

Examining changes in the prosecution and protection of inventions

Edith Rivero and **Victor Garrido** of **Dumont** analyse provisions in the new Federal Law for the Protection of Industrial Property, including those relating to withdrawal of a priority claim, patentable subject matter, divisional applications, supplementary certificates and the Bolar exemption

After a long wait Mexico finally has a new IP law intended to align the country with the commitments acquired through recently signed international agreements, specifically, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership 2018 (CPTPP) and the United States-Mexico-Canada-Agreement 2020 (USMCA).

The new law, now called the Federal Law for the Protection of Industrial Property, hereinafter referred to as the FLPIP, was enacted on July 1 2020, and will come into force on November 5 2020.

The FLPIP includes provisions directly impacting the prosecution and protection of inventions in Mexico. This article is aimed at providing a general overview of the main changes implemented by the new law.

Grace period for indirect previous disclosures

Mexico has a tradition of providing a 12-month grace period for previous disclosures made directly by the inventor or his assignee before filing a patent application. In accordance with the new FLPIP, the grace period benefit is extended to a disclosure made directly or indirectly by the inventor or his assignee or, if the case arises, by a third party who directly or indirectly obtained the disclosed information from any of them. The new law also incorporates into the grace period framework the mistaken publication of a patent application by a domestic or foreign patent office, and a published patent application that was submitted by an unauthorised third party who directly or indirectly obtained the exposed information from the inventor or his assignee.

Patentable subject matter

The FLPIP expressly prohibits the protection of inventions where commercial exploitation is contrary to the public order, or is illegal, including those inventions where commercial exploitation should be prohibited to safeguard the health and life of humans, animals or plants, or to avoid serious damage to the environment.

Along with dealing with these matters, the new law recites processes for cloning humans and products therefrom, procedures to modify the germline genetic identity of a human being and products therefrom when these processes imply the possibility of developing a human being, the use of human embryos for industrial and commercial purposes, and procedures for modifying the genetic identity of animals that entail suffering without substantial medical or veterinary utility, as well as animals resulting therefrom.

In line with recent decisions by the European Boards of Appeal, the FLPIP excludes essentially biological processes for obtaining plants and animals and products resulting therefrom. Isolated biological material obtained through a technical process, even if previously existing in nature, is patent eligible subject matter. The same applies to microorganisms and microbiological processes or other technical procedures and their products.

Withdrawal of a priority claim

The FLPIP refers to the Regulations of the Patent Cooperation Treaty (PCT) to deal with the possibility of withdrawing the claim of a priority any time within the term of 30 months counted from the priority filing date. It is clarified that this action will not extend any expired term, including the term for entering the national phase in Mexico. Accordingly, even when a priority is withdrawn, the national phase entry in Mexico shall occur before the thirty-month term contemplated by the PCT to that effect ends. This provision is aimed at blocking a practice under which some extemporarily filed applications claiming more than one priority were litigated arguing that by giving up the first priority the thirty-month term should be counted from the date of a subsequent claimed priority.

Mexico decided to maintain its policy of not allowing priority right restoration, not even for reasonably justified causes, and not allowing extensions for entering national phases after the expiration of the PCT prescribed thirty-month term.

MEXICO: PROSECUTION AND PROTECTION OF INVENTIONS



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Double patenting provisions

The FLPIP expressly prohibits double patenting in Mexico through a plurality of provisions. Firstly, the new law upholds the first-to-file system under which if several persons independently of each other create the same invention, the right to obtain a patent belongs to the person who first files the corresponding application or claims the older priority. Secondly, secret prior art provisions under which non-published applications become prior art in the examination of the novelty of subsequently filed applications continue to apply as in the former law. Importantly, in order to establish the order of preference among applications, Mexico considers exact date and time (hour, minute and second) of filing. Thirdly, the FLPIP establishes that during the examination and granting processes, the patent office shall safeguard the public domain and impede double patenting. Moreover, it is indicated that no patent will be granted relating to subject matter already granted in another patent or in which essential features consist of a non-substantial variation thereof, even in the case of the same patent owner. This last statement appears to go beyond international double-patenting standards, especially if applied to divisional applications, which, as discussed hereinafter, have dedicated provisions in the new law.

Restrictions when filing divisional applications

In accordance with the Paris Convention, the FLPIP

contemplates two veins for filing a divisional application. The first is the division of an application because it is required during examination due to lack of unity of invention. The second is the applicant's voluntary submission of a divisional application. The latter was not addressed by the former law, which caused controversy as to the suitable time to divide an application, and in turn resulted in interpretations by courts, such as one stating that even granted patents could be divided.

In the case of lack of unity identified during examination, the FLPIP establishes that the patent office will examine only inventions that are recited first in the claim set and will require the applicant to submit divisional applications for the remaining subject matter, if applicable. This provision departs from the current practice according to which the applicant can choose which invention should remain in the first application.

The FLPIP provides that voluntary divisional applications will be acceptable only when the parent case is pending, clarifying that this term refers to applications that are under prosecution, meaning the period from the filing date up to the date of payment of the grant fees or up to the issuance of the notice denying, dismissing, abandoning or withdrawing an application. Moreover, a divisional application cannot be subsequently divided except at the patent office's request, independently of the status of the first parent application.



Importantly, according to the new law, it will no longer be possible to reinsert in the parent case or in a divisional application, matter left out due to a division. This restriction should be considered when filing a divisional application so as to avoid the cancellation of relevant matter and losing the possibility of claiming it later, as one of the objectives of the FLPIP is to block a generalised practice of filing divisional applications containing claims originally filed in the first parent application. In fact, another provision states that a divisional application must claim matter different from that of the parent case and in any other divisional application, if any. Surprisingly, in one of the most questionable aspects of the new law, not complying with this provision may

cause a divisional application to lose as its legal filing date that of the original parent application.

Supplementary certificates

A big change in the Mexican patent system is the introduction of patent term adjustments via supplementary certificates, which compensate patent owners for unreasonable delays directly attributable to the patent office during the prosecution of a patent. Under the new law, a certificate will be available for a patent for which prosecution time from filing to allowance lasted longer than five years. The adjustment will be calculated only on the basis of the delay due to the patent office's actions/inactivity and will be equal to half the number of

days corresponding to such delay up to a maximum of five years.

The supplementary certificate must be requested by the applicant when paying grant fees and, if permissible, will be subject to the payment of a fee (not currently defined) associated with the adjustment, to be entered within a term of one month after it is required. The rights provided by the certificate will be the same as those corresponding to a granted patent and will be effective immediately after the expiration of the regular 20-year patent term, provided the patent is in force at that time. Remarkably, as enacted, the new law does not contemplate reimbursement of paid fees related to supplementary certificate rights which have not been exercised.

According to the new law, supplementary protection will not be available to patents granted under the former law nor to protection other than patents, such as utility models or industrial designs.

Bolar exemption

The former law was silent about the Bolar exemption in relation to pharmaceutical and biotechnological patents. Rather, the exemption was dictated by health regulations which established three years and eight years for chemical and biotechnological medicaments before the patent term expiration date respectively, within which activities directed towards obtaining a sanitary registration do not constitute infringement.

The FLPIP raises to federal level a general exemption provision for third parties that use, manufacture, offer for sale or import a patented product with the exclusive aim of generating tests, information and experimental production necessary to obtain a sanitary registration for medicaments for humans. It fails to specify the period of time within which the exemption shall be observed. In practice, it is considered that the time periods established by health regulations remain applicable. If so, third parties seeking to benefit from the Bolar exemption should ascertain whether or not the patent of interest obtained a supplementary certificate (mentioned above) in order to properly count the three or eight years.

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Patent linkage

The linkage system was established in 2003 to coordinate the patent office and the agency in charge of sanitary registration approvals, and along with other aims, to avoid grant approvals to medicaments infringing product patents. Under the system, the patent office biannually issues a gazette listing patents in force covering medicaments to be taken into consideration by the agency during the sanitary registration process. Currently, the gazette includes active ingredient and composition patents, while patents covering uses can be listed after litigation. Process patents have been expressly excluded from participating in the system.

In order to grant a sanitary registration for a medication related to a listed patent, an interested party must demonstrate that it is the owner of the relevant patent, or that it has obtained the corresponding licence, or that the corresponding product does not infringe a listed patent.

Legal grounds for the system are found in secondary regulations of both the former IP law and health law. In a similar way to the Bolar exemption, the FLPIP raises the linkage system to a federal level and, as enacted, it seems generally to uphold the current system. However, there has been intense political debate as to the suitability of maintaining the system, the type of patents that should be included in the gazette, and even the period in which the gazette should be issued. At the time of writing this article, there are at least two bills aimed at modifying the provisions related to the linkage system in the new law.

Post-grant amendments

Generally, post-grant amendments have been allowed in Mexico and have been historically limited to correcting obvious errors and/or to limiting the scope of the claims. The FLPIP expands the possibility of submitting post-grant amendments directed to incorporate dependent claims into a granted claim set of patents and utility models as long as those dependent claims do not include matter going beyond the granted scope.

Extended protection term for utility models

The term of protection for utility model registrations has been modified from a non-extendable 10-year term to a non-extendable 15 year term. This change is an excellent incentive for local players since, according to official data, most utility model applications are submitted by domestic inventors and domestic small and medium-sized applicants. Utility models prosecuted and/or granted under the former law will be able to benefit from the extended term by paying the corresponding fees within six months before the expiration of their normal 10-year protection term.

The issuance of the regulations of the FLPIP is pending. If not published before the new law enters into force, in the interim, the regulations of the former law will be applied in all aspects not contravening the FLPIP.