

Секция «Актуальные вопросы права Англии и США (на английском языке)»

Compulsory licensing in the USA: legal aspects

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A compulsory licensing is a mechanism where a government requires owners to make their intellectual property results available to users, usually at a fixed price [1].

There are several grounds for compulsory licensing in the United States. In essence, the provisions on compulsory licensing in the U.S. are more abstract compared to those in countries with a civil law system.

It is important to emphasise that the U.S. Constitution provides for the possibility of revoking intellectual property rights based on the interpretation of the Fifth Amendment [2]. The practice of compulsory licensing is regulated by 28 U. S. Code § 1498 and applies to all patents. In such cases, compensation must be paid to the holder, although initially no penalties were provided for [3]. Some scholars associate this provision with the seizure of property for public use, but the view that it represents a form of compulsory licensing remains more convincing [4].

The Patent Act of 1952 specifies a judicial procedure for compulsory licensing in cases where a holder refuses to issue a license and the product is either unavailable or insufficiently available on the market. This provision is frequently invoked in injunction proceedings [5], where courts must consider, among other factors, whether "a permanent injunction would adversely affect the public interest" [6]. Compulsory licensing is primarily used to ensure competition under the control of one of the competitors based on the essential facilities doctrine [7]. The Bayh-Dole Act of 1980 provides march-in rights, allowing the government to use compulsory licensing in cases where a patent is not being effectively used; when there is a need to satisfy health or safety needs; when actions are necessary to comply with public use requirements under federal law that are not being met by the holder; or when a holder grants an exclusive license to another entity without ensuring that an invention will be produced primarily in the U.S.

The Bayh-Dole Act of 1980 applies to patents resulting from government funding. Additionally, the Atomic Energy Act of 1954 and the Clean Air Act of 1963 provide for compulsory licensing. Under the Atomic Energy Act, a compulsory license may be issued by a special commission if the intellectual property is deemed critical to the field of atomic energy. The Clean Air Act establishes a judicial licensing procedure. The Plant Variety Protection Act of 1970 allows for compulsory licensing of seed plants protected as breeding achievements by the Department of Agriculture.

In practice, compulsory licensing in the U.S. is most commonly used in the field of copyright by satellite TV providers, cable providers, internet broadcasters, and music companies [8,9]. The Copyright Act of 1976 permits compulsory licensing for musical compositions, specifically non-dramatic musical works. Additionally, the U.S. has a practice of "compulsory mechanical license", where a copyright holder is required to license a composition to all other licensees at a price set by the state [10]. In contrast, compulsory licensing in the Russian Federation does not cover copyright objects, although the need for such a mechanism has been identified and attempts have been made to address this issue.

In the U.S. compulsory licensing is often used to encourage settlement [11], a strategy less common in Russia due to a more limited scope of compulsory licensing provisions.

The issue of compulsory licensing raises important questions about its appropriate use, which also applies to Russia. In particular, the lack of clear criteria for determining fair remuneration in compulsory licensing remains debated in the academic community [11]. The use of vague terms such as "reasonable and full compensation" without established guidelines makes it difficult to challenge court decisions. Similarly, Russia lacks any initial criteria for determining royalties in compulsory licensing cases, leading to inconsistent and potentially unfair judicial discretion.

Therefore, the grounds for compulsory licensing in the U.S. can be summarised as follows [12]:

- Compulsory licensing as an antitrust/misuse remedy;
- Compulsory licensing in the public interest;
- Compulsory licensing because of patent non-use.

Moreover, these grounds are located in various laws, which raises the question of whether it would be feasible to create a "comprehensive" licensing statute.

In Russia, the issue of compulsory licensing has been regulated in the general civil law. However, the first ground for compulsory licensing - antitrust or misuse remedy - has not been adequately developed. This appears to slow down the effective implementation of this mechanism in practice.

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