

ATRIP congress 2009
“Horizontal issues in IP law - Uncovering the matrix”
Vilnius, September 14-16, 2009

A general ‘fair use clause’ – a workable concept in patent law?

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Journey of a patent scholar in copyright territory

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news

Testing time for gene patent as Europe rebels

Meredith Wadman, Washington
 A European rebellion against the patent on a gene for breast cancer held by US compa-



S. LAMBERT/ISTOCK.COM

DÉPISTAGE GÉNÉTIQUE




BIOTECHNOLOGY

Europe's Patent Rebellion


UNE FRANÇAISE SE BAT CONTRE L'AMÉRIQUE

Myriad Genetics' cancer screening has ruffled feathers overseas.

With thanks to Gert Matthijs



The New York Times



Genae Girard, 39, is suing Myriad Genetics and the Patent Office over the granting of a patent on a gene. Myriad also has patented the only test that measures the risk of breast and ovarian cancer.

May 19, 2009




Outline

- The problem – a remedy
- Current limitation regimes
 - Fair use in US copyright law
 - Exceptions in European patent law
- Introducing fair use in European patent law
 - Theoretical perspective
 - Practical application in the Myriad case
- Conclusion



The problem

- (Coming into) *Existence* of human gene patents?
 - Settled by legislature or/and case law – *not discussed here*
- Explosion of human gene patents!
 - Patent thickets and subsequent royalty stacking, *may* lead to tragedy of the anticommons; frustrating follow-on innovation
 - Various remedies have been suggested – *not discussed here*
- *Exercise* of patent rights related to genes/diagnostic tests!
 - Restrictive licensing behaviour + high license fees (2.400\$/test) *may* have a blocking effect on innovation + hamper access to health care
 - Current patent tools (research exemption, compulsory licence) nor current competition law (abuse dominant position) offer suitable remedy against “unreasonable” behaviour. *Fair use?*



A remedy: fair use?

Remedy: "horizontal transplant?"

Limitations to the rights of a rights' holder

	COPYRIGHT	PATENT LAW
US	OPEN CONCEPT "Fair use" (use allowed without the authorization of the rights holder)	CLOSED LIST "Exceptions" O'Rourke/De Larena
Europe	CLOSED LIST "Exceptions" (use allowed without the authorization of the rights holder)	CLOSED LIST "Exceptions"

[focus here: royalty free: not royalty bearing]



Fair use in US copyright law

- The **open** list approach in the US

"In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:

1. *"the purpose and character of the **use**, including whether such use is of a commercial nature or is for nonprofit educational purposes;*
2. *the nature of the copyrighted **work**;*
3. *the amount and substantiality of the portion **used** in relation to the copyrighted work as a whole; and*
4. *the effect of the **use** upon the potential market for or value of the copyrighted **work**"*



Exceptions in European patent law

- The **closed** list approach in European patent law

“The rights conferred by the Community patent shall not extend to:

(a) acts done privately and for non-commercial purposes;

(b) acts done for experimental purposes relating to the subject-matter of the patented invention” [European Convention 1975]

- Application current closed list approach in the Myriad case



Fair use in patent law

- Legal basis
 - Safeguard “Social contract” [Hoffmann]
balance private interest / public interest
 - article 31 TRIPs, artt. 7,8 TRIPs
- Problems
 - Legal transplants
 - Defense
 - Infringement costs



Fair use in patent law

- Application in the Myriad case

1. *the purpose and character of the use*

the intent of the alleged infringer, in casu hospital/clinician:

commercial: use = unfair; non commercial: use = fair

uncertain

2. *the nature of the patented invention*

time, money and effort of the inventor/patent holder, in casu Myriad

revolutionary invention: use = unfair; incremental invention: use = fair

uncertain

3. *the amount and substantiality of the portion used*

type of use by alleged infringer, in casu clinician

copy: use = unfair; transformative use: use = fair

uncertain

4. *the effect of the use upon the potential market of the invention*

reasonable licence available: use = unfair; not available: use = fair

uncertain



Conclusion

- Potential?
 - No added value to current European toolbox
- Future research: further explore horizontal transplants
 - Re-model four factors: compare 3-step test patent law with 4 factor test US copyright law
 - Design a more *general, true* fair use clause: lessons can be drawn from literature on 3-step test in copyright law
 - Examine application 'misuse of rights' doctrine



Final conclusion



Journey of a patent scholar in copyright territory

Italy, Garda, August 5, 2009



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