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BUREAUX INTERNATIONAUX  
RÉUNIS POUR LA PROTECTION  
DE LA PROPRIÉTÉ INTELLECTUELLE  
GENÈVE, SUISSE

# BIRPI

UNITED INTERNATIONAL  
BUREAUX FOR THE PROTECTION  
OF INTELLECTUAL PROPERTY  
GENEVA, SWITZERLAND

## UNION DE PARIS: COMITÉ EXÉCUTIF, CINQUIÈME SESSION PARIS UNION: EXECUTIVE COMMITTEE, FIFTH SESSION

(Genève, 22-26 septembre 1969)

(Geneva, September 22 to 26, 1969)

### PLAN FOR A "WORLD PATENT INDEX"

#### Report by the Director of BIRPI

1. In its 1968 session, the Executive Committee unanimously decided to set up an "Ad Hoc Subcommittee on Contracting for the World Patent Index" and delegated to it the task of examining and approving any contract between BIRPI and any private enterprise with which BIRPI would enter into contractual relationship for the establishment and operation of a service tentatively called "World Patent Index" (see document CEP/IV/18, paragraph 43).
2. BIRPI having negotiated a draft contract with Leasco Systems and Research Corporation (a private enterprise, hereinafter referred to as "LEASCO"), the Ad Hoc Subcommittee was convened and met at Geneva on June 17, 1969.
3. The Ad Hoc Subcommittee had before it the draft contract (document PJ/71) and a report by the Director of BIRPI (document PJ/72). A copy of the latter--which summarizes the main provisions of the draft contract--is attached to the present document. The full text of the draft contract is available to the Government of any member State of the Paris Union on request.
4. The June 17, 1969, meeting of the Ad Hoc Subcommittee was attended by representatives of all its members--Germany (Federal Republic), Soviet Union, Switzerland, United States of America--and, as observers, by representatives of France and the United Kingdom. The draft report of the meeting of

the Ad Hoc Subcommittee is, at the present time, in the hands of its members, to whom it was submitted for their suggestions for changes, if any. The time limit for such changes expires at the end of August 1969, whereafter the report will be available to the Government of any member State of the Paris Union on request.

5. In view of the shortness of the time the Ad Hoc Subcommittee had at its disposal, and the possibility of a competing offer having been mentioned in the meeting, the Ad Hoc Subcommittee decided to delay its decision and to meet again on September 16, 1969.

6. The results of that meeting will be reported on in a supplement to the present document.

7. The Executive Committee  
is invited to take note of the  
above report.

Annex: document PJ/72



Ad Hoc Subcommittee on Contracting for  
the World Patent Index

(established by the Executive Committee  
of the International (Paris) Union  
for the Protection of Industrial Property)

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DRAFT CONTRACT BETWEEN BIRPI AND LEASCO  
SYSTEMS AND RESEARCH CORPORATION (LEASCO)  
FOR THE ESTABLISHMENT AND OPERATION OF THE  
WORLD PATENT INDEX SERVICE

Report of the Director of BIRPI

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History of the Negotiations

2. Discussions with private firms (including LEASCO) concerning the establishment of a World Patent Index Service started in 1967. They were interrupted by BIRPI in December 1967 as the Conference of Representatives of the Paris Union wanted to explore once more the possibilities of establishing the Service through cooperation among Governments only. When it became evident that without association with a private firm ready to make the necessary investment the Service could not be established, the discussions were resumed (see CCIU/VI/3, paras. 30 to 33; CEP/IV/13; CEP/IV/18, paras. 42 to 45).

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\* This Annex is a reproduction of BIRPI document PJ/72, dated June 4, 1969 (original: English).



3. At a meeting in October 1968, LEASCO's representatives indicated that they were in principle willing to enter into an agreement with BIRPI for the establishment and operation of a World Patent Index Service in accordance with the principles set out in document CR/II/11 (which had been approved by the above-mentioned decision of the Conference of Representatives), and that LEASCO would elect to include in the proposed service from the outset the sale of copies of patents and applications published or accessible to the public, which had been envisaged in the said document as an optional extension available to the contractor.

4. Detailed and protracted negotiations were conducted on the basis of a draft Contract at meetings held in Geneva, in Washington and elsewhere and by correspondence. The final form of the draft was approved on May 29, 1969, for submission to the Governments composing the Ad Hoc Subcommittee on Contracting for the World Patent Index.

5. In the opinion of the Director of BIRPI, this draft (document PJ/71) represents the considered, final position of LEASCO for approval or rejection by the Ad Hoc Subcommittee, no further modifications of substance being possible.

6. It is expected by LEASCO that some of its obligations will be performed in cooperation with Derwent Publications Ltd., a United Kingdom company. BIRPI has indicated that it does not object to such cooperation, which would in no way diminish LEASCO's responsibilities towards BIRPI.

#### LEASCO

7. Leasco Systems and Research Corporation is a wholly-owned subsidiary of Leasco Data Processing Equipment Corporation, a United States corporation with subsidiaries in seven European countries. The computer interests of the LEASCO group (which operates also in the fields of finance and insurance) include contracts with the National Aeronautical and Space Administration and the Securities and Exchange Commission of the United States. The parent corporation is a public corporation whose shares are quoted on the major stock exchanges.

8. The information contained in paragraph 7 above has been provided by LEASCO. Documents containing annual reports and accounts, together with independent references, have been requested and will be available to the Ad Hoc Subcommittee.



Summary of the Draft Contract

9. The World Patent Index Service will be established and operated jointly by BIRPI and LEASCO. LEASCO may collaborate with Derwent Publications Ltd. The Service will consist of the preparation, production and dissemination of Reports and Copies. The Reports will include: (a) "Individual Reports," identifying patents and patent applications published or accessible to the public which are members of the same "family," which are classified in a given sub-group of the International Patent Classification, or which indicate a given inventor, applicant or patentee; (b) "Current Awareness Reports," identifying new patents or patent applications in the same way; (c) "Weekly Reports," consisting of a weekly summary of all "families" created or added to during the previous week. LEASCO will furnish the Reports and Copies at the same price to anyone requesting them, except that a substantial price reduction shall be granted to participating national offices for Reports and Copies intended for their internal use.

10. All advertisement for the Service shall require the approval of BIRPI.

11. The tasks of BIRPI will be to collect all patents and patent applications published or accessible to the public and all official Gazettes (the "Materials") from each country of the Paris Union, and to use its best efforts to collect all such materials from non-member countries. For the purposes of the Copy Service, BIRPI must arrange for any copyright consents which may be required. A "Standing Committee for the World Patent Index Service" consisting of representatives of the major Patent Offices shall be established by BIRPI to advise on effective cooperation between BIRPI and the national offices and on the prices to be charged for the Service. The final decision on such prices will be taken by LEASCO.

12. The chief task of LEASCO will be to provide all the operations required for establishing and operating the World Patent Index Service, and to furnish the Reports and Copies to the customers. For the first two years after commencement of operations by LEASCO, the necessary equipment and staff may be located elsewhere than in Geneva; thereafter the equipment (including computer equipment) necessary for extracting data from the Materials, processing the data and establishing the Reports must be located in Geneva, together with some at least of the equipment required for the transfer of the data to machine readable form and the staff required to operate the equipment and to service, at least for European customers, the subscriptions to the Service. "Geneva" is defined so as to include the area within a ten-mile radius from the city.



13. If, as is expected, LEASCO enters into an agreement of cooperation with Derwent Publications Ltd., then LEASCO will be responsible for providing a classification according to the International Patent Classification when such a classification is not contained in the Materials; this responsibility will fall upon BIRPI and would be written into the Contract if no such agreement is reached.

#### Financing and Royalties

14. All costs of the World Patent Index Service will be borne by LEASCO, including all expenses incurred by BIRPI in performing its obligations. Income will belong to LEASCO, which will pay BIRPI a royalty on sales on a scale rising from 1% on sales up to \$500,000 in any year to 10% on sales exceeding \$7,000,000. An annual budget will be prepared by BIRPI for approval by LEASCO. The budget will include specific sums in respect of the travel expenses, subsistence allowances and fees of the Standing Committee.

15. New Uses of the Materials may be introduced jointly at the suggestion of either party, and will be subject to royalty payments on the same scale, applied separately to all income from New Uses taken together.

16. BIRPI and LEASCO will undertake not to engage directly or indirectly in competing activities. BIRPI will be free to provide copies to national offices, subject to adjustment of the royalty payments, and to fulfil any duties required by the proposed Patent Cooperation Treaty.

17. The term of the contract is stated to be 20 years, but it may be terminated on six months' notice by LEASCO after one year and by BIRPI after four years. It may also be terminated by either party upon substantial violation by the other.

18. Among the list of agreed instances of substantial violation is failure by LEASCO to approve budget items relating to the collection of published patents and patent applications, except in respect of documents to be obtained by LEASCO otherwise than from BIRPI (e.g., from Derwent Publications Ltd.).

19. The consequences of termination will include a five-year bar upon operating the Service or an established New Use by the party which is in default or which has given notice of termination. BIRPI will have the right to buy, for a sum fixed upon an increasing scale, a copy of LEASCO's existing computer files and programs, if termination is caused by LEASCO's default or notice.



20. Provision is made for the settlement of disputes relating to termination by recourse to arbitration. Each party recognizes the right of the other to relief, including relief by way of injunction, to enforce the provisions relating to competing activities and to the consequences of termination. The Contract is to be governed by the laws of Switzerland.

Potential Benefits of the Draft Contract

21. Benefits to national offices: The World Patent Index Service proposed in the draft Contract will provide prompt, up-to-date and reliable Reports which will assist in very substantially reducing the size of search files by identifying duplicate patents and patent applications. The Copy Service will ease problems of document storage and of mechanical sorting by providing copies in microform on punched cards. The Reports and the Copies will be of obvious value in many areas of work of ICIREPAT, and in the work of International Searching and Preliminary Examining Authorities appointed under the proposed Patent Cooperation Treaty (PCT).

22. In addition, the practical development of the International Patent Classification system will be assisted by prompt and automatic comparison of classifications given to the same invention by the national offices of different countries.

23. Benefits to the general public: The Reports Service will assist patent practitioners in the assessment of the patent situation in relation to a given invention in a given country, and will provide prompt information on the status of the applications and patents of their own clients or their competitors; the Service will assist scientific researchers and documentalists by enabling them to establish, and maintain up-to-date, the "state of the art" in any given branch of technology, as far as it is reflected by patent documents. In addition, Copies will be provided efficiently, quickly, cheaply, and conveniently (on paper or in microform).

24. Benefits to BIRPI: The establishment of the World Patent Index Service will constitute a major improvement in BIRPI's services to the governmental and private sectors of the patent community, while providing BIRPI itself with technical experience which will be of value in its work in the fields of ICIREPAT and PCT.



25. This experience will also be important in the assessment and establishment of potential New Uses of the Materials collected for the Service (e.g., deep indexing, visual scanning) and in the application of similar techniques to other fields of work, such as trademark searches.

26. In addition, BIRPI will receive substantial royalty payments without financial investment or risk.

Contribution of the National Offices Required by the Draft Contract

27. The direct contribution of national offices to the World Patent Index Service will consist of the prompt provision of copies of patents and patent applications, published or accessible to the public, and of the national Gazettes, free of charge and free of restrictions upon their use in the World Patent Index Service.

28. In November 1968, an enquiry was addressed to all member countries of the Paris Union, asking whether such copies could be so provided; the large majority of replies received to date (which include replies from 18 of the 25 countries which issued more than 2,000 patents in 1967) were favorable. Among the minority, Luxembourg suggested that copies already supplied to the International Patent Institute should be used; the United Kingdom (where patents are the subject of Crown copyright) indicated that a decision upon authorizing the reproduction of the copies would be delayed, and the United States is exploring the possibility of surmounting formal obstacles in its national law in respect of the furnishing of copies. It will not be possible for BIRPI to enter into the proposed Contract until these difficulties are resolved.

29. The inclusion of sales of copies in the Service may possibly compete with existing sales by national offices. Any analysis of the extent of this indirect competition by a given national office should, it is suggested, take into account what proportion of sales is now ordered from other countries and is therefore likely to be affected by the introduction of the new international service.

30. No contribution in respect of finance or guarantees will be required from national offices.

/End of Annex to CEP/V/8/