

Disclosure of Origin – The proposals at the national level in Switzerland

At its session on June 7, 2004, the Federal Council requested the Federal Department of Justice and Police to carry out a second consultation regarding the draft of the patent law revision. The consultation was held between July 1, 2004 and October 31, 2004. Probably in Spring 2005 a report of the consultation will be published. Then the Federal council will forward a legislative “message” to the parliament. The discussion in parliament will start earliest in autumn 2005. A final decision by the parliament could be expected for spring 2006. If the decision of the parliament is opposed by 50'000 Swiss Citizens, the new patent law will be accepted or rejected in a national public vote.

Regarding to the declaration of source of genetic resources and traditional knowledge the Federal Council made following proposal:

Art. 49a (*new, Declaration of the source*)

¹Patent applications for inventions which concern genetic resources or traditional knowledge must contain a declaration of the source:

- a. Of a genetic resource, to which the inventor or patent applicant has had access, if the invention is directly based on this resource;
- b. traditional knowledge of indigenous or local communities related to genetic resources to which the inventor or patent applicant has had access, if the invention is directly based on this knowledge.

²If the source is unknown to both inventor and patent applicant, the applicant must declare this accordingly.

Art. 81a (new) (*II. Wrongful declaration of the source*)

¹Whoever wilfully makes a wrongful declaration as referred to in Art. 49a, shall be liable to a fine up to 100'000 Swiss Francs.

²The judge may order the publication of the ruling.

Art. 138 (*C. Formal requirements*)

To the Federal Institute of Intellectual Property, within 30 months after the filing or priority date, the applicant shall:

- a. (disclose the inventor's name in writing;)
- b. provide information concerning the source (Art. 49a);
- c. (pay the application fee.)

The Berne Declaration and other NGOs in Switzerland welcome the fact that the current draft addresses the issue of compatibility between patent law and the requirements of the Convention on Biodiversity (CBD) and proposes a concrete solution. The proposal is a step in the right direction but does not go far enough. The true objective of the article should be to exclude from patent recognition any invention that is based on genetic

resources or traditional knowledge acquired illegally, i.e. in violation of the provisions of the Convention on Biodiversity. Under CBD rules access to genetic resources always requires prior informed consent and an agreement for the equitable distribution of benefits derived from such resources.

To assure the implementation of Art. 15 of the convention, the Bonn guidelines urge member states (notably users of genetic resources) to take the following measures (among others) (par.16d):

- (2) Measures to encourage the disclosure of the country of origin of the genetic resources and of the origin of traditional knowledge, innovations and practices of indigenous and local communities in applications for intellectual property rights;
- (3) Measures aimed at preventing the use of genetic resources obtained without the prior informed consent of the Contracting Party providing such resources;

Article 49a of patent law aims to implement par.16d (2) of the Bonn guidelines. However, in the current draft of the law the term *country of origin* has been replaced by *source*. Unless this term is specified a company can, for instance, claim as its source a university which, on its part, may have illegally acquired the resources in question. We propose that the name of the competent entity to grant access to genetic resources and/or traditional knowledge be disclosed. In many cases this will be the country of origin but occasionally it might also be an indigenous community or a gene bank of the CGIAR-system*. (* for most genetic resources in the food and agricultural sector access is not regulated by the CBD but through the multilateral system of the international FAO treaty.)

Par.16d (3) of the Bonn guidelines is to be implemented in the revised patent law as well, since this will permit the control of most important commercial applications. Therefore Art. 49a should also call for a mandatory disclosure of the agreements regarding prior informed consent and the equitable distribution of benefits. For patent applicants who have chosen the legal path to access genetic resources this disclosure represents no additional effort since they already needed these documents in order to gain access to resources and/or traditional knowledge. It is possible that this information is part of a Material Transfer Agreement (MTA).

This rule should cover all inventions based on genetic resources and traditional knowledge and not merely those concerning genetic resources. (It is possible to imagine a genetic resource (with functional genes) constituting the base product for an invention that in itself does not concern a genetic resource – e.g. a chemical substance extracted from a plant.)

Unaccountably, the current draft limits the disclosure requirement to inventions based directly on a genetic resource or traditional knowledge. No such a limitation appears in the CBD anywhere and it should be dropped from the draft law. The last paragraph 2 of Art.49a should also be omitted, since it provides the inventor with an incentive to declare as unknown the origin of a resource/traditional knowledge. Moreover, in the case of exotic genetic resources the disclosure of the source is imperative in order to allow a specialist to execute the invention. The invention can only be repeated if one knows where the necessary resources can be procured.

We support the inclusion of mandatory disclosure in articles 81a and 138 Abs.1(b). The regulation only makes sense if disclosure is made an integral part of the application process and false statements are subject to penalties. The proposed maximum penalty (Sfr.100'000, publication of the decision) seems hardly severe enough to discourage large corporations. A patent applicant who uses illegally acquired materials is likely to lie about his source if pressed (because his application will not otherwise be processed) to disclose it. If he is found to have purposely misstated the facts (not easy to prove), he will at worst pay a fine of Sfr. 100'000 but keep the patent. It makes no sense to punish someone who makes a false statement less severely than someone who makes no statement at all. Consequently, any patent based on false statements should also be revoked. A provision to this effect must be added to Art.81a and also to Art.26. Abs.2 (new).

The right of a country of origin or an indigenous community to claim their share of the benefits deriving from the illegal (i.e. not CBD compatible) use of their resources under a patented invention must be anchored in the law. Therefore we propose an amendment to Art.3 similar to the one worked out by Professor Dolder (University of Basel) in an expert report prepared for the Berne Declaration, Swissaid, and Blauen-Institute (see www.evb.ch/index.cfm?page_id=814) and remitted by the National Council in as part of a motion put forward by MEP Sommaruga. The inclusion of such a provision in the patent law serves the sole purpose of allowing the individuals, indigenous groups, or countries entitled to a share of the invention to put forward their claims in the event of an illegal use of genetic resources.

The issue of prior informed consent in the case of human material is explicitly not included in the draft of the federal council. Obviously consent is a must in this case as in any other.

The proposed change is TRIPS compatible since it constitutes a procedural rule rather than a material condition for the patentability of inventions.

Proposal by the Berne Declaration to amend the Proposal for a revision of the Swiss Patent Law:

Art. 49a (*Declaration of the source*)

1 Patent applications for inventions based on genetic resources, traditional knowledge, or human material shall include the following:

- a) information concerning the source of the genetic resource to which the inventor or patent applicant had access, if the invention is based on this resource.
- b) information about the source of traditional knowledge of indigenous or local communities concerning the genetic resources to which the inventor or patent applicant had access, if the invention is based on this knowledge.
- c) a written declaration concerning prior informed consent and the conclusion of an agreement for adequate compensation.

2 “Source” means the entity (e.g. the country of origin, indigenous community) authorized to grant access to the respective genetic resources and/or the traditional knowledge of indigenous or local communities.

Art. 81a (Wrongful declaration of the source):

1 Anyone who deliberately makes false statements according to Art.49a shall be fined up to Sfr. 100'000. For involuntary false statements the maximum fine is Sfr. 50'000.

2 If a patent was granted, the judge shall nullify the patent regardless of punishability. Rights of third parties from an assignment complaint according to Art. 29 to 31 are reserved.

3 The judge may order the publication of the ruling.

Proposal Art. 26. Abs.2 (Action of nullity)

Nullification because of false statements according to Art. 81a is reserved.

Art. 138 Abs.1 Bst. B (Formal requirements)

Supported in its current form.

Art. 3 (Right to the Patent)

4 Rights of donors of biological base materials are reserved in accordance with the provisions of the civil code (ZGB) with regard to processing (Art. 726 ZGB) and the treaties of the confederacy.

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