

**Executive Summary**

**Biopiracy and Patent Law:**

**Implementing the Rio Convention (CBD) in  
national and European patent law.**

Legal opinion prepared by  
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for  
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## **Clients' introduction**

*In a legal opinion prepared for Berne Declaration, SWISSAID, and Blauen-Institut Münchenstein in anticipation of the upcoming revision of Swiss patent law, Professor Fritz Dolder outlines the changes that will be necessary in order to cut down on biopiracy and move towards full compliance with the goals and obligations of the Convention on Biodiversity (CBD).*

Switzerland is a party to the Convention on Biodiversity (CBD) and therefore bound by international law to protect and promote the sustainable use of biodiversity and to make sure that countries of origin receive their fair share of the benefits generated from the use of their biological resources.

The theft of such resources and any attempt to patent inventions based on illegally acquired biological source materials are considered acts of biopiracy. Besides being highly unfair, biopiracy violates the CBD and subverts the convention's benefit-sharing provisions.

As Swiss patent law is coming up for revision, Berne Declaration, SWISSAID, and Blauen-Institut have asked Professor Fritz Dolder to draw up a legal opinion assessing the changes in patent law needed to prevent at least some of the more flagrant instances of biopiracy. Berne Declaration, SWISSAID and Blauen-Institut want to include the amendments proposed by Professor Dolder in the revised Swiss patent legislation as a first step in the right direction.

In his legal opinion Professor Dolder indicates how Swiss law can be adapted without overstepping the boundaries of the European Patent Agreement. By validating claims arising from collective ownership and granting compensation for resources used or specification contributed, his proposals allow countries of origin and those whose knowledge contributes the success of a new product to share in the patent and all economic benefits derived from it. The author also proposes ways to prevent the subversion/avoidance of these rules (e.g. through mandatory disclosure of the origins of source materials in patent applications).

SWISSAID, Berne Declaration and Blauen-Institut are opposed to patents for living organisms or parts thereof as a matter of principle. Instead, the three institutions explicitly support the African model law that rejects the patenting of life forms and calls for effective measures against biopiracy. The African proposal promotes an alternative system of safeguards based on food safety, the protection of local community know-how and the preservation of biological diversity.

**Summary of the most important aspects of the legal opinion.**

## **A. Legislative Measures Are Permitted Under International Law.**

Professor Dolder is convinced that legislative measures are necessary to fight biopiracy and that such measures are permitted under international law. “Legislative adjustments in demand-side countries along with measures taken in the countries of origin of bio-resources are indispensable and, in terms of efficiency, quite simply the instrument of choice to achieve compliance with the legal norms of the Rio Convention”, Professor Dolder writes.

He proposes solutions that allow legitimate stakeholders in the home countries of bio-resources to participate in inventions. Participation may be achieved in several ways:

- through acquisition of patent rights or rights deriving from a patent;
- by tightening the requirements for patentability, especially for patent applications by non-stakeholders or partial stakeholders (unlawful appropriation);
- through the emergence of contractual claims (compensation claims, profit-sharing claims) resulting from patent applications and patents granted.

These proposals are permitted under international law because the acquisition of rights to and from a patent (unlike the requirements of patentability) are not covered by the respective treaties. There is, in fact, a regulatory vacuum that needs to be used. “International treaties in the field of intellectual property (e.g. TRIPS), while presuming its existence, do not standardize the concept of the inventor as acquirer and owner of the rights to a patent. Therefore, nothing stands in the way of amending the laws governing patent rights in demand-side states (country of the patent application).”

Likewise, international treaties do not cover the emergence of contractual claims – compensation claims, profit sharing claims – resulting from patent applications and patents granted. A change in the laws of the demand-side state is therefore compatible with the rules of international civil law.

## **B. Enable the Participation of Legitimate Stakeholders**

Participation is an option for people with a legitimate stake in biological resources (see appendix 1). Indeed, even now (under existing law) there are a number of legal ways to insist on stakeholder **participation** - and thus on the implementation of the Rio Convention. Thus, stakeholders could invoke legal provisions pertaining to:

- inventor’s law
- contract law
- extra-contractual liability
- management without mandate
- unjustified personal gain

According to Professor Dolder, however, these legal provisions are so weak and unreliable that changes in national laws aimed at implementing the Rio Convention should be seriously considered. In his legal opinion Professor Dolder submits specific proposals for the revision of existing laws (see C.).

## **C. Proposals for a Revision of Patent Law**

Based on the institutes of current civil law the author submits four different proposals for a revision of patent law in industrialized (demand-side) countries. (For actual draft proposals see appendix 2, proposed changes in *Italics*).

All four proposals aim to increase the share of proceeds going to countries of origin and require relatively minor legislative changes in the countries of the patent application.

The first two proposals lead to a co-ownership of inventor and resource stakeholder.

### **1. Participating in the Ownership of Invention**

In the first proposal the stakeholder of biological or genetic resources according to Art.2 CBD is placed on the same level with the inventor, i.e. he participates in the ownership of the invention according to the relative value of his input. This equal rights clause is key - it merely extends the principle of joint rights to a joint invention as it already exists in patent law.

However, in order to effectively protect stakeholders in countries of origin this rule requires, at the very least, the status of a unilaterally binding law; also, all preliminary waivers on the part of stakeholders are declared null and void:

The first proposal therefore explicitly rules that preliminary waivers depriving the stakeholder of his rights have no bearing on the validity of the equal rights rule.

### **2. Factual Partnership**

The second proposal might be appended to patent law. Here the relation between inventor and stakeholder of biological or genetic resources under Art.2 CBD would be defined as a factual partnership. This approach is based on existing provisions concerning partnerships (530 OR).

An example of this type of contract law solution can be found in the arguments for factual contract relations in Swiss labor law (320.2 OR).

The legal requirements for a contract involving a partnership between the inventor and the stakeholder of biological or genetic resources under Art.2 CBD, are relatively low. It is conceivable that the mere going on of some sort of bioprospecting activity is sufficient to establish a partnership.

Again, no preliminary waiver detrimental to the interests of the stakeholder shall have any bearing on the validity of this provision.

### **3. Compensation claims of the stakeholder modeled on the Swiss law concerning inventions by employees**

The third proposal entitles the stakeholder of resources to contractual compensation payments from the inventor.

The inventor or his successor in interest owes the stakeholder of biological or genetic resources under Art.2 CBD special and sufficient compensation. This principle may be set down in Art. 3 PatG CH, § 6 PatG DE as well as in Art. 60 (2) and (3) EPC (=European Patent Convention).

In determining the amount of compensation owed, all circumstances shall be considered, in particular the technical importance of resources for the invention, the value of the inventor's work, and the value of materials used in inventing.

An agreement that differs from the legal requirements outlined above may be concluded in writing if it is at least equal in value for the stakeholder under Art. 2 CBD.

### **4. Claims arising from specification**

The fourth proposal makes a distinction based on the relative contribution of the stakeholder of resources and the inventor: he who contributes more value to the final product shall be the owner of both the invention and the patent; he who contributes less value to the final product, shall be entitled to contractual compensation.

Provisions concerning specification (Art.726 ZGB [=Swiss Civil Code], §§ 950/951 BGB) are adopted by patent law in a like manner (Art. 3 PatG CH, § 6 PatG DE, Art. 60 (2) and (3) EPC).

Again, no contractual agreement may be concluded that differs from these terms if it diminishes the benefits of the stakeholder.

## **D. Preventing circumvention**

The legal opinion also suggests measures to prevent the circumvention of the proposed rules.

### **1. Jurisdiction of Civil Courts in the Country of Patent Application**

Once patent law is amended as proposed under C, the stakeholder is entitled to joint ownership of a patent application or a patent in a country of patent application. He may take legal action to confirm his claim in the civil courts of such countries and subsequently enforce it through registration in the patent rolls.

### **2. Safeguarding the Rights of the Stakeholder of the Patent Application Process**

Professor Dolder recommends that in the patent application process on a low legislative level, e.g. in the EPC rules of procedure, a passage be introduced requiring the applicant to prove that all biological source materials used in his invention were

acquired in compliance with the rules of the Convention. Moreover, documents submitted for application must include proof of prior informed consent (PIC ART. 15.5 CBD) and conclusion of contract (MAT Art. 15.4 CBD) with the stakeholder:

Rule 26 of the EPC rules of procedure concerning applications would be expanded in such a way that a patent application involving an invention based on biological or genetic resources or on materials of human origin would need to include an additional written declaration by the owner/stakeholder of resources confirming his prior informed consent and the conclusion of an agreement for reasonable compensation (Art. 1 Par. 4 to 7 PatG).

The same effect could be achieved by inserting a clause that refers to the corresponding obligations in the superordinate legal norm:

It should be explicitly stated that failure to comply with this or any other formal aspect of the patent application procedure will result in the rejection of the patent application unless the missing documents are supplied within a reasonable secondary time limit.

### **3. Criminal Sanctions**

It is conceivable that countries of application like Switzerland or other European states apply their own criminal code within the scope of the territorial principle (ART. 3 StGB CH) and because it constitutes a privilege of the place of accomplishment in transnational offenses (Art. 7 StGB CH). Given certain circumstances one possible offense might be disloyal management of affairs (Art. 158 StGB CH)

## **E. Non participation**

Another option available to stakeholders of biological resources is their explicit non-participation in an invention.

“If a stakeholder of biological resources in the country of origin decides not to claim his share of the economic benefits deriving from an invention because he knows that his resources were acquired and used towards this invention and patent application in ways that violate the convention, he may simply accept this state of affairs or else attempt to destroy the emerging or already existing patent monopoly by legal means.”

The destruction of a patent might be claimed on the basis of the following facts:

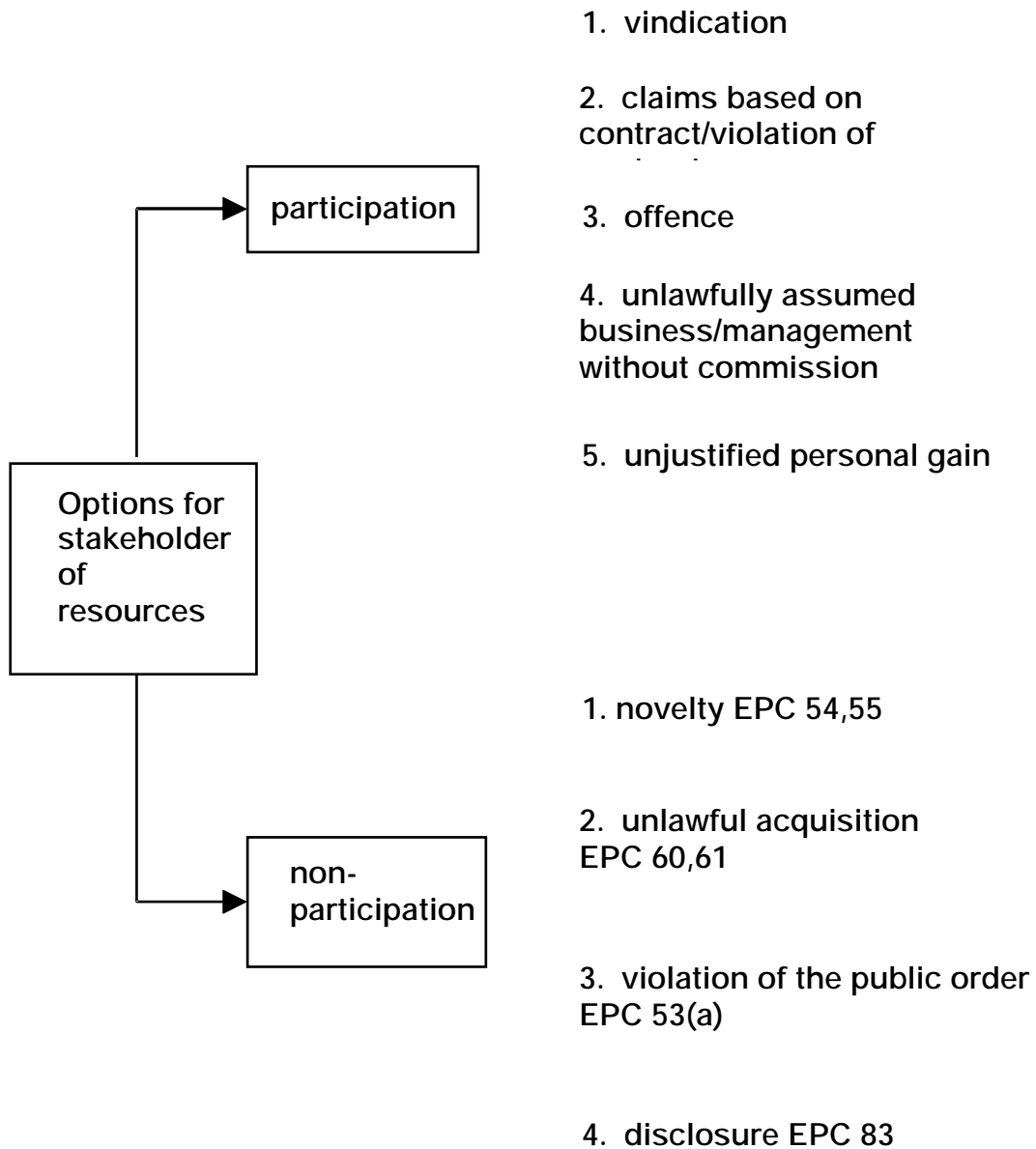
- lack of novelty
- unlawful acquisition
- violation of the public order
- insufficient disclosure

## Appendix 1

Participation and non-participation as options for stakeholders of biological resources.

### Implementation of Rio Convention

Patents based on biological resources  
(Art.2,15-19 CBD)



## **Appendix 2**

### **Text proposals by Professor Dolder**

(suggested changes in *Italics*)

#### **C.1. Participation in ownership of invention**

Art. 60 (2) and (3) EPC; § 6 PatG DE, Art. 3 PatG CH

The right to the patent belongs to the inventor, his legal successor, or the third person that owns the invention by dint of some other legal justification.

If several people made an invention together they share this right.

*The stakeholder of biological or genetic resources under Art.2 CBD is equal to the inventor according to the value of these resources for the invention.*

*No agreement may differ from this provision if it is to the disadvantage of the stakeholder.*

*The legal position of the stakeholder may not be waived in advance.*

#### **C.2. Factual Partnership**

The factual partnership might be laid down in the patent law.

*The relation between the inventor and the stakeholder of biological or genetic resources under Art.2 CBD shall be governed in like manner by the provisions concerning partnerships according to the value of the resources for the invention.*

*A contract for a partnership between inventor and stakeholder of biological or genetic resources under Art.2 CBD is considered concluded even if the inventor accepts the stakeholder's resources for the purpose of invention.*

*No agreement that differs from this rule may be concluded if it is to the disadvantage of the stakeholder.*

#### **C.3. Compensation Claims of the Stakeholder Modeled on the Swiss law Concerning Inventions by Employees**

Art. 3 PatG CH, § 6 PatG DE = Art. 60 (2) and (3) EPC

*The right to the patent belongs to the inventor, his legal successor, or the third person that owns the invention by dint of some other legal justification.*

*If several people made an invention together they share this right.*

*The inventor or his legal successor owes the stakeholder of biological and genetic resources under Art.2 CBD special and adequate compensation.*

*In computing such compensation all circumstances are considered, namely the technical importance of the resources for the invention, the economic value of the inventor's work, and of the materials used in the activity of inventing.*

*Written agreements at variance with the legal requirements outlined above may be concluded provided they are at least equal in value for the stakeholder under Art. 2 CBD.*

#### **C.4. Claims Arising From Specification**

Art. 3 PatG CH, § 6 PatG DE = Art. 60 (2) and (3) EPC

*To the relationship between the inventor and the stakeholder of biological and genetic resources under Art.2 CBD the provisions concerning specification may be applied in a like manner (Art. 726 ZGB, §§ 950/ BGB)*

*No contractual agreement may be concluded that differs from these terms and works to the disadvantage of the stakeholder.*

#### **D. 2. Securing the Rights of the Stakeholder of the Patent Application Process**

Rule 26, EPC rules of procedure, application

*The request shall include: (...)*

*x. for inventions based on biological or genetic resources under Art. 2 CBD or on materials of human origin:*

*a written declaration by the owner/stakeholder of resources confirming his prior informed consent and the conclusion of an agreement for reasonable compensation (Art. 1 Par. 4 to 7 PatG).*

The same effect could be achieved by inserting a clause that refers to the corresponding obligations in the superordinate legal norm:

*y. written proof concerning origins and fulfillment of legal or contractual obligations towards the stakeholder of biological or genetic resources under Art. 2 CBD.*