KELIN
Reclaiming Rights, Rebuilding Lives

aidsfonds

Policy Brief: INTELLECTUAL PROPERTY BILL, 2020

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Introduction

In 2020, Kenya through its Ministry of Industrialization and Enterprise Development embarked on a process to consolidate its multiple intellectual property laws including the Trademarks Act, Industrial Property Act and Copyright Act. A comprehensive Intellectual Property Bill 2020 and the Statute (Miscellaneous Amendments) Act 2020 were proposed to among other things consolidate the various IP Offices i.e., Kenya Copyright Board (KECOBO), Anti-counterfeit Authority (ACA) and Kenya Industrial Property Institute (KIPI) under one office to be called the Intellectual Property Office of Kenya (IPOK). Notably, the merger of the three offices was part of the recommendations contained in the 2013 Presidential Taskforce on Parastatal Reforms and at the time the proposal was to merge the three offices into one, namely the Kenya Intellectual Property Office (KIPO).[1] Apart from institutional reforms, the IP Bill will reform the current provisions contained in law on IP protection and enforcement.

Consequently, the proposed Industrial Property Bill, 2020 will be an important milestone for enhancing access to medicines by ensuring that the flexibilities available under the Industrial Property Bill, 2001 are maintained and strengthened. What is more the IP Bill should also make sure that any attempt to weaken or undermine the existing TRIPS flexibilities at the national level is defeated.

Analysis of the TRIPS Flexibilities in relation to the IP Bill Provisions

To safeguard public health, there are certain flexibilities contained under the TRIPS Agreement as confirmed by the Doha Declaration on the TRIPS Agreement and Public Health (2001).

[1]Report of the Presidential Taskforce on Parastatal Reforms, October 2013, p. 107. https://www.scac.go.ke/2015-02-16-09-56-36/reports.

TRIPS Agreement Flexibilities	Explanation[2]	How it is captured currently in the Kenyan IP Law	How it is captured in the proposed IP Bill	Recommendation
TRIPS Article 6: Exhaustion/ Parallel imports: For the purposes of dispute settlement under this Agreement, subject to the provisions of Articles 3 and 4 nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.	Goods legitimately placed on another market may be imported from another market without permission of the right holder because of the exhaustion of the patent holder's exclusive marketing rights.	Section 58(2) of the IPA, 2001 provides: 'The rights under the patent shall not extend to acts in respect of articles which have been put on the market in Kenya or in any other country or imported into Kenya.	Clause 84(2) provides: The rights under the patent shall not extend to acts in respect of articles which have been put on the market in Kenya or in any other country or imported into Kenya by the owner of the patent or with his express consent.	International exhaustion principle maintained, and the scope expanded to include the consent of the owner as a means to exhaust rights which was previously missing under IPA, 2001.
TRIPS Article 27: Patentability criteria Article 27(1) provides: Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application.	WTO Members may develop their own definitions of 'novelty', 'inventive step' and 'industrial application.' They can also refuse to grant patents for certain subject matter, e.g., plants and animals.	Section 22(1) of the IPA, 2001 provides for the protection of new inventions as follows: '[a] n invention is patentable if it is new, involves an inventive step, is industrially applicable or is a new use.'	Clause 48 of the IP Bill Provides: "An invention is patentable if it is new, involves an inventive step, and is industrially applicable.	Kenya's patentability criteria under IPA, 2001 is arguably low, meaning that ever-greening of patents is possible in Kenya. The IP Bill has remedied the situation by removing "new use" as part of the criteria for patentability. India Patent Law Section 3(d) is best practice: The mere discovery of

[2]Adopted from the UN High Level Panel Report, page 18.

				a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine, or apparatus unless such known process results in a new product or employs at least one new reactant, is not patentable.
Article 30: General exceptions & "Bolar" exception	WTO Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner.	In Kenya, a Bolar exception is provided for under section 58(1) which provides that "[t]he rights under the patent shall extend only to acts done for industrial or commercial purposes and in particular not to acts done for scientific research."	Clause 84(1) provides: The rights under the patent shall extend only to acts done for industrial or commercial purposes and not to acts done for scientific research.	No change observed.

TRIPS Article 31: Compulsory licensing	A non-voluntary license may be granted by a duly authorised administrative, quasi-judicial or judicial body to a third party to use a patented invention without the consent of the patent holder, subject to the payment of adequate remuneration in the circumstances of each case.	Compulsory licensing is provided for under sections 72 to 78 of the Industrial Property Act, 2001. Section 75(2)(b) provides for limited predominant supply of the domestic market.	Clause 84(5) provides: The rights under the patent shall be limited by the provisions on compulsory licenses for reasons of public interest or based on interdependence of patents and by the provisions on State exploitation of patented inventions. Clauses 97-102 deals with the details of compulsory licensing under the IP Bill. Clause 100(b) on grants and terms of compulsory licenses provides for its limitation predominantly for the supply of the domestic market.	The limitation on predominant supply of the domestic market can be improved to allow for EAC supply and supply under AfCFTA or any country with no or limited manufacturing capacity.
Article 31: Government use	A government authority may decide to use a patent without the consent of the patent holder for public, non-commercial purposes, subject to the payment of adequate remuneration in the circumstances of each case.	Government use orders are dealt with under section 80, 'Exploitation of the patented inventions by the Government or by third persons authorized by the Government or government use' Section 80(1)(9) provides that the exploitation of the invention pursuant to an order under this section shall be primarily for the supply of the market in Kenya.	Clause 105 allows for exploitation of the patented inventions by the Government or by third persons authorised by the government. Clause 105(13) provides that the exploitation of the invention pursuant to an order under this section shall be primarily for the supply of the market in Kenya.	See previous recommendation on compulsory licensing and especially in relation to supplying EAC market/ AfCFTA markets.

TRIPS Articles 8, 31 (k), 40: Competition-related provisions	Members may adopt appropriate measures to prevent or remedy anti-competitive practices relating to intellectual property. These include compulsory licenses issued based on anti-competitive conduct and control of anti-competitive licensing.	The IP Act, 2001 section 80(1)(b), also empowers 'the Managing Director of KIPI to recommend the issuance of a government use order by the Minister for Trade where the Managing Director determines that the manner of exploitation of an invention by the owner of a patent, or licensee thereof, is not competitive.'	Clause 105(1)(b) provides that one of the conditions for exploiting a patented invention by government shall be when the Director General determines that the manner of exploitation of an invention by the owner of the patent or his licensee is not competitive.	No change observed.
Patent term TRIPS Article 33 provides the term of protection available shall not end before the expiration of a period of twenty years counted from the filing date.	The term of a patent is the maximum time during which it can be maintained in force.[3]	Section 60 of the IPA, 2001: A patent shall expire at the end of twenty years from the filing date of the application.	Clause 86 provides: A patent shall expire at the end of twenty years from the filing date of the application.	No change observed.
Patent term opposition (TRIPS Article 62(5) of the TRIPS Agreement contemplates patent term opposition but does not distinguish whether its pre or post-grant opposition.)		Kenya's patent law implements a revocation as opposed to an opposition procedure under its section 103(2), which provides that "[a] n interested person may,	Clause 129 provides: Any interested person may institute proceedings instituted against the owner of a patent…request the tribunal to revoke or invalidate the patent…	No pre-grant opposition process provided for.

[3]https://en.wikipedia.org/wiki/Term_of_patent.

		within a period of nine months from the date of publication of the grant of a patent…request the Tribunal to revoke or invalidate the patent….”	Subsection 2 provides that the owner means a holder of patent.	
Right of a prior user	A prior user right is the right of a third party to continue the use of an invention where that use began before a patent application was filed for the same invention. Prior user rights are provided for by the different national legislations and such provisions in national legislation only have national effect.[4]	Section 56 (1) of the IPA, 2001. Notwithstanding the provisions of section 54, a patent shall have no effect against any person (hereinafter referred to as “the prior user”) who, in good faith, for the purposes of his enterprise or business, before the filing date or, where priority is claimed, the priority date of the application on which the patent is granted, and within the territory where the patent produces its effect, was using the invention or was making effective and serious preparations for such use; any such person shall have the right, for the purposes of his enterprise or business, to continue such use or to use the invention as envisaged in such preparations.	Clause 82(1): Notwithstanding the provisions of section 105, prior use of a patent shall have no effect against any person (hereinafter referred to as “the prior user”) who, in good faith, for the purposes of his enterprise or business, before the filing date or, where priority is granted, and within the territory where the patent produces its effect, was using the invention or was making effective and serious preparations for such use; any such person shall have the right, for the purposes of his enterprise or business, to continue such use or to use the invention as envisaged in such preparations.	No change observed.

[4]https://www.uspto.gov/sites/default/files/ip/global/prior_user_rights.pdf

Other important observations in the IP Bill

There are other observations that were made in the IP BIll that may have an impact on access to medicines.

- First, clause 4(e) on guiding principle provides protection and promotion of intellectual property as a guiding principle. However, there is no mention of full utilisation of TRIPS Agreement flexibilities in that section or anywhere else in the document.

- Second, this same trend is observable in clause 6(3)(a) dealing with the IP strategy whereby the full utilisation of TRIPS Agreement flexibility is completely left out.

- Last, another relevant clause of interest is clause 8(f) which deals with the functions of the intellectual property office of Kenya and provides that the Office shall advise the government through the Cabinet Secretary on relevant policies and measures on intellectual property. One only hopes that the same will include matters to do with public health and access to medicines which can be addressed through the full utilisation of TRIPS Agreement flexibilities. Better clarity is needed in that provision.

Conclusion

The study has established that most of the gains made under the IPA, 2001 have been maintained in the current proposed IP Bill. In fact, there are some improvements including on the patentability criteria by the removal of new uses. However, the same can be strengthened by adopting the Indian section 3(d) which makes it hard to register weak patents and therefore help in curbing the ever-greening of patents.

Another unique feature of the IP Bill is that it has maintained the international exhaustion principle and even went further to expand the means through which rights can be exhausted to include consent by the owner of a patent. This is unique and commendable because it allows for greater market access in terms of parallel importation.

Some misses were also observed. For instance, the provisions on compulsory licensing still insist on the limitation on predominant supply of the domestic market which can be legally improved to allow for EAC supply and supply under AfCFTA or in fact any country with no or limited manufacturing capacity.

The IP Bill should also consider providing for pre-grant opposition process instead of the current revocation or invalidation process. It is interesting though that the nine months period after the publication of the grant of a patent has been removed from the IP Bill.

The IP Bill also has some provisions that could be improved to embrace for example full utilization of TRIPS flexibility as a guiding principle.

Lastly, the Act has generally avoided the TRIPS plus pitfalls that is associated with many FTA. This is important because TRIPS-plus provisions undermine the policy space necessary to intervene in relation to public interest which includes public health and access to medicines.

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