Compulsory Licences

- Sections 48 to 54 of the Patents Act 1977 ("the Act") allow the granting of compulsory licences for patents in order to address anti-competitive uses.

- Section 48 allows for:
  - an application for the grant of a compulsory licence,
  - the endorsement of the register that licences are available as of right and
  - if the applicant is a government department, for the grant of a licence under the patent to any person named in the application.

- Anyone can apply to the Intellectual Property Office (IPO) for a compulsory licence to be granted. The IPO will consider the request against the grounds set out in sections 48A and 48B of the Act before taking a decision on whether to grant a compulsory licence.

- Sections 48A and 48B of the Act discuss the grounds for an application for a compulsory licence for World Trade Organisation (WTO) proprietors and non-WTO proprietors.

- Applicants for compulsory licences have to apply to the IPO for the licence to be granted. They have to prove that certain conditions in the market are not being met or that licences are available but only under unreasonable terms. The Act aims to correct or remedy any such problems through the granting of a compulsory licence, once an application has been made and fully considered.

- Applications are usually filed by a licensee who has to present evidence and reasons why the compulsory licence should be granted. Applications for compulsory licences are conducted as proceedings before the Comptroller and the IP owner would be invited to join the proceedings and produce evidence and data to support their case against the granting of a compulsory licence.

We publish the fact that a compulsory licence has been granted and to give third parties the opportunity to bring any issues with the compulsory licence to our attention.

The IPO receives very few applications for compulsory licences (estimated to be less than 1 per year on average since the Act came into force) and even fewer of these are granted. The following are examples where applications for compulsory licences have been made but refused:


The fact that the IPO receives so few applications for the grant of compulsory licences could indicate that the legislation in this area acts as a deterrent. It ensures
that IP rights owners enter into negotiation with each other to come to voluntary agreements on licensing IP rights. This allows for terms to be negotiated that are agreed by both parties rather than having terms imposed through the granting of a compulsory licence.

The Competition Commission (now the Competition and Markets Authority) or the Secretary of State may also apply to the IPO to take action following a merger or market investigation which cannot be dealt with under the Enterprise Act 2002. They must publicise their intention to apply to the IPO and then follow the standard procedures for applying for a compulsory licence. Section 50A of the Act and Sections 11A and 11AB of the Registered Designs Act 1949 apply.

In terms of designs, Sections 11A and 11AB of the Registered Designs Act 1949 give powers for the Registrar to cancel or modify conditions in licences which are felt to operate against the public interest. This is not strictly considered to be a compulsory licence regime as it is about modifying existing licences but this information is included for completeness.

Further details on the relevant sections of the Patents and Designs Acts can be found on our website at:

