

## **Concerning exceptions to compulsory licenses in the Republic of Kazakhstan**

As stated in the Paris Convention for the Protection of Industrial Property, each country should have the right to take legislative measures to issue a compulsory license.

In this regard, in accordance with Article 11 paragraph 4 of the Patent Law of the Republic of Kazakhstan, when the patentee does not use the industrial property object and refuses to conclude a licensing agreement on acceptable commercial terms within 90 calendar days from the day of request, any person shall have the right to apply to a court with a claim on being granted a compulsory non-exclusive licence when the object of industrial property was not continuously used after the first publication of information on the issue of the security document on the industrial property object during any three years preceding the date of submission of such claim. If the patentee does not prove that the non-use is stipulated by good reasons, the court shall grant the indicated licence with determination of limits of use, deadlines, amount and procedure for payments. The amount of payments shall be established not lower than the market price of the licence as defined in accordance with the established practice.

A compulsory license is also issued in cases where there is a need to ensure national security or protect public health, as well as the patent holder's abuse of his exclusive rights, to promote or not impede the abuse of such exclusive rights by another person with his consent.

It follows from the legislation of the Republic of Kazakhstan that a compulsory license should not be transferred in cases when a license is requested for a drug or a process for drug manufacturing for export purposes.

In addition, a compulsory license is subject to cancellation by a court in the event of termination of the circumstances that were the reason for its issuance.

When granting a compulsory license by a court, the limits of use of the industrial property object, its security document, as well as the time, amount and procedure for payments must be determined. At the same time, the amount of payments should be set not lower than the market price of the license, determined in accordance with the established practice.

It follows from the above that the country's legislation on the granting of a compulsory license is aimed at preserving public interests. Thus, any compulsory license must be issued primarily to meet the needs of the domestic market of the Republic of Kazakhstan. <sup>1</sup>

Over the past 2 years (2017-2018), the Patent office did not record the facts of the obligation to issue a compulsory license by the court.

## **Concerning inventive step**

In accordance with Article 6 of the Patent Law of the Republic of Kazakhstan, legal protection is granted to the invention if it is new, involves an inventive step and is industrially applicable. <sup>2</sup>

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<sup>1</sup> Article 11 of the Patent law of the Republic of Kazakhstan

In this case, the invention shall be new when it is unknown from information on the state of the art.

The invention is not unknown from information on the state of the art, if no solutions are found that have features that match its distinctive features, or such solutions are identified, but the influence of the distinctive features on the technical result indicated by the applicant is not confirmed.

Verification of compliance with the above requirements includes:<sup>3</sup>

- determination of the closest analogue;
- identifying features by which the claimed invention, characterized in the independent claim, differs from the closest analogue (distinctive features);
- the identification of the level of technology solutions with signs that match the distinctive features of the invention under consideration.

Not recognized as conforming to the inventive step of the invention, based on: 4

on the addition of a known means by any known part (s) attached to it (s) by known rules, in order to achieve a technical result, in respect of which the influence of exactly the same additions has been established;

replacing any part (s) of a known means with another known part in order to achieve a technical result in respect of which the influence of just such a replacement has been established;

on the exclusion of any part of the means (element, action) with simultaneous exclusion of the function due to its presence and the achievement of the usual result for such exclusion (simplification, reduction in weight, size, material consumption, increased reliability, reduction in the process duration);

on increasing the number of similar elements, actions to enhance the technical result, due to the presence in the tool of such elements, actions;

on the performance of a known means or part thereof (s) of a known material to achieve a technical result due to the known properties of this material;

on the creation of a tool consisting of known parts, the choice of which and the connection between them are made on the basis of known rules, recommendations, and the technical result achieved in this case is due only to the known properties of the parts of the tool and the connections;

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on the application of a known product or method for a specific purpose, if the possibility of realizing this purpose is due to its known properties, structure, performance, and it is known that precisely such properties, structure, implementation are necessary to realize this purpose.

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<sup>2</sup> article 6 of the Patent law of the Republic of Kazakhstan

<sup>3</sup> paragraph 81 of the Rules for the examination of applications for industrial property objects

<sup>4</sup> ibid

## **Concerning the confidentiality of patent attorneys**

In the Republic of Kazakhstan, the Patent Attorney conducts clients' affairs in matters of the legal protection of intellectual property. Such cases with the Authorized Body in the field of intellectual property (the Ministry of Justice) and the Patent Office can also be carried out by the client independently, if he is not a foreign person.<sup>5</sup>

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Information that a patent attorney receives from a client related to the execution of his order is considered confidential.

Such confidentiality may be maintained when patent attorneys performs:

1) advice on the protection of intellectual property rights, the acquisition or transfer of intellectual property rights;

2) execution of work on the design and preparation of applications for inventions, utility models and industrial designs on behalf of the customer, principal, employer;

3) interaction with the Ministry of Justice and (or) the Patent Bureau for the protection of inventions, utility models and industrial designs, including correspondence, preparation and submission of objections to expert opinions, taking part in meetings of the expert council at the Patent Bureau;

4) assistance in drafting, reviewing and subsequent submission for expert examination of contracts of assignment, licensing (sublicense) contracts and additional agreements to them.

In addition, the powers of the patent attorney are certified by a power of attorney.<sup>6</sup>

It is important to note that legislation resolves conflicts of interest. Thus, the patent attorney is obliged not to accept instructions if they can jeopardize the interests of the person to whom the patent attorney has previously rendered services.

Confidentiality in the activities of a patent attorney must also comply with the requirements of the legislation of the Republic of Kazakhstan in the field of confidential information and other secrets protected by law.

## **Concerning the state's contribution to technology development**

The main input for the diffusion of technology is to extract from them the material benefit or commercialization.

Commercialization means activities related to the practical application of the results of scientific and / or scientific and technical activities, including the results of intellectual activities,

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<sup>5</sup> Article 36-1 of the Patent law of the Republic of Kazakhstan

<sup>6</sup> ibid

with the aim of bringing to market new or improved products, processes and services, aimed at generating income.<sup>7</sup>

In the Republic of Kazakhstan, such activity is regulated by the Law of the Republic of Kazakhstan “On the commercialization of the results of scientific and (or) scientific and technical activities”.

It is noteworthy that the law establishes the principles of state policy in this area. Among them are such principles as transparency, guaranteeing the rights and interests of stakeholders, income generation, economic incentives for commercialization of scientific and (or) scientific and technical activities in priority sectors of the economy, integration of education, science, production and innovation development institutions.

The law gives the Authorized body in the field of science (the Ministry of Industry and Infrastructure Development) competence to control and monitor the implementation of state policy in this area.

It is important to note that the range of subjects of commercialization is quite extensive. Thus, it includes:

- 1) subjects of scientific and (or) scientific and technical activities;
- 2) private business entities, as well as the quasi-public sector;
- 3) foreign higher educational institutions and scientific organizations accredited in the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan;
- 4) start-up companies;
- 5) centers (offices) of commercialization of the results of scientific and (or) scientific and technical activities;
- 6) service companies;
- 7) technology parks;
- 8) natural or legal persons investing in the commercialization of the results of scientific and (or) scientific and technical activities.<sup>8</sup>

The state’s contribution to the diffusion of technology lies in the implementation of “commercialization assistance programs”. Such programs are developed by government agencies, institutions of higher education and scientific organizations.

Within the framework of such programs, in the period from 2011 to 2018, 355 contracts for the provision of innovative grants totaling over \$ 50 million were concluded.

Only in the first half of 2018, 375 jobs were created and the total volume of output amounted to 85 million US dollars. Also for this period, all supported projects paid taxes in the amount of 7 million US dollars.

Kazakhstan's experience shows that the main contribution to the effective spread of technology is to support commercialization.

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<sup>7</sup> Subparagraph 3) article 1 of the Law of the Republic of Kazakhstan «On the commercialization of the results of scientific and (or) scientific-technical activities»

<sup>8</sup> Subparagraph 1) article 7 of the Law of the Republic of Kazakhstan «On the commercialization of the results of scientific and (or) scientific-technical activities»