

Committee on Development and Intellectual Property (CDIP)

Eighteenth Session
October 31 to November 4, 2016

REVISED PROPOSAL FOR A MECHANISM FOR UPDATING THE DATABASE ON FLEXIBILITIES

prepared by the Secretariat

1. The Committee on Development and Intellectual Property (CDIP), at its seventeenth session, discussed Document CDIP/17/5 entitled “Mechanism for updating the Database on flexibilities”. The Secretariat was requested to revise the document in order to include the financial implications of the two options contained therein, and also to explore a third option in light of the observations made by Member States.
2. It is recalled that document CDIP/17/5 was prepared by the Secretariat in response to a request by the sixteenth session of the Committee to propose a mechanism that would allow a periodic updating of the Database on Flexibilities in the Intellectual Property (IP) System.
3. Accordingly, the Annex to this document contains a revised proposal for updating the said Database.
4. *The CDIP is invited to consider the information contained in the Annex to this document.*

[Annex follows]

I. BACKGROUND

1. The Database on Flexibilities in the IP System (hereinafter, the “Database”) was published in June 2013, as agreed by the Committee at its sixth session: <http://www.wipo.int/ip-development/en/agenda/flexibilities/search.jsp>.
2. Following a request by the Committee at its fifteenth session, the Secretariat updated the Database and presented, to the sixteenth session of the CDIP, a report on its update contained in document CDIP/16/5.
3. The report, *inter alia*, highlighted the current content of the Database, comprising 1,371 provisions from 202 selected jurisdictions drawn from Documents CDIP/5/4 Rev., CDIP/7/3 Add., CDIP/13/10 Rev. and CDIP/15/6 Corr. on Patent Related Flexibilities in the Multilateral Legal Framework and their Legislative Implementation at the National and Regional Levels. These provisions deal with the following fourteen flexibilities:
 - (a) Compulsory Licenses and Government use;
 - (b) Exhaustion of rights;
 - (c) Regulatory Review Exemption;
 - (d) Research Exemption;
 - (e) Exclusions from Utility Model protection;
 - (f) Transition periods;
 - (g) Patentability of substances existing in nature;
 - (h) Disclosure related flexibilities;
 - (i) Substantive examination;
 - (j) Ex-officio IP office control of anti-competitive clauses in licensing agreements;
 - (k) The scope of the exclusion from patentability of plants;
 - (l) The patentability or exclusion from patentability of software-related inventions;
 - (m) The flexibility whether to apply criminal sanctions in patent enforcement; and
 - (n) Measures related to national security (so-called “security exception”).
4. While discussing the aforementioned report, the Committee requested the Secretariat to propose at its next session, a mechanism that would allow a periodic updating of the Database, taking into account the comments made by the Member States.
5. At the seventeenth session of the CDIP, the Secretariat provided to the Committee with two possible options for updating the Database on flexibilities contained in Document CDIP/17/5. Following the consideration of the document, the Committee requested the Secretariat to revise the proposal in order to include the financial implications of each of those options and also to explore a third option in light of the observations made by Member States.
6. As the periodicity of updates to be included in the Database cannot be assessed at this time, it will be important to ensure that the mechanism to update the Database does not result in a non-optimal use of human and financial resources by the Organization. Accordingly, the following options are considered as light but sealable mechanisms which seek to respond to the needs of the Member States.

II. MECHANISM FOR UPDATING THE DATABASE ON FLEXIBILITIES

Option I

7. Member States provide the Secretariat, through an official communication, with the update(s) of their national provisions related to the flexibilities included in the Database.
8. The update(s) notified by Member States could refer to:
 - (i) a modification of one or several articles already included in the Database; and/or
 - (ii) a previously non-existing article(s), newly adopted in their national law pertaining to the flexibilities contained in the Database.
9. The update notified is immediately included in the Database in a new field named "Updates by Member States". The field clearly states that the provisions have not been examined by the Secretariat to verify the scope and criteria agreed by the Committee while discussing the specific flexibilities¹.
10. The Secretariat submits an annual report to the CDIP on the updates added to the Database by Member States.
11. The following is an indicative budget requirement to implement this option.

<u>One-time cost</u>	<u>Recurring cost for 5 updates per annum</u>
Technical Development: 36,833 Swiss francs	Administrative work: 4,120 Swiss francs

12. The one-time cost pertains to the migration of the Database to a new platform. It is recalled that, as stated by the Secretariat during the seventeenth session of the CDIP, this migration is necessary to add new fields to the Database and to introduce new data in a more speedy and optimal manner.
13. The recurring cost pertains to the administrative work expected for introducing a hypothetical number of 5 updates per annum.

Option II

14. Member States provide the Secretariat, through an official communication, with the update(s) of their national provisions related to the flexibilities included in the Database.
15. The update(s) notified by Member States could refer to:
 - (i) a modification of one or several articles already included in the Database; and/or

¹ As mentioned above, the Database currently includes provisions drawn from the Documents on Patent Related Flexibilities in the Multilateral Legal Framework and their Legislative Implementation at the National and Regional Levels CDIP/5/4, CDIP/7/3 Add., CDIP/13/10 Rev, and CDIP/15/6.

(ii) a previously non-existing article(s), newly adopted in their national law pertaining to the flexibilities contained in the Database.

16. An examination is undertaken by the Secretariat to determine whether the update(s) is/are in conformity with the scope and criteria agreed by the Committee while discussing the specific flexibilities.

17. Provided that the update(s) is/are in conformity with the scope and criteria, the Secretariat publishes the updated provision(s) in the Database within a period of six months.

18. If the update(s) refer(s) to a modification of one or several articles already included in the Database, the updated provision(s) replace(s) the existing provision(s). If the update(s) refer(s) to a previously non-existing article(s), it is added under the relevant flexibility/flexibilities contained in the Database.

19. In case the update(s) is/are not in conformity with the aforesaid scope and criteria, the Secretariat communicates to the respective Member State the reasons for not updating the Database.

20. The Secretariat submits an annual report to the CDIP on the results of the examination.

21. The following is an indicative budget requirement to implement this option.

<u>One-time cost</u>	<u>Recurring cost for 5 updates per annum</u>
Technical Development: 36,833 Swiss francs	<ul style="list-style-type: none"> • Legal work: 16,767 Swiss francs • Administrative work: 16,283 Swiss francs
	<u>Total: 33,050 Swiss francs</u>

22. It might be noted that while this option does not essentially entail the migration of the Database to a new platform, this is still considered appropriate as the current system makes it difficult and slow to introduce new data. If the Committee agrees on this option, it should guide the Secretariat on the possibility of establishing a new platform, as foreseen in the one-time cost above.

23. The recurring cost is calculated for a hypothetical number of 5 updates per annum and it might vary depending on the length and complexity of the provision(s) notified or on any other unforeseen factor that may arise in the course of the assessment.

Option III

This option responds to the request made by the seventeenth session of the CDIP on exploring a third option in light of the observations made by Member States. It merges elements of Option I and Option II, as it envisages both including the updates provided by Member States in a new field of the Database, and a subsequent examination of those provisions by the Secretariat.

24. Member States provide the Secretariat, through an official communication, with the update(s) of their national provisions related to the flexibilities included in the Database.

25. The update(s) notified by Member States could refer to:

- (i) a modification of one or several articles already included in the Database; and/or
- (ii) a previously non-existing article(s), newly adopted in their national law pertaining to the flexibilities contained in the Database.

26. The update notified is immediately included in the Database in a new field named "Updates by Member States". The field clearly states that the inclusion of these provisions is based upon a request made by the Member State and it does not reflect in any manner an assessment made by the Organization to verify the scope and criteria agreed by the Committee while discussing the specific flexibilities.

27. An examination is undertaken by the Secretariat to determine whether the update(s) is/are in conformity with the above-mentioned scope and criteria.

28. Provided that the update(s) is/are in conformity with the scope and criteria, the Secretariat proceeds, within the period of 6 months, to move the update from the field "Updates by Member States" to the section of the Database which contains the existing provisions.

29. If the update(s) refer(s) to a modification of one or several articles already included in the Database, the updated provision(s) replace(s) the existing provision(s). If the update(s) refer(s) to a previously non-existing article(s), it is added under the relevant flexibility/flexibilities contained in the Database.

30. The update(s) that is/are not in conformity with the scope and criteria remain(s) in the field "Updates by Member States", unless the concerned Member State explicitly request its/their removal.

31. The Secretariat submits an annual report to the CDIP on the updates provided by the Member States and their addition to the various fields of the Database.

32. The following is an indicative budgetary requirement to implement this option.

<u>One-time cost</u>	<u>Recurring cost for 5 updates per annum</u>
Technical Development: 36,833 Swiss francs	<ul style="list-style-type: none"> • Legal work: 16,767 Swiss francs • Administrative work: 16,283 Swiss francs
	<u>Total: 33,050 Swiss francs</u>

33. The table above comprises the one-time cost related to the technical development of a new platform, as well as a recurring cost for a hypothetical number of 5 updates per annum. The recurring cost might vary depending on the length and complexity of the provision(s) notified or of any other unforeseen factor that may arise in the course of the assessment.

34. The recurring costs foreseen in the three options above, pertaining to a hypothetical number of 5 updates per annum, can be absorbed within the existing resources of the Organization. However, if there is a need for processing additional updates under any of the options described above, additional human and financial resources might be required.

35. Irrespective of the Committee's decision on the options listed above, it might also be noted that the updates will be only introduced into the Database and the current source documents and any other relevant documents will remain unchanged.

[End of Annex and of the document]