mongolia is a party, stipulates otherwise than the patent legislation of Mongolia, then the provisions of the international treaty shall prevail.

Article 3. Definitions in this law

1. “Invention” means an absolutely new solution that relates to a product or a manufacturing process that has been created for the first time and the essence of which has been discovered based on a law of nature.
2. “Industrial design” means an absolutely new original solution that relates to the form and design of a product, which can be produced by an industrial method.
3. “Innovation” means a new useful solution that can be used in manufacturing and relates to a product, manufacturing process or means, or principal parts or organisation thereof.
(This subparagraph was re-edited by Law of May 21, 1999)
4. “Patent” means a document issued by the competent state authority which certifies the recognition of the given solution as an invention or industrial design, and grants the author an exclusive right to own the invention or industrial design for a certain period of time.
5. “Innovation certificate” means a document issued by the competent state authority which registers the innovation in the state register and grants the author an exclusive right to own it for a certain period of time. (This subparagraph was re-edited by Law of May 21, 1999)
6. “License” means permission allowing the others to exploit a patented invention or industrial design.
7. “Filing date” means the date on which an application for an invention or industrial design is filed and registered by the Intellectual Property Office, or the date on which an application for an innovation is filed and registered by a particular entity.
(Amendments were introduced by Law of May 21, 1999)

8. “Priority date” means the date on which an application for the same invention or industrial design was filed and registered in any other member state of the Paris Convention for the Protection of Industrial Property prior to the date on which an application is filed under this law. (Amendments were introduced by Law of May 21, 1999)

9. “Patent Owner” means an author who has obtained a patent for an invention or an industrial design, or an innovation certificate, and exclusive rights thereof according to procedures and grounds specified by law, or a person who has obtained such rights from the author. 10. “International Treaties of Mongolia” means the Paris Convention (1883) for the

Protection of Industrial Property and additions and amendments thereto, Hague Agreement (1960) Concerning the International Deposit of Industrial Designs, Patent Cooperation Treaty (1970) and WTO Agreement (1994) on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

11. “International Applications Specifying Mongolia Issued in Conformity with the Patent Cooperation Treaty” means applications for inventions and innovations with the priority date of the Convention issued in conformity with the Patent Cooperation Treaty. (Subparagraphs 9, 10 and 11 in this article were added by Law of May 21, 1999)

Article 4. Criteria and eligibility for patents

1. A patent shall be granted to authors of an absolutely new product or manufacturing process (invention), which involves an inventive step and is industrially applicable, or to individuals or legal entities to whom the author has assigned his/her right.

2. An invention shall be regarded as involving an inventive step if it has advantageous properties that are obvious to a person skilled in the relevant field. An expert appointed by the Intellectual Property Office shall determine the existence of an inventive step.

(Amendments were introduced in this paragraph by Law of December 19, 1996)

3. An invention shall be considered industrially applicable if it can be made by industrial methods or used in industry.

4. A product or manufacturing process shall be considered absolutely new if it is proved that it has advantages compared to the current technical level.

5. The following shall not be considered as inventions:

1) discoveries, scientific theories and mathematical methods;

2) computer programs and algorithms;

3) schemes, rules or methods for doing business, performing mental acts or playing games;

4) solutions that are contrary to social order, ethics, environment and human health;

5) methods of treatment and diagnosis of human and animal diseases; (This

subparagraph was added by Law of December 19, 1996)

6) biological methods for obtaining plant varieties and animal breeds other than microorganisms. These do not include non-biological and microbiological activities. (This subparagraph was added by Law of December 19, 1996 and re-edited by Law of May 21, 1999)

6. A patent shall be granted to authors of an absolutely new, original solution (industrial design) relating to the form or design of an industrially applicable product that has not been disclosed anywhere in the world by publication or made known in any

manner in this country prior to filing an application, or to individuals or legal entities to whom the author has assigned his/her right.

Article 5. Intellectual Property Office

1. The Intellectual Property Office, an executive agency of the Government, shall be responsible for dealing with matters concerning inventions, industrial designs and innovations within the scope of functions of the Minister of Justice, and will carry out the following functions:

- 1) receive and review applications for inventions and industrial designs and make decisions on them;
- 2) grant patents and innovation certificates;
- 3) maintain a state register of inventions, industrial designs and innovations, trademarks, and license contracts;
- 4) compile a unified information database of inventions, industrial designs, innovations and trademarks;
- 5) publish information on inventions, industrial designs, innovations, and trademarks;

6) provide references for settling disputes on patents;

7) determine the design of patents and innovation certificates;

8) notify appropriate organizations if legal entities or individuals are considered to have violated the Patent Law;

9) invalidate a patent according to procedures and grounds specified by law;

10) protect and represent the rights of an author or patent owner;

11) initiate measures for the enforcement of the Patent Law within the authority conferred upon it;

12) receive claims and appeals concerning patents and make decisions on them;

13) select and issue permission to an individual or legal entity that intends to practice as a patent attorney;

14) determine the value of an invention, industrial design or innovation at the author's request;

15) employ a state inspector in charge of intellectual property, exercise state control on the fulfillment of the intellectual property legislation. (This subparagraph was added by Law of May 21, 1999)

2. The Intellectual Property Office shall be financed by income from activities.
(Paragraphs

1 and 2 of this article were re-edited by Law of December 29, 1996)

3. The Government shall approve the charter of the Intellectual Property Office.
(Amendments

were introduced in this paragraph by Law of December 29, 1996)

4. State central and local administrative bodies shall conduct work in the field of inventions, industrial designs and innovations as part of their technology policies.

CHAPTER TWO

Filing and Examining Applications for Inventions, Industrial Designs and for Innovations

Article 6. Filing applications for inventions and industrial designs

1. An application for an invention or industrial design shall be filed with the Intellectual Property Office by the author of the invention or industrial design, or by the individual or legal entity to whom the author has assigned his/her right. (Amendments were introduced in this paragraph by Law of December 29, 1996)

2. A separate application shall be filed for each invention. One application may be filed for a group of inventions or industrial designs, which have one purpose and will be used in a combined way. (Amendments were introduced in this paragraph by Law of May 21, 1999)

3. The application for an invention shall consist of a request, a description of the invention, a formulation and a brief explanatory note. If required, appropriate drawings and certificates can be attached to the application.

The description of the invention must contain a package of information that explains in a sufficient and fully understandable manner the method for use of an invention and its advantages to professional users in the sector, to which the solution applies, and specifies the properties of the solution to attain the objectives of the invention that are distinctly different from the previous technical level.

The formulation of the invention must be understandable, brief and clear and must specify the distinctly different properties of this invention and establish the right's scope of protection. One invention may have one or several formulations. The description and drawings must explain in details the formulation's contents.

The brief explanatory note shall provide only technical information and shall not be used for determining right's scope of protection for the invention. (Amendments were introduced in this paragraph by Law of May 21, 1999)

4. The application for an industrial design shall consist of a request, a description and a drawing of the industrial design. If required, it shall also contain relevant materials concerning the drawing and the description.

The application for an industrial design must be submitted by the applicant to the Intellectual Property Office. (Additions to this paragraph were made by Law of May 21, 1999)

5. The application shall state names and addresses of the author of the invention or industrial design, the applicant and their patent attorneys, the filing date of the application, request for a patent and name of the invention or industrial design. If the applicant is not the author of the invention or industrial design, he/she must attach to the application a document evidencing his/her right to obtain a patent for the invention or industrial design.

If the invention or industrial design is related to food supply and hygiene of people, a certificate issued by the organisation responsible for epidemiology and hygiene must be attached certifying that the invention or design will not harm the human body or health. (Additions to this paragraph were made by Law of December 29, 1996)

6. In the request, the applicant may claim priority over earlier national, regional or international applications.

A copy of the application requesting a priority date filed in a member state of the Paris Convention and the World Trade Organisation must be attached at the request of the Intellectual Property Office. (Amendments were introduced in this paragraph by Law of May 21, 1999)

7. An applicant may be represented by a patent attorney. A patent attorney must be registered with the Intellectual Property Office. The Intellectual Property Office shall establish regulations on the activities of patent attorneys. A patent attorney must be a citizen of Mongolia over the age of 25 years who has worked in the field of intellectual property for at least three years, with higher education and no previous criminal record. The Ministers of Justice and Finance shall jointly determine the amount of remuneration for a patent attorney. Ten percent of the patent attorney's income shall be retained by the Intellectual Property Office. (This paragraph was re-edited by Law of December 19, 1996)

8. An application shall be executed in the Mongolian language. If it is executed in a language other than Mongolian, the applicant shall furnish a Mongolian translation of the application within two months from the date of receipt of the application by the Intellectual Property Office. If a translation has not been submitted within the prescribed time, the application shall not be considered as submitted. (Amendments were introduced by Law of December 19, 1996)

9. One application may contain up to 50 similar industrial designs that fall under one international category.

10. An applicant may withdraw the application during the period prior to the issuance of a final decision concerning the application. (Paragraphs 9 and 10 were added by Law of May 21, 1999)

Article 61

. Filing an international application in conformity with the Patent Cooperation Treaty 1. The filing date of international applications for inventions or innovations filed with the name of Mongolia shall be determined by this law, or the date of international registration according to the Patent Cooperation Treaty.

2. The Intellectual Property Office or the World Intellectual Property Organisation shall be the receiving organizations for international applications filed by Mongolian citizens or foreign citizens and stateless persons residing in Mongolia.

3. The receiving organisation shall receive an international application in the language specified in the treaty and shall charge a fee.

4. If the applicant specifies Mongolia in his/her application to obtain an invention patent or an innovation certificate, the Intellectual Property Office shall be the specified organisation.

5. If the applicant chooses Mongolia in his/her application to perform a preliminary international certifying examination, the Intellectual Property Office shall be the selected organisation.

6. The selected organisation shall receive the report of a preliminary certifying examination of the application within the period specified in the treaty.

7. In case of an international application selecting Mongolia, the applicant must pay the fee prior to the beginning of examination activities under the Patent Cooperation Treaty.

8. The Intellectual Property Office shall perform all the activities to be done on international applications according to appropriate treaty, rules and guidelines. (This article was added by Law of May 21, 1999)

Article 7. Filing applications for innovations

1. An application for an innovation shall be filed by the author or by the person who has obtained the right from the author and shall be submitted to the Intellectual

Property Office. The formulation of an innovation must determine the distinctive properties of this solution and establish the right's scope of protection.

2. If the application does not satisfy the requirements specified in paragraph 1 of this article, or the applicant is not a lawful author or beneficiary of the innovation, the innovation shall not be registered. (This article was re-edited by Law of May 21, 1999)

Article 8. Determining the filing date of an application for an invention or industrial design

1. The Intellectual Property Office shall verify the completeness of the application within 20 days of the date of receipt of the application and shall record the date of receipt of the application as the filing date if the application satisfies the requirements.

2. If the Intellectual Property Office finds that the application does not satisfy the requirements, it shall notify the applicant of the necessity to make the required corrections and amendments.

3. If the applicant files the required corrections and amendments within 3 months from the date of receipt of the notification referred to in paragraph 2 of this article, the Intellectual Property Office shall record as the filing date the initial date of receipt of the application.

If no correction or amendment is made within 3 months, the application shall be considered as rejected. (Amendments were introduced to this article by Law of December 19, 1996)

Article 9. Determining the filing date of an application for an innovation

The Intellectual Property Office shall record as filing date the date of receipt of a complete application for an innovation. (This article was re-edited by law of May 21, 1999)

Article 10. Examination of applications for inventions and industrial designs

1. After recording the filing date, the Intellectual Property Office shall examine whether the invention or industrial design satisfies the criteria specified in article 4 of this law. 2. The applicant shall supply to the Intellectual Property Office at its request information on any application for a patent or other form of entitlement to protection, which has been filed by the applicant in any other country and which relates to the same, or essentially the same, invention as the one to which the application filed with the Intellectual Property Office relates.

3. During the examination procedure, the applicant may introduce corrections or amendments in the application, provided that the correction or amendment shall not go beyond the scope of the initial description. The examination procedure may be postponed at the applicant's request. The duration of any postponement shall be consistent with the time limits provided for in paragraph 5 of this article.

4. During the examination procedure, the applicant may divide the application into two or more applications, provided that each separated application shall not go beyond the scope of the initial description. In this case, the filing date or the priority date of the separated application shall be determined by the initial application.

Prior to the issuance of a final decision, an application for an invention can be converted into an application for obtaining an innovation certificate and vice versa. In this case,

the date of the initial application shall remain as the filing date. (Additions to this paragraph were introduced by Law of May 21, 1999)

5. The Intellectual Property Office shall make a decision as to whether or not to grant a patent within 9 months from the filing date of the application based on the examination report. If required, the Intellectual Property Office may extend this period for up to 12 months.

6. If it is decided to grant the patent, the formulation of the invention or the drawing of the industrial design and the particulars concerned shall be published in the Patent Gazette.

7. If the invention or industrial design has not been recognised, a copy of the examination report shall be sent to the applicant within 30 days from the date of issuing the examination report, and the application shall be kept in the patent library.

8. If the industrial design, for which an application is filed, is not distinctly different from the previously known designs or from their distinctive properties, such design shall not be considered as a new and original design. (Additions and amendments to this paragraph were introduced by Law of December 19, 1996 and May 21, 1999)

Article 11. Examination of applications for innovations

1. An expert shall examine whether the innovation is new within 1 (one) month from the date of receipt of the application, and issue a conclusion.

2. An innovation certificate shall not be issued in the following cases:

1) the given solution has become publicly known in Mongolia prior to registering the innovation;

2) the given solution has been introduced and used in Mongolia, prior to registering the innovation; or

3) has been published in the national and foreign press. (This article was re-edited by Law of May 21, 1999)

Chapter Three

Grant of Patents and Innovation Certificates

Article 12. Grant of patents for inventions and industrial designs

1. If, after the expiry of three months from the date of the publication in the Patent Gazette of the formulation of an invention or the drawing of an industrial design together with the particulars concerned, the Intellectual Property Office has received no notice of opposition and no dispute has arisen, it shall grant the patent. The request for a patent should be submitted within 10 years of the filing date of the application. The patent for an invention can be extended for a period of 20 years at the request of its owner.] (Amendments to this paragraph were introduced by Law of December 19, 1996 and May 21, 1999)

2. If a notice of opposition is received or a dispute arises, the grant of the patent shall be deferred until the opposition or dispute is settled in accordance with the established procedure.

3. Patented inventions and industrial designs shall be registered in the state register and applications shall be kept in the patent library.

Article 13. Grant of innovation certificates

The Intellectual Property Office shall grant a certificate within 1 (one) month from the date of receiving an experts' conclusion to recognise the innovation. (This article was re-edited by Law of May 21, 1999)

Article 14. Validity of patents and innovation certificates Patents for inventions and industrial designs shall be valid for terms of 20 and 10 years, respectively, and innovation certificates shall be valid for a term of 7 years, and each such term shall run from the date on which the patent or certificate is granted. (Amendments to this article were introduced by Law of December 19, 1996 and May 21, 1999)

Chapter Four

Rights of Authors of Inventions, Industrial Designs, Innovations and Patent Owners

Article 15. Rights of authors of inventions or industrial designs

1. The author of an invention or industrial design shall be entitled to:
 - 1) own his/her invention or industrial design;
 - 2) assign his/her right to a patent to others;
 - 3) name his/her invention or industrial design;
 - 4) take part in the drafting of technical documentation, testing and implementation of his/her invention or industrial design during the production process, and exercise author's control;
 - 5) receive an appropriate fee from the profits earned as a result of using his/her invention or industrial design. (This subparagraph was added by Law of December 19, 1996)
2. The right to a patent for an invention or industrial design, which was created jointly, shall belong to all the authors. A joint author may not assign his/her rights to a patent to others without the consent of the other authors.
3. If two or more persons independently create the same invention or industrial design, the right to a patent shall belong to the author who first submits an application to the Intellectual Property Office. However, if a priority date is filed, the author who first submits an application with a priority date shall have the right to a patent. (Amendments to this paragraph were introduced by Law of December 19, 1996)
4. (This paragraph was annulled by Law of December 19, 1996)

Article 16. Rights of authors of innovations

1. Authors of innovations shall be entitled to:
 - 1) own, possess and use his/her innovation;
 - 2) Allow others to use his/her innovation with a charge.
2. In the event several persons jointly hold the innovation certificate, they shall jointly enjoy the ownership right. (This article was re-edited by Law of May 21, 1999)

Article 17. Rights of patent owners

1. Patent owners shall have the exclusive right to exploit their invention or industrial design.
2. Patented inventions or industrial designs shall be exploited only with the permission of the patent owner.

3. Patent owners shall have the right to assign to others their right to a patent.

Chapter Five

Exploitation of Inventions, Industrial Designs and Innovations

Article 18. Exploitation of patented inventions and industrial designs

1. Making a product using an invention or industrial design, selling, using as well as storing or importing an invention or industrial design for such purposes shall be recognised as exploitation of the invention or industrial design.
2. The use of patented inventions or industrial designs in the following ways shall not constitute an infringement of the exclusive rights of the patent owners:
 - 1) use of articles that have been put on the market in this country by the patent owner or by another person with the patent owner's consent;
 - 2) use for scientific research or experimental purposes in Mongolia;
 - 3) use of an invention or industrial design in the transportation means belonging to another country, which have temporarily or accidentally entered the airspace or territory of Mongolia.
3. If another person was using the given invention or industrial design, or has provided in advance all the conditions for use prior to the filing date of the application, he/she may exploit it without the consent of the patent owner. The amount and scope of using the invention or industrial design may not be extended.
4. The Intellectual Property Office shall establish the State Reserve Fund of Inventions to ensure the effective use of patented inventions and industrial designs. Based on the contract signed with the patent owner, the Intellectual Property Office shall hold the patent rights for all inventions, which form part of that fund.] (This paragraph was added by Law of December 19, 1996 and amended by Law of May 21, 1999)

Article 19. License contracts

1. Any interested person may exploit a patented invention or industrial design by concluding a license contract with the patent owner.
2. The license contract shall specify:
 - 1) the method, scope and term of exploitation of the invention or industrial design;
 - 2) rights and responsibilities of the parties to the contract;
 - 3) the amount of payment for the exploitation of the invention or industrial design and the payment terms.
3. A license contract shall be registered with the Intellectual Property Office. (Amendments to this paragraph were introduced by Law of December 19, 1996)
4. (This paragraph was annulled by Law of May 21, 1999)
5. (This paragraph was annulled by Law of May 21, 1999)
6. The license contract must not contradict the third party interests. The parties to the contract shall keep the contents of the license contract confidential. (This paragraph was re-edited by Law of May 21, 1999)
7. The owner of a patent may submit a request to the Intellectual Property Office to issue to any interested party a license to use his/her invention freely. (This paragraph was added by Law of December 19, 1996)
8. The license contract can not be concluded on conditions restricting fair competition. (This paragraph was added by Law of May 21, 1999)

Article 20. Compulsory licenses

1. In accordance with the request of an interested person, a compulsory license in respect of a patented invention can be granted by the decision of the Intellectual Property Office in the following cases:

1) the invention must be used in the public interests such as national security, food supply or health of the population;

2) the invention has not been used at all for a period of four years from the filing date of the patent application or three years from the date of granting the patent (whichever period expires last) and the patent owner fails to prove to the Intellectual Property Office that there have not been circumstances for the use of the invention in Mongolia;

3) the patent owner considers that the way of using the patented invention under the license contract bears the features of unfair competition. (This subparagraph was reedited by Law of May 21 1999).

2. If the patent owner disagrees with the decision of the Intellectual Property Office to grant a compulsory license, he/she may appeal to the court.

3. In the event of signing a contract on compulsory use of the license, the party obtaining the license shall pay the patent owner the payment for the use of a patented invention

(This paragraph was added by Law of May 21, 1999)

Article 21. Exploitation of innovations

1. The holder of an innovation certificate shall sign a contract while allowing the others to use this innovation.

2. The contract must specify the terms and conditions of use, scope, duration, payment and procedures for making the payment. (This article was re-edited by Law of May 21, 1999)

Article 22. Obligations of business entities or organisations and patent owners exploiting an invention, industrial design or innovation

1. A business entity or organisation exploiting an invention, industrial design or innovation shall report the profit earned during the exploitation on its financial statements and shall keep the confidentiality of the production.

2. If the owner of the patent for an invention or industrial design, or the holder of an innovation certificate changes, a written notification thereof must be sent to the Intellectual Property Office. Such a change must not affect the third party interests.

(This paragraph was reedited by Law of May 21, 1999)

Article 23. Inventions and industrial designs regarded as a state secret

Relations arising in connection with inventions and industrial designs regarded as a state secret shall be regulated by an appropriate law.

Article 24. Patent and license fees

1. Fees shall be paid for filing an application for an invention, industrial design or innovation, maintaining the validity of the patent and registering the license contract. The fees shall be collected by the Intellectual Property Office. (Additions to this paragraph were introduced by Law of May 21, 1999)

2. The amount of the fee shall be established by law.

Article 25. Deadline for payment of the fee

1. The fee for maintaining the validity of the patent shall be paid at fixed intervals.
2. The fee for maintaining the validity of the patent for the first three years shall be paid within six months of the date of the decision to grant the patent. The fee for the subsequent period shall be paid six months prior to the commencement of this period.
3. If the patent owner fails to pay the fee for maintaining the validity of the patent by the deadline specified in paragraph 2 of this article, he/she may pay the fee within six months from the expiry of this period. In this case, a surcharge of the same amount as the fee for that period shall also be paid.
4. A person interested in maintaining the validity of the patent may pay the patent fee with the consent of the patent owner. (This paragraph was added by Law of December 19, 1996)

Article 26. Invalidation of patents

1. An interested person may submit to the court an application to invalidate a patent.
2. If the patent is granted in violation of articles 4, 6, 8, 10 and 12 of this law, the court shall invalidate the patent. In this case, the Intellectual Property Office shall record the corresponding changes in the state register of inventions and industrial designs, and shall publish a notice of invalidation in the Patent Gazette. (Amendments to this paragraph were introduced by Law of December 19, 1996)
3. In the event of refusal to own the patent or pay the patent fee, or non-payment of the fee by the deadline specified in paragraph 3 of article 25 of this law, the Intellectual Property Office shall invalidate the patent. In such a case, the right to any patent in respect of an invention or industrial design that must be under state control shall be transferred to an appropriate state administrative authority.
4. If the patent was invalidated due to non-payment of the patent fee, this patent may be restored at the request of the patent owner within the total period of the patent's validity.
(This paragraph was added by Law of December 19, 1996)

Chapter Six

Miscellaneous Provisions

Article 27. Settlement of disputes and complaints

The Intellectual Property Office shall review within six months a complaint filed in connection with the examination of an application for an invention or industrial design, and shall give a reply in writing. If the disputing party disagrees with this decision, it may appeal to the court within 30 days from the receipt of the decision. (This article was re-edited by Law of December 19, 1996)

Article 28. Liability for violation of the patent legislation and rights of authors and patent owners

1. If the violation of the patent legislation does not result in criminal liability, an state inspector shall fine an individual for up to 5,000 togrogs and a business entity or organisation – for up to 50,000 togrogs and a judge shall fine an individual for up to 50,000 togrogs and a business entity or organisation – for up to 250,000 togrogs, or detain an individual or official at fault for up to 7-14 days, and confiscate illegally earned profits in favour of the state, destroy the goods and stop the production. (This paragraph was re-edited by Law of May 21, 1999)
2. A person who infringes the rights of authors and patent owners shall be liable to sanctions under the laws of Mongolia.
3. The procedure for payment of the compensation for material losses caused by infringement of the patent owner's rights shall be determined in accordance with the Civil Code of Mongolia.

Article 29. Entry into force of the law

1. This law shall come into effect on September 1, 1993.
2. This law shall not apply retrospectively.

<p><u>Source:</u> World Intellectual Property Organization http://www.wipo.int</p>
