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To all the Members of the AIPPI - UAE National Group ……. 8th Circular/ 2025

Subject: What Tesla's Patent Move and Compulsory Licensing Teach Us About IP Today

Dear all.

We take this opportunity to share with you a new circular prepared by our national group board member and valued patent expert Tariq Al Alami. We thank Tariq for his valuable insights and updates that he opted to share with the AIPPI UAE Group member.

In the world of intellectual property, exclusivity has traditionally been everything. That's why, when Elon Musk posted a blog titled "*All Our Patent Are Belong to You*" in 2014, the global IP community took notice. Musk wasn't merely making a marketing move. He was voluntarily stepping away from enforcing Tesla's electric vehicle (EV) patents against anyone who used them in good faith. Over time, it became clear this was more than idealism. It was a strategic shift in how IP could be used, not as a fortress but as a force multiplier.

Tesla's move flipped the conventional IP model on its head. Instead of treating patents as a mechanism for monopolization, Musk used them to grow a market. By making EV patents freely accessible, Tesla accelerated the adoption of sustainable transport and attracted competitors into the space, many of whom ended up relying on Tesla's ecosystem. Far from diminishing Tesla's value, the open approach positioned the company as an innovation leader, strengthened its brand, and increased its influence. From a legal standpoint, it appeared risky. In practice, it was a calculated move that demonstrated how openness can be a strategic advantage.

While Tesla's decision was voluntary, intellectual property law also recognizes circumstances in which sharing is mandatory through mechanisms like compulsory licensing. Globally, this tool is used to ensure that critical innovations, particularly in healthcare or public interest sectors, are accessible when needed. During the COVID 19 pandemic, several countries contemplated or implemented

compulsory licenses to allow the production of patented treatments without the consent of the rights holder. The rationale was clear. Patents must serve public welfare as well as private rights.

This brings us to the UAE, which has established a comprehensive legal framework that allows for compulsory licensing under specific conditions. Under Federal Law No. 11 of 2021 Article (25), a compulsory license may be granted if a patented invention has not been adequately worked in the UAE within three years of grant, or if the patent holder refuses to license the invention under fair and reasonable commercial terms. These licenses are non-exclusive, limited in scope, and require fair compensation to the patent holder. In situations of national emergency or urgent public interest, the Ministry of Economy may issue a license even without meeting the typical preconditions.

Despite this robust framework, there appear to be no publicly reported cases of compulsory licenses actually being granted in the UAE to date. Still, the existence of such provisions reflects the UAE's alignment with international standards under the TRIPS Agreement, and its growing maturity as an innovation driven economy that must balance IP protection with public interest.

What unites Tesla's voluntary patent release and the concept of compulsory licensing is a broader truth about modern IP strategy. It is evolving. Both approaches challenge the outdated notion that IP must always equal exclusivity. Instead, they support a more situational and purpose driven use of IP, one that can adapt to strategic, social, or national needs. Whether motivated by mission, market leadership, or emergency, flexible IP models are increasingly relevant.

For IP professionals, the questions are shifting. Can exclusivity and access coexist? When does sharing IP become a strategic advantage? How do we preserve incentives for innovation while also ensuring that critical technologies are not withheld from society?

Tesla didn't lose by opening its patents. On the contrary, it gained trust, visibility, and influence. Similarly, a nation that deploys compulsory licensing carefully and transparently reinforces that IP law serves the public interest, not just private monopolies.

In a time when innovation is accelerating and societal needs are growing more complex, intellectual property must also evolve. Our role is not merely to protect but to shape, to align, and at times, to open.

We trust you find this circular informative and useful. We look forward for your contributions.

Best regards,

On behalf of the Communications Committee,

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