



Compulsory license for patents in India

<http://www.aswal.com>

The Indian Patent Act allows any interested person, after expiry of three years from grant of patent, even if he is a licensee under the patent, to may make an application to the Controller for grant of compulsory license.

Patents are granted to encourage inventors to disclose their inventions and also grant them monopolistic rights to exploit their invention. The objective of Patent Grant in India is to ensure that inventions in India are employed on a commercial scale and to the fullest extent without delay.

Accordingly, any interested person may apply to the Controller for grant of compulsory license on grounds that:

- reasonable requirements of the public with respect to the patented invention have not been satisfied.
- the patented invention is not available to the public at a reasonable price.
- the invention is not exploited commercially to the fullest extent in the territory of India.

The circumstances constituting "failure to meet the reasonable requirements" of public in respect of a patent are as follows:

(i) Inadequate manufacture in India or failure to grant licenses on reasonable terms within a period of six months from date of application resulting in:

- Prejudice to an existing trade or industry or its development,
- Prejudice to the establishment of a new trade or industry in India,
- Prejudice to the trade or industry of any person or class of persons,
- Demand for the patented article not being met adequately by local manufacture,
- Failure to develop an export market for the patented articles made in India, and

- Prejudice to the establishment of commercial activities in India;

(ii) Prejudice to the establishment or development of trade or industry in India in goods not protected by the patent, arising from restrictive conditions imposed by the patentee;

(iii) Non-working of the patent in India on a commercial scale;

(iv) Demand for the patented articles being met by importation from abroad; and

(v) Commercial working of the patented invention in India being hindered or prevented by import of the patented articles from abroad.

Grant of Compulsory license for the remaining term of the patent, unless a shorter period looks reasonable and necessary to the Controller.

Further, it is to be noted that while granting license, the Controller shall take into account the nature of invention, time elapsed, ability of applicant, and his efforts for obtaining a license on reasonable terms. While granting a compulsory license, reasonable royalty is also paid to the patentee with regard to nature of invention, its utility, expenses incurred in maintaining patent grant in India and other factors.

Normally requests for grant of Compulsory License is published and Patentee and other interested persons are afforded reasonable opportunity to defend the grant. But in case of national emergency and other urgent conditions of public interest the Controller may first grant the License and then notify the Patentee and other interested persons.

Under special circumstances of medical emergency, supported by notification by a foreign country, the Controller may grant compulsory license to meet the medical emergency in that country.

Source: <http://www.hg.org>

United Nations Online Courses

The United Nations Institute for Training and Research (UNITAR) has launched several online courses for 2010. The courses cover areas including Microfinance, Risk Management, Trade and Intellectual Property, Conflict Resolution, etc.

For more information, contact:

The e-Learning Team

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On implementing technology transfer Act of 2009



<http://www.cvclaw.com>

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Republic Act 10055, “An Act Providing the Framework and Support System for the Ownership, Management, Use, and Commercialization of Intellectual Property Generated from Research and Development Funded by Government and for Other Purposes,” otherwise known as the “Technology Transfer Act of 2009” (TTA), was approved on 23 March, 2010, took effect on May 8.

The TTA seeks to promote commercialization of the intellectual property (IP) technology and knowledge resulting from research and development (R&D) to ultimately benefit national development. To achieve this, the TTA addresses, among other issues, ownership of intellectual property in research and development institutes (RDIs); rights and responsibilities of government funding agencies (GFAs) and RDIs; management of intellectual property derived from R&D performed by government RDIs through their own budget; revenue sharing; and commercialization through spinoff companies.

Almost two years ago in this column (Spurring Growth through Technology Transfer, On Firm Ground, August 12, 2008), I referred to 2003 DOST figures that the Philippines allocates only .14 percent of its gross domestic product on R&D (constituting combined spending of the government and the private sector), compared with what developed and rapidly developing countries spend. South Korea, Japan and the US, for example, allocate 2.82 percent, 2.80 percent and 2.61 percent, respectively. Rapidly developing India and Brazil allocate at least 1.2 percent and 0.91 percent, respectively. One hopes the TTA will give us the framework and tools to catch up with these countries.

Salient Provisions

1. Coverage — The TTA applies to: (a) all R&D activities carried out on behalf and for the interest of the Philippine government by RDIs receiving grants directly from GFAs; (b) all IP rights derived from R&D activities funded by government; (c) all government agencies that fund R&D activities, as well as provide financial, technical or material support to such R&D activities; and (d) all institutions that implement government-funded R&D.

2. Ownership of intellectual property and intellectual property rights — In general, ownership of IP and IPRs generated from research funded by a GFA is vested in the RDI that actually performs the research, except when:

(a) the RDI and the GFA concerned have entered into public, written agreement to the contrary; (b) the RDI fails to disclose potential IPRs to the GFA; (c) the RDI fails to initiate the protection of potential IPRs within a reasonable time from confidential disclosure to the GFA; and (d) the RDI ceases to become a Filipino corporation.

3. Commercialization by GFA — When the GFA assumes the commercialization of the IP, it shall be allowed to directly negotiate agreements, provided it obtains from the Department of Science and Technology (DOST) a fairness opinion given by an independent third-party body composed of experts from the public and private sectors stating the fairness of the transaction to the GFA, particularly its financial terms.

4. Commercialization by RDI — When an RDI assumes commercialization of the IP, it shall be allowed to directly negotiate agreements, provided it obtains from DOST a fairness opinion given by an independent third-party body composed of experts from the public and private sectors, stating the fairness of the transaction to the RDI, particularly its financial terms.

5. Revenue Sharing — All revenues from the commercialization of IP by the GFAs shall accrue to the RDI, unless there is a revenue sharing agreement in the research funding agreement, provided that in no case shall the share of the GFA be greater than that of the RDI.

6. Spinoff companies — An RDI shall allow its researcher-employee to commercialize the IP generated from R&D funded by a GFA through the creation of a spinoff company, provided the researcher-employee takes a leave of absence for a period not exceeding two years.

7. Emergency power provisions — As a safeguard mechanism against private monopoly, the GFA and/or the parent agency may assume ownership of any potential IPRs in cases of national emergency or other circumstances of extreme urgency, or where the public interest requires, and in particular concerns of national security, nutrition, health, or the development of other vital sectors of the national economy, as determined by the head of the parent agency.

8. Technology information access facility and public access policy — The DOST shall establish a system for cost-effective sharing of and access to technologies and knowledge generated from government-funded R&D by

developing appropriate policies and procedures on public access which shall be made known to the public.

9. Commercialization capacity-building — The DOST, the Department of Trade and Industry (DTI) and the Intellectual Property Office (IPO), in consultation with the GFAs such as the Commission on Higher Education, the Department of Agriculture, the Department of Health, the Department of Energy, the Department of Environment and Natural Resources, and the Department of National Defense, shall undertake activities geared to building the capacity of GFAs and RDIs in commercializing IPs.

Drafting and implementation of the IRR

Now that the TTA is in place, the greater challenge lies in public-private sector collaboration in drafting the implementing rules and regulations (IRR) and its actual implementation. The drafting of the IRR itself is a huge challenge as they will fill in the details with respect to IP commercialization, IP valuation and the mechanics for implementing Sections 7 and 8 which require “fairness opinions,” among others. In ongoing consultations on the drafting of IRR, specific issues being raised are:

1. The concept of commercialization requires a clarification of the intent of the law, i.e., whether the benefits of technology transfer and commercialization to the national economy and taxpayers will necessarily be measured in terms of the income or revenue generated. In view of the concern from academe, in particular, that their primary mission is to teach and conduct research, and not to generate revenue, it has been noted that Section 2 of the TTA itself provides that the RDIs shall translate results of government R&D into useful products and services that will benefit Filipinos, “notwithstanding the income generated from intellectual-property rights ([PRs] and technology transfer activities.”

2. There is a need to establish commercialization guidelines that favor qualified Filipinos and small and medium-scale enterprises.

3. There is a preference for modes of technology transfer that will confer the least amount of rights as is necessary, such as licensing, to facilitate public access to the commercialized technologies.

4. To aid GFAs and RDIs in capacity-building, private stakeholders will be asked to assist by providing model provisions or to the commercialization guidelines.

5. It is indispensable for GFAs, RDIs and other stakeholders to have the capability to undertake IP valuation in order to effectively perform technology transfer/IP commercialization.

It is widely known that our TTA is largely patterned after the United States’ Bayh Dole Act which has enjoyed success since its enactment in 1980. The Bayh Dole Act is credited for the strong national infrastructure supporting technology transfer in US academic institutions and the almost tenfold increase in US patents granted to US universities and over approximately \$30 billion of economic activity from the commercialization of new technologies from academic institutions annually.

Given its success in the US, Asia-Pacific countries, in particular, have followed suit in adopting their own versions of the Bayh Dole Act with varying degrees of success. In comparing their experiences with ours, it is apparent that, in technology transfer regimes, “one size does not fit all,” and the government and the universities-GFAs-RDIs must agree why and how technology transfer fits into our national development strategy. The TTA is clearly not a magic wand, but a useful road map that we must maximize.

Source: <http://businessmirror.com.ph>

Industry Report - Renewable Energy Market in India

The Report provides an overview on Indian media & entertainment Industry with reference the market size, regional segmentation, key trends in M&E Sector. It covers solar, wind, hydel and biomass energy and discusses the nine major companies in these segments. Projects under various segments of renewable energy have been summarized and the related government policies and corresponding agencies and their role have been discussed. The report covers R&D in renewable energy, new technologies and the carbon credit scheme. More importantly, the report has a special focus on investment opportunities in various segments of renewable energy. It profiles major players in solar, Wind, Hydel, BioMass Energy. It also discusses about the regulations & policies with reference to the energy related international convention & Treaties etc. It presents future outlook of Renewable Energy sector in India.

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