



BRAZIL PATENT UPDATES

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There is no doubt that the competitiveness of a company is directly dependent on access to the most modern technologies; and, in turn, the development of such innovative technologies is itself directly dependent on a strong and efficient patent rights protection system.

An efficient patent system presupposes a reliable and reasonably fast technical examination, as established in article 62.2 of the TRIPS Agreement.

When it comes to Brazil, the huge backlog of patent applications pending examination creates a major obstacle in the technological and economic development of the country, one which must be overcome by the Brazilian Patent and Trademark Office (Brazilian PTO).

Currently, it takes over 10 years (from the filing of the application) for the examination to begin. In some fields of technology, such as chemicals, biotech and telecommunications, an applicant might have to wait more than this to have its patent application examined. This is obviously very discouraging for inventors and pioneering companies who have dedicated their time and effort in the search and development of their inventions, and who have sought patent protection under the Brazilian Industrial Property Law. In many cases, the technology for which protection has been sought is already obsolete by the time the patent is granted. This situation is obviously very unsatisfactory.

According to the patent director of the Brazilian PTO, speaking at a recent conference held in São Paulo, about 77 per cent of the currently pending patent applications have been awaiting examination for more than 10 years. This

means that when and if the respective patents are granted (in case of patents of invention), they will be in force for 10 years from the date of grant, as established by the sole paragraph of article 40 of the Brazilian Industrial Property Law.

This minimum term of validity, counting from the date of the patent's grant, was established to prevent the patentee from being impaired by excessive delay in the prosecution of its patent application by the Brazilian PTO.

The provision of the sole paragraph of article 40 of the Brazilian Industrial Property Law was supposed to be applied as the exception, and not – as is frequently the case at present – the rule.

While the patent application is pending, competitors do not know if they can exploit the object of the application without the risk of a lawsuit and possible condemnation in the future, if the respective patent is granted. This creates a huge legal uncertainty.

In an effort to reduce the backlog of patents, the Brazilian PTO has recently created new mechanisms to prioritise the examination of patent applications that fall within specific conditions, such as:

- the United States–Brazil Patent Prosecution Highway (PPH) Pilot Project, for patent applications containing claims directed to oil, gas and petrochemical inventions;
- the Brazilian Priority Pilot Project, also called BR Priority Pilot Project, for patent applications originally filed in Brazil and subsequently filed abroad; and
- the Micro or Small Entities Examination Prioritisation Pilot Project (MPE Patents Pilot Project) for patent applications whose applicants qualify

as micro or small entities. This applies mainly to Brazilian small entities.

UNITED STATES-BRAZIL PATENT PROSECUTION HIGHWAY (PPH) PILOT PROJECT

As set forth in Brazilian Resolution No. 154 of 21 December 2015, the US–Brazil PPH Pilot Project should be effective for two years from 11 January 2016 or until 150 priority requests are filed.

While the USPTO should accept applications containing claims of any class and relating to any technological field, patent application requesting priority examination using the US–Brazil PPH at the Brazilian PTO must (among other requirements) contain claims relating to oil, gas and/or petrochemical inventions, and must have been filed up to three years before the PPH Pilot Project entered into force. The Brazilian PTO therefore intends to limit participation solely to patent applications classified in specific classes or subclasses of the International Patent Classification (IPC).

Furthermore, applications that are eligible for the PPH Pilot Project belong to the same patent family; that is, they have the same initial application filed either in the United States or Brazil. Other eligibility requirements are as follows:

- the office of earlier examination (OEE) must have issued a grant decision or a notice of allowance;
- each claim submitted for examination under the PPH Pilot Project should correspond to at least one claim considered allowable by the OEE, and should have the same or a narrower scope thereof;
- the office of later examination (OLE)

- must have not initiated the substantive examination of the application;
- the OEE must be the Brazilian PTO or the USPTO;
- for an application filed in the OLE to be considered for the PPH Pilot Project, it should have been substantively examined in the OEE, including considerations on novelty, inventive step/inventiveness and industrial applicability.
- Applications filed before either the Brazilian PTO or the USPTO as a PCT Receiving Office are also eligible for the PPH Pilot Project, providing that they meet the requirements set forth for participation.

BRAZILIAN PRIORITY PILOT PROJECT (BR PRIORITY PILOT PROJECT)

According to Brazilian Resolution No. 153 of 28 December 2015, the BR Priority Pilot Project should be valid for one year from 18 January 2016, or until 100 requests considered eligible for the Pilot Project are filed. Surprisingly, this target was reached in early 2016, shortly after the entry into force of Brazilian Resolution No. 153.

The BR Priority Pilot Project encompasses only patents of invention or utility model applications, filed initially in Brazil and claimed as a priority of patent applications subsequently filed in other countries.

To be eligible for this project, the application must have already been published in the Brazilian Official Gazette; the examination must have already been requested but not yet started; the annuities must be in good order; the application should not be sub judice; and no priority examination must have been granted before. The Brazilian PTO proposes to examine the selected cases within nine months.

The main purpose of this project was to stimulate the entry of innovative Brazilian products into the global market.

MICRO OR SMALL ENTITIES EXAMINATION PRIORITISATION PILOT PROJECT (MPE PATENTS PILOT PROJECT)

Brazilian Resolution No. 160 of 17 February 2016 regulates the priority examination procedures of patent applications filed by applicants legally

qualified as small or micro entities. The Micro or Small Entities Pilot Project should be valid for one year from 17 February 2016, or until 300 requests considered eligible for the Pilot Project are filed.

Among other requirements, Brazilian Resolution No. 160 establishes that if more than one company is applying they must all be classified as micro or small entities, as defined in article 3 of the specific complementary law.

In addition the Green Patent Pilot Programme, implemented by the Brazilian PTO in 2012 and valid until 16 April 2016, must be cited.

The Green Patent Pilot Programme established the priority examination of patent applications related to green technologies of specific categories, such as alternative energy, transportation, energy conservation, residue management or agriculture (a list of the technologies included in the programme is available on the Brazilian PTO's website).

However, at present the Green Patent Pilot Programme is temporarily suspended at the Brazilian PTO for the evaluation of results.

Therefore, the Brazilian PTO's efforts to reduce the backlog and provide a more efficient technical examination with the available resources are noticeable; however, significant changes in the overall prosecution time for patent applications have yet to be observed.

However, the above efforts should be in line with the provisions of articles 3, 4 and 27 (ie, national treatment, most-favoured-nation treatment and patentable subject matter clauses) of TRIPS Agreement.

It is important to prioritise examination of the patent applications with the longest delays, regardless of the technological field to which their inventions relate, the origins thereof or applicants' specific conditions.

As such, considering the huge amount of patent applications that have been pending for over 10 years, the Brazilian PTO should establish rules for the priority examination of patent applications subject to the provisions of the sole paragraph of article 40 of the Brazilian Industrial Property Law (this

refers to applications pending for more than 10 years).

In order to assist the Brazilian examiners and accelerate the technical examination, applicants or holders of patent applications that meet the provisions of said article should be able to submit to the Brazilian PTO a request for priority examination based on the decision of a corresponding patent application, as issued by any PPH participating office – for example, the European Patent Office (EPO), the US Patent Office (USPTO) or the Japanese Patent Office (JPO), being essential to establish a deadline for the Brazilian PTO's examiner to issue a final decision.

In this scenario, the correspondence pertaining to both set of claims should be provided by the applicant, whereby the presentation of restrictive amendments in the set of claims for such purposes would be allowed, according to the provisions of Brazilian Resolution No. 93/2013.

Furthermore, the PPH should be implemented in Brazil with no constraints (as to, for example, the technological field of the invention). This is in line with the practice of other countries.

The PPH, the most widely used collaboration mechanism in the world, accelerates the prosecution of corresponding applications filed in participating patent offices, as all the search and examination-related information is shared by the patent offices (information and work share). This reduces the need for revision, and minimises examination steps.

Following the above strategies, the principles of territoriality and independence of industrial property rights, and the constitutional principle of efficiency, would all be respected.

It is certain that all measures taken by the Brazilian PTO to reduce the backlog, such as the establishment of new priority examination hypothesis and procedures, are only palliative measures. They do not eliminate the urgent need to hire and train more patent examiners and to improve the Brazilian PTO's infrastructure. In view of Brazil's difficult economic and political environment at present, however, this task will be neither easily nor quickly achieved.