



SUBJECT: **WIPO Standing Committee on the Law of Patents (SCP), Geneva, 23-26 June 2008**

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PURPOSE For information

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### **WIPO Standing Committee on the Law of Patents (SCP), Geneva, 23-26 June 2008**

Report by Jan Modin (23-24 June) and Karl Rackette (25-26 June), observers for FICPI

#### **Background**

The Substantive Patent Law Treaty discussions have been "on hold" for some years and, meanwhile, an attempt to keep the momentum has been made by the industrialised countries in the so called B+ Group. In preparation of the resumed SCP meeting, a comprehensive report (some 90 pages + annexes) on the patent system had been prepared by the Secretariat of the International Bureau of WIPO. The Report was rather neutral in its character and served mainly to give a broad overview of the factual situation of the patent system today. In the Annex, the major national patent systems were described. The Report contains no proposals for change. It covers three broad issues, viz.

- the economic rationale of the patent system,
- the legal and organizational aspects, and
- issues being relevant to policy considerations and development concerns.

#### **Start of the meeting**

A large number of governmental delegations (from 85 member states) attended, and also a good number (24 observer delegations) of NGOs. Francis Gurry, the vice director general (and also nominated as Director General), opened the meeting. He briefly mentioned that the last SCP meeting was held in 2006 and did not lead to any consensus. So, he now welcomed the SCP participants to resume work in the SCP. Maximiliano Santa de Cruz, Chile, was elected Chair of the SCP meeting,

which turned out to be a very good choice. He skilfully manoeuvred between the sensitive issues and created a positive atmosphere. The draft Agenda, with only a few items, was adopted. One further NGO, ICTDS (International Centre for Trade and Sustainable Development), was granted ad hoc observer status. The draft report of the previous, eleventh, session was approved without discussion.

#### **General remarks on the WIPO Report on International Patent System, doc. SCP/12/3.**

The Chair asked for general comments on the Report. The statements were very general and diplomatic, without touching any specific or sensitive issues. Some developing countries, e.g. Brazil, Algeria (for the African Group), Tunisia, Egypt, Oman, India, El Salvador, Costa Rica, Peru, Chile, Uruguay, Pakistan, and Iran, emphasized that they expected the SCP to retain and work on a broad range of issues, providing a balance between various interests, maintaining flexibility and including issues relating e.g. to the development agenda, anti-competitive practices, compulsory licences, pre-grant opposition, etc. China stated that they had translated the total report into Chinese and asked for permission to publish the translation.

USA, on behalf of Group B, congratulated Mr Gurry, thanked the Secretariat for the comprehensive Report and hoped that the SCP should be able to agree on a Work Plan. They also stated that the lack of harmonisation is a drawback for small and medium sized industry. Therefore, harmonisation should be on the agenda for the SCP. Backlogs must be reduced. Privilege should also be dealt with.



Mr. Gurry of WIPO clarified that the purpose of the Report was to find those issues where there could be some convergence of interest. He asked the SCP delegates what further input may be necessary.

Slovenia spoke on behalf of the European Union, welcomed the reconvening of the SCP and proposed that the future work be focused on the issues contained in the Chapters V and VI of the report, dealing with “The current multilateral framework” and “Patent Systems and Existing forms of cooperation”, respectively. The Russian Federation stated that the SCP should aim at reducing the work for providing legal protection, and also at decreasing the pendency times. Japan said they were pleased to take part in the resumed work. IP is crucial to economic development. Switzerland stated that the discussions should relate to the major topics dealt with in the Report, and the SCP should not try to discuss everything at the same time.

#### **Statements by some NGOs and International Organisations**

AIPPI: We hope that we will make progress. Harmonisation should not be an end in itself. Long pendencies are not in the interest of the public. A balance should be reached.

GRUR: The Report is excellent. Like Brazil, GRUR wishes that all stake-holders should take part. Chapter VI of the Report should be discussed, except for Search, Examination and Quality, which can rather be dealt with in the PCT Reform Working Group.

Third World Network: TRIPS standards are too high for the developing countries. We should learn from the previous discussions.

Knowledge Ecology International, Inc. (KEI): Focus should be on: medical inventions, public health issues, patents and standards, patents and climate change, use of compulsory licenses,

IPO: We strongly support the harmonisation efforts. Chapter VI should be discussed

EPO: We are committed to harmonisation efforts and support the statements of Group B and the EU.

Eurasian Patent Office: The document is a good basis for further work. We should define the issues where we can agree.

#### **Further general statements**

In the further round of general statements, a wide range of disparate views were presented. Some delegations, including China, recommended the SCP to focus on a few major issues, whereas others, especially the developing countries, stressed that all kinds of issues should be discussed so as to maintain a balance between various interests. Many delegations asked questions on what the SCP should do.

#### **Chair's first summary**

The Chair summarised the first round of statements and concluded that the Report was generally regarded as comprehensive. Some proposals have been made for further subjects. The importance of harmonisation has been stressed. Whatever the objective of the SCP, we should have a balanced agenda. The balance should reflect all stake-holders' interests

#### **Second round of statements, including comments made the 2<sup>nd</sup> day**

USA held that the issues handled by IGC and the new CDIP should not be duplicated in the SCP and also suggested that a central data base be established, containing all search and examination results. Nigeria stated that harmonisation is against the interest of developing countries and that a balanced document is necessary. The present document is a good basis as a start. Brazil said it intends to deal with the issues of genetic resources. China believed that the SCP should be able to harmonise patent law, in particular with regard to the process of granting rights, efficiently enforcing patent rights, and also compulsory licences. ICTSD requested that more empirical studies be carried out. India stated that the developing countries need flexibility and harmony, and that health issues need to be addressed. Serbia remarked that all important issues cannot be dealt with at the same time. We should focus on novelty, prior art, disclosure, and industrial applicability. Brazil reiterated that the broad document should stay on the table and that it is too early to make specific choices. The



UK preferred to talk about norm-setting, technical assistance, international filing systems, and shaping the debate on IP in relation to health, technological transfer, climate change and competition, e.g. by way of arranging conferences on such specific issues. Mr. Gurry supported this idea of arranging conferences on difficult issues, and several other delegations also expressed support.

Costa Rica requested more information on the developing countries, in particular in South America. Brazil stated that there is an intersection between patent issues and public interest issues and that the latter are not outside the competence of this Committee. We need a balanced list of topics, both for developed and developing countries. There should also be an opportunity to file written comments. China stated that we cannot coordinate policy matters in the same way as in legal issues. Maybe, every delegation should mention the top five issues, and then we can put all this material together. Otherwise, we will not make any progress.

Ecuador suggested that we deal with Chapter IX, Biological diversity and Traditional Knowledge, including information on what has been concluded in other bodies. Switzerland stated that it would be good to have a list of topics, with only a limited number of topics for the next meeting, e.g. access and use of patent information, and the development of a patent data base. Algeria stated, on behalf of the African group, that the economic issues are most important, along with the development agenda and flexibility.

Bulgaria said that we should reduce the workload and make the system easier and more effective. We should not create technical barriers. The Eurasian Patent Office supported the proposal to limit the number of topics. The number of other problems, like health, agriculture, water supply, climate, artificial intelligence, is infinite. We may group these into one single topic and deal with this topic in a special body. Japan proposed that empirical studies be made. The EPO suggested that topics of general interest be dealt with separately. KEI proposed that Chapter IV be on "Standards" be discussed, and VI I on "quality".

### List of issues (PAPER NO 1)

The secretariat compiled a list of issues that had been proposed to be dealt with during the first two days of discussions. The issues were not listed in order of importance and not in the order they will be handled in the future work. The list was said to be non-exhaustive and can be supplemented later on. Written responses are welcome. It was also said at this time that the next SCP meeting would take place in November 2008. This however was changed on the last day of the SCP to the beginning of the year 2009. The secretariat will prepare a work program for the next meeting, starting with the issues which are not too difficult.

1. Economic impact of the patent system
2. Transfer of technology
3. Competition policy and anti-competitive practices
4. Dissemination of patent information (including the registration of licenses)
5. Standards and patents
6. Alternative models for innovation
7. Harmonisation of basic notions of substantive patentability requirements (e.g. prior art, novelty, inventive step, industrial applicability, disclosure)
8. Disclosure of inventions
9. Database on search and examination reports
10. Opposition system
11. Exceptions from patentable subject matter
12. Limitations to the rights
13. Research exemption
14. Compulsory licenses



15. Client-attorney privilege
16. Patents and health (including exhaustion, the Doha Declaration and other WTO instruments, patent landscaping)
17. Relationship between the patent system and the CBD (Genetic resources/Traditional knowledge/disclosure of origin)
18. Relation of patents with other public policy issues

### **Comments to the list**

Most of the first comments on the lists were made by developing countries, stressing that the list is by necessity incomplete and that there should be room for a certain flexibility for the developing countries with regard to patent systems. Generally, the developing countries wished to include issues such as patents and agriculture, impact of anti-competitive practices and standards on the economic development, and a prohibition of patenting life. It was also suggested that patentability criteria could be discussed without linkage to harmonisation.

USA, on the other hand, stated that we must avoid duplication of resources and let the CDIP handle development issues before the SCP handles them. We should start with the issues 7, 8, 9 and 15. Switzerland proposed that the SCP starts with the issues 8, 9, 13. Canada stated that the list may be considered as a pool of topics and not as a work plan and that they generally agree with the US and CH.

Bulgaria suggested that the issues 1, 2, 3 and 16, 17, 18 should be handled at a seminar where also academic people can contribute. Serbia agreed.

AIPPI proposed that the issue of privilege should be dealt with in the SCP. KEI said that the issue (no. 5) on patents and standards should be dealt with.

The Chair concluded that the list is not exhaustive and involves proposed items raised by the SCP. It is virtually impossible to identify the issues which have broad support. Please

do not exclude any issue! It would be the worst thing we could do after 8 years from the start of the SCP work. The 45 issues identified by the CDIP are not exclusive to that committee and may be handled by other committees, e.g. the SCP. We must build trust!

(end of second day, shift of reporter to Karl Rackette)

The work of the SCP continued on the third day instead of 10.00 only at about 12.40. At the very beginning the Chair informed the members and observers that he has had talks with the delegations. He explained that he was prepared to take the risk of presenting a reduced list with a reduced number of issues at his own responsibility. He suggested a preliminary discussion and stressed that the other issues are not of the table and that there is no priority. Four documents, one for each issue, should be prepared for the next meeting. The non-exhaustive list with the 18 issues - as many times mentioned - is an open list with no priority on any issue. **Members and observers have until the end of October 2008 to make written comments and add issues** to the non-exhaustive list of issues for further elaboration and discussion in the future. The idea behind the proposal of the Chair was to arrive at a work plan and not to push forward harmonization.

### **What are the four issues of the originally proposed reduced list ?**

The reduced list of 4 issues was derived from the full "List of issues (in the order of their appearance in document SCP/12/3)" by extracting and combining issues.

- 1) A combination of issues 4 and 9 became in the reduced list:  
Dissemination of patent information (including the issue of a database on search and examination reports);
- 2) A combination of issues 11, 12, 13 and 14 became in the reduced list:  
Exceptions from patentable subject matter and limitations to the rights,



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including research exemption and compulsory licenses;

- 3) Issue 5 became in the reduced list: Patents and standards;
- 4) Issue 15 became in the reduced list: Client-attorney privilege;

After the announcement of the four issues the chair asked to please consider the proposal of the four issues as a beginning. The meeting was suspended until 15.00 and a Summary by the Chair was prepared and submitted to the Committee for discussion. During the time of the suspension a number of groups had meetings.

A about 15.40 the meeting continued and the Chair expressed his hope that the proposal was discussed in the regional groups. He invited the members and observers to make comments. The comments made after reconvening at about 17.00 were generally a positive reaction to the proposal of the Chair.

A positive comment came from Algeria for the African Group. Pakistan gave a lengthy statement involving many further issues. China and Brazil supported the gradual approach. Slovenia speaking for 27 states thanked the Chair and appreciated the proposal. Also, Romania was ready to go along with the proposal of a reduced number of topics. The US delegation for the Group B welcomed the four issues. Other supportive comments came from El Salvador, Tunisia, Bolivia, Russia and India. The Chair thanked the delegations and said that the issue was to develop a definite workplan and do quality work on the 4 issues. Detailed comments were also made by Pakistan, Mexico, Canada, GRUR, Congo, Egypt, Switzerland and Brazil.

Singapore raised the issue of objectives of the SCP. The Chair replied that it was the aim to have more elements to build a work programme and that we were taking steps to come up with a work programme to go on further.

The meeting on the third day seemed to be ending but then further discussions came up with proposals to amend some of the wording of the Summary by the Chair and especially the wording of the four issues.

The fourth day of the meeting started at 10.30. The Chair gave the floor to Singapore, Pakistan, China, Sudan, Switzerland, Algeria, Bolivia, Tunisia, Serbia, Canada, Bolivia, Egypt and Mexico.

The most important outcome was the agreement on an amended wording in the Summary by the Chair on the wording of the four issues and the proposed new Conference.

"7. Many delegations recognized that that document was covering a wide range of issues relating to the patent system and constituted a excellent basis for discussion. Mindful of the mandate given to it by the WIPO General Assembly in 2007, and thus working towards a work program, the SCP identified a non-exhaustive list of issues for further exploration and discussion in the future (see Annex)."

was changed to

"7. Many delegations recognized that that document was covering a wide range of issues relating to the patent system and constituted a **good** basis for discussion. Mindful of the mandate given to it by the WIPO General Assembly in 2007, and thus working towards a work program, the SCP identified a non-exhaustive list of issues for further **elaboration** and discussion in the future, ***which appears in the Annex to this document.***"

The section

"8. Following a proposal by the Chair, the Committee

(a) agreed that document SCP/12/3 would remain open for further discussion at the next session of the SCP and be open for written comments to the WIPO Secretariat, which would reflect those comments in footnotes or annexes to document SCP/12/3;"



was changed to

"8. Following a proposal by the Chair, the Committee

(a) agreed that document SCP/12/3 would remain open for further discussion at the next session of the SCP and be open for written comments to the WIPO Secretariat **until the end of October 2008**, which would reflect those comments in footnotes or annexes to document SCP/12/3;"

The most important changes proposed to the Summary by the Chair and discussed in detail related to the four issues and the suggestion for a special Conference.

The wording of the 4 issues was changed to:

- Dissemination of patent information (**inter alia** the issue of a database on search and examination reports);
- Exceptions from patentable subject matter and limitations to the rights, **inter alia** research exemption and compulsory licenses;
- Patents and standards;
- Client-attorney privilege;

The original wording in the Summary by the Chair concerning the proposal for a special Conference was changed after some discussions from

"(d) suggested that the Director General consider including in the revised Program and Budget for 2009, provision for a Conference on issues relating to the intersection of patents and certain areas of public policy, such as health, the environment, climate change or food security;"

to:

"(d) suggested that, **in the framework of the SCP and, where relevant, also with other WIPO bodies**, the Director General consider including in the revised Program and Budget for 2009, provision for a Conference on issues relating to the **implications, including public policy implications**, of patents on certain

areas of public policy, such as health, the environment, climate change or food security;"

The SCP closed one day earlier than planned on Thursday, 26 June at 12.10 after the Chair had expressed his thanks to all delegations who had shown flexibility for the last four days. He found that the fact of having agreed on 4 issues was an achievement for all of us and he hoped **to meet again at the beginning of next year** without specifying any date or month.

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