



March 2, 2009

By email : francis.gurry@wipo.int

**Mr Francis Gurry, Director General
World Intellectual Property
Organization
34, Chemin des Colombettes
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Confédération Helvétique**

Re. **FICPI's comments on document SCP/12/3 dated April 15, 2008**

Dear Francis,

In the name of FICPI, I am pleased to submit herewith for your consideration FICPI's comments on the above SCP document that were ratified by our Executive Committee at its meeting in Florence in October last year.

Please accept our apologies for the somewhat belated submission, owing to a misunderstanding at our end.

A copy of this document is also being sent to Ms. Joelle Rogé and to Mr. Philippe Baechtold.

Yours sincerely,

Julian Crump
Secretary General

Enc.

c.c. Ms. J. Rogé : Joelle.Roge@wipo.int

c.c. Mr. Philippe Baechtold : philippe.baechtold@wipo.int



FICPI's comments on document SCP/12/3 dated April 15, 2008

FICPI congratulates the WIPO Secretariat on the preparation of document SCP/12/3, which, as widely recognized, covers a broad range of issues relating to the patent system and constitutes a good basis for future discussions in the SCP.

Considering the four issues for which agreement was reached to carry out preliminary studies for the next SCP meeting, namely:

- (1) Dissemination of patent information (*inter alia* the issue of a database on search and examination reports);
- (2) Exceptions from patentable subject matter and limitations of rights, *inter alia* research exemption and compulsory licenses;
- (3) Patents and standards;
- (4) Attorney client privilege;

FICPI, as the International Federation of Intellectual Property Attorneys, broadly representing the free profession throughout the world, and having members in more than 80 countries, supports this proposal, with particular emphasis on attorney-client privilege, and on the desire to conclude an international agreement on this matter.

However, FICPI again reminds of its continued support for the discussion of substantive patent law harmonization in WIPO, based on the belief that the outcome of such process will be of benefit to all stakeholders, including applicants, patent offices and the public at large, in view of the fact that harmonization aims at creating uniform rules in the international level, leading to greater overall predictability and therefore to less uncertainty.

FICPI also offers the comments below as to particular topics in document SCP/12/3:

1) On-line information on status of patents

Referring to paragraphs 4 and 88¹, FICPI supports the improvement of existing on-line databases in the sense that information on the status of a patent application or patent be readily and easily available to anyone, including the situation concerning renewal fees. FICPI stresses however, that due to the risk always existing that information available for consultation on-line is not correctly updated, that third parties are warned concerning the appropriateness of inquiring directly to the relevant Patent Office or to a qualified Patent Attorney whether indeed the information is accurate and properly updated, if this information will be used as a basis for legal action and/or for taking

¹ 4. The technical information derived from patent information serves various functions and user groups. It is widely used in business in formulating a firm's R&D activities, analyzing technology and competitors' trends and facilitating licensing and technology transactions. Further, patent information can be used by policy makers as an industrial policy tool, such as monitoring national technology performance, and as an input into R&D policy. In recent years, patent information is increasingly available via the Internet, free of charge. The expansion of industrial activities around the world results in increasing number of patent documents published in non-European languages. **Although technical information derived from patent information is widely available on the Internet, information concerning the legal status of granted patents is more difficult to obtain through an on-line service.**

88. Patent offices, policymakers and international bodies should encourage the availability of more reliable and timely information from patent offices. Today, it is difficult to easily access information concerning the legal status of patents granted all over the world (for example, on the Internet), which creates uncertainty and hinders efficient decision-making by companies and by policymakers. Such legal status information includes, for example, information as to whether a patent is still in-force, abandoned or expired, any correction made to a patent and any change in ownership of a patent.



commercial decisions, such as to start using a product which is the object of a patent that is stated to no longer be in force, or to seek to obtain a license with respect to a patent that is indicated as being still in force.

2) Other important development related elements

FICPI agrees with statements contained in paragraphs 12 and 254 (twice)². The Development Agenda seems to overemphasize the possible detrimental impact of the IP system on the ability of

² 12. It is generally recognized that the patent system should be viewed in the context of national economic and development policies and strategies in order to truly empower the patent system as a tool for technological development and economic growth. **While the patent law provides the legal framework, a number of other features need to be in place, including human resource development, education and effective and efficient administration, and judicial systems.** As a specialized professional, patent attorneys (patent agents) provide an important service for the “checks and balances” of the national patent system. Their qualification and functions, however, are different from one country to another. In particular, differences with respect to the recognition of a professional privilege with respect to the communications between a patent attorney and his clients cause concerns at the international level.

254. The patent system does not exist in a vacuum. In order to truly empower the patent system as a tool for technological development and economic growth, it has to be viewed in a broader context, together with national economic and development policies and strategies. A number of countries have thus formulated national intellectual property policies which are integrated in their scientific, cultural, trade, economic and educational policies. The intellectual property policies support coherent and effective implementation of intellectual property strategies nation-wide with a view to optimizing the benefits derived from intellectual property rights.

254. While the patent law provides the legal framework for the patent system, a number of other features support the patent system so that it works in the way it is intended to work. To name but a few, human resource development, education, effective and efficient IP office administration, awareness of the potential impact of the patent system by researchers in the private and public sectors, universities, civil societies and the public, and effective and efficient enforcement of rights by judiciaries and customs.

governments to promote development as compared to other equally important elements. Although the IP system is indeed an essential element in any process to promote innovation, the full potential of this system will not be obtained if the overall environment is not appropriate, including but not limited to those related to the economy, education, infrastructure, and legal system in general.

3) Promoting the public domain

Paragraph 63³ implicitly acknowledges one aspect of the patent system that is perhaps not appropriately appreciated as far as proposals further to promote the public domain are concerned.

Generally speaking, larger numbers of patent applications are filed in countries with larger economies and large markets and vice-versa. Therefore the patent system already spontaneously operates in a manner that causes developing countries and LDCs to have fewer patents valid in their territories than in developed countries, and thus the public domain is already broader in those countries.

Besides, as mentioned in paragraph 66⁴, considering a universe of about 25 million patent applications filed worldwide since 1985 (see figure 9), in addition to patents that were never filed in several developing

³ 63. The balance between protection and disclosure is further differentiated in that protection is territorial and refers to one country or region, whereas disclosure is global. This means that **manufacture and marketing are restricted within the territorial and legal scope of protection but the information disclosed may be freely used by anyone.** The patent system also allows the legal use of technology and knowledge when the patent has expired or been abandoned and the knowledge enters the public domain, useable by everyone.

⁴ 66. Given that at the end of the year 2005, more than 4.9 million patents were in force (see figure 10), **a very substantial proportion of patent documentation is now in the public domain.**



countries and LDCs, there is also a high proportion of patents that either are no longer in force or that were never granted, which also represent subject matter in the public domain.

4) Enabling description v. making invention available

Paragraphs 101, 129 226 and 285⁵ deal with an aspect of the patent system that is often cause of confusion.

⁵ 101. In many cases of transfer of technology, patent licensing agreements play an important role, as they allow access to the technology in question. In addition, licensing agreements frequently also contain clauses on **technical assistance and know-how needed to work the invention and, in the case of some products, to obtain regulatory approval**. It goes without saying that, for a patent licensing agreement to work properly, patent protection in the relevant jurisdiction must exist.

129. One of the main questions is to identify the types of patent rights' management that would best serve **advancing the creation and development of useful products for society** with the participation of private companies, which is the fundamental objective of the patent system. This process covers, expressed very simply, three distinct aspects, namely the research phase which will form the basis of the creation of the new products, the transformation of those results into concrete new products and, finally, the distribution aspect of those products, including infrastructure, distribution channels and access in general. The following remarks will be limited to the first two phases mentioned and, in particular, to the second one, namely the transformation of academic results into tangible products for the market.

226. According to Article 29.1 of the TRIPS Agreement, Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art. Consequently, this is the minimum standard for WTO members, and as it can be found in Annex II, the provisions of national/regional laws are largely harmonized in this area. The interpretation of the provisions and of national/regional practices, however, may be more nuanced. The questions arising in respect of the interpretation of the disclosure requirement include, for example, the following: **what is the definition of a "person skilled in the art"? What is the extent of disclosure that can be considered "sufficient and complete"? At which point in time shall the disclosure of the invention be considered sufficient?**

First, one of the traditional objectives of granting a patent to an inventor relies in creating an incentive for the inventor to disclose his invention, benefiting the public with an increase on the basis of knowledge from which new developments can be created.

But second, and also importantly, the patent system also provides an incentive for an inventor or owner of a patent to take additional steps actually to make the invention available to the public.

Despite the fact that a patent includes an enabling description of the invention, which allows a person skilled in the art to reduce the invention to practice, this does not mean that the actual commercialization of the invention is effortless.

often there is a certain distance between the initial conception of a new product or process and the actual development of the best possible version to be commercialized or used in industry. Even if at the filing date

285. The patent system, as a conscious regulatory intervention to advance certain public policy goals, has long attracted skepticism as to its validity and public benefit. This is in part because of a fundamental paradox, an aspect of the patent system which is to some counter-intuitive – **the patent system seeks to promote the production of public goods**, yet it does this by creating exclusions from the public domain – even if these are carefully confined exclusive rights over certain well-defined forms of new technology. Ideally, as a policy tool, the patent system is intended to create those exclusive rights that are necessary to harness private interest sufficiently to create public goods – in this case, public goods being new technologies, **effectively and practically made available to the public**, without undue impositions on the public. The first codification of the core doctrines of patent law in the common law legal tradition, the English Statute of Monopolies of 1624, was passed to promote competition and to abolish monopolies that hindered legitimate trade. It took aim at monopolies that had been granted “upon misinformations and untrue pretences of public good.” The patent of invention was recognized as an exception under this law, confirming that some exclusive rights are necessary to promote innovation within a legal mechanism aimed at promoting competition.



an applicant can already envisage and describe at least one manner of reducing the invention to practice, additional details may still need to be developed before the invention is ready to be made available to the public.

In this process, the applicant/patent owner can develop a particular know-how, which may or may not be patentable per se, and may gather related information, like lists of satisfactory manufacturers and/or distributors of necessary implements, raw material or components, this forming a reservoir of knowledge which adds to his ability to make the invention available to the public.

Therefore, even after the publication of a patent application, the granting of exclusive rights will help fulfill another objective, which is to motivate the inventor/patent owner to make this additional effort to place the product on the market.

5) Coexistence of different systems to promote innovation

With respect to paragraphs 125-127 and 286⁶, clearly there are no obstacles for

⁶ 125. The open source model has been well-known for many years in the area of software, where it has been established as a distribution model that is based on intellectual property rights (in the case of software, often copyright). 'Open source' software is often used as a general expression for many forms of non-proprietary software, which differ principally in respect of the licensing terms under which changed versions of the source code may be further distributed. The basic idea of open source is to make available the source code of the computer program and to thus permit a more collaborative way of follow-on innovation, subject to certain conditions, which are often more open than those governing traditional licenses, as they would give access to the programming code of the software and prevent the possibility of obtaining an exclusive right on follow-on innovation (see for example GPL41). Indeed, under open source, adding, for example, a new

seeking alternative ways of promoting innovation in particular areas in which the traditional IP system is perceived as not achieving the desired results.

However, in FICPI's view it is inappropriate to consider alternatives that are detrimental to the existing IP system. The patent system has been widely used for many years and relevant stake holders are well acquainted with the use and advantages of the system.

General criticism against the patent system can have the effect of either negatively impacting on the speed of innovation in certain fields and/or have a detrimental

functionality to a specific software may be done without the permission of the creator of the original software, but no patent could for example be claimed on the result, even if it did, in principle, meet patentability requirements. **The open source approach is not necessarily against intellectual property**, as it is based on intellectual property rights, and is sometimes also used by businesses as a complementary strategy complementing intellectual property policies making use of patents and copyright, for example by IBM or SUN who use and promote open source as part of their business strategy.

286. This contrast between the public interest and the public domain leads to a second paradox or policy tension. Those very fields where the public interest and access to new technologies is most important – in general, the life sciences, and especially those technologies that provide for basic human needs (health, food, a safe environment) – can be the very same areas of technology where harnessing sufficient resources and focusing them on areas of greatest need can be most problematic, where market-oriented incentives are felt to be inadequate, and where public funded technological inputs can be most significant. It is therefore no coincidence that much of the current debate over the legitimacy and effectiveness of the patent system as a public policy tool focus on these specific areas of technology. This is most strikingly the case for biomedical technologies, and pharmaceuticals and vaccines in particular: thus there are proposals for alternative incentive structures focused on public health, such as prize funds⁹⁰ and an R&D treaty; proposals for alternative innovation mechanisms for public health innovation, such as adaptations of 'open source' structures;⁹² the debate over how public-funded IP should be effectively and appropriately managed typically concentrates on medical technologies, because of the strong public interest. These proposals and models variously involve new ways of exercising patent rights, or avoiding use of patents altogether.



effect on certain countries' ability to attract foreign direct investments, if they are perceived as opponents to the patent system.

6) Comment on economic value of territorial exclusive rights and balance with interest of third parties.

Paragraphs 177 and 268⁷ mention the costs associated with filing, maintaining and enforcing patents in several jurisdictions. While there is a legitimate interest by applicants to reduce such costs, on the other hand due account should be given to the fact that obtaining exclusive rights in each additional

⁷ 177. In addition to the need to accommodate the application format to various national/regional requirements, in general, a patent application, or a translation of such application, has to be submitted in a language prescribed by the applicable law. For those applicants who wish to obtain patents in countries having different official languages, **it is costly to prepare the necessary translations of the application in those different languages.** As one example to reduce the cost for translation, the Member States of the European Patent Organisation concluded the London Agreement in 2000. The Parties to the Agreement undertake to waive, entirely or largely, the requirement for translations of European patents to be filed in their national language.

268. In general, the patent system is considered to establish a trade-off between the exclusive rights granted to patentees and the public disclosure of patented inventions, aiming at promoting innovative activities by society at large. To this end, policy makers search for an effective and efficient system for obtaining, maintaining, and enforcing rights with an adequate mechanism to disseminate innovative knowledge and technology. In previous chapters, the importance of quality, timing and costs for the effective and efficient patent system that develops hand in hand with the globalization and technological development has been highlighted. In particular, **overall costs of obtaining, maintaining and enforcing patents at the international level are primary obstacles for enhancing the access to the international patent system.** Since R&D and marketing activities are increasingly carried out across the border, under the principle of territoriality, lack of harmonized rules regarding substantive patent law, court procedures and cross-border jurisdiction, among others, increase costs and the risk of legal uncertainty.

jurisdiction adds commercial value to the invention. Besides, from a balanced perspective, the interest of third parties and of the public at large must also be taken into account, in the sense that the costs for obtaining exclusive rights in one country should not be so low as to encourage filing of patent applications where the applicant does not envisage commercially to exploit his invention.

7) Additional role of patent attorneys

In addition to the different roles of patent attorneys as outlined in paragraphs 255-257⁸, FICPI adds that they may also have an important role in assisting Patent Offices and national and international legislators in developing and updating guidelines, regulations, laws and treaties, since patent attorneys have a unique perspective as the interface between active and passive users of the IP system, on one hand, and patent offices and courts on the other hand, as well as they often deal with patent offices in different jurisdictions therefore being able more clearly to identify the pros and cons of certain national systems by way of comparison.

8) Knowledge-based society/economy v. promotion of the public domain

In paragraph 303⁹ reference is made to the notion that the world is "in a transition to a

⁸ (a) Patent Attorneys

255. Among the various direct and indirect support mechanisms in respect of the patent system, patent attorneys and patent agents play a significant role in developing a functioning patent system. (...)

⁹ 303. Undoubtedly, development is one of the most urgent challenges that the international community is facing today. Its importance is acknowledged not only for the benefit of developing countries but also for the benefit of developed nations. In the context of the United Nations, the United Nations Millennium Declaration was adopted in 2000 in order to respond to the world's major development challenges. The Declaration recognizes that the central challenge is to ensure that globalization becomes a positive



knowledge-based economy where knowledge will become a strong competitive advantage in the globalized market". Developed countries are not only aware of this concept but are also trying to implement initiatives aiming at improving awareness about this and accelerating the process towards this end.

For instance, under the heading "Citizens and Governance in a Knowledge-based Society"¹⁰, the European Commission states that one of the objectives of the European research policy is "To mobilise European research capacities in the economic, political, social and human sciences for an improved understanding of the emergence of the knowledge-based society".

On the other hand, document CDIP/1/3 of March 3, 2008 underlines the importance of considering "the preservation of the public domain within WIPO's normative processes and deepen the analysis of the implications and benefits of a rich and accessible public domain" and to "promote norm-setting activities related to IP that support a robust public domain in WIPO's Member States, including the possibility of preparing guidelines which could assist interested Member States in identifying subject matters that have fallen into the public domain within their respective jurisdictions"¹¹.

While in certain areas of science and knowledge societies can indeed take advantage of technological information that is in the public domain, particularly in developing countries, FICPI believes that

force for all. In addition to an intensified globalization, the world is in a transition to a **knowledge-based economy** where knowledge will become a strong competitive advantage in the globalized market.

¹⁰ http://ec.europa.eu/research/fp6/index_en.cfm?p=7

¹¹ See paragraphs 16 and 20 of CDIP/1/3.

the ultimate goal of exploring this information and ways to improve access thereto should not be merely to encourage a steady practice of exploiting free technology, but mainly to create a sound knowledge base that will help building capacity of those societies to engage in innovative research activities, which will ultimately create new knowledge and add to their competitive capacity.

9) Aims of the Development Agenda

Referring to paragraph 314¹², FICPI reiterates its desire to contribute with the Development Agenda in a constructive manner. However, even FICPI members practicing in developing countries face difficulties to identify concrete objectives of that agenda and to contribute with proposals to reach those objectives. FICPI believes that particular attention should be given to avoid the temptation of seeking rapid results in certain areas upon diminishing corresponding IP protection, while long term objectives related to innovation in the same areas may be placed in jeopardy.

¹² **314.** In sum, the concerns of developing countries appear to be twofold. The first question is whether the current, or any future, international patent system could be compatible with national policy objectives. As demonstrated by the process that led to the adoption of a protocol amending the TRIPS Agreement, **multilateral fora to improve the international patent system exist, and can function effectively, where a specific element of the international patent system is recognized to impinge on sectors of vital importance to the public interest.** The second question is how to implement, and take advantage of, the international patent system at the national level taking into consideration the existing public interest flexibilities embedded in the international instruments. Given the different levels of development, there might be no answer that fits all. Development is a long-term goal, and the determination of how the international patent system could contribute to development may require long-term strategies.