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**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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Subject: Proposal for a Regulation amending Regulation (EC) No 469/2009  
concerning the supplementary protection certificate for medical products  
- Mandate for negotiations with the European Parliament

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Delegations will find attached the mandate for negotiations with the European Parliament on the above-mentioned proposal as approved by the Permanent Representatives Committee on 16 January 2019.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EC) No 469/2009 concerning the supplementary protection certificate for medicinal products

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Acting in accordance with the ordinary legislative procedure,

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<sup>1</sup> OJ C , , p. .

Whereas:

- (1) Regulation (EC) No 469/2009 of the European Parliament and of the Council<sup>2</sup> provides that any product protected by a patent in the territory of a Member State and subject, prior to being placed on the market as a medicinal product, to an administrative authorisation procedure as laid down in Directive 2001/83/EC of the European Parliament and of the Council<sup>3</sup> or Directive 2001/82/EC of the European Parliament and of the Council<sup>4</sup>, may be the subject of a supplementary protection certificate under the terms and conditions provided for in Regulation (EC) No 469/2009.
- (2) By providing for a period of supplementary protection of up to five years, Regulation (EC) No 469/2009 seeks to promote, within the Union, the research and innovation that is necessary to develop medicinal products, and to contribute to preventing the relocation of pharmaceutical research outside the Union to countries that may offer greater protection.
- (3) Since the adoption in 1992 of the predecessor to Regulation (EC) No 469/2009, markets have evolved significantly and there has been huge growth in the manufacture of generics and especially of biosimilars, in particular in countries outside the EU ('third countries') where protection does not exist or has expired.
- (4) The absence of any exception in Regulation (EC) No 469/2009 to the protection conferred by a supplementary protection certificate has had the unintended consequence of preventing makers of generics and biosimilars established in the Union from making in the Union, even for the exclusive purpose of exporting to third country markets in which protection does not exist or has expired. A further unintended consequence is that the protection conferred by the certificate makes it more difficult for those makers to enter the Union market immediately after expiry of the certificate, given that they are not in a position to build up production capacity until the protection provided by the certificate has lapsed, by contrast with makers located in third countries where protection does not exist or has expired.

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<sup>2</sup> Regulation (EC) No 469/2009 of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products (OJ L 152, 16.6.2009, p. 1).

<sup>3</sup> Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use (OJ L 311, 28.11.2001, p. 67).

<sup>4</sup> Directive 2001/82/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to veterinary medicinal products (OJ L 311, 28.11.2001, p. 1).

- (5) This puts makers of generics and biosimilars established in the Union at a significant competitive disadvantage compared with makers based in third countries that offer less or no protection.
- (6) Without any intervention, the viability of makers of generics and biosimilars established in the Union could be under threat, with consequences for the Union's pharmaceutical industrial base as a whole.
- (7) The aim of this Regulation is to promote the competitiveness of the Union, enhancing growth and job creation in the internal market and contributing to a wider supply of products under uniform conditions, by allowing makers of generics and biosimilars established in the Union to make in the Union medicinal products or products for the exclusive purpose of export to third country markets where protection does not exist or has expired, thus also helping these makers to compete effectively in those third country markets. It should also complement the efforts of the Union's trade policy to ensure open markets for Union-based makers of medicinal products or products. Over time, the Regulation should benefit the entire pharmaceutical sector in the Union, by allowing all players, including newcomers, to reap the benefits of the new opportunities opening up in the fast-changing global pharmaceutical market. Furthermore, the common interest in the Union would be promoted as, through the reinforcement of Union-based supply chains for medicines, medicines would become more accessible to patients in the Union after the expiry of the certificate.
- (8) In these specific and limited circumstances, and in order to create a level playing field between Union-based makers and third country makers, it is appropriate to restrict the protection conferred by a certificate so as to allow making for the exclusive purpose of export to third countries and any related acts in the Union strictly necessary for making or for the actual export itself, where such acts would otherwise require the consent of a certificate holder ('related acts'). For instance, such acts may include the possession, supply, import, or making of products for the purpose of making a medicinal product containing that product, or temporary storage of the product or advertising for the exclusive purpose of export to third country destinations. The exception should also apply to related acts performed by third parties who are in a contractual relationship with the maker.

- (9) This exception should apply to a product, or a medicinal product containing that product, protected by a certificate. It should cover the making of the product protected by a certificate in the territory of a Member State and the making of the medicinal product containing that product.
- (10) The exception should not cover placing the product or medicinal product containing that product, made for the exclusive purpose of export, on the market in the Member State where a certificate is in force, either directly, or indirectly after export, nor should it cover re-importation of the product to the market of a Member State in which a certificate is in force. Moreover, it should not cover any act or activity for the purpose of import of products or medicinal products into the Union merely for the purposes of repackaging and re-exporting. It should not cover temporary storage of the product or medicinal product containing that product for any purposes other than those set out in this Regulation.
- (11) By limiting the scope of the exception to making for the purpose of export outside the Union and acts strictly necessary for such making or for the actual export itself, the exception introduced by this Regulation should not conflict with the normal exploitation of the product or medicinal product containing that product in the Member State where the certificate is in force, namely with the core exclusive right of the certificate holder to make that product for the purpose of placing it on the Union market during the term of the certificate. In addition, the exception should not unreasonably prejudice the legitimate interests of the certificate holder, taking account of the legitimate interests of third parties.
- (12) Safeguards should accompany the exception in order to increase transparency, to help the holder of a certificate to enforce its protection in the Union and to reduce the risk of illicit diversion onto the Union market during the term of the certificate.

(13) To this end, this Regulation should impose an information obligation on the maker, namely the person established in the Union, on whose behalf the making of a product or medicinal product containing that product for the exclusive purpose of export is done (this includes the possibility of the person itself directly doing the making). Namely, the maker should provide certain information to the authority which granted the certificate in the Member State where the making is to take place. A common notification form should be provided for this purpose. The information should be provided before the making starts for the first time in that Member State, or before any related act prior to that making, whichever is the earlier. It should be updated as and when appropriate. The making and related acts, including those performed in Member States other than the one of making in cases where the product is protected by a certificate in those other Member States too, should only fall within the scope of the exception where the maker has sent this notification to the competent industrial property authority (or other designated authority) of the Member State of making and has informed the holder of the certificate granted in that Member State. Should making take place in more than one Member State, a notification should be required in each of these Member States. In the interests of transparency, the authority should be required to publish, as soon as possible, the information it receives, together with the date of notification of that information. Member States should be allowed to require that notifications, and updates to notifications, be subject to the payment of a once-off fee. This fee should be set at a level which does not exceed the administrative cost of processing notifications and updates.

- (13a) The maker should also inform the certificate holder, through appropriate and documented means, of the intention to make a product or medicinal product containing that product pursuant to the exception, by providing the certificate holder with the same information as notified to the authority. That information is limited to what is necessary and appropriate for the certificate holder to assess whether the rights conferred by the certificate are being respected, and does not include confidential or commercially sensitive information. The information to the certificate holder may be provided by making use of the same common notification form, and the information provided should be updated as and when appropriate.
- (13b) Regarding related acts prior to the making, if any, the notification should list the name of the Member State where the first related act, which would otherwise require the consent of a certificate holder, is to take place, as this information is relevant to the timing of the notification.
- (13c) If the local marketing authorisation, or equivalent, in a specific third country, for a given medicinal product, is published after the notification is made, the notification should be promptly updated to include the reference number of that marketing authorisation, at the latest before the actual export of the medicinal product to that third country takes place. If a marketing authorisation or equivalent mechanism applies, but the reference number of the granted authorisation is not published or is pending publication, the maker should be required to provide, in the notification, either that reference number or the name of the third country of export. As a failsafe, if no marketing authorisation or equivalent applies in that country, the maker should then be required to provide, in the interests of transparency, the name of the third country of export.

- (13d) For reasons of proportionality, failure to comply with these requirements regarding a third country would only affect exports to that country, and exports to such third country would thus not benefit from the exception. It should be the responsibility of the maker established in the Union to verify that protection does not exist or has expired in a country of export, subject to any limitations or exemptions in that country. A notification to an authority and the corresponding information to the certificate holder may be provided during the period between the entry into force of the Regulation and the date on which the exception itself becomes applicable.
- (14) In addition, this Regulation should impose certain due diligence requirements on the maker as a condition for the exception to operate. The maker should be required to inform persons within its supply chain in the Union, including the exporter, through appropriate and documented means, in particular contractual means, that the product or medicinal product containing that product is covered by the exception introduced by this Regulation and is intended for the exclusive purpose of export. A maker who failed to comply with these due diligence requirements would not benefit from the exception, nor would any third party performing a related act in the same or a different Member State where a certificate conferring protection for the product was in force, and the holder of the relevant certificate would therefore be entitled to enforce its rights under the certificate, while paying due regard to the general obligation, set out in Directive 2004/48/EC of the European Parliament and of the Council<sup>5</sup>, not to engage in abusive litigation.
- (15) Furthermore, this Regulation should impose labelling requirements on the maker, in order to facilitate, by means of a logo, identification of the product or medicinal product containing that product as being exclusively intended for the purpose of export to third countries. The making and related acts should only fall outside the protection conferred by a certificate if the product or medicinal product containing that product is labelled in this manner. This labelling obligation would be without prejudice to labelling requirements of third countries.

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<sup>5</sup> Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ L157, 30.4.2004, p. 45).



- (16) Any act not covered by the exception introduced by this Regulation will remain within the scope of the protection conferred by a certificate. Any illicit diversion onto the Union market, during the term of the certificate, of any product or medicinal product containing that product made within the terms of the exception, will remain prohibited.
- (17) This Regulation is without prejudice to the respect of other intellectual property rights that may protect other aspects of a medicinal product. This Regulation does not affect the application of Union measures that aim to prevent infringements and facilitate enforcement of intellectual property rights, including Directive 2004/48/EC and Regulation (EU) No 608/2013 of the European Parliament and of the Council<sup>6</sup>. Furthermore, this Regulation does not affect the rules on the unique identifier provided for by Directive 2001/83/EC of the European Parliament and of the Council and by Commission Delegated Regulation (EU) 2016/161. According to Directive 2001/83/EC, medicinal products produced exclusively for export do not need to bear unique identifiers.
- (18) This Regulation does not affect the application of Directives 2001/83/EC and 2001/82/EC, in particular the requirements related to the manufacturing authorisation of medicinal products manufactured for export. This includes compliance with the principles and guidelines of good manufacturing practices for medicinal products and the use of active substances that have been manufactured in accordance with good manufacturing practices for active substances and distributed in accordance with good distribution practices for active substances.

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<sup>6</sup> Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights (OJ L 181, 29.6.2013, p. 15).

- (19) To safeguard the rights of certificate holders, the exception should not apply to a certificate that has already entered into effect at the date of entry into force of the Regulation. In order to ensure that the rights of certificate holders are not excessively restricted, the exception provided for in this Regulation should apply to certificates that are applied for on or after the day of the entry into force of this Regulation. At the same time, in order to safeguard the aim of this Regulation, and since a certificate enters into effect a relatively long time after its date of filing, it is justified to bring within the scope of the Regulation, over a certain period of time, a certificate that was applied for before the entry into force of this Regulation, but has not yet entered into effect before that entry into force, and irrespective of whether or not that certificate has been granted before the entry into force of the Regulation. Therefore, the exception should apply, as from 1 July 2022, to a certificate that enters into effect as from that entry into force. This ‘certain period of time’ for each individual certificate that enters into effect after that entry into force should ensure that the exception is applied, on a progressive basis, to such a certificate, depending on its date of entry into effect and its duration. Such application of the exception would allow the holder of a granted certificate that is not yet in effect by the date of the entry into force of the Regulation a reasonable period of transition to adapt to the changed legal context, while at the same time ensuring that makers of generics and biosimilars can benefit effectively, without excessive delay, from the exception.
- (19a) An applicant for a certificate might be expected to file an application at around the same date in each Member State of filing. However due to differences in national procedures for examination of applications, the date of grant might vary significantly from one Member State to another, thereby creating disparities in the legal situation of the applicant in the different Member States where the certificate is applied for. Introducing the exception on the basis of the date of filing of the application for a certificate would therefore promote uniformity and limit this risk of disparities.

- (20) The Commission should carry out an evaluation of this Regulation. Pursuant to paragraph 22 of the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016<sup>7</sup>, that evaluation should be based on the five criteria of effectiveness, efficiency, relevance, coherence and added value and should provide the basis for impact assessments of possible further measures. The evaluation should take into account exports to outside the Union and the ability of generics and especially biosimilars to enter markets in the Union as soon as possible after a certificate lapses. In particular, this evaluation should review the effectiveness of the exception in the light of the aim to restore a global level playing field for generic and biosimilar firms in the Union and a swifter entry of generic and especially biosimilar medicines onto the market after a certificate lapses. It should also study the impact of the exception on research and production of innovative medicines in the Union by holders of certificates and consider the balance between the different interests at stake, including those of public health.
- (21) It is necessary and appropriate for the achievement of the basic objective, of providing a level playing field for makers of generic and biosimilar with their competitors in third country markets where protection does not exist or has expired, to lay down rules restricting the exclusive right of a certificate holder to make the product in question during the term of the certificate, and also to impose certain information and labelling obligations on makers wishing to take advantage of those rules. This Regulation complies with the principle of proportionality, and does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with Article 5(4) of the Treaty on European Union.

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<sup>7</sup> OJ L 123, 12.5.2016, p. 1.

(22) This Regulation respects fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union. In particular, this Regulation seeks to ensure full respect for the right to property in Article 17 of the Charter by maintaining the core rights of the certificate, by confining the exception provided for in this Regulation to the making of a product or a medicinal product containing that product only for the purpose of export outside the Union and to the acts strictly necessary for such making or for the actual export itself. This exception does not go beyond what is necessary and appropriate in the light of the overall objective of this Regulation, which is to promote the competitiveness of the Union by avoiding delocalisations and allowing Union-based makers of generics and biosimilars to compete on fast-growing, global markets where protection does not exist or has already expired. Indeed, it is necessary to benefit from those positive economic effects arising from the exception, as otherwise the Union would risk substantially weakening its position as a hub for pharmaceutical development and manufacturing. It is therefore appropriate to introduce that exception in order to increase the competitive position of Union-based makers of generics and biosimilars in third countries whose markets are in any event open to competition, whilst leaving the scope and duration of the protection granted by the certificate in the Union untouched. The appropriateness of the measure is further ensured by providing for appropriate safeguards regulating the use of the exception. The Regulation should allow sufficient time for public authorities to put in place the necessary arrangements to receive and publish notifications,

HAVE ADOPTED THIS REGULATION:

*Article 1 – Amendment of Regulation (EC) No 469/2009*

Regulation (EC) No 469/2009 is amended as follows:

(0) in Article 1, the following point is added:

‘(f) ‘maker’ means the person established in the Union on whose behalf the making of a product or a medicinal product containing that product, for the exclusive purpose of export to third countries, is done;’

(1) Article 5 is replaced by the following:

*‘Article 5 – Effects of the certificate*

1. Subject to the provisions of Article 4, the certificate shall confer the same rights as conferred by the basic patent and shall be subject to the same limitations and the same obligations.
2. By way of derogation from paragraph 1, the certificate referred to in paragraph 1 shall not confer protection against a particular act which would otherwise require the consent of the holder of the certificate referred to in Article 11 (‘the certificate holder’) if the following conditions are met:
  - (a) the act comprises:
    - (i) making a product or a medicinal product containing that product, for the exclusive purpose of export to third countries; or
    - (ii) any related act that is strictly necessary for that making in the Union or for the actual export itself;
  - (b) the maker, through appropriate and documented means, notifies the authority referred to in Article 9(1) of the Member State where that making is to take place and informs the certificate holder of the information listed in paragraph 3 no later than three months before the start date of making in that Member State, or no later than three months before the first related act prior to that making that would otherwise be prohibited by the protection conferred by a certificate, whichever is the earlier;

- (ba) if the information listed in paragraph 3 changes, the maker shall notify the authority referred to in Article 9(1) and shall inform the certificate holder, before these changes take effect;
- (c) the maker ensures that a logo, in the form set out in Annex -II, is affixed to the outer packaging of the product or of the medicinal product containing that product, referred to in paragraph 2(a)(i), and, where feasible, to its immediate packaging;
- (d) the maker complies with the requirements of paragraph 4 and, if applicable, of Article 12(2).

3. The information for the purposes of paragraph 2(b) shall be as follows:

- (a) the name and address of the maker;
- (b) the Member State where the making is to take place and the Member State where the first related act prior to that making is to take place;
- (c) the number of the certificate granted in the Member State of making, and the number of the certificate granted in the Member State of the first related act prior to that making;
- (d) (deleted)
- (e) (deleted)
- (f) for medicinal products, the reference number of the marketing authorisation or equivalent in each third country of export or, failing that, the name of that third country.

3a. Annex -I includes a standard form that shall be used by makers for notifications to authorities under paragraph 2(b).

3b. Failure to comply with the requirements of paragraph 3(f) in respect of a third country shall only affect exports to that country, and such exports would thus not benefit from the exception.

4. The maker shall ensure, through appropriate and documented means, that any person in a contractual relationship with the maker who performs acts falling within paragraph 2(a) is fully informed and aware of the following:
- (a) that those acts are subject to the provisions of paragraph 2;
  - (b) that the placing on the market, import or re-import of the product referred to in paragraph 2(a)(i) might infringe the certificate referred to in paragraph 2 where, and as long as, that certificate applies.
5. Paragraph 2 shall apply to certificates that are applied for on or after the entry into force of this Regulation.

From 1 July 2022<sup>8</sup>, paragraph 2 shall also apply to certificates that have been applied for before the entry into force of this Regulation and that enter into effect on or after the entry into force of this Regulation.

Paragraph 2 shall not apply to certificates that enter into effect before the entry into force of this Regulation.’;

- (2) in Article 11, the following paragraph is added:
4. ‘The authority referred to in Article 9(1) shall publish, as soon as possible, the information listed in Article 5(3), together with the date of notification of that information. It shall also publish, as soon as possible, any changes to this information notified in accordance with Article 5(2)(ba).’;

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<sup>8</sup> *Date to be replaced by the actual date of entry into force of the Regulation, plus 3 years.*

(3) Article 12 is replaced by the following:

‘Article 12 – *Fees*

1. Member States may require that the certificate be subject to the payment of annual fees.
2. Member States may require that the notifications referred to in Article 5(2)(b) and (ba) be subject to the payment of a fee.’;

(4) the following Article is inserted:

‘Article 21a – *Evaluation*

No later than five years after the date referred to in Article 5(5), and every five years thereafter, the Commission shall carry out an evaluation of Articles 5(2) to (4) and 11 and present a report on the main findings to the European Parliament, the Council and the European Economic and Social Committee.’;

(5) the Annexes to this Regulation are inserted as Annex –II and –I.

*Article 2 – Entry into force*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

For the Council

*The President*

*The President*



## Logo

This logo should appear in black colour and of such size as to be sufficiently visible.



## Form for notification pursuant to Article 5(2)(b)

Tick the appropriate box	<input type="checkbox"/> New notification <input type="checkbox"/> Update of an existing notification	
(a) Name and address of the maker	...	
(b) Member State where making is to take place and Member State where first related act (if any) prior to making is to take place	Member State of making:	...
	(Member State of first related act (if any))	...
(c) Number of certificate granted in the Member State of making and number of certificate granted in Member State of first related act (if any) prior to making	Certificate of Member State of making	...
	(Certificate of Member State of first related act (if any))	...
(d)* <i>(deleted)</i>		
(e)* <i>(deleted)</i>		
(f) for medicinal products, reference number of marketing authorisation or equivalent in each third country of export, or name of third country of export	...	
	...	
	...	

*\*points (d) and (e) of Article 5(3) have been deleted; however, for ease of reference in the negotiations, the numbering of paragraphs, both in the form above and in Article 5, is retained, but will be adjusted before adoption of the Regulation. In addition, the current points (a) to (f) will be re-numbered at the jurists-linguists stage (i.e. meaning that current point (f) will become point (d)). These changes will also be carried through in Article.*