

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Negotiating Group on Trade-Related Aspects
of Intellectual Property Rights, including
Trade in Counterfeit Goods

SUBMISSION BY JAPAN

Addendum

Patents: Non-Voluntary Licences

The following communication has been received from the Permanent Mission of Japan with the request that it be circulated to members of the Negotiating Group.

1. Introduction

Japan proposes the following as revisions on patents to the submission proposed in September 1988. The revisions made below represent the Japanese Government's point of view at the present stage, and they remain subject to future modification.

Japan welcomes the submission of numerous proposals since the April 1989 TNC which facilitated substantive discussions. Particular attention should be paid to the detailed discussion on standards in the October - November 1989 session which have intensively examined several issues. Recognising the importance of constructive and helpful proposals and opinions on these points by participants in accelerating the negotiation process, Japan made some additional, supplementary proposals on standards in October (see NG11/W/17/Add.2).

An active exchange of view took place on non-voluntary licensing which is one of the most controversial issues in the area of standards together with patentable subject matter and the term of patents. We made our proposal on concrete rules and disciplines on non-voluntary licensing in September 1988.

Japan hereby submits a supplementary proposal based on the subsequent substantive discussions that took place after the April 1989 TNC in particular, to contribute to efforts to formulate an agreement on the non-voluntary licensing, thus further accelerating the TRIPS negotiations.

The present proposal replaces point (5) on Patents in our submission NG11/W/17/Add.1.

2. Japanese Proposal on Non-Voluntary Licences

(1) Non-voluntary Licence and Forfeiture of a Patent.

In the granting of a non-voluntary licence, an application for the licence shall be filed with a competent authority only on the following grounds, provided that the patentee has refused to grant a voluntary licence requested by the same applicant in accordance with normal commercial practices:

- (i) the public interest concerning national security, or critical peril to life of the general public or body thereof; or
- (ii) failure to exploit the patented invention or insufficient exploitation to satisfy local needs after the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last, unless legitimate reasons as viewed from Government's regulation or normal commercial practices exist; or
- (iii) interdependence of the invention of the applicant's patent and the earlier filed invention of the said patentee's patent.

Upon the said application, the competent authority may grant a non-voluntary licence to the extent of necessity from the ground specified above.

Participants shall minimise the granting of non-voluntary licences in order not to impede adequate protection of patent rights.

Non-voluntary licences shall be non-exclusive.

In granting a non-voluntary licence, reasonable compensation shall be provided to the patentee.

Judicial review shall be available to the following cases:

- (i) the granting of non-voluntary licences and compensation therefor; and
- (ii) forfeiture of a patent where applicable.