

An overview of the current Mexican patent system

Victor Garrido, Head of the Patent Department at Dumont, outlines how patents are filed and protected in Mexico.

The current Mexican IP system was developed and implemented between the end of the 1980s and the middle of the 1990s. Mexico signed the North America Free Trade Agreement (NAFTA) in 1992 and implemented the dispositions of the TRIPS Agreement and the Patent Cooperation Treaty (PCT) in 1995. The forms of intellectual property protection available in the country include patent, utility model, industrial design, trademark, industrial secret, appellation of origin, plant variety, copyright and the neighboring rights, among others.

Not surprisingly, after more than twenty-five years of being established, the main framework has undergone a plurality of amendments impacting one or more of the mentioned forms of rights, including patents. It is therefore interesting, especially for stakeholders of the system, to have a general panorama of the current status and general features of the system. This article is intended to contribute to understand the main characteristics of the current Mexican patent system, taking into account the mentioned amendments, and also addressing some virtues and drawbacks the system itself involves.

Patentable subject-matter

Patent protection is available for any invention complying with the general patentability requirements of novelty, inventive step and industrial applicability, with the peculiarity that the law contains a definition of what should be regarded as an invention, being any human creation that allows transformation of matter or energy existing in nature for human benefit and the fulfilment of human needs. However, independently of the broadness of the definition, it should be taken into account that by statute the following matter is not considered to be an invention: theoretical or scientific principles; mere discoveries; schemes, plans, rules and methods for performing games or businesses; mathematical methods; computer programs; forms for presenting information; aesthetic creations and artistic or literary works; surgical, therapeutic and diagnostic methods applicable to the human body and those related to animals; the obvious juxtaposition of known inventions, their variation or form, dimensions or materials. On the other hand, exclusions from patent protection include essential biological processes for obtaining, reproducing and propagating plants and animals; biological and



Victor Garrido

“
Patent protection is available for any invention complying with the general patentability requirements of novelty, inventive step and industrial applicability.”

genetic material as found in nature; animal breeds; and the human body and the living matter constituting it.

First-to-file

Mexico has a first-to-file patent system, and it contemplates a 12-month grace period for previous disclosure of the invention performed by the inventor or his or her assignee. Such previous disclosure becomes innocuous for the corresponding application provided applicant informs of the same at the very filing date.

Due to recent amendments to the law, inventors cannot be anonymous even if they request so. Furthermore, double patenting is not permitted, not even for the same applicant/inventor. The law provides for secret prior art conditions under which any non-published pending patent application in the country can be cited for the purposes of examining novelty of a subsequent filed application. An application claiming the earlier priority is entitled to better rights, but it should be borne in mind that the statute provides for partial priority claim.

Résumé

Victor Garrido, Head of the Patent Department, Dumont

Victor is an industrial chemical engineer, with specialization in polymers and in intellectual property law. He has been involved in patent matters for more than 18 years, working for some of the most prestigious firms in Mexico. He has handled both the administrative and technical aspects of patents, industrial designs and utility models, including prior art searches, drafting and filing applications, counselling in both formal and substantive examinations, technical opinions on patentability, clearance analysis and opinions for litigation. He has published articles in some of the most renowned international IP magazines and has participated as a panelist in international events. He is member of professional national and international organizations, such as the AMPPI, AIPPI, INTA, AIPLA and AIPF. He speaks Spanish and is fluent in English.

Examination contemplated

The patent system requires that all patent applications undergo two types of examination. A first administrative examination to ensure that all formalities such as the filing of power of attorney, assignment documents, copies of priority documents, and the like, when applicable, are complied with, and a second substantive examination in which aspects such as eligibility, novelty, inventive step, industrial applicability, clarity, support, enablement, inventive concept (unity), and the like are analyzed. The administrative examination usually takes place within few months after the filing of the application, while the substantive examination starts after publication in the official gazette, more specifically, after the term for third party observations discussed below ends. Publication usually takes place 18 months after the recognized filing date. Up to two office actions can be issued during the administrative examination, while the current regulations establish a maximum of four office actions for performing the substantive examination.

Accelerated prosecution

The only official way to expedite prosecution is through the request to participate in a Patent Prosecution Highway (PPH) program to take advantage of positive results obtained in foreign examining offices for determined inventions. In this regard, Mexico has been very active in implementing PPH programs, and the same currently involve the following jurisdictions: Austria, Canada, China, Japan, Korea, Singapore, Spain, the United States, the European Patent Office, Colombia, Peru, Chile and Portugal.

Third party observations

There is a scheme for third-party observations during prosecution, which does not constitute a pre-grant formal opposition. The term for filing third party observations is two months after publication of the relevant application in the official gazette. Any third party is entitled to submit observations, which should be limited to information relevant to the three essential patentability requirements: novelty, inventive step and industrial applicability. The applicant has the right to submit or not a response to the observations. The observations and response thereto are to be considered during the examination, with no obligation for the patent office to share results of the study with the third party. The prosecution is not deferred by the filing of observations under this scheme.

Public inspection

Electronic filing and prosecution of patent applications are currently possible. It is worth mentioning that applications originally filed electronically are not allowed to use the traditional procedure. It is expected that regulations are soon amended to permit any application to opt in the electronic system, but not

“Due to recent amendments to the law, inventors cannot be anonymous even if they request so.”

the other way around. Likewise, there is now public inspection of prosecution of pending applications, including divisional applications. This is one of the major amendments the system underwent last year, giving more legal certainty to players. Before, prosecution of patent applications was kept confidential until grant, as publication was limited to disclose bibliographic information and the abstract. Likewise, divisional applications were not even published in the official gazette but until grant.

Amendments and divisions

Amendments to the text of a patent application are permitted any time before issuance of notice of allowance if they are supported by the original filing. Amendments can be voluntarily submitted or filed as response to an official action. Post-grant amendments are limited to correct errors or limit the scope of the granted claims. If a patent application is rejected, the claims are not permitted to be amended during appeal procedures.

Divisions can be requested during examination if inventive concept (unity) does not exist among the claims. Voluntary divisions are not well regulated in the law. In practice, they are permitted before paying grant fees for the parent case in regular prosecution (no litigation involved). Daisy-chained divisional applications have been discouraged by establishing that child applications cannot be divided if the original first parent application is not pending, allegedly under interpretation that all divisional applications derive from the first parent case and there is no such a figure of a divisional-upon-divisional application.

In May 2016, a federal circuit court ruled that division can take place any time after filing of the parent case because neither the domestic law nor the Paris Convention establishes a specific term for filing divisional applications. Accordingly, even if the patent office can still at first instance object to a divisional application submitted after the date of allowance of the corresponding parent application, such objection could be reversed in litigation by invoking the mentioned federal circuit decision.

Scope of protection

The scope of protection conferred by patents is determined by the approved claims. Mexico has a tradition of literal claim construction when assessing claim infringement. In November 2016, a federal circuit court issued an unprecedented decision in this regard. The court stated that there was room in the domestic legal framework for applying a broader interpretation of patent claims, such as that provided by the doctrine of equivalents, not only to enhance legal certainty for patent owners, but also to harmonize the local patent practice with international trends. The court decision is not binding for the patent office, and the office is free to continue applying the literal interpretation unless the law is amended.

Meanwhile, the application of the doctrine can remain subject to court decisions, if at all.

Patent working and compulsory licenses

The exploitation or working of the patent consists in the manufacture, sale or importation of the relevant product in Mexico. Lack of use for three years counted from the grant date or four years counted from the filing date, whichever occurs later, enables economically and technically proficient third parties to request and eventually obtain a compulsory license, unless there are justified reasons for non-use. If a compulsory license is requested, one year is provided to the patentee to start exploitation, otherwise the license is to be granted to the third party, with royalties involved. If exploitation does not occur after two years of the grant of a compulsory license, the same can be revoked either ex officio or under the patentee's request. At the same time, the patent can be declared expired if the patentee or another licensee has not started exploitation within said term.

A special type of compulsory license called license of public utility is also regulated. This license is to be granted for reasons of national emergency or security and while those reasons persist, including the outbreak of serious diseases requiring priority attention by the General Health Council. A governmental declaration published in the Official Journal is needed to state that use may be made of certain patents by means of the grant of licenses of public utility. Similar to the compulsory licenses mentioned in the former paragraph, there is no evidence that a license of public utility has been granted so far.

Linkage system for pharmaceutical products

The linkage system was established in 2003 to coordinate the patent office and the sanitary registration agency in charge of granting commercial authorizations for medicaments. Under the system, the patent office periodically issues a gazette listing those patents in force covering allopathic medicines. The patent office initiated the gazette editions by listing only patents covering active ingredients. Pharmaceutical composition patents and patents covering uses were not included because of a narrowed interpretation from the patent office. Process patents have been expressly excluded from participating in the system from the very beginning.

A series of constitutional appeals (amparos) were interposed against the patent office's interpretation before federal circuit courts resulting in contradictory rulings. In January 2010 the Supreme Court intervened to clarify the issue ruling that patents covering pharmaceutical compositions (product patents) qualify for being listed in the gazette.

Currently, it is sufficient that a petition is filed for a composition patent to be listed in the gazette, although patents covering use claims (usually Swiss-style claims, or compound or composition-for-use



“The linkage system was established in 2003 to coordinate the patent office and the sanitary registration agency in charge of granting commercial authorizations for medicaments.”

claims) still need to undergo constitutional appeals because the Supreme Court did not unequivocally address this type of patent in its decision. These patents covering use claims are eventually ordered to be listed by federal circuit courts mainly under an interpretation of the same Supreme Court decision.

Term of protection

The term for a patent is 20 years from the recognized filing date, subject to payment of maintenance fees, which become due after allowance of the corresponding application. The recognized filing date for PCT-derived patents is the international filing date. The patent term cannot be currently extended at all.

On 4 September 2015, the Supreme Court ruled that the fact that the NAFTA in force among Canada, USA and Mexico contemplates that contracting parties may provide for patent term extensions does not invalidate the current local statute establishing a fixed 20-year term. According to the ruling, NAFTA leaves to each of the parties the discretion to allow extensions. Therefore, Mexico continues with its policy of not allowing patent term extensions under any circumstance. The new version of the agreement (USMCA), which is pending to enter into force, might drive the country to reconsider its position, as the text of the agreement contains mandatory provisions for patent term adjustments to compensate delays in examination attributable to patent offices as well as delays in commercial authorizations attributable to registration agencies.

Contact: Dumont Bergman Bider SC
Address: Avenida Insurgentes Sur 1898, Pent Office, 21st Floor, Colonia Florida, 01030 Mexico City, Mexico
Tel: +52 55 5322 6230
Fax: +52 55 5661 3056
Email: vgarrido@dumont.com.mx
 mail@dumont.com.mx
Linkedin: www.linkedin.com/in/VictorGarridoCruz
Website: www.dumont.com.mx