The GCC patent

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

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 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. USD 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 ten most important filing countries are:

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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.

State of play

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.

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.

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.

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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 for patent matters 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 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. 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 nonexclusive.
- The compulsory license is not transferrable.
- 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 indispensable advantages of the GCC patent vis-à-vis five national applications:

- 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, 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...