

Compulsory licensing of patents issued by the Saudi Authority for Intellectual Property

First: Rules and procedures of requesting compulsory licensing of patents:

Special rules:

- A. Rules and procedures of requesting compulsory licensing for governmental use:
- Applicants are required to make a request for a compulsory license from the Authority for a particular product or method of manufacturing a product protected by patent
 - The Authority shall review and audit the compulsory license application to verify the availability of the necessary conditions which prove that the purpose of the license application is to achieve the public and especially
 - Security, health, nutrition or the development other vital sectors of the national economy.
 - to meet a state of emergency or other very compelling circumstances
 - the aim thereof was public non-commercial purposes
- B- Rules and procedures of requesting compulsory licensing for private sector use:
- Applicants are required to make a request for a compulsory license from the Authority for a particular product or method of manufacturing a product protected by patent
 - The applicant shall comply with the following:
 - 1- The application shall be submitted after the elapse of four years from the date of filing the patent application or three years from the date of granting the patent, whichever expires later,
 - 2- The applicant for compulsory licensing shall prove that the owner of the protection document has not exploited his invention or having exploited it in an inadequate fashion, unless he justifies that with a legitimate excuse.
 - 3- The applicant for a compulsory license must prove that he has exerted -over a reasonable period of time- efforts in order to obtain a contractual license on the basis of reasonable commercial conditions, and for a reasonable financial compensation.

General rules:

1. The Authority shall review and audit the compulsory license application to verify the availability of the required conditions.
2. The Authority shall issue a decision granting the compulsory license to the applicant.
3. The licensee shall be obliged to review the relevant authorities to obtain the necessary licenses to start the exploitation of the patented product.
4. The patent owner shall be notified of the compulsory license decision.
5. The owner of the patent shall be awarded a fair compensation, and the licensee undertakes to pay it.
6. In the event that the parties do not agree on the amount of compensation, the owner of the patent shall have the right to Submit to the Committee of the consideration of patent claims (the competent department) to request a compensation.

Second: General provisions for compulsory licensing of patents:

1. The compulsory license covers the geographical scope of the Kingdom.
2. The duration of the compulsory license is the license shall specify the scope and term of the license, according to the purpose for which it was granted. The license shall be subject to termination if the conditions for which it was granted cease to exist and their recurrence is not likely, with due regards to the lawful interests of the licensee
3. The license shall not be exclusive to the grantee.
4. the beneficiary of the compulsory license may not assign it to others, unless the assignment includes all or part of the firm benefiting from the license or its goodwill. The authority approval of the assignment is required; otherwise, it shall be null and void. If the authority approves such assignment, the assignee becomes liable for the obligations assumed by the first beneficiary prior to the approval of the assignment
5. The Authority may amend the decision to grant compulsory if need arises. The owner of the protection document or the beneficiary of the compulsory license may request the authority to make this amendment if its pre-requisites are fulfilled. The reasons for the decision of authority to amend the license or to reject the request must be stated.

6. relinquishment of the protection document, in case of compulsory license, shall only be accepted with a written consent of the beneficiary of the license, or the proof of the existence of compelling circumstances justifying this relinquishment. The relinquishment shall be registered and published in the Gazette, and it shall not be effective against a third party except from the date of publication.
7. The beneficiary of the compulsory license may relinquish the license, upon written request to the Authority, provided that the impact of the abandonment takes effect from the date of approval by the Authority.
8. The applicant for the compulsory license shall pay the required fees for this, upon request of the license.
9. If the patent involves a significant technological advance with a considerable economic value, which requires the exploitation of another patent, the authority may grant that owner of the protection document a compulsory license to exploit the other patent. In such a case the compulsory license shall not be assigned unless the other patent is assigned. The owner of the other patent shall be entitled to a counter license from the compulsory licensee, in accordance with reasonable conditions.

Third: Cancellations of the compulsory license of patent:

- A. If the beneficiary of the license fails to exploit it in a way that satisfies the Kingdom's needs, within two years from the grant of the license, renewable for an equal period, if it is proved that there is a legitimate cause.
- B. If the beneficiary of the compulsory license fails to pay the due fees within ninety days from the due date, including the compensations to which the owner of the protection document is entitled, as
- C. If the beneficiary of the compulsory license fails to observe any condition necessary for granting of the license.

Fourth: The financial equivalent for granting the compulsory license of patent:

The grant of a compulsory license worth a financial equivalent in accordance with the provisions of Law of Patents, Layout Designs of Integrated Circuits, Plant Varieties, and Industrial Designs.