

## Biotechnology-Related Intellectual Property Law of Iran

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**Received:** 5 Sep 2009  
**Accepted:** 10 Sep 2009

### Abstract

In this study, an attempt has been made to expound the Iranian law of intellectual property in relation to biotechnology. The most important themes studied are patents, industrial designs and trade marks. The latest relevant piece of legislation concerning the subject matters was passed in March 2008. However, the history of laws and regulations in this field goes back to early twentieth century (i.e. 1925). In this review, on the basis of the latest law passed in 2008, the topics explored are the responsible authority, patentable items and criteria, excluded items, registration procedure, rights conferred and sanctions. At the end, an attempt is made to put forward a few points as an analysis of the above Law from a critical point of view.

*Avicenna J Med Biotech 2009; 1(2): 89-94*

**Keywords:** Biotechnology, Industrial design, Iran IP law, Patent, Trade mark, IP rights

### Introduction

Rapid advances in biotechnology and biotechnological research mark one of the most significant features of the late twentieth and early twenty first centuries<sup>(1)</sup>. These advances have changed human life in various ways and provided them with vast opportunities and options previously unthinkable. Therefore, societies through their governments have endeavoured to recognise and regulate the relevant processes and achievements<sup>(2)</sup>. This has been done by introducing intellectual property (IP) laws, regulations and rights though with different approaches and systems<sup>(3)</sup>. The laws and regulations confer exclusive rights on inventors and

designers in order for them to exploit and commercialize their inventions and designs. At the same time, it prevents others from using them without their permission or entering into a contract with them<sup>(4)</sup>. Indeed, this kind of rights on one hand, protect researchers and inventors and provide them with an exclusive opportunity to take advantage of the results of their creative work, or in other words their intellectual activities. And on the other hand, let the society benefit from the products and services resulted from the commercialisation of the inventions<sup>(5)</sup>. Efforts have also been made on an international level to offer similar protection and support<sup>(6)</sup>.

Iran has been a relatively late comer in the field and has not seemingly taken a full-fledged ethical and legal approach to the issues concerned. However, Iran has taken some preliminary steps to provide legal support for intellectual property rights. In what follows, I will attempt to explain and accordingly very briefly appraise the Iranian law concerning biotechnological related intellectual property rights. Therefore, let us start with the relevant legal situation in the country.

### The Legal Situation

The first piece of legislation concerning industrial property in Iran was passed in 1925. It was entitled “Law of Industrial and Trade Mark”. However, this Law was repealed and replaced by “Law for Registration of Marks and Inventions 1931”. Soon after, a By-Law determining methods of implementation of the above Law was resolved by the Cabinet. The 1931 By-Law was then repealed and replaced by another By-Law, entitled “Executive By-Law of the Law for Registration of Marks and Inventions” in 1958<sup>(7)</sup>.

In addition, Iran officially signed the Paris Convention for the Protection of Industrial Property (the Paris Convention) in 1959, and ratified the Stockholm revision of the Convention in 1999. Furthermore, the Iranian parliament [i.e. the Islamic Consultative Assembly (*Majlis*)], enacted the “Act of Acceding to Patent Cooperation Treaty” in 2007. Based on this law, the enactment shall become liable to implementation only after the process of acceding has been completed and also provided that enough facilities are made available<sup>(8)</sup>.

Finally, in March 2008, a law entitled “Law of Registration of Inventions, Industrial Designs and Trade Marks” was enacted (the 2008 Law), to be implemented for a five-year tentative period. This Law replaced all previous laws and regulations. One year later (March 2009), the Executive By-Law of the

2008 was resolved by the Judiciary\*<sup>(9)</sup>. Below I will endeavour to explore the latest law and regulation so as to give a relatively brief view of the situation of biotechnology-related IP law in Iran. Provisions of the Law will be divided into the following topics: the responsible authority, patentable items and criteria, excluded items, registration procedure, rights conferred and sanctions.

### The Responsible Authority

Section 52 of the 2008 Law states that the Country’s Organization for Registration of Documents and Properties shall deal with all affairs relating to industrial property. It also states to represent the Islamic Republic of Iran in the World Intellectual Property Organization (WIPO) and in the institutions related to conventions pertinent to the field<sup>†</sup>. In addition, the Industrial Property Agency shall take care of all aspects of registering Industrial property, including inventions, marks, collective marks and industrial designs.

In case, based on relevant laws and regulations, any authority has power and discretion to examine and register applications for similar properties or patents, the emanating registration certificates shall only benefit from the protections and privileges of the 2008 Law only if their holders register their certificates with the above mentioned Agency as well.

It is worth adding that the Industrial Property Agency should establish separate offices, utilizing modern means and methods, for patent, industrial design and trade marks<sup>(10)</sup>.

### Patentable Items and Criteria

According to Section 2 of the 2008 Law, an “invention” is patentable only if it is “new” and “capable of industrial application”. The same Section states that “a new invention is

\* According to Sec. 64 of the 2008 Law, the By-Law should be prepared by the Country’s Organization for Registration of Documents and Properties and be approved by the Chief of the Judiciary. It is worth noting that the said Organization is affiliated to the Judiciary.

† See also the 2009 By-Law, Article 190.

something that has not existed in the previous technology or industry and is not obvious for a person with normal skills in the field of the technology or industry". In this regard, based on Section 4, "previous technology or Industry" is anything at any place in the world that is already disclosed more than six months before submitting the application, through written publication, oral presentation, practical use or any other method. Moreover, the Section 2 also reads that "from an industrial point of view, an invention is considered applicable, if that is producible or useable in one of the industries. A broad meaning of industry is intended here that includes instances such as handicrafts, agriculture, fishery and services."

It could be inferred from this part of the legislation that the Iranian legal system has taken a broad view on the concept of invention, as it is explicitly mentioned in Article 12 of the 2009 By-Law that patentable items include products, processes or a combination of the both. This view is very much similar to the international perspective on the issue. For instance, the Agreement on Trade-Related Aspects of Intellectual Property Rights of the World Organization (TRIPS) specifies that patents should be available for inventions, whether products or processes<sup>(11)</sup>.

### Excluded Items

Section 4 of the 2008 Law excludes certain items from its protection. The exclusion is also permitted by international law, such as TRIPS (Article 27) and Patent Cooperation Treaty (PCT) (Rule 67). The items mentioned in Section 4 are as follows: (a) discoveries, scientific theories, mathematical methods and artistic works; (b) plans and rules or methods of performing commercial work and other mental and social activities; (c) methods of diagnosing and treating human and animal diseases, though this item does not include products conforming to the definition of invention\* and are being used in the above

\* According to Section 1 of the 2008 Law, "invention is the result of thought of an individual or individuals that, for the

methods; (d) genetic resources and their genetic constituting elements and also biological processes for their production; (e) all the items already predicted in the previous industries and techniques;<sup>†</sup> and (f) inventions the use of which run counter to the Islamic rulings, public policy or public morality.

It is worth mentioning that although the exceptions are nearly in line with international legal provisions, they (in particular, item (f)) could be interpreted in a way detrimental to a well defined, certain and functioning IP legal system.

### Registration Procedure

As with many other registration systems, the system originating from the 2008 law is based on application by inventors. It is understood from Section 6 of the mentioned Law that an inventor, wishing to benefit from legal protections and privileges, has to submit a declaration (say, an application) to the Industrial Property Agency. This declaration should, *inter alia*, include the subject matter, a brief explanation of the invention, relevant maps, if any, date and signature. It has to be in Persian Language.

The Section requires that the inventor's name, the relevant information and also title of the invention be inserted in the declaration. Also, the claim(s) has to be clear and articulate enough<sup>‡</sup>.

Based on Section 7, the applicant may withdraw the declaration so long as a patent is not already granted. Section 8 of the same Law requires that only one invention or a group of interconnected inventions should be mentioned in the declaration.

While submitting the declaration, the applicant may, according to Section 9 of the 2008

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first time, puts forth a particular process or product and resolves a problem in the field of a profession, technique, technology, industry and the like."

<sup>†</sup> Section 4, on this item, explains that "previous technique or industry is anything at any place in the world that is disclosed by being published in writing or verbally or by practical use or any other method, before being demanded or due to a priority of right deriving from the submission of a patent registration declaration."

<sup>‡</sup> The 2009 By-Law, Articles 6-8.

Law, apply for the priority right mentioned in the Paris Convention\*. In this case, the applicant needs to submit an application, a copy of which should be approved by the relevant authority in the country.

The Industrial Property Agency shall examine the conformity of the declaration, submitted by the applicant, to the provisions of the 2008 Law and its by-law. Having found it conforming to the Law, the Agency shall register the declaration; otherwise the application will be refused†. Section 14 requires the Agency to take the following steps right after completing the registration: (a) publishing a notice of registration; (b) issuing a patent license; (c) recording a copy of the patent and upon receiving the costs, entrusting the original copy to the applicant; and (d) upon request by the applicant, making slight amendments in the attached maps in order to clearly define the scope of the protections and privileges.

The 2008 Law, the same as the previous laws and regulations of the country, has taken a declarative, vis-à-vis investigative, approach to registration. That is, so long as an applicant manages to prove in his/her application that the subject matter is an invention-of course, based on the definition provided in the Law-a license shall be granted to them. However, the Law [(Section 5, item (C))] allows other persons to bring an action before the court, claiming that they have in fact invented the subject matter earlier than the date the existing patent holder had claimed in his/her declaration.

According to item (F) of Section 5 of the 2008 Law, the name of the inventor will be mentioned in the license, unless they request, in writing, that the Industrial Property Agency not to do so‡. Any declaration or commitment of the inventor to insert the name of another person in the license has no legal effect§.

\* The Paris Convention, especially as at Article 4.

† The 2008 Law, Sec. 13.

‡ The 2009 By-Law, Article 31, item 4.

§ No doubt, the legislature has taken it for granted that it is a matter of fact to pinpoint the inventor. Hence, it is not possible to change this fact in a normative way. That is to

## Rights Conferred

The Iranian legislature, by enacting the 2008 Law, has conferred various rights on the holder of a patent license. According to Section 15 of this Law, the rights are listed and explained in the following way: (A) using the registered invention in Iran by persons other than the owner of the patent is subject to the latter's consent: (i) where the subject matter of the patent is a product, firstly, making, exporting and importing, offering for sale and using the product and, secondly, stocking with the intention of offering for sale, selling or using the product, (ii) where the subject matter of the patent is a process, firstly, using the process and secondly, doing all the acts mentioned in (A)(i) with the products obtained directly from this process; (B) the owner may, subject to the limits mentioned in this Law, bring to a court of law any person who, without obtaining the owner's consent, has taken the actions mentioned in (A) and infringed rights of the patentee or has acted in a way that had led to an infringement of these rights; (C) rights deriving from the patent license do not include the following items: (i) using products offered in the market by the patent owners themselves or based on their agreement, (ii) using the instruments that are subject matter of the invention in airplanes, cars or ships of other countries that have accidentally entered the boundaries of the country, (iii) using only with experimental purposes, (iv) using by any person with good faith before an application for the priority right is filed with the relevant authority; (D) right to assign or transfer the patent. The last right is also singled out in item (D) of Section 5, adding that the rights shall be transferred to the owner's successor.

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say, the inventor, as a matter of fact, has almost always been determinate from the starting point. Therefore, they are the only people entitled to all intellectual or intangible rights relating to the invention. They are indeed the persons who have invented a new product or process by their creative mind. None the less, those material or tangible rights deriving from the intellectual ones could, by the inventor's consent, be shared with others.

Item (A) of Section 5 of the 2008 Law specifies that rights derived from the registered invention exclusively belong to the patentee. Indeed, it could be said that, from this Law's perspective, everything concerning the conferred rights revolves around the owners consent\*.

Item (E) of Section 5 of the Law represents a particular exception. According to this provision, the rule is that if the invention is made in consequence of an employment or a contract, the inventor has only exclusive intellectual rights, but all emanating tangible rights shall belong to the employee. However, the law allows the parties to agree otherwise.

Protections available by the 2008 Law are for a limited term. Based on Section 16 of this Law, the patent certificate will be valid for a period of twenty years from the date of filing. It should be added that, after one year from the date of filing, the applicant has to pay an amount to the Industrial Property Agency. Otherwise the relevant application or patent license shall be considered withdrawn. The amount shall be determined by the by-law of the 2008 Law.

Finally, it should be mentioned that any contract to use patents, registered industrial designs or registered trade marks or the relevant declarations should be submitted to the Industrial Property Agency. The Agency is under a duty to keep the content of the submitted contracts confidential, issue a permission for using them and publish a notice to this effect†.

### Sanctions

According to Section 61 of the 2008 Law, any person who intentionally acts in a way that infringes the rights mentioned in the Law or their action, by provisions of the Law, is considered an illegal one they will commit a crime. The person ought to remedy all the damages inflicted on the relevant person(s) and also will be fined for an amount between ten million to fifty million Rials or will be

jailed for ninety one days to six months or will be convicted for both punishments.

Infringement of rights, mentioned in the above Law, means doing any act, in Iran, by persons other than the rights holders without their consent‡.

### Conclusion

The first point to be made on the legal system in Iran, concerning the biotechnology-related IP law and rights, is that it is generally a promising situation. That is, at least, the very concept of intellectual property rights has made inroads into religious thinking and legal doctrine, in consequence of which legal codes have been made. On this basis, the country joined the Paris Convention a long time ago, enacted relevant laws, quite recently joined the World Intellectual Property Organization (WIPO) and, more than anything else enacted the 2008 Law. More importantly, in this respect, Section 62 of the 2008 Law states that in case any conflict occurs between the provisions of this Law and the provisions of those international treaties to which Iran has joined, the latter shall prevail<sup>(12)</sup>.

However, the biotechnology-related IP law of the country is still a young branch. This branch of the legal system is more concentrated on patents, rather than all kinds of intellectual properties<sup>(13)</sup>. There is no specialised court in the country dealing with IP cases and, hence, the relevant practice is too weak to offer a hand to the legislature and the beneficiaries. Despite the provision requiring the legal system to conform to international laws that are ratified by the legislature, there exist provisions within the 2008 Law that seem dangerous. For instance, Section 17 of this Law authorizes the government or a person authorized by the government, subject to certain conditions, to use the registered invention. Although, according to the Law, the government or its authorized person has to first request the consent of the owner and in case of their refusal apply to the relevant

\* The 2009 By-Law, Part II, Ch. 2.

† The 2008 Law, Sec. 50.

‡ The 2008 Law, Sec. 60.

Committee mentioned in the Law to obtain the authority to use the invention, the conditions stipulated under Section 17, e.g. national security, are so general and vague that registered inventions are readily prone to grave abuses.

After all, it seems that the dynamism of rapid scientific, technological and industrial activities in the country will leave a positive impact on the biotechnology-related IP law, by making, in a sense, the legal system develop so as to respond to the needs arising from the above mentioned activities.

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