



REPUBLIC OF SOUTH AFRICA



## **Regional Seminar for Certain African Countries on the Implementation and Use of Several Patent-Related Flexibilities**

***Topic 13: The Effective Administrative Process for the Grant  
of a Compulsory License***

**Durban, South Africa  
January 29 to 31, 2013**



# **The Administrative Process for the Grant of a Compulsory License**

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Marco Aleman

Deputy Director and Head, Patent Law Division, Legislative and  
Policy Advice Section

# International legal Framework on CLs

- TRIPS Agreement Art. 31
- Paris Convention Art.4

Only punctual aspects of the CL granting procedure, such as previous **attempt of obtaining a voluntary license** by the CL applicant or **remuneration** to the patent holder. there is no provision on procedures nor on competent authority

# CL Procedure

- Establishing clear procedure to grant CL is fundamental
  - interest in having an efficient procedure
  - involving the parties (hearings)
  - identification of the competent bodies (IP Offices, Courts, Ministers, Competition Authorities)
  - tool which can be used for obtaining voluntary licenses

# Authority in charge of taking the decision

- **Patent Office** (Brazil, Art. 73 of the Industrial Property Act of 1996 as last amended in 2001)
- **Competent Minister** (Bhutan)
- **Judicial Authority** (Australia, Section 133 of the Patents Act of 1990 as on 2011)
- **Different Authorities according to the kind of C.L. requested** (India, Patent Office for CL and the Central Government for Government Use, Sections 84 and 100 of the Patents Act of 1970 as last amended in 2005; France, Minister of Economy in case of non working, judicial authority in the other cases, )

# CL applicant

- Previous attempt to obtain a voluntary license
- Proof of the basis of his/here request (e.g.: judicial decision stating a practice is anti-competitive; a patented product hasn't been worked within a country, his/her second invention represents an important technical advance of considerable economic significance in relation to the invention claimed in the first patent)

This requirement can be skipped by government agencies in case of CL for public interest/Government use

# Facilitated form for government entities

- Rule 96 of the Patents Rules of India of 2003 (as last amended in 2006)  
“Application for compulsory licence etc. “

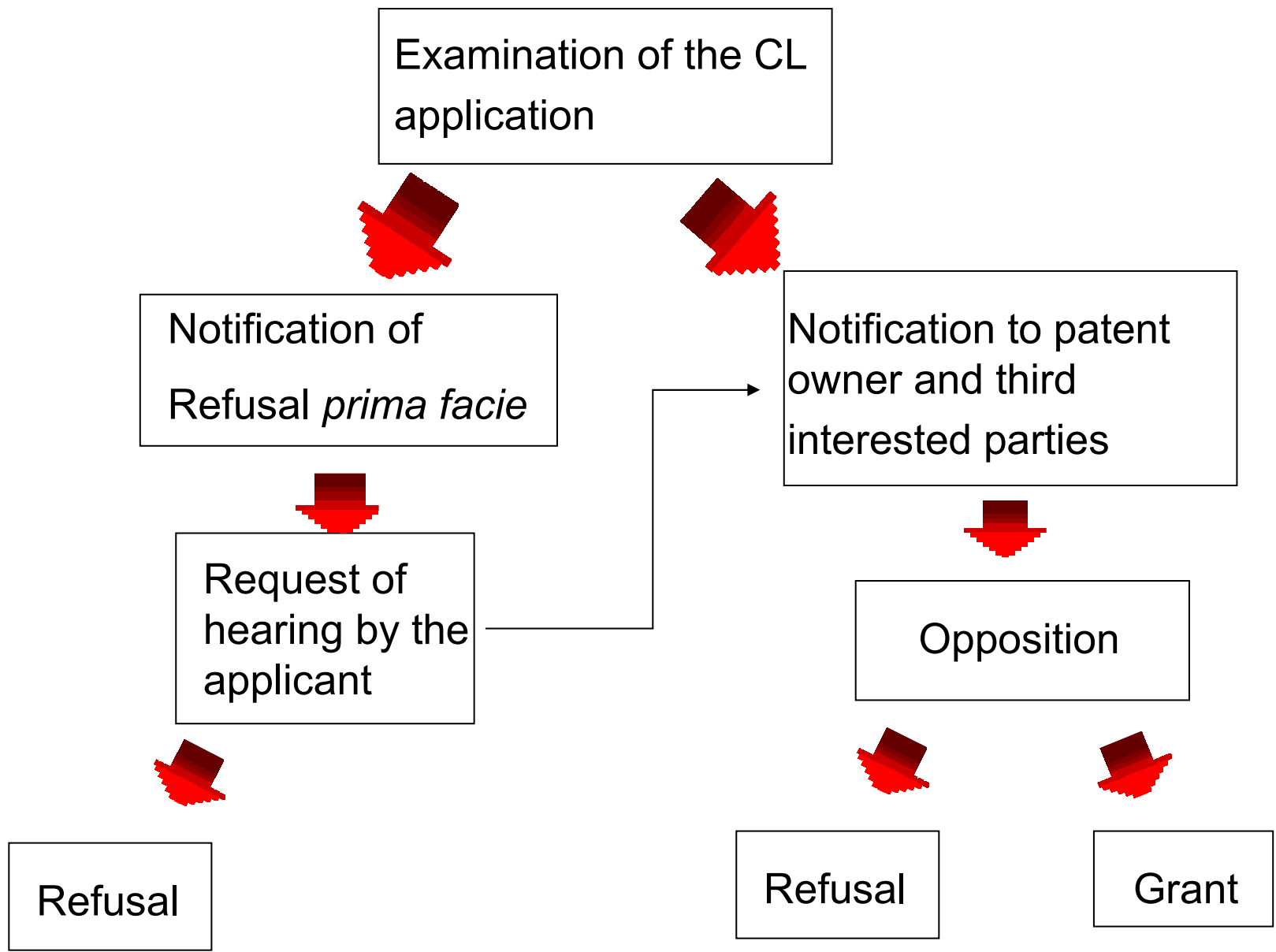
An application to the Controller for an order under Section 84, section 85, section 91 or section 92 or section 92A shall be in Form 17 or Form 19, as the case may be. Except in the case of an application made by the Central Government, the application shall set out the nature of the applicant’s interest and terms and conditions of the licence the applicant is willing to accept”.

- Article L613-19 (French IP Code)

L'Etat peut obtenir d'office, à tout moment, pour les besoins de la **défense nationale**, une licence pour l'exploitation d'une invention, objet d'une demande de brevet ou d'un brevet, que cette exploitation soit faite par lui-même ou pour son compte.

**La licence d'office est accordée à la demande du ministre chargé de la défense par arrêté du ministre chargé de la propriété industrielle.** Cet arrêté fixe les conditions de la licence à l'exclusion de celles relatives aux redevances auxquelles elle donne lieu.

La licence prend effet à la date de la demande de licence d'office.





# Remuneration to the patent owner

- Art. 31 TRIPS Agreement “Adequate remuneration”
  - Open clause to be determined on a case by case basis
  - How to calculate the adequate remuneration
    - on the basis of the economic value of the invention
    - on the basis of the potential gain that the licensee may extract from the market
    - same criteria to calculate damages in case of patent infringement (in this case it is used the adjective « adequate as well, Art. 44.2 TRIPS Agreement)
    - **adequate= what is sufficient to promote of technological innovation and technology transfer and dissemination to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economical welfare, and to a balance of rights and obligations\***

\* Antony Taubman, “Rethinking TRIPS: ‘Adequate Remuneration’ for Non-Voluntary Patent Licensing”

# Recent developments in China's "Measures for CL of Patents" -proposed amendment draft-

- Burden of proof greater for individual entities than for government bodies
- SIPO is required to notify parties of its decision before it hands down a decision and the parties can make further submissions
- Patentee do not have a right to call for a hearing if an application for a CL is made under Article 49 or 50 of the Patent Law
- SIPO's decision must set out requirements for any compulsory license granted under Article 50 of the Patent Law