



# The GCC patent

## براءة الاختراع في دول مجلس التعاون الخليجي

A hidden treasure, the Gulf Cooperation Council patent is just waiting to be discovered, according to Jan Wrede.

حسب ما يرى جان وريدي فإن براءة الاختراع في مجلس دول التعاون الخليجي تعد كنزاً مخفياً في الأعماق وتحتاج إلى من يقبل على اكتشافها

In his timeless masterpiece *The Little Prince*, Antoine de Saint-Exupéry meditates: "I have always loved the desert. One sits down on a desert sand dune, sees nothing, hears nothing. Yet through the silence something throbs, and gleams ..."

And even today, more than 70 years after this classic tale was written, one can find little gems in the desert, more precisely in today's Riyadh, the Saudi capital, which is home to the Gulf Cooperation Council Patent Office (GCC PTO). It all started back in 1981, when the Gulf Cooperation Council (GCC) was established in Abu Dhabi

between the six founding members: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Apart from being meant as a political stronghold against the uprising neighbor states, the Council significantly fostered its interest right from the start, focusing on the economic development of its members. Plans such as a common currency came up but, like fellow initiatives (such as transforming the GCC into a full confederation), are still waiting to see the light. On the other hand, some by no means less ambitious projects did make it to become a reality: in the present context, of

### Résumé

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Jan heads the Dubai office of Dennemeyer & Associates, an international IP law firm headquartered in Luxemburg with worldwide offices. With vast practice experience as an Attorney at Law and a Trademark & Design Attorney, his areas of expertise include trademark filing and prosecution, portfolio management, anti-counterfeiting, IP contracts, labeling, unfair competition, geographical indications, domain names, and IP litigation. He has been a member of several INTA and ECTA Committees, where he currently serves as Vice-Chairman of the Geographical Indications Committee.

جان وريدي، مدير مكتب دبي لشركة دينيمير أند أسوسيتيس

يترأس السيد جان وريدي مكتب دبي لشركة دينيمير أند أسوسيتيس وهي شركة عالمية تعمل في مجال قانون الملكية الفكرية ومقرها في لوكسمبورغ، ولها مكاتب في جميع أنحاء العالم ويتمتع بخبرة عملية واسعة باعتبارها محامي في القانون والعلامات التجارية والنماذج الصناعية، ولا تقتصر خبراته على ايداع طلبات العلامات التجارية، والتفاوض وإدارة المحافظ ومكافحة التزوير عقود الملكية الفكرية ووضع العلامات، بل تشمل أيضاً المنافسة غير المشروعة والمؤشرات الجغرافية وأسماء النطاقات والتفاوض في مجال قانون الملكية الفكرية. وقد كان عضواً في العديد من لجان الرابطة الدولية للعلامات التجارية، ورابطة العلامات التجارية للمجتمعات الأوروبية. ويشغل حالياً منصب نائب رئيس لجنة المؤشرات الجغرافية.

**The term of protection is 20 years. There are, however, no Supplementary Protection Certificates. Neither is the GCC a member of the Patent Cooperation Treaty (PCT) or the Paris Convention.**

مدة حماية براءة الاختراع عشرون سنة، وبالرغم من ذلك ليس هناك شهادات حماية تكميلية وينطبق هذا الأمر على الدول الأعضاء في معاهدة التعاون بشأن البراءات أو الدول المنضوية تحت لواء معاهدة باريس.



The official flag of the Gulf Cooperation Council. The inscription reads: "In the name of Allah, the Most Merciful, the Dispenser of Grace - The Cooperation Council for the Arab States of the Gulf".

course, we refer to the regional IP organization known as the GCC PTO.

Adepts of the desert know very well that between the wide sky and the endless sands, time takes on its own dimension: only in 1987, the first patent law was set up; in 1992, the GCC Patent Convention signed; in 1998, the GCC PTO established; finally, on October 3, 1998, the first patent application was filed.

So where are we today, 15 years of experience later?

### State of play

The GCC has developed into the most important economic player in the Middle East and North Africa (or MENA) region. Even without the envisaged enlargement to Iraq, Jordan, Morocco, and Yemen, the current GCC members account for over 50% of the OPEC oil, or 16.5% of the world production; their combined nominal gross domestic product equals ca. US\$ 1,500 billion.

And with the GCC PTO, more than 27,000 patents have been filed! The ten most important filing countries are:

- USA,
- Netherlands,
- UK,
- Switzerland,
- Saudi Arabia,
- France,
- Germany,
- Japan,
- Belgium, and
- Italy.

The PTO currently employs around 90 people, including 30 examiners. Since there are no local branches, all applications have to be filed directly with the Office: first electronically, then additionally in paper form (this sequence is mandatory).

### The GCC patent

The GCC patent automatically extends to all member states; their individual selection is neither possible nor necessary. No further formalities for recognition must be effectuated.

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Neither is the GCC a member of the Patent Cooperation Treaty (PCT) or the Paris Convention.

General filing requirements are:

- Power of attorney, notarized and legalized by one of the six consulates of the member states.
- Certified extract from the commercial register or certified copy of the certificate of incorporation, duly legalized.
- If the applicant is not the inventor: certified copy of the assignment deed, duly legalized.
- If one exists, a certified copy of the priority application.
- Three copies of the application structured in the following order: title, description, claims, drawings, abstract.
- The application may be filed in Arabic or in English with Arabic translation.

The Office itself carries out a formal examination. In case of any objections, the applicant has three months time to reply and/or comply therewith. Otherwise the application will be deemed lapsed.

The substantial examination is assigned to the Australian, Austrian, Swedish, or Chinese Patent Office.

### Requirements

The requirements follow the international standards: the invention must be new, inventive and industrially applicable; however, it must not be offensive to the principles of the Islamic Shariah.

Microbiological processes, pharmaceuticals, and computer-implemented inventions are patentable. Scientific theories, mathematical

theorems, computer programs as such, business methods, plant varieties, animal species, human and animal healing practices and diagnostic methods, are excluded from patentability.

The concept of novelty is understood in an absolute sense. A prior publication during the year before the priority date, however, is harmless, as is the announcement of the invention on the occasion of an internationally recognized exhibition in the preceding six months.

The inventive step is measured in relation to an averagely skilled technician of the respective field. The industrial applicability is based on a broad concept and comprises also handicrafts.

Again, in case of any deficiencies, the applicant has three months time to respond to the office action and to amend the patent, if necessary. This can take place up to a maximum of three times: after that, the application will be definitively rejected.

It is possible to appeal against any such rejection within three months. The Grievance Committee considers appeals. The said Committee is an independent body consisting of six legally and six technically trained members, each two of these coming from a different GCC state. The Committee may decide, depending on the circumstances of the case, with a two thirds majority, or by absolute majority.

Following the normal course of prosecution, the time required from application to grant is, on average, 36 months.

The patent is then published in the Official Journal, whereupon a three-month opposition period begins. Any opposition is, again, heard before the Grievance Committee.

It is also possible to file for a nullity action with the Committee at any time.

Decisions by the Grievance Committee may be challenged further before the ordinary courts of the member states.

### Annuities and employee inventions

A special feature regards the annuities, as these must be paid, regardless of the actual filing or priority date, in the first quarter of each Gregorian calendar year. This duty actually starts in the year following the application. If three years pass without the Office having examined the case, annuities may temporarily be suspended and paid up later all at once. Unlike in international practice, there is only a three-month grace period until the end of June; subject, of course, to the payment of an additional fine.

Regarding employee inventions, it is to be noted that the employee has to assign their right to the patent as long as the invention stems out of the context of their inventive-specific activity or as a result of means (facilities, funds or information) provided by their employer.

**“ The requirements follow the international standards: the invention must be new, inventive and industrially applicable; however, it must not be offensive to the principles of the Islamic Shariah. ”**

تتماشى المتطلبات مع المعايير الدولية التي تشترط جدة الاختراع وتمييزه بالابتكار وقابليته للتطبيق في المجال الصناعي، ومع ذلك يجب أن تراعي هذه المخترعات مبادئ الشريعة الإسلامية وقيمتها.

The employee may, however, be entitled to receive a special remuneration, if that is foreseen by the law of the country where the invention has been made.

This scheme is valid for two years after the termination of the employment.

### Patent attorneys, licensing and anti-trust

There are no fixed regulations governing the profession of a patent attorney, so practically anyone residing in a GCC member state may apply for a professional license and act as an authorized representative before the GCC Office. The foreign applicant is therefore gently advised to rely predominantly on known practitioners in the field.

Licenses should be registered for a fee at the Office; a copy of the agreement, duly certified by a GCC Consulate must also be filed in the Arabic language. If this requirement is not met, the agreement cannot be enforced against third parties.

In addition, the GCC Office maintains an anti-trust control over all licenses.

The patent must be worked within three years, otherwise, the Board of Directors of the GCC PTO may, on request, grant a compulsory license. This is, however, subject to rather restrictive conditions:

- The patent has to be unused in the GCC for three years; also serious preparations to use it in just one member state would meet this requirement.
- The applicant must have tried in vain to obtain a license, while offering a reasonable license fee.
- The compulsory license is always non-exclusive.
- The compulsory license is not transferable.
- The compulsory license must be justified by a concrete market demand.
- The patent holder has to be adequately compensated.
- It is also possible to ask for a compulsory cross-license for dependent patents of particular industrial and economic importance.
- A compulsory license shall be revoked if it is by itself not executed within two years, or if the license fee is not paid.

Alternatively, a compulsory license may be granted to a member state in order to satisfy paramount national interests. This is only possible against fair remuneration but, on the other hand, even before the expiry of the aforementioned three-year period, and without any mandatory prior offer for a regular license.

### Infringement

The patent gives an exclusive right with respect to the manufacture, use, sale, supply, and import of the invention or object obtained by using a patented manufacturing process. Fair use can be made for scientific purposes or in case of a limited access to the GCC territory, such as on ships or aircrafts.

Actual or imminent patent infringements can be heard before the courts of the member states corresponding to the location of the (presumed) violation (loci commissi delicti). So far, however, infringement lawsuits rarely take place. An aspect that still needs clarification is how the courts should deal with a defensive counterclaim for nullity. It is possible that the trial would have to be suspended pending the resolution of this preliminary issue before the competent courts of Saudi Arabia.

Unlike the GCC and Kuwait, it is possible to designate the other five member states (Bahrain, Qatar, Oman, Saudi Arabia, and the UAE) via the PCT. This surely provides, for the foreign applicant and its attorney, the advantage of an – at least seemingly – tranquilizing familiarity with the system. Nevertheless, one should not disregard the indisputable advantages of the GCC patent vis-à-vis five national applications:

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يكون تاريخ استحقاق الرسوم السنوية لبراءات الاختراع خلال الربع الأول من كل سنة ميلادية بعض النظر عن تاريخ تقديم الطلب في المكتب أو تاريخ أول إيداع لطلب الأولوية.

- The prosecution is usually done faster.
- The overall official, annuity, and attorney fees are lower.
- The territorial scope is larger.
- Compulsory licenses are subject to a clear rule.
- The import into only one member state is considered working of the patent in all GCC countries.
- A substantial examination is performed, which is carried out by experienced offices, and whose reports are available in English.
- There is only one local representative and one office to dialogue with, from the cradle of the patent to the grave (prosecution, office actions, oppositions, nullities, annuities, licenses, enforcement).
- The legal value is the same.

### Conclusions

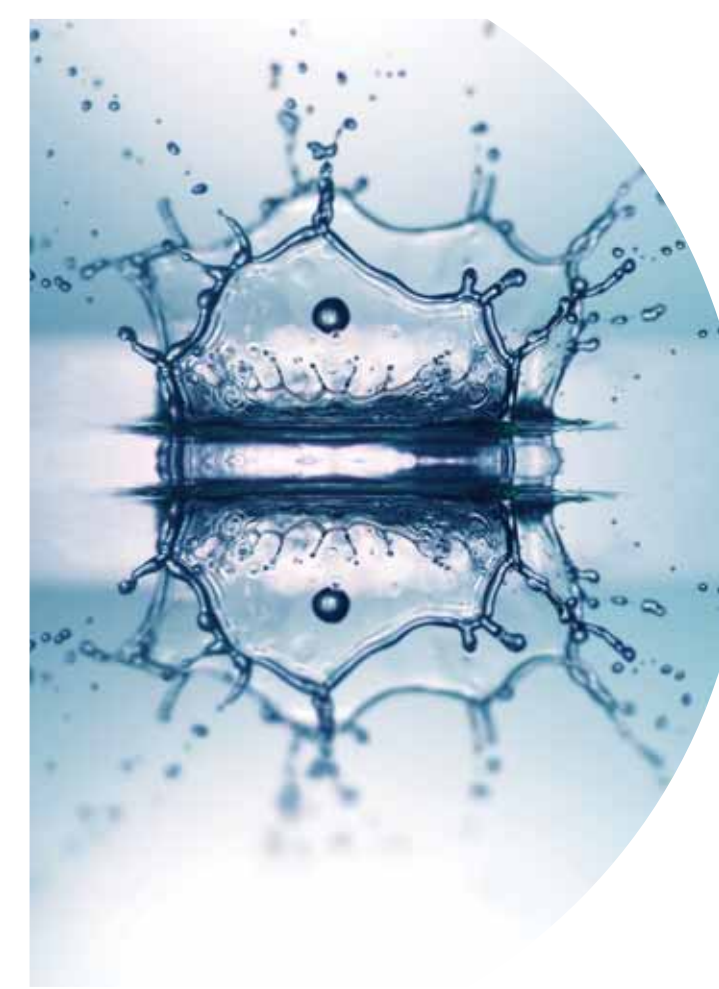
Considering the growing economic importance of the Gulf for international businesses, the GCC patent provides a fantastic opportunity

to cover inventions for the whole region in one shot. This is truly reflected in the growing number of applications filed: simply disregarding each past and current financial crisis, applications have already quadrupled compared to ten years ago. Moreover, and unlike most of the national applications concerned, patents are substantially examined by experienced Offices. In spite of the necessity of Arabic translations, the examination is de facto carried out in English, which eases the understanding of possible office actions and the drafting of replies.

Sure, neither the Grievance Committee nor the national judges may yet have that vast experience one may find in Europe, the US or Japan; however, the Committee, with its technical and legal members, is proving to be at quite an advanced stage of knowledge already. And, not to forget, the GCC system is also bound to be fully TRIPS-compliant.

Practice makes perfect, so it will only be a matter of time until the desired expertise will find its way into the hitherto unknown desert, right between the star-spangled deep blue sky and the glowing sand dunes, where one may, with a little luck, spot a young prince, discussing life's values beyond any tedious adult imagination...

بالرغم من إن لجنة التظلمات والقضاة المحليون لا يتمتعون بالخبرة الواسعة الموجودة في أوروبا والولايات المتحدة الأمريكية أو اليابان إلا أنها برهنت بأن أعضاءها الفنيين والقانونيين الآن في مرحلة متقدمة من المعرفة التي تم اكتسابها واضعين في الاعتبار أن النظام يلتزم بالمعايير الخاصة بنظام الشكاوى كما أقرتها الاتفاقية حول الجوانب التجارية لحقوق الملكية الفكرية أو اتفاق تريبس (TRIPS). إن الممارسة يوماً تؤدي إلى تحسين الأداء إلى الأفضل لذا ستكون المسألة هي مجرد وقت حتى تجد هذه الخبرات الطريق إلى دروب الصحراء المجهولة وتستقر تماماً بين السماء الزرقاء المرصعة بالنجوم وكتبان الرمال الصحراوية المشعة وحينها سيكون المرء محظوظاً في تحديد موقع الأمير الشاب الذي يناقش قيم الحياة دون الجنوح لأي خيال وإه ومرهق.



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