



الهيئة العامة للصناعات العسكرية
General Authority for Military Industries

Military Industries Intellectual Property Policy

As approved by General Authority for Military Industries Board Decision No.
(C/W/49) dated Jumada al-Thani 18, 1444 AH corresponding to January 11, 2023 AD





الهيئة العامة للصناعات العسكرية
General Authority for Military Industries

Contents

Introduction	3
Chapter I: General Provisions	4
Chapter II: Intellectual Property Rights	5
Chapter III: Intellectual Property Protection	8
Chapter IV: Violation of this Policy	8
Chapter V: Final Provisions	9





Introduction

Launched in 2016, the Saudi Vision 2030 aims to drive economic, technological, industrial and social development to achieve economic prosperity and to create a better future for the Kingdom of Saudi Arabia. The vision includes a key objective for the military industries sector, namely to localize no less than 50% of spending on military equipment by 2030, which will require a massive influx of sensitive military technologies.

Intellectual property (IP) is an intangible asset with significant commercial value, which in some cases may outweigh the value of tangible assets. Well-governed IP will have great bearing on the development of this sector in the Kingdom.

The regulation of military industries IP is a key element that should be taken into account and driven towards providing support for local manufacturers and encouraging leading international companies in this field to invest in the Kingdom. Whilst The General Authority for Military Industries (GAMI) seeks to localize the production of military equipment, technologies and services, it also works to set the rules and regulations that govern IP rights in this sector to realize the intended goals in line with local and international IP rights protection requirements.

This Policy sets out the general frameworks and basic principles and directions related to IP in the military industries sector, in addition to the scope to which this Policy applies.



Chapter I: General Provisions

Article 1: Definitions

The following terms, wherever mentioned herein, shall have the meanings assigned thereto unless the context otherwise requires:

Term	Definition
Kingdom / KSA	The Kingdom of Saudi Arabia
GAMI	The General Authority for Military Industries
Policy	This Intellectual Property Policy
Sector	Military industries sector
Facility	An entity that operates in any of the military activities supervised or licensed by GAMI.
Government Agency	Any of the ministries, government authorities or departments, public institutions or state agencies that has an independent public legal personality and works in or deals with the Sector.
Intellectual Property (IP)	The products of human creativity, including, but are not limited to inventions, literary, artistic and scientific works, trademarks, drawings, designs, models, specifications, concepts, processes, technologies, databases, know-hows, commercial trade secrets, etc....
IP Rights	Set of exclusive rights that protect human thought and creativity. They include copyright and rights arising from patents, trademarks, industrial design certificates, integrated circuit design certificates, and other IP fields.
Activities	Sector activities that give rise to IP.
Contractor	The entity legally responsible for a contract, including the management of major subcontractors.
Subcontractor	Any legal entity or person engaged by Contractor to conduct specific works as part of a program or project.
Foreground IP	Any IP arising from the implementation of activities in the Sector in accordance with a specific agreement or framework.
Background IP	Any IP arising outside a specific agreement or contractual framework, of which the licensing is necessary to support and complete the activities subject matter of agreement or contract. The Background IP may be owned by GAMI, any other government agency, main contractor, subcontractor or a third party.
National Defense Technologies	Technologies included in the list of military technologies approved by GAMI, which contribute to building the national military capabilities or affect them in any way.
Exclusive License	A license authorizing the licensee to use IP rights and preventing the licensor from granting the same rights to others according to certain conditions between the two parties.
National Security	Protection of the state, including its values, property, citizens, and interests from any internal or external threat.
Patent	An exclusive right to an invention that may be a product or process that offers a novel way of doing something or offers a novel technical solution to a problem.
Trademark	A mark distinguishing goods and services of a company from those of other companies

Copyright	A legal term describing rights granted in connection with literary works, including software, databases, advertisements, geographical maps and technical drawings / blueprints.
Industrial Design	Any composition of two or three-dimensional lines or colors or 3D figures that gives any industrial crafts or products a special and new look, not merely made for functional or technical purposes.

Article 2: Statement of Purpose

1. Develop general frameworks and basic principles of IP rights related to the military industries sector.
2. Establish regulations for the access and release for the military technologies' data and information.
3. Provide a clear vision for GAMI and its partners regarding the ownership of the Foreground IP arising from the joint projects and the resulting economic and commercial rights and who controls them.
4. Define the relationship between GAMI and those who are subject to this Policy in relation to IP rights.

Article 3: General Principles

1. This Policy takes into account the importance of encouraging facilities to invest in the development of IP to enhance the sector's capabilities.
2. This Policy seeks to strike a balance between the project financiers' right to own the Foreground IP and ensure the optimal utilization of this Foreground IP.
3. This Policy seeks to strike a balance between the government agencies' activities to realize their objectives, such as research and development, transfer of technologies, localization and development of industry, or purchases and acquisitions which may require, in certain circumstances, facilitating access to IP rights and protection requirements for IP rights owned by the contractors.
4. Acquisition and transfer of technology is an important tool for GAMI to stimulate establishment of new knowledge-based companies. Thus, IP policies are a key pillar for the transfer and development of technology to bring benefits to the military sector in the Kingdom.
5. This Policy and all of the provisions herein are aligned with all relevant national laws and regulations and international conventions to which the Kingdom is a party.
6. This Policy promotes the broadest use of IP rights to develop the sector.
7. This Policy promotes the proper management of IP by protecting it against infringement or unauthorized use and ensuring easy tracing thereof.
8. Preserving IP information of military or commercial value is a key pillar of this Policy.

Article 4: Scope of Policy

1. This Policy covers all sector-related IP areas, including but not limited to patents, copyrights and related rights, trademarks, integrated circuit designs, trade secrets, and all matters related to IP such as management, utilization, protection and others.
2. This Policy applies to all cases of IP production related to the sector activities, as well as to all natural or legal persons dealing with national defense technologies.

Chapter II: Intellectual Property Rights

Article 5: Intellectual Property Rights in Contracts

1. IP clauses in all sector activities' contracts shall comply with the provisions of this Policy.

2. The sector activities' contracts shall comply with controls and guidelines contained in the IP Regulations issued by GAMI.

Article 6: Projects Totally Financed by Government

1. Ownership of Foreground IP arising from the activities financed by a Government Agency shall be transferred to that financing agency, which shall grant the contractor an exclusive license to use the Foreground IP arising from the relevant project, provided that the provisions to that effect are included in the relevant contract.
2. The following are excluded from the exclusive IP licensing arrangements for the Foreground IP rights resulting in accordance with Clause (1) of Article (6):
 - The contractor is unable or unwilling to adequately utilize the Foreground IP rights resulting from the project.
 - The project giving rise to that IP is a part of a comprehensive program encompassing a number of projects, and issuance of such exclusive license harms the overall program.
 - The project is related to establishing or operating a facility owned by the government agency.
 - The project relates to national defense technologies and the exclusive license does not meet requirements for full utilization thereof.
 - The license may pose justified risks to the national security.
3. The Government Agency may revoke the exclusive Foreground IP license in events where it is deemed that the licensed contractor, according to Clause (2) of Article (6), is unable to fully utilize this license or fulfill the urgent supply requirements or national security requirements.
4. The Government Agency that owns the Foreground IP rights according to the cases mentioned in Clause (1) of Article (6) may not restrict or limit the contractor's benefit from the expertise and knowledge resulting from implementation by it of the projects giving rise to the IP, in order to carry out business or any other activities for developing the sector, except in cases excluded in Clause (2) of Article (6).
5. In the event that multiple Government Agencies jointly finance activities that give rise to Foreground IP, all of these agencies may jointly own the Foreground IP in shares to be determined according to each agency's contribution to the project finance or as may be otherwise agreed upon under the contract.
6. In cases where a national defense technology involve multiple IPs owned by more than one Government Agency, GAMI may obtain a license from those agencies that own IPs in order to combine them and set a mechanism for utilizing them as required by the national security.
7. In case a contractor subcontracts a third party to develop an IP with financing from a Government Agency, then all parties participating in the development of the Foreground IP may obtain a license to use the IP in proportion to each party's contribution and so as to ensure the best commercial utilization of that IP.
8. The Government Agency that finances a project giving rise to an IP that has been utilized commercially, either through sale of equipment, software, processes, licensing, or any other form, may claim returns from the entity using that IP.

Article 7: Projects Partially Financed by Government

1. In the event that a Government Agency co-finances with another entity (entities) activities that give rise to Foreground IP, all the parties shall jointly own the resulting IP in shares to be determined according to each party's contribution to the project finance or as may be otherwise agreed upon under the contract.

2. In cases where a Government Agency co-finances activities related to national defense technologies with an international partner, that government agency shall seek to obtain equal rights to exploit any Foreground IP rights resulting from these activities.

Article 8: Projects Not Financed by Government

1. The contract document shall be the reference that defines the scope and shares of the national defense technologies' IP rights of the contracting parties. All contracts that use Background IP or that may give rise to Foreground IP shall provide for all provisions related to IP and its ownership and use as well as the relevant licenses granted and management and use of that IP.
2. All contracts that use Background IP or that may give rise to Foreground IP shall include special clauses whereby the contractor and all parties it engages are required to develop mechanisms for preserving, managing and protecting sensitive military data of a confidential or commercial nature, intellectual rights or military technologies disclosed under the relevant contract.

Article 9: Access to Intellectual Property

1. The Government Agency may not acquire and reuse IP owned by third parties or make it available to other parties except in top urgencies cases such as wars, natural disasters, or matters affecting national security, where GAMI decides that the national interest requires use of that right subject to the relevant national laws and regulations as well as international conventions to which the Kingdom is a party.
2. In cases where the national interest requires access to IP by any Government Agency in accordance with Clause (1) of Article (9), the Government Agency shall take all necessary measures to protect the data related to the IP under its possession and owned by any other party.

Article 10: Dealing with Intellectual Property Rights Owned by Government Agencies

1. The Government Agency shall own any IP developed by its employees in the context of discharging their duties. This does not include the IP developed outside the scope of work without use of any resources of the Government Agency. In such case, the IP is treated as an IP owned by a third party in accordance with Article 8 hereof.
2. Government Agencies shall deal with the IP they develop as an asset they own, and shall work to preserve them by developing the registration, protection and commercial use processes for them where appropriate, or by taking any other measures.
3. IP data owned by a Government Agency may not be made available except after verifying arrangements related to the protection of this data, including the signing of non-disclosure agreements.
4. The unintentional or intentional disclosure or negligence leading to making available IP data related to national defense technologies owned by Government Agencies, other agencies, employees of these agencies or authorized users of this data is considered offenses penalized in accordance with the laws in force in the Kingdom.
5. Government Agencies shall endeavor to protect their IP rights against infringement, misuse, or accidental disclosure by anyone.
6. Government Agencies shall maintain an exhaustive record of all their IP rights, such as patents, trademarks, and industrial designs, in addition to related processes such as transfer of ownership, licensing, or non-disclosure agreements.
7. GAMI shall establish a central register for documenting all IP used in the sector. The government and non-government agencies shall provide GAMI with necessary information to register the relevant IP in that central register.

Chapter III: Intellectual Property Protection

Article 11: Protection of Intellectual Property related to National Defense Technologies

1. Any party that has access to information related to IP owned by other parties shall take all necessary measures and arrangements to protect this information, and not disclose, misuse or make it available to third parties in any way whatsoever, otherwise the necessary legal action will be taken by cooperation between GAMI and the relevant government agencies.
2. Any party dealing with IP related to national defense technologies shall appoint an officer to manage operations and protect that IP data.
3. GAMI may set necessary conditions and controls for protecting the IP related to national defense technologies and issue necessary instructions to all parties dealing with these IP rights to ensure their compliance with the protection standards established in accordance with this Policy.
4. GAMI shall work, in coordination with the Saudi Authority for Intellectual Property ("SAIP"), to take necessary procedures and measures to ensure that the patent registration applications related to national defense technologies are not disclosed and that they are kept confidential.
5. No entity may register, transfer, or use any IP related to national defense technologies except after notifying GAMI and obtaining its written approval.

Article 12: Intellectual Property Rights related to International Cooperation

1. To realize its objectives and fulfill its current and future procurement, acquisition, capacity building and data provision requirements, GAMI shall, in coordination with SAIP and other relevant authorities, join any international arrangements, cooperation or conventions related to IP rights in the military industries sector.
2. GAMI and government and non-government agencies operating in the sector shall observe IP policies and procedures related to the military industries sector in other countries, as to promote trust and participation in cooperation programs. GAMI shall not take part in any international arrangements that require disclosure of sensitive information owned by GAMI, unless such arrangements provide for sufficient provisions to protect this data.
3. GAMI shall work to inform all government and non-government agencies operating in the sector before entering any international arrangements that require it to disclose the data it possesses, and these agencies shall express their views on these arrangements.
4. GAMI shall not be required to disclose any sensitive information outside the Kingdom under any international arrangements unless there is a national interest pursued through such disclosure. However, GAMI shall not enter any international arrangements that require disclosure of information that GAMI is not entitled to disclose.
5. In cases where GAMI discloses information to a third party in accordance with international arrangements, it will take all necessary measures to verify that all subsequent uses of such information will be in accordance with these arrangements.
6. In cases where GAMI receives information from a third party in accordance with international arrangements, it shall take all necessary measures to ensure traceability of such information and that it will not be used or disclosed in violation of such arrangements.

Chapter IV: Violation of this Policy

Article 13: Violations & Administrative Penalties

In case of violation of this Policy by any facility, GAMI may apply the appropriate administrative penalties according to type, nature, and severity of violation and subject to laws and regulations in force in the Kingdom, including for example:

1. Administrative warnings to the violating facility, including details of the violation, the action to be taken by the facility, and the grace period granted by GAMI for rectifying such violation.
2. Suspension of the license for the period GAMI deems appropriate, renewable for other periods if the facility fails to rectify the violation.
3. Disqualification from future military tenders and procurements.
4. Cancellation of license.

Chapter V: Final Provisions

Article 14:

1. GAMI shall be responsible for monitoring compliance with this Policy, and it may take necessary measures to put it into effect in accordance with relevant laws and regulations.
2. GAMI may interpret, review and update this document when needed, and submit the updated proposal to GAMI's Board of Directors.
3. For matters not covered herein, the laws, regulations and the like issued by GAMI or the relevant legislative authorities in the Kingdom shall apply.
4. Without prejudice to the regulatory requirements contained in other laws and regulations, this Policy is binding and all parties and individuals working in the sector shall work to facilitate and enhance compliance herewith within the sector.
5. This Policy shall enter into force as from its date of approval and publication.