THE EFFECT OF ZAMBIA'S CONTINUED NON-COMPLIANCE TO
THE TRIPS AGREEMENT ON THE LAW GOVERNING
INTELLECTUAL PROPERTY IN ZAMBIA: A CRITICAL ANALYSIS
OF THE PATENT ACT, CAP 400 OF THE LAWS OF ZAMBIA.

BY

SOMBO KAWILILA

UNZA  DECEMBER 2006
OBLIGATORY ESSAY

ON

THE EFFECT OF ZAMBIA’S CONTINUED NON-COMPLIANCE TO THE TRIPS AGREEMENT ON THE LAW GOVERNING INTELLECTUAL PROPERTY IN ZAMBIA: A CRITICAL ANALYSIS OF THE PATENT ACT, CAP 400 OF THE LAWS OF ZAMBIA.

BY

SOMBO KAWILILA

Submitted to the University of Zambia in partial fulfilment of the requirements of the Bachelor of Laws (LLB) degree programme.

School of Law
University of Zambia
Lusaka

December, 2006
UNIVERSITY OF ZAMBIA

SCHOOL OF LAW

I recommend that the obligatory essay prepared under my supervision by SOMBO KAWILILA

Entitled- THE EFFECT OF ZAMBIA'S CONTINUED NON-COMPLIANCE TO THE TRIPS AGREEMENT ON THE LAW GOVERNING INTELLECTUAL PROPERTY IN ZAMBIA: A CRITICAL ANALYSIS OF THE PATENT ACT, CAP 400 OF THE LAWS OF ZAMBIA.

Be accepted for examination. I have checked it carefully and I am satisfied that it fulfills the requirements relating to the format laid down in the regulations governing obligatory essays.

.................................
A.R ZIKONDA (JUSTICE)
SUPERVISOR

..........................
DATE

i
DECLARATION

I, SOMBO KAWILILA, do hereby declare that this dissertation is my authentic work, and that to the best of my knowledge, information and belief, no similar piece of work has previously been produced at the University of Zambia or any other institution for the award of Bachelor of Laws degree. All other works referred to in this dissertation have been duly acknowledged.

I bear absolute responsibility for errors, defects or any omission therein.

Name .................................. SOMBO KAWILILA
Signature ..................................
Date .................................. 05/01/07
DEDICATION

This dissertation is dedicated to my loving parents, Samuel and Moono Kawilila who, despite having few resources, have managed to see me thus far. I hope that in all my endeavours I have managed to make you proud. May I live up to all your aspirations for me.

May the Almighty God continue blessing you.
ACKNOWLEDGEMENTS

Many thanks go to my Heavenly Father, who gave me life. May your holy name continue to be exalted.

I thank my family for being very patient and understanding as I endeavoured to write this piece of legal work. I hope that I have made you proud.

Special thanks go to my uncles Mr. Stephen Kawiliila and Mr. Hamubbwatu Hanakoma, who never tired to avail their resources that enabled me to finish this dissertation. Also to Mr. B Mwalongo of the Patents and Companies Registry, who assisted with the materials and advice that I needed from time to time. Thanks also go to Dr. F Mwape, who took the time to proof read the draft of this dissertation.

I thank Justice A R Zikonda who patiently assisted me into bringing this piece of work to life.

I thank all my friends and classmates, especially; Chishimba Kaela, Matilda, Chanda, Chipo, Felicity, Henry Aongola, who taught me how to study the law and how to cope with the work load. Their encouragements steered me on. Their determination and hard work inspired me to not only complete this dissertation but also to excel in my life at the law school.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.I.P.A</td>
<td>Chartered Institute of Patent Agents</td>
</tr>
<tr>
<td>C.I.P.R</td>
<td>Commission on Intellectual Property</td>
</tr>
<tr>
<td>D.S.U</td>
<td>Dispute Settlement</td>
</tr>
<tr>
<td>E.U</td>
<td>European Union</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GSP</td>
<td>Generalised System of Preferences</td>
</tr>
<tr>
<td>IP</td>
<td>Intellectual Property</td>
</tr>
<tr>
<td>I.P.Rs</td>
<td>Intellectual Property Rights</td>
</tr>
<tr>
<td>TRIPS</td>
<td>Agreement on Trade Related Aspects of Intellectual Property Rights</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Commission on Trade and Development</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>USTR</td>
<td>United States Trade Representatives</td>
</tr>
<tr>
<td>WIPO</td>
<td>World Intellectual Property Organisation</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation</td>
<td>i</td>
</tr>
<tr>
<td>Declaration</td>
<td>ii</td>
</tr>
<tr>
<td>Dedication</td>
<td>iii</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>iv</td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td>v</td>
</tr>
<tr>
<td>Table of contents</td>
<td>vi</td>
</tr>
</tbody>
</table>

## CHAPTER ONE

An overview of the field of Patents

1.0 Introduction

1.1 Patents

1.2 Justification for granting patents

1.3 Historical Background

1.4 The Paris Convention For the Protection of Industrial Property. 1883

1.5 World Intellectual Property Organisation

1.6 The Agreement on Trade Related Aspects of Intellectual Property Rights

1.7 Historical Background of Zambia’s Intellectual Property Protection

12
CHAPTER TWO

Comparative study of Patent Legislation of selected countries

2.0 Introduction  15
2.1 The United Kingdom  17
2.2 Zimbabwe  18
2.3 Zambia  20
2.4 Uganda  22
2.5 Summary  23

CHAPTER THREE

Reasons and effects of continued non-compliance to the TRIPS Agreement and WTO Agreements

3.0 Reasons for non-compliance  25
3.1 Effects of continued non-compliance  27

CHAPTER FOUR


4.0 Introduction  32
4.1 Recommendations  33
CHAPTER FIVE

General conclusions

5.0 Summary 47

5.1 Conclusion 48

References 52
CHAPTER ONE

AN OVERVIEW OF THE FIELD OF PATENTS

1.0 INTRODUCTION

Intellectual Property broadly means the legal rights which result from intellectual activity in the industrial, scientific, literary and artistic works. Intellectual Property is a term that describes the ideas, inventions, technologies, artworks, music and literature that are intangible when first created, but become valuable in tangible form as products. Intellectual Property Law aims at safeguarding creators and other producers of intellectual goods and services by granting them rights to control the use made of those productions for a certain time limit.¹

Intellectual Property protects applications of ideas and information that are of commercial value. One characteristic shared by all types of intellectual property to date is that the rights granted are essentially negative, that is, they are rights to stop others such as pirates, counterfeiters, imitators, and so inter alia, from doing certain things. Despite this, some aspects of intellectual property confer positive entitlements, such as, the right to be granted a patent or register a trademark upon fulfilling the requisite conditions².

Intellectual Property is divided into two branches, namely, copyright and related rights and industrial property. Literary and artistic works belong to the branch of copyright. Performances of performers, phonograms and broadcasts are called related rights, that is, rights related to or neighboring copyright.

The industrial property branch of Intellectual Property covers inventions and industrial designs. Trademarks, service marks, commercial names and designations, geographical indications of source, appellations of origin and the protection against unfair competition are also covered under the industrial property branch of Intellectual Property.

1.1 PATENTS

This dissertation is written to explore the field of patents and the legislation and treaties that govern in Zambia. That is to say, the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) and the Patents Act of Zambia, Cap 400 of the laws of Zambia.

Patents are granted in respect of inventions. A patent is an exclusive right granted for an invention which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem.

The national patent laws require that inventions be non obvious. It is also a requirement that an invention has some actual or potential commercial application. In the United Kingdom, a patent is
be granted to an invention that is new, involves an inventive step, is capable of industrial application and does not fall under the excluded sections.\textsuperscript{3} Section 1(2) of the UK Patents Act lists the excluded sections.

Although the Zambian Patent Act\textsuperscript{4} does not list the requirements of patentability, in practice the requirement is that the invention should be new, must involve an inventive step and should be applicable in industry.

Even if there is no express provision for patentable subject matter in the Zambian Act, Article 17 of the TRIPS Agreement lays down what is patentable subject matter. The said article is applicable to Zambia as she is a party to the same Agreement.

The granting of a patent confers upon the inventor a number of rights including the right to prevent others from copying and of selling the invention for a specified period of time. The patentee retains an exclusive right to sell the invention and may either produce it for sale directly or permit others to produce and sell it after paying a fee or royalty for a patent license. The creation, in the inventor of property rights has important legal and economic implications.

\textsuperscript{3} S.1(1) of the UK Patent Act of 1977
\textsuperscript{4} Cap 400 of the Laws of Zambia
Intellectual Property is divided into two branches, namely, copyright and related rights and industrial property. Literary and artistic works belong to the branch of copyright. Performances of performers, phonograms and broadcasts are called related rights, that is, rights related to or neighboring copyright.

The industrial property branch of Intellectual Property covers inventions and industrial designs. Trademarks, service marks, commercial names and designations, geographical indications of source, appellations of origin and the protection against unfair competition are also covered under the industrial property branch of Intellectual Property.

1.1 PATENTS

This dissertation is written to explore the field of patents and the legislation and treaties that govern in Zambia. That is to say, the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) and the Patents Act of Zambia, Cap 400 of the laws of Zambia.

Patents are granted in respect of inventions. A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem.

The national patent laws require that inventions be non obvious. It is also a requirement that the invention has some actual or potential commercial application. In the United Kingdom, a patent na
be granted to an invention that is new, involves an inventive step, is capable of industrial application and does not fall under the excluded sections.\(^3\) Section 1(2) of the UK Patents Act lists the exclusions.

Although the Zambian Patent Act\(^4\) does not list the requirements of patentability, in practice the requirement is that the invention should be new, must involve an inventive step and should be applicable in industry.

Even if there is no express provision for patentable subject matter in the Zambian Act, Article 28 of the TRIPS Agreement lays down what is patentable subject matter. The said article is applicable in Zambia as she is a party to the same Agreement.

The granting of a patent confers upon the inventor a number of rights including the right to prevent others from copying and of selling the invention for a specified period of time. The patentee retains the exclusive right to sell the invention and may either produce it for sale directly or permit others to produce and sell it after paying a fee or royalty for a patent license. The creation, in the invention, of property rights has important legal and economic implications.

---

\(^3\) S.1(1) of the UK Patent Act of 1977

\(^4\) Cap 400 of the Laws of Zambia
1.2 **JUSTIFICATIONS FOR GRANTING PATENTS**

Theories have been put forward to justify the granting of patents. These theorists hail from such schools as the Natural school, the Reward theorists, the incentive theory and the school that posited the disclosure theory.

The naturalists posited that man has an inherent natural right in his ideas and that it was the duty of society, the beneficiary of such ideas, to recognize and protect this right against unauthorized use. They believed that the best way through which this may be done was to grant the originator of such ideas an exclusive legal monopoly over what he had created. They saw the patent system as the best and most efficient way of accomplishing this end.

Reward theorists posited that it was only just and equitable that an inventor should be rewarded for services to society. Such reward should reflect the social usefulness of his invention. The best way to reward an inventor was seen as to grant him an exclusive monopoly in his creation. In this way, the inventor’s social utility would be determined by the mechanism in the market.

Under the incentive theory, it was argued that inventions and their exploitation are needed to ensure development. Industrial research and innovation are risky investments whose benefits cannot be ascertained in advance. Therefore, inventors and investors will not risk their time and resources unless they are assured of profits, hence the need for the incentive.
The proponents of the disclosure theory posited that society makes a contract with the inventor. With the inventor undertaking to disclose his invention, society promises to give him a limited period of protection against imitators.⁵

1.3 HISTORICAL BACKGROUND

Until fairly recently, it was generally believed that patents for inventions originated in England in the late 16th century and were later introduced in other countries as a mere imitation of an English institution.⁶

It has been established however that the English patent system had antecedents in several countries in continental Europe. In particular, a Venetian law preceded the English Statute of Monopolies of 1623 (the first statutory regulation on patents in England), by 150 years.⁷

In short, the evolution of the patent law of the UK goes back over 300 years. Although the Statute of Monopolies of 1623 is usually cited as the earliest statute relating to patents, letters patent for inventions were granted well before that date. In fact, the earliest known English patent for invention was granted by Henry VI to Flemish born John of Utynam in 1449. The patent gave John a 20 year monopoly for a method of making stained glass, required for the windows of Eton College that had previously been known in England.

⁵ Tumwine Mukubwa G. Patents and Technology transfer to Underdeveloped Countries. Zambia Law journal. 1977. pg 1
⁶ Frumkin M The early history of Patents for inventions. Paper presented at a joint meeting of the C.I.P.A. and the Newcomer society.pgl
In the centuries following the Statute of Monopolies, while there were apparently changes in practice, with regard to letters patent, there was little legislation, and it was not until the second half of the 19th century that the first major changes were introduced.

During the third quarter of the 19th century, it was recognized that patent protection limited by national boundaries was an obstacle to the expansion of international economic relations. Most people were of the opinion that justice demanded that an inventor be protected not only within his own country but also in all countries.

With these considerations in mind, the Paris Union for the International Protection of Industrial Property was to be created.

1.4 THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY 1883

During the 10 years that preceded the establishment of the Paris Union in 1883, there were 3 principal events which occurred. During these events, the groundwork for the future convention was prepared.

The events included:

i. The Vienna Exhibition of 1873

ii. The Paris Exhibition of 1873

iii. The International conference on Industrial Property in Paris in 1880
Towards the middle of the last century, industrialization in several European countries, to a lesser extent in the United States, had developed to such a point that potential gains from foreign trade in industrial goods became increasingly significant. By this time, most industrial countries had adopted patent laws. These laws protected national inventors and national industry but gave little protection to foreigners. In fact, the need for international protection of intellectual property became evident when foreign exhibitors refused to attend the international Exhibition of Inventions in Vienna in 1873 because they were afraid that their ideas would be stolen and exploited commercially in other countries.

The national patent laws acted like tariffs, effectively shutting out foreign competition and such laws were incompatible with the trend in commercial policy towards freer trade.

Using the results of the Paris Conference of 1880 as a draft for an International Convention for International protection of industrial property, interested governments were again invited to a conference in Paris in 1883 for the purpose of finally signing the proposed document.

The text of the convention was signed by eleven (11) states, and within the additional time allowed for original signatures, three more countries adhered. The original 14 members on the Paris Union were Belgium, Brazil, Ecuador, France, Great Britain, Guatemala, Italy, The Netherlands, Portugal, Salvador, Serbia, Spain, Switzerland and Tunisia.

The Paris Convention entered into force in July 1883. However, the Convention has been revised a number of times since then: In Brussels in 1900, at Washington in 1911, at the Hague in 1925.
London in 1934, at Lisbon in 1958, and at Stockholm in 1967 and it was amended in 1979. The convention is open to all states and is administered by World Intellectual Property Organisation (WIPO). All instruments of ratification or accession must be deposited with the Director General of WIPO.

The Convention applies to industrial property in the widest sense. It covers subjects such as patents, trademarks, designs, utility models, trade names, geographical indications and the repression of unfair competition.

Substantive provisions of the convention fall into three main categories;

i. National treatment

ii. Right of priority

iii. Common rules

1.5 **WORLD INTELLECTUAL PROPERTY ORGANISATION (WIPO)**

The World Intellectual Property Organisation, hereinafter referred to as WIPO, is a specialised agency of the United Nations. The convention establishing WIPO was held in 1967 at Stockholm and entered into force in 1970. Despite this, the origins of WIPO go back to 1883 and 1886 with the adoption of the Paris and Berne Conventions respectively. WIPO has its headquarters in Geneva, Switzerland.
WIPO is dedicated to developing a balanced and accessible international intellectual property system which rewards creativity, stimulates innovation and contributes to economic development while safeguarding public interest.

The overall objective of WIPO is to maintain and urge respect for intellectual property throughout the world in order to favour industrial and cultural development by stimulating creative activity and facilitating the transfer of technology and the dissemination of literary and artistic works.

Member states of WIPO give it the mandate to promote the protection of intellectual property throughout the world through cooperation among states and in collaboration with other international obligations.

For almost three years, from May 1986 to May 1989, developing countries refused to negotiate an agreement on intellectual property. Finally, it was not possible, politically, to avoid the discussion.

1.6 THE AGREEMENT ON TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS)

Before the Uruguay Round of multilateral trade negotiations, many nations complained that the intellectual property protection was deficient in other nations. Weaknesses of the existing regime were numerous; for instance, membership of the various conventions and treaties were quite incomplete. There were also concerns about the level of compliance and the effectiveness of dispute resolution.
The United States of America (USA) was the prime mover of the inclusion of the subject of intellectual property in the Uruguay round. This was due to its dissatisfaction with the existing international intellectual property agreements.\(^8\)

Among the important patent issues discussed at the round were:

1. The subject matter that could be patented.
2. The extent to which certain products could be excluded from patent protection, pharmaceutical products.
3. Compulsory licensing.

On December 15 1993, the Uruguay Round of Trade negotiations, held under the framework of the General Agreement on Trade Tariffs, GATT, were concluded. On April 15\(^{th}\) 1994, the agreement embodying the results of these negotiations, i.e. the agreement establishing the World Trade Organisation (WTO) was adopted in Marrakech, Morocco. Those negotiations included for the first time within the GATT aspects of intellectual property rights related to international trade. The result of those negotiations, contained in an annex to the WTO agreement, was the agreement on Trade related aspects of intellectual property rights, also referred to as the TRIPS Agreement.

The TRIPS Agreement is the most comprehensive international agreement on Intellectual Property Rights to date. It is a framework agreement and requires WTO member countries to give adequate protection to each of the main categories of intellectual property. This is done by

setting minimum standards with which all WTO members’ national legislation must comply. All member states have to comply with these minimum standards irrespective of whether or not a given country has the necessary manpower and resources. The harmonized minimum standards it sets for Intellectual Property Rights are intended to reduce distortions and impediments to international trade. Its inclusion in the WTO broadens the scope of the organization from the traditional trade liberalizing measures to wider trade related issues.

The TRIPS Agreement provides for different transition periods for its application. There are three groups, i.e. depending on the stage of development that a country is in:

1. Immediate transition – for developed countries
2. Till January 1 2000 – for developing countries
3. Till January 1 2005 – for least developed countries

Zambia had until January 1 2000 to apply the agreement. The additional 5 years, i.e. up to 2005, was for extending patent protection to areas of technology not protected so far e.g. areas of pharmaceutical and agricultural chemicals. At the time of writing this dissertation, the transitional period for implementation of the minimum standards of the TRIPS Agreement was further extended for least developing countries to January 1 2013 and January 1 2016 in relation to pharmaceuticals. This means that least developed countries have more time to implement the minimum standards of the agreement.

Countries that do not fulfill their obligations under TRIPS Agreement, or any other WTO Agreements, may face being taken to dispute settlement in the WTO by another WTO member.
This and other consequences of non-compliance to the TRIPS Agreement will be discussed in ensuing chapters.

1.7 HISTORICAL BACKGROUND OF ZAMBIA'S INTELLECTUAL PROPERTY PROTECTION

Prior to the 1980's, most English speaking African countries did not have independent intellectual property laws and Intellectual Property offices, and therefore, they did not grant any Intellectual Property Rights. Most countries were tied to the UK Patent Office.

The procedure was that, in order to have an Intellectual Property Right protected in Kenya, Zambia, Zimbabwe et al, one had to file an application in the UK and once granted, the Intellectual Property Right owner, upon production of the certificate of registration, or grant issued by the comptroller of the UK patent office, the official in the given country was obliged to protect the Intellectual Property Rights.

Mwenda M G, a graduate of the University of Zambia Law school in 1977-78, wrote in her obligatory essay, that "as far as developing countries are concerned, many of the patent laws were either inherited from the period of colonial dependence or were based on the laws and practices of developed countries. In the case of Zambia, her patent laws were inherited from Britain, her colonial master".9

---

A Commission on Intellectual Property Rights, appointed to carry out a country case study of institutional issues for developing countries in intellectual property policy making, administration and enforcement, came to the conclusion that participation by African states in intellectual property policy only dates back to the 1970’s. The Commission was led by Anderson R Zikonda of Zikonda and Associates in Lusaka. The case study was on sub-Saharan Africa. From that case study it was concluded that African countries were novices when it came to Intellectual Property policy making, hence their ineffectiveness when it came to negotiate agreements such as TRIPS.

The Commission further expounded that in 1970, WIPO held a conference in Addis Ababa and for the first time African countries sent a delegation. It was there decided that there was a need of updating and enacting Intellectual Property laws and therefore WIPO and the United Nations Economic Commission for Africa (UNECA), were tasked to hold further meetings.

The current legislation governing patents is The Patent Act Cap 400 of the Laws of Zambia, the 1995 Edition. This Act has a number of discrepancies. It is yet to be made compliant to the TRIPS Agreement and other WTO Agreements. This non-compliance is the subject to be discussed in further chapters. Problems or consequences that ensue from such non-compliance will also be discussed.
CHAPTER 2

COMPARATIVE STUDY OF PATENT LEGISLATION OF SELECTED COUNTRIES

2.0 INTRODUCTION

The least developing countries were given extra time to fulfill their commitments in many of the WTO Agreements including the TRIPS Agreement. These transitional arrangements are contained in Article 65 of the same agreement.

Despite having been given the special and favourable treatment namely the extra time to fulfill their commitments under the TRIPS Agreement, most developing countries are yet to make their legislation TRIPS compliant. Zambia is one of the least developed countries that is yet to make its legislation compliant to TRIPS.

Member states party to TRIPS are mandated to give effect to its provisions but they are not obliged to implement in their laws more extensive protection than is required by it provided that such protection does not contravene the provisions of the Agreement. Members are free to determine the appropriate method of implementing the provisions of the Agreement within their own legal system and practice.10

10 TRIPS Agreement, article 1
In addition to the above, WTO members are under an obligation to ensure that they comply with the provisions of the Agreement. No considerations or exceptions are given or provided in the Agreement.

It so happens that the poor of the poorest of members who lack manpower and resources in all forms are not able to comply with the Agreement’s provisions.

Most African countries are faced with adverse effects of high foreign debt repayment obligations, the HIV/AIDS pandemic, high levels of poverty, lack of clean water and sanitation, lack of adequate health facilities, etc. As a result of this, their governments find themselves in very difficult situations. They have to choose between putting their meagre resources into improving their Intellectual Property regimes in order to provide high levels of protection of Intellectual Property Rights, or channeling these resources to social obligations as responsible governments.

This is the situation in most African states, and hence it has been rather difficult for such states to comply with the TRIPS Agreement. Therefore, they continue to be non-compliant. Despite this there are some countries that have modified their legislations to suit the TRIPS model. Examples include most of the developed countries like the USA and the UK; the converse is true, most developing countries like Kenya, Uganda, Zimbabwe, which continue to be non compliant.
Around 1994, Zambia had a relatively advanced intellectual property administration compared with most African countries. Liberia had nothing worth writing about; Eritrea had absolutely nothing.

2.1 THE UNITED KINGDOM

Patent law has been modified from time to time to deal with difficulties which have arisen in the course of practice or to amend the law in the light of new philosophies. The signing of the TRIPS Agreement gave rise to such need to amend the intellectual property legislation.

The UK has had a number of Patent Acts. The Act of 1907, which was introduced by the Fry Committee Report, the Patent Act of 1932 introduced by the Sargent Committee, the Act of 1949 which was introduced by the Swan Committee Report and finally the Act of 1977 which was introduced by the Banks Committee. The 1977 Act is the one in use in the UK.

Former colonies of the UK modeled their legislation along the 1949 UK Patent Act. What differed was the wording but the substance remained the same. Zambia’s Act was also modeled along the same lines. Before the Industrial Property Act of 1989, Kenya’s Patent Law was based on the Patent Law of England.
The Patent Act of 1977 introduced a considerable number of changes in domestic law. Whilst the 1949 Act dealt with certain peripheral aspects of infringement actions, the 1977 Act defines infringement in section 60. The Act seeks to be something which the 1949 Act never attempted, that is to be a complete code of law relating to patents for inventions.\textsuperscript{11}

The 1977 Act in Part 1 deals with new domestic law. S.1 describes what qualifies as patentable subject matter. The Zambian Act does not have such a provision. In the foregoing sections, i.e. 2, 3, 4, etc, a detailed discussion of the steps of patentability is presented.

Section 25 lays down the term of a patent which is 20 years from the date of filing the applications for the patent or with such other date as may be prescribed. This 20 year period is the required one under the TRIPS Agreement.

2.2 ZIMBABWE

The Act governing patents in Zimbabwe is the Patent Act, act no. 20 of 1994, the preceding act was Act no. 11 of 1991.


(a) 'the term of every patent granted under this Act or the Patent Act 1957 (no. 13 of 1957) shall be 20 years from the lodging of the complete specification at the Patent Office.'

(b) 'In the case of a patent granted under the Patent Act, Cap 222 or the Patent (Transitional Provisions) Act 1958 (no. 5 of 1958), 14 years from the date of application.'

The Zambian Patent Act in section 29 (d) also has a similar provision to S. 25(b) of the Zimbabwe Patent Act. These provisions relate to any grant made under the Patent (Transitional Provisions) Act 1958.

The TRIPS Agreement requires that the term of protection shall not end before the expiration of a period of 20 years counted from the filing date.\(^{12}\) It is understood that those members which do not have a system of original grant may provide that the term of protection shall be computed from the filing date in the system of original grant.

The TRIPS Agreement does not have different terms of patents according to different Acts. The Zimbabwean Patent Act has disparities in its allocation of the periods of protection. Despite this, it does provide for the 20 years protection stipulated by Article 33 of the TRIPS Agreement. In this sense alone, it is compliant to the Agreement, but it may be made more so by reviewing it and making the term 20 years all round.

\(^{12}\) Article 33
Part X of the Act provides for patent tribunals and appeals so as to lessen the court’s load and to specialize in patent matters only. Part IX which includes section 63 – 68, provides for patent agents.

The Zimbabwean Patent Act does not provide for what is patentable subject matter and what is not. Hence, it can be said that it does not comply with Article 27 of TRIPS Agreement.

More work has to be done to the Zimbabwean Patent Act in order to make it compliant to the TRIPS Agreement.

2.3 ZAMBIA

Zambia is party to the WTO and as such was required to meet the minimum standards set out in this Agreement by end 2005. However, Zambia is yet to adhere to these minimum standards set out in the TRIPS Agreement. As stated above, at the time of writing this dissertation, the period for compliance to the TRIPS Agreement for least developed countries had been extended further.

The Patent Act, Cap 400, does not list what is patentable subject matter as is listed in Article 27 (1) of the Agreement, which goes on to provide that, subject to other articles therein, patents shall be available and patent rights enjoyable without discrimination as to place of invention, field of technology and whether products are imported or locally
produced. Regarding the latter, in S. 11, the Zambian Act provides for the persons that are entitled to make an application for a patent.

Article 27(2) and (3) list the exclusions from patentability. The Zambian Patent Act does not list these exclusions; it is left to the readers to discern what is excluded from patentability and what is not. In this sense the Act is not compliant to TRIPS.

Article 33 of the Agreement provides the term of protection to be 20 years. On the other hand, S. 29 of the Zambian Patent Act, provides that the term of every patent, i.e. subject to the provisions of the Act, shall be 16 years from the date of lodging of the complete specification at the patent office, and 14 years for a patent granted under the 1948 edition of the Laws (Cap 208, Patents (Southern Rhodesia) Act.)

The power given to the Registrar and the High Court is quite wide and needs to be fashioned or curbed according to the provisions of Article 31 of TRIPS.

The Act does not provide for the protection of petty patents or utility models, those inventions that may fall short on the requirements of patentability but are still useful in industry.
2.4 UGANDA


S.7 provides the definition of invention and what can be patented is to be found in S.8. It is compliant with Article 27 of the TRIPS Agreement. S. 16 provides for the right of priority in that an application for a grant of patent in a country which is a party to the Paris Convention, may claim his right of priority in another country which is a party to the Convention.

Section 29 provides for exploitation by the government or persons authorized by the government. This exploitation may only be permitted for matters of paramount importance to national security, public health, public order and morality or where the Minister decides that the exploitation is vital to public interest. The right owner has to be paid royalties and where he or she is dissatisfied, the owner may appeal to the High Court.

Article 31 (b) provides that a member may waive prior authorisation from the owner in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use, but the right holder shall nevertheless be notified as soon as is reasonably practicable. In this sense, it can be said that the Ugandan Patent Act is compliant to the TRIPS Agreement.
Section 31 of the Uganda Patents Act provides

'Subject to subsection 2, a patent shall expire at the end of the 15th year after the date of the grant of the patent.'

It can be seen that the Ugandan Act is not compliant to article 33 of the TRIPS Agreement.

Section 41 of the Act provides for utility certificates. Section 42(1) provides that...

'an invention is eligible for a utility certificate if it is new and is industrially applicable.'

Section 42 (2) provides further that, 'it is immaterial that the invention does not involve an inventive step within the meaning of Section 10.'

It may be safe to conclude that petty patents and utility models may fall under what the Ugandans refer to as utility certificates.

Section 36 gives the court power to invalidate and revoke a patent. Section 45 vests the High court with jurisdiction to settle disputes under the Act.

2.5 SUMMARY

The protection of inventions is key to development as it encourages inventive activities in any country. Countries with good Intellectual Property Laws encourage investment as the owners of the Intellectual Property rights are assured that their rights will be protected.
It is imperative that Zambia, as well as other developing nations, revisit their legislation pertaining to Intellectual Property, especially patents, so as to fulfill the minimum standards set out in the TRIPS Agreement so as to avoid ramifications if they continue with non-compliance.

Most developing nations do not offer patent protection for pharmaceutical products, but pursuant to article 27(1) of the TRIPS Agreement, patents shall be available for any invention, whether a product or process, in all fields of technology, provided the invention meets the criteria of patentability.
CHAPTER 3

REASONS AND EFFECTS OF CONTINUED NON-COMPLIANCE TO

THE TRIPS AGREEMENT AND WTO AGREEMENTS

3.0 REASONS FOR NON-COMPLIANCE

The TRIPS Agreement contains minimum standards that have had to be implemented by states parties to it. As previously alluded to, states were given different time frames in which to make their national laws compatible with the Agreement, but to date several African countries are yet to do so.

This chapter will examine the reasons why some developing countries have failed to implement the minimum standards of the TRIPS Agreement and the ramifications of continued non-compliance.

Developing countries that are members of the World Trade Organisation, or are in the process of accession, are required to introduce massive reforms in their Intellectual Property regimes. Several problems have arisen in the implementation of the Agreement.

In several of the Intellectual Property areas covered by the Agreement, developing countries had no previous legislation. For instance, most of them did not provide for specific protection of geographical indications and plant varieties. Moreover in the case
of integrated circuits and undisclosed information there were no international instruments in force before the TRIPS Agreement.\textsuperscript{13}

In many areas, pre-TRIPS laws of less developed countries require substantial change which entails the task of drafting and obtaining parliamentary approval of new legislation. Compliance with the Agreement also calls for the revision of national laws in respect of civil, criminal and administrative procedures, as well as redefining the role of the police and customs authorities.

A study carried out by the United Nations Commission on Trade and Development (UNCTAD) in 1996 illustrated that the cost of developing the institutional infrastructure to implement the TRIPS Agreement standards may be substantial. African countries are faced with multitudes of problems such as meagre resources. Their citizenry live in abject poverty and on the margins of existence. They are faced with adverse effects of the HIV/AIDS pandemics, high foreign debt repayment obligations and other hosts of pressing needs. They find themselves in some kind of conflict; that is, whether to improve their IP regimes and be in "favour" with WTO member states and allow their populations to starve, or improve the lives of the population and leave their IP regimes as they are. It should be borne in mind that where these countries do not conform, consequences ensue.

3.2 EFFECTS OF CONTINUED NON-COMPLIANCE

Despite the bleak picture described above, the Agreement leaves considerable room at the national level for implementation of a number of issues. However, the crucial question facing these states is how the standards set forth by the Agreement can be implemented in a manner that is consistent with its provisions and that is at the same time "development friendly". "Development friendly" means that it is trite that the industrial development of developing countries is strongly dependent on the access to and capacity to use technology generated in developed countries. So as they are implementing the Agreements' minimum standards, they should consider their options very carefully.

Any deviation from the standards set forth by the Agreement or any controversy as to compliance with the minimum standards should be subject to a multilateral procedure in accordance with the Dispute Settlement Understanding (DSU). Once the existence of a violation has been determined, that affected country can apply cross retaliations to the non-complying country, in any area covered by the WTO Agreement; e.g., it may apply quotas to exports from the non-complying country.

Non-compliance with the obligations stipulated by the Agreement may only lead to action by the other states and not by affected private parties. If a WTO member does not observe certain minimum standards, no other member can unilaterally apply trade sanctions against the former.
The Agreement does not exhaustively indicate the conditions that should be met for a member state for non-compliance under the WTO rules. Correa is of the view that it is reasonable to expect the application of the principle of exhaustion of local remedies, i.e. the parties that are supposedly affected should have to have previously exhausted the available local remedies before the member state to which they belong initiates any action under the DSU.\textsuperscript{14}

Unilateral actions undertaken by a member to force another member to adopt the ‘agreements’ minimum standards are illegal under the new rules governing the WTO. No WTO member may unilaterally act on another member’s non-compliance or violation. Sadly, there have been instances where unilateral actions have been undertaken.

The United States unilaterally acts on the basis of special Section 301 of their Trade and Competitiveness Act of 1988. The USA applies S. 301 in order to threaten or retaliate with trade sanctions against countries on the basis of what they consider to be non-compliance with adequate standards of intellectual property.

Section 301 gives the United Nations’ Trade Representatives (USTR) the power to respond to unreasonable, unjustifiable or discriminatory practices that burden or restrict US commerce. During each investigation, the USTR must carry out consultations with the foreign government involved. If an agreement is not reached, it has the authority to implement any number of serious trade restrictions such as import duties. Countries

\textsuperscript{14} Ibid page 11
which, in the judgment of the US, deny adequate and effective protection for intellectual property rights can lose benefits under the Generalised System of Preferences (GSP).\textsuperscript{15}

Under S.301, the USTR must identify those countries that deny adequate and effective protection for Intellectual Property Rights.

In Argentina, parliament introduced a new Patent Law in May 1995. During the legislative process, the US government repeatedly threatened Argentina with unilateral trade retaliations, its main claim being the lack of retroactive (pipeline) protection for pharmaceutical patents, ignoring the transitional period that Argentina can apply in accordance with Article 65 of the Agreement. The law was approved in December 1996. In 1997, the US government announced the partial withdrawal of Argentina's benefits under the GSP as a sanction based on Argentina's failure to protect Intellectual Property Rights in accordance with "international standards".

As a result of the sanction, a number of products including chemicals, certain metals and metal products, a variety of manufactured products and several agricultural items were affected. The estimated loss of Argentina's export earnings was about $600 million.

The attitude of the USA in this instance contrasts with the more respectful approach of the European Union (EU) with regard to the agreed transitional periods e.g. in accordance

with Decision No. 1/65 of the EU Turkey Association Council. The EU accepted Turkey’s delay in conferring patent protection on pharmaceuticals till January 1, 1999.

Despite the fact that it is illegal, the United States of America continue to carry out unilateral actions against other states. For instance, in 1997 the Dominican Republic was added to USTR’s special 301 watch list due to concerns about lack of consistent laws and adequate enforcement against piracy and counterfeiting. Ecuador and Colombia were already on the list. In January 1998, Paraguay was identified as a priority foreign country under special 301, based on its unsatisfactory enforcement of Intellectual Property Rights and its failures to enact adequate IP legislation.

To date, the US continues to threaten several developing countries with sanctions under S.301 of its Trade Act. It requests, inter alia, not only the immediate introduction of the TRIPS standards for patents, but also its retroactive application, under the so-called pipeline solution. Such a request is completely illegitimate under the TRIPS Agreement. It disregards international binding rules and deprives developing countries of their right to take necessary time to introduce legal reforms and adopt measures that mitigate their eventual negative economic and social impact.\(^\text{16}\)

Above all, it is cardinal to note that according to Article 1 of the TRIPS Agreement, the method of implementing its provisions can be fully determined within the legal system and practice of each country party to it. The legal status conferred on the Agreement, or on different parts therein, would ultimately depend on the constitutional law of each

\(^{16}\text{Ibid}\)
country. This means that the rate of compliance is peculiar to each state. No two states may use the same method of compliance.

For instance, in El Salvador, the Constitution in Article 144 provides that international treaties are to be deemed "laws of the Republic". While the patent term in accordance with the laws in force is 15 years, it has been argued that the 20 year patent term of the TRIPS will be applicable without requiring any amendment to the law, when the Agreement became enforceable in El Salvador in 2001.¹⁷

Although several complaints have been filed under the TRIPS Agreement involving alleged infractions by developing and developed countries in the area of Intellectual Property Rights, only one case has been decided after a complaint by the US against India relating to the implementation of Article 70.8 of the Agreement. In that case, India was deemed to be in violation of its obligations to provide for a mechanism of deposit of pharmaceutical patent applications. Decision held that India had to adopt positive legislation in order to implement the so-called "mail box" provision, but the panel refused to define the scope of EMR's, since this was an issue under dispute. US law determines that a foreign country may be deemed to deny "adequate and effective protection" of intellectual property notwithstanding compliance of the said country with the specific obligations stipulated by the Agreement.

Despite her non-compliance, Zambia is yet to be subject to trade sanctions.

¹⁷ The Implementation of the TRIPS Agreement, Paper presented by El Salvador to the workshop held in Mexico on 24-26 May 1996. SELA/BID. D.F.
CHAPTER 4

RECOMMENDATIONS FOR REFORM OF THE PATENTS ACT, CAP 400

4.0 INTRODUCTION

Implementation of the TRIPS Agreement is a very complex task and it is for this very reason that most developing countries are having a hard time trying to conform to it. What should be done is that governments of these states should implement the TRIPS Agreement in a fully informed, democratic and specific framework.

It is in this spirit that groups have come together to suggest or brainstorm on the ways to reform legislation governing intellectual property. One such group is the Expert Group on the TRIPS Agreement and developing countries. The Expert group was convened by the Third World Network with the objective of getting together a team of individuals with in-depth knowledge of intellectual property rights and, in particular of the TRIPS Agreement, in order to provide guidelines and proposals to policy makers and the public in developing countries on the options available to them during the process of implementing the Agreement. The aim of the expert group was to review the Agreement and point out the options available in various aspects of the Agreement, so as to propose recommendations on options which would be more appropriate to and consistent with the interests of the developing countries. The group convened in Geneva in July 1997. This
group prepared a report which contains suggestions and proposals to developing countries for the national implementation of the TRIPS Agreement.

The secretariat of the World Intellectual Property Organisation (WIPO) made some comments on the legislation governing Intellectual Property in Zambia. These comments are contained in a report given to the staff at the Zambian Patent Office.

4.1 RECOMMENDATIONS

The following recommendations are drafted using the two reports.

Article 27 of the TRIPS Agreement provides for patentable subject matter, but it does not provide for a definition for an invention. It means that national laws may define this concept according to standards generally applied.

Section 2 of the Patents Act of Zambia comprehensively defines what an invention is. Sadly, it does not provide for exclusions from patentability as provided for by Article 27(3) of the Agreement. Despite this, S. 18 provides for grounds for refusal of an application for a patent and in this way, the Registrar may exclude certain products from patentability. Whilst relying on the grounds provided for in the said section, it should be noted that the scope of the grounds in the section is very narrow.
The recommended option is that the definition of invention should be retained as is and further, the Act should provide for exclusions from patentability.

1. **Recommended Provision**

".....*The following are not to be considered inventions;*

i. *Discoveries, scientific theories and mathematical methods*

ii. *Aesthetic creations*

iii. *Rules and methods of and schemes for performing mental acts, playing games or doing business and programs for computers*

iv. *Presentations of information*

v. *The whole or part of natural living beings and biological materials found in nature, even if isolated from it or purified including genome or germplasm of any natural living being*

vi. *Essentially biological processes for the production of plants and animals other than non-biological and non-biological processes*

vii. *New uses of a known product or processes; including the second use of medicine...."*

Items (i) to (iv) are based on the text of the European Patent Convention, then (v) is partially based on Article 10.IX of the Brazilian Industrial Property Code, Law 9, 279, 1996.
Alternatively, the concept of "invention" can be defined in a way that leaves outside the scope of patentability, scientific or industrial discoveries in the field of genetic engineering as well as uses that may be new but are not sufficiently inventive, such as new uses of known pharmaceutical substances.

In addition to defining what is not an invention, national laws can establish exceptions to the patentability of inventions that would otherwise be protectable.

Article 27.1 provides for patentable subject matter. The Patents Act of Zambia does not provide for such. What is suggested is that a provision is made which looks into concepts of novelty, inventive step, and industrial applicability, prior art inter alia, that is, along the English model.

2. Recommended provision

"Patents shall be granted to inventions that are new, involve an inventive step and are capable of industrial application. An invention shall be deemed to be new when it does not form part of the state of the art.

The state of the art shall comprise everything made available to the public in any country by means of a written or oral description by use or any other way, including by publication of a patent application. It shall also include knowledge made available within a local or indigenous community in any country."
A process shall not be patentable if it is not new and if it does not imply an inventive step, even if it uses or produces a new product.

The communication to the public of the results of a research undertaken by universities and public institutions, within a year before the date of application, shall not preclude the granting of a patent on part or the whole of such results."

Section 8 (1) of the Patents Act of Zambia provides for conventional applications. Within it, the definition of national treatment is not consistent with article 1.3 of the TRIPS Agreement. It must be modified to extend national treatment to WTO members' nationals, and to those persons or entities that, not being nationals or domiciled in the territory of a WTO member, have nevertheless a real and effective commercial or industrial establishment in such territory. The section should be modified whilst taking into consideration the above recommendations.

The language of proviso (b) of section 18(1) is inconsistent with Article 27.2 of the Agreement which provides for patentable subject matter, that is, what can be excluded from patentability.

Article 27.2 provides that members are free to exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect ordre public or morality. S. 18(1) (b) relates to the use of the invention which would be contrary to law or morality. What is to be noted is that it is not the use of the invention that is contrary to law or morality that permits the exclusion. It has to be
commercially exploited. The drafters of the new patent law should take the above notes into consideration.

Section 28(4) is not clear as to the rights enjoyed by a patentee, as is Article 28 of the agreement. Article 28 sets forth the rights that a patent should confer on its title holder by referring to the two traditional categories of inventions: products and processes. Such rights must be defined in a negative way, that is, to prevent certain acts relating to the invention.\textsuperscript{18}

The Act does not contain exceptions to rights conferred, such as under Article 30 of the Agreement or under Article 5\textsuperscript{er} of the Paris Convention. It does not have any provision dealing with exhaustion of rights, which Zambia, under Article 6 of the TRIPS Agreement and paragraph 5 of the Doha Declaration, is free to establish as, either "national Exhaustion", or "international exhaustion". The provision of "international exhaustion" of rights allows for "parallel imports" of legitimate products from any country and ensure access to the said products on a competitive basis.

The principle of exhaustion was extensively developed by the European Community in order to avoid the partitioning of the market and the exercise of discriminatory policies by intellectual property title holders within the community.

\textsuperscript{18} Correa page 234
At national level, the solution of “national exhaustion” is necessary to ensure the competitiveness of local companies, which may be jeopardised if they are bound to buy exclusively from a local distributor that charges higher prices than elsewhere. Likewise, the recognition of the principle acknowledges the consumer’s right to buy legitimate products from foreign sources at lower prices, if available.

However, despite the absence of an explicit provision on exhaustion, and given that patent rights include the right to authorized imports, it is understood that implicitly the law has opted for national exhaustion.

3. **Recommended provision**

“*Patents relating to products shall confer the right to prevent third parties, not having the patentee’s consent, from making, using or offering for sale the product.*

*The protection conferred by process patents shall extend to the product obtained directly by that process, provided that the said product is not excluded from patentability in accordance with the law.*

*The rights conferred shall not extend to the importation of a product legitimately put on the market in any foreign country*”

Section 29, which provides for duration of a patent, should be modified in such a manner as to guarantee a minimum of 20 years protection from the filing date all round.
In section 32, the term **renewal fees** should be changed to **maintenance fees** across the whole statute. It should be noted that patent terms are not renewable; they must be continuous and can only be renewed after, and only after, the end of the mandatory 29 year term.

Section 37 should be rewritten so as to reflect the requirements of Article 31 and the WTO General Council Decision of August 30, 2003, on the implementation of paragraph 6 of the Doha Declaration which deals with compulsory licenses.

Article 31 contains a list of minimum, mandatory conditions that have to be met when granting compulsory licenses. The rights of the patent holder have to be protected. The Agreement refers to five possible grounds for granting compulsory licenses:

1. Refusal to deal;
2. Emergency and extreme urgency;
3. Anti-competitive practices;
4. Non-commercial use;
5. Dependent patents.

However, member countries can determine other grounds; this is possible because the Agreement leaves room for countries to fashion their laws in a way suitable to them. As a result of this, members have a right to grant compulsory licenses on grounds not explicitly mentioned therein.
4. **Recommended provision**

“Compulsory licenses shall be granted in the following cases:

i. When an interested party demonstrates that the patentee has rejected or not replied to, within 150 days, a request for voluntary license under reasonable commercial terms and conditions.

ii. In cases of emergency

iii. When required by public health

iv. When required for security reasons

v. When necessary for environmental reasons, such as to preserve plants or animals or to avoid prejudice to the environment

vi. As a remedy against anti-competitive practices such as abusive pricing

vii. When required to use a dependent patent, provided that it involves an important technical advance of considerable economic significance. In this case, a cross license on reasonable terms shall be granted, upon request, in favour of the owner of the first patent and the licence shall not be assignable except with the assignment of the second patent

viii. Lack or insufficiency of local working of the patent when necessary to promote a sector of vital interest to socio-economic or technological development.”

The above provision takes into consideration environmental issues, anti-competitive practices and instances where there is a dependent patent. The section in the Zambian
4. **Recommended provision**

"Compulsory licenses shall be granted in the following cases:

i. When an interested party demonstrates that the patentee has rejected or not replied to, within 150 days, a request for voluntary license under reasonable commercial terms and conditions.

ii. In cases of emergency

iii. When required by public health

iv. When required for security reasons

v. When necessary for environmental reasons, such as to preserve plants or animals or to avoid prejudice to the environment

vi. As a remedy against anti-competitive practices such as abusive pricing

vii. When required to use a dependent patent, provided that it involves an important technical advance of considerable economic significance. In this case, a cross license on reasonable terms shall be granted, upon request, in favour of the owner of the first patent and the licence shall not be assignable except with the assignment of the second patent

viii. Lack or insufficiency of local working of the patent when necessary to promote a sector of vital interest to socio-economic or technological development."

The above provision takes into consideration environmental issues, anti-competitive practices and instances where there is a dependent patent. The section in the Zambian
Patent Act providing for grounds of granting compulsory licenses should be modified to encompass such issues.

Section 37(3) is not workable in cases of extreme urgency or where compulsory licences is granted to remedy a practice deemed anti-competitive after judicial or administrative proceedings.

Section 37(6) is incompatible with Article 27.1 of the Agreement and Section III.4 and XI of the GATT of 1947. So, it should be modified to reflect the aforementioned provisions so as to make it compatible to them.

Section 37(6) (d) should be rewritten because the patentee is naturally entitled to refuse to licence his competitors. Patent rights are essentially the right to prevent others from dealing with your invention. The patentee is only entitled to say ‘no’ only when there is a public interest involved or when refusal to license is intrinsically anti-competitive. Such as when it stems from collusion.

In light of S.37 (7) it should be noted that both under the Paris Convention and the TRIPS Agreement, compulsory licences may be granted for importing. The section should be modified by taking this point into consideration.

The phrase ‘patent monopoly’ in S.37 (8) should be changed to ‘exclusive patent right’. Property rights and monopolies are not the same thing, even if property rights are per
definition exclusive. It should be noted that all compulsory licenses must be non-exclusive.\(^{19}\)

The language of S.37 (9) (a) is not compatible with the definition of ‘adequate remuneration’ under Article 31(h) of the Agreement. It provides that;

“....the right holder shall be paid adequate remuneration in the circumstances of each case; taking into account the economic value of the authorization...”

Section 37(9) (a) seems to condition the amount of the royalty on the successful working of the invention within Zambia on a commercial scale and a reasonable profit. This was not what was envisaged by the drafters of the TRIPS Agreement, especially Article 31(h).

Adequate remuneration must be determined in each individual case, taking into account the circumstances of the licensee and of the market where the invention operates, as well as the purposes of the license. A standard that may be used to determine the applicable royalty rate is the average paid in voluntary licenses in given industry branch.

5. **Recommended provision**

“The remuneration for a compulsory license shall be determined as a percentage of net sales taking into account the value of the license in the relevant domestic market and the average royalty rates usually paid in the sector or branch to which the invention belongs.

\(^{19}\) Article 31(d) TRIPS Agreement
The remuneration shall be reduced or excluded when the license is necessary to remedy anti-competitive practices."

Under S. 37(11) reference is made to 'exclusive compulsory licenses' which are not permitted under Article 31(d). The subsection should be modified to remedy that defect.

S. 37(15) should be revised to include the words, ‘.... And while an alternative process is not developed....’ This is so because an article made by a patented process is not unique if there is an alternative process for making it. Such an article, therefore, should not be considered as if it were 'patented'; hence the need to add the aforementioned words so as to bring clarity to the provision.

Section 40(2) should be modified whilst bearing in mind that the state or any of its agencies has no immunity from liability in cases of infringement. What the state is immune from are injunctions. As mentioned earlier, in all cases of use of an invention not by the patentee, adequate remuneration has to be paid. The state cannot run away from paying this adequate remuneration as provided for by Article 31(h).

The cases under S.41 should be treated as 'security exceptions' so as to make its language more consistent with Article 73 of the TRIPS Agreement. As is, it seems to refer to grounds of compulsory licenses which are subject to a special regime, i.e. Article 31, TRIPS.
Section 53 should provide that the compulsory licensee should also be entitled to sue others for infringement of the patent. It is obvious that the patent owner may not cooperate with the compulsory licensee. Moreover, the non-exclusive licensee should also be entitled the patent against infringement if the patent owner asked by him to take measures, fails within two to three months.

Article 34 provides for the reversal of the burden of proof in civil litigation involving process patents. The judicial authorities should have the authority ‘to order the defendant to prove that the process to obtain an identical product is different from the patented process.’ A similar faculty is provided for under Article 43 of the TRIPS Agreement, in its Part III which relates to ‘enforcement’.

The Patents Act, cap 400, does not have a provision on the reversal of the burden of proof when it comes to process patents. To start with the Act does not provide for process patents, so what should be done is to provide for process patents and proceed therefrom.

6. Recommended provision

“The judicial authorities shall have the authority in civil proceedings to order the defendant to prove that the process to obtain an identical product is different from the patented process. An identical product when produced without the consent of the patent owner shall, in the absence of proof to the contrary, be deemed to have been obtained by the patent process when it is new.
For the purposes of this provision, a product is new if it has not been put on the market for more than 1 year before the date of initiation of the judicial action by the patentee.

This provision shall apply subject to the prior proof by the plaintiff that the allegedly infringing product is identical to the product directly produced by the patented process."

Section 55 (1) should be modified bearing in mind that after the patent application is officially published in the gazette or intellectual property journal, there is no innocent infringement.

Section 55(2) may give rise to serious problems of legal insecurity because once a patented lapses (e.g. for non-payment of fees), no rights can be enforced. The subsection was erroneously drafted and should be modified so as to reflect the correct position.

The Zambian Act does not have any provision on provisional measures granted "inaudita altera parte" as under Article 50.2. The said article provides that judicial authorities shall have the authority to order prompt and effective provisional measures to prevent an infringement of any intellectual property right from occurring and to preserve relevant evidence in regard to the alleged infringement.20

7. Recommended provision

"The judicial authorities shall have the authority to adopt provisional measures inaudita altera parte where appropriate, in particular where any delay is likely to cause

20 Article 50 (1)
irreparable harm to the right holder, or where there is demonstrable risk of evidence being destroyed.21

If the drafters of the new Patent Act took the above recommendations into consideration, then the legislation they would come up with would be compliant to the TRIPS Agreement and to other WTO Agreement. In this way, Zambia would be exempt from either multilateral or unilateral actions by other states which are of the view that Zambia is not adequately protecting Intellectual Property Rights.

21 Article 50(2)
CHAPTER FIVE

GENERAL CONCLUSIONS

5.0 SUMMARY

This Chapter serves as a concluding chapter. This in itself entails that previous chapters shall be reviewed here and a conclusion of the whole essay made. It also contains the author’s last remarks.

The first Chapter was introductory in nature; it introduced the subject matter of the dissertation, being intellectual property. It narrowed down to patents, what they are, and why they are granted for inventions, i.e. justifications for their being granted.

Further, a historical background of patent protection worldwide was outlined. The chapter discussed as to where and when the patent for an invention was granted. The next thing done was to discuss the pieces of legislation or conventions that govern patents. These included the Paris Convention for the Protection of Industrial Property of 1883 and the Agreement on Trade Related Aspects of Intellectual Property Rights, (TRIPS).

The Chapter went on to look at an organization whose main focus is on intellectual property issues, i.e. the World Intellectual Property Organisation (WIPO). The organisation’s aims and objectives were outlined.
The Chapter closed by looking at the historical background of Zambia’s patent protection.

The Second Chapter undertook a comparative study of patent legislation of some African countries as well as Britain, Zambia’s former colonial master from whom most of the country’s legislation, as at the time she attained independence, came.

The Third Chapter looked into the reasons why most developing nations still remain non-compliant to the TRIPS Agreement. It later delved into the consequences of continued non-compliance.


Chapter Five, being this very chapter, is the concluding chapter. It contains the author’s last remarks.

5.1 CONCLUSION

For many years, economists have tried to provide an explanation as to why some economies grow fast and others do not, that is why some countries are rich and others are not. Most authors are of the view that technology and knowledge have played an important role in recent economic growth. It has been postulated that intellectual property
significantly influences the appreciation in value and the accumulation in quantity of human capital and the rate of technological change.

Many researchers have suggested a direct link between enhanced intellectual property protection and an increase in inward Foreign Direct Investment (FDI) in certain countries. For instance, a steady and steeply rising increase in FDI in India has been evident ever since patent and trademark reform was introduced in the 1990’s.

The equivalent increase in Brazil is more dramatic with a spectacular growth in FDI following the introduction of a new industrial property law in 1996, which provided patent protection for 20 years, as well as pipeline protection for drugs not yet on the market.\textsuperscript{22}

Protection of Intellectual Property has the potential to contribute positively to a country’s efforts to attract FDI, increase foreign trade and provide the necessary conditions for technology transfer.

Nevertheless, there are those authors who have an opposite view to those above. There are those that believe that Intellectual Property protection is only but one piece of the development puzzle. How significant high levels of protection may be to a country’s development is dependent on a balance multiple of factors that must be examined

\textsuperscript{22} Kamil Idris (2003) \textit{Intellectual Property: a power tool for economic growth}, WIPO
carefully within the particular conditions of each region, the changing dynamics of technology development and the models of FDI. 23

Some critics have argued that Intellectual Property Rights, or at least the way they are currently contoured, have deleterious effects such as raising the prices of essential drugs to levels that are too high for the poor to afford, inter alia.

In light of the above assertions, it is not surprising that many countries in Africa are still not compliant to the TRIPS Agreement. The truth of the matter is that these countries either lack the resources or have other more pressing needs to which to channel these meager resources.

What is imperative is that since Zambia is a party to the WTO and hence also a party to the multilateral agreements that it administers, it has no choice but to live up to its expectations and be compliant to the many agreements that it has signed. If she does comply with the minimum standards of the agreements, especially within the stipulated time, she may be subject to sanctions such as those stipulated in chapter three of this dissertation.

What is cardinal to remember is that Intellectual Property protection is only one part of development, other factors and issues have to be addressed so as to truly say that a nation

is developed. If the nation's leaders take this hint into consideration, whilst framing their
development policies, the nation can be said to be headed towards development.
REFERENCES

BOOKS


52
JOURNALS


OBLIGATORY ESSAYS

Mwenda M G How Patents can facilitate Development in Developing Countries with Particular Reference to Zambia. Obligatory essay, School of law. 1977-78

PAPERS


The Implementation of the TRIPS Agreement. Paper presented by El Salvador to the workshop held in Mexico on 24-26 May 1996. SELA/BID. D.F.

WEBSITES

www.en.wikipedia.org
www.patent.gov.uk/patent
www.sipilawuganda.com
www.wipo.int

STATUTES


CONVENTIONS

The Agreement on Trade Related Aspects of Intellectual Property Rights, 1996.