THE INTELLECTUAL PROPERTY REVIEW

FIFTH EDITION

EDITOR Robert L Baechtold

LAW BUSINESS RESEARCH

THE INTELLECTUAL PROPERTY REVIEW

The Intellectual Property Review Reproduced with permission from Law Business Research Ltd.

This article was first published in The Intellectual Property Review, 5th edition (published in May 2016 – editor Robert L Baechtold).

For further information please email nick.barette@lbresearch.com

THE INTELLECTUAL PROPERTY REVIEW

Fifth Edition

Editor
ROBERT L BAECHTOLD

Law Business Research Ltd

PUBLISHER Gideon Roberton

SENIOR BUSINESS DEVELOPMENT MANAGER Nick Barette

BUSINESS DEVELOPMENT MANAGER Thomas Lee

SENIOR ACCOUNT MANAGERS Felicity Bown, Joel Woods

ACCOUNT MANAGERS Jessica Parsons, Adam Bara-Laskowski, Jesse Rae Farragher

MARKETING COORDINATOR
Rebecca Mogridge

EDITORIAL ASSISTANT Sophie Arkell

HEAD OF PRODUCTION Adam Myers

PRODUCTION EDITOR
Tessa Brummitt

SUBEDITOR Caroline Herbert

CHIEF EXECUTIVE OFFICER
Paul Howarth

Published in the United Kingdom by Law Business Research Ltd, London 87 Lancaster Road, London, W11 1QQ, UK © 2016 Law Business Research Ltd www.TheLawReviews.co.uk

No photocopying: copyright licences do not apply.

The information provided in this publication is general and may not apply in a specific situation, nor does it necessarily represent the views of authors' firms or their clients. Legal advice should always be sought before taking any legal action based on the information provided. The publishers accept no responsibility for any acts or omissions contained herein. Although the information provided is accurate as of May 2016, be advised that this is a developing area.

Enquiries concerning reproduction should be sent to Law Business Research, at the address above. Enquiries concerning editorial content should be directed to the Publisher – gideon.roberton@lbresearch.com

ISBN 978-1-909830-97-4

Printed in Great Britain by Encompass Print Solutions, Derbyshire Tel: 0844 2480 112

THE LAW REVIEWS

THE MERGERS AND ACQUISITIONS REVIEW

THE RESTRUCTURING REVIEW

THE PRIVATE COMPETITION ENFORCEMENT REVIEW

THE DISPUTE RESOLUTION REVIEW

THE EMPLOYMENT LAW REVIEW

THE PUBLIC COMPETITION ENFORCEMENT REVIEW

THE BANKING REGULATION REVIEW

THE INTERNATIONAL ARBITRATION REVIEW

THE MERGER CONTROL REVIEW

THE TECHNOLOGY, MEDIA AND TELECOMMUNICATIONS REVIEW

THE INWARD INVESTMENT AND INTERNATIONAL TAXATION REVIEW

THE CORPORATE GOVERNANCE REVIEW

THE CORPORATE IMMIGRATION REVIEW

THE INTERNATIONAL INVESTIGATIONS REVIEW

THE PROJECTS AND CONSTRUCTION REVIEW

THE INTERNATIONAL CAPITAL MARKETS REVIEW

THE REAL ESTATE LAW REVIEW

THE PRIVATE EQUITY REVIEW

THE ENERGY REGULATION AND MARKETS REVIEW

THE INTELLECTUAL PROPERTY REVIEW

THE ASSET MANAGEMENT REVIEW

THE PRIVATE WEALTH AND PRIVATE CLIENT REVIEW

THE MINING LAW REVIEW

THE EXECUTIVE REMUNERATION REVIEW

THE ANTI-BRIBERY AND ANTI-CORRUPTION REVIEW

THE CARTELS AND LENIENCY REVIEW

THE TAX DISPUTES AND LITIGATION REVIEW

THE LIFE SCIENCES LAW REVIEW

THE INSURANCE AND REINSURANCE LAW REVIEW

THE GOVERNMENT PROCUREMENT REVIEW

THE DOMINANCE AND MONOPOLIES REVIEW

THE AVIATION LAW REVIEW

THE FOREIGN INVESTMENT REGULATION REVIEW

THE ASSET TRACING AND RECOVERY REVIEW

THE INSOLVENCY REVIEW

THE OIL AND GAS LAW REVIEW

THE FRANCHISE LAW REVIEW

THE PRODUCT REGULATION AND LIABILITY REVIEW

THE SHIPPING LAW REVIEW

THE ACQUISITION AND LEVERAGED FINANCE REVIEW

THE PRIVACY, DATA PROTECTION AND CYBERSECURITY LAW REVIEW

THE PUBLIC-PRIVATE PARTNERSHIP LAW REVIEW

THE TRANSPORT FINANCE LAW REVIEW

THE SECURITIES LITIGATION REVIEW

THE LENDING AND SECURED FINANCE REVIEW

THE INTERNATIONAL TRADE LAW REVIEW

THE SPORTS LAW REVIEW

THE INVESTMENT TREATY ARBITRATION REVIEW

www.TheLawReviews.co.uk

ACKNOWLEDGEMENTS

The publisher acknowledges and thanks the following law firms for their learned assistance throughout the preparation of this book:

ADVOKATFIRMAET BA-HR DA

ALLEN & GLEDHILL LLP

ALUKO & OYEBODE

ANAND AND ANAND

ANJARWALLA & KHANNA ADVOCATES

ATSUMI & SAKAI

BHERING ADVOGADOS

BIRD & BIRD

BMVN INTERNATIONAL LLC, A MEMBER OF BAKER & McKENZIE INTERNATIONAL

BONELLI EREDE

BONN STEICHEN & PARTNERS

CHAVALIT & ASSOCIATES LIMITED

CHEN & LIN ATTORNEYS-AT-LAW

CHETCUTI CAUCHI ADVOCATES

CHRISTODOULOS G VASSILIADES & CO LLC

CHRISTOS CHRISSANTHIS & PARTNERS LAW FIRM

CLIFFORD CHANCE

DUMONT BERGMAN BIDER SC

FITZPATRICK, CELLA, HARPER & SCINTO

GOWLING WLG

HECHANOVA BUGAY VILCHEZ & ANDAYA-RACADIO

HOGAN LOVELLS (PARIS) LLP

LIU, SHEN & ASSOCIATES

MANEV & PARTNERS LTD

NORTON ROSE FULBRIGHT CANADA LLP

PORZIO, RÍOS & ASOCIADOS

ŢUCA ZBÂRCEA & ASOCIAŢII

URÍA MENÉNDEZ – PROENÇA DE CARVALHO

WENGER PLATTNER

CONTENTS

Editor's Preface		⁄ii
Chapter 1	BRAZIL Philippe Bhering and Jiuliano Maurer	1
Chapter 2	BULGARIA1 Kostadin Manev and Alexandra Semerdjieva	15
Chapter 3	CANADA2 Adam Haller and Kristin Wall	27
Chapter 4	CHILE	38
Chapter 5	CHINA	í8
Chapter 6	CYPRUS 6 Christodoulos G Vassiliades and Ourania Vrondou	55
Chapter 7	FINLAND	⁷ 3
Chapter 8	FRANCE	32
Chapter 9	GERMANY9 Felix T Rödiger)5
Chapter 10	GREECE	

Contents

Chapter 11	INDIA12 Pravin Anand and Raunaq Kamath
Chapter 12	ITALY
Chapter 13	JAPAN
Chapter 14	KENYA
Chapter 15	LUXEMBOURG 17- Anne Morel and Aleksandra Gucwa
Chapter 16	MALTA
Chapter 17	MEXICO
Chapter 18	NIGERIA21' Mark Mordi and Ngo-Martins Okonmah
Chapter 19	NORWAY
Chapter 20	PHILIPPINES
Chapter 21	PORTUGAL
Chapter 22	ROMANIA

Contents

Chapter 23	SINGAPORE
Chapter 24	SPAIN
Chapter 25	SWITZERLAND
Chapter 26	TAIWAN
Chapter 27	THAILAND
Chapter 28	UNITED KINGDOM
Chapter 29	UNITED STATES
Chapter 30	VIETNAM
Appendix 1	ABOUT THE AUTHORS
Appendix 2	CONTRIBUTING LAW FIRMS' CONTACT DETAILS 401

EDITOR'S PREFACE

It is not an overstatement to say that essentially all business is global, and the protection of intellectual property is the lifeblood of all business. The scope and implementation of that protection, however, varies from country to country.

It would be ideal if there was one universal set of laws, rules and procedures. But, while the efforts of many dedicated individuals have accomplished much in harmonising intellectual property protection, we remain defined as much by our differences as by what we have in common. It is therefore incumbent on all of us, as advisers to our clients, to be conversant with the individual practices in each of the economically significant countries.

The goal of this review is to provide that guidance. We have assembled a body of leading practitioners to explain the opportunities for intellectual property protection in their respective jurisdictions, together with the most significant recent developments and any aspects that are unique to their country. The authors of each chapter will provide an overview of the intellectual property rights available and highlight the notable developments in their respective countries. While we have striven to make the book both accurate and comprehensive, we must note that it is necessarily a summary and overview, and we strongly recommend that the reader seek the advice of experienced advisers for application of the principles contained in this review to any specific matter.

This review is a testament to the flux of intellectual property law worldwide. We first published this review in 2011, with chapters from 24 countries. This fifth edition now includes chapters from 30 countries, a clear indication of the truly global reach of intellectual property law and the need to remain current for our clients worldwide. Since the first edition, we have observed the dramatic overhaul of the patent system in the United States with the implementation of the American Invents Act. In Europe, we have seen the near completion of the Unified Patent Court. It is our hope that the reader will find this a useful compilation and often-consulted guide.

Robert L Baechtold

Fitzpatrick, Cella, Harper & Scinto New York May 2016

Chapter 17

MEXICO

Victor Garrido1

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The current Mexican IP system was developed and implemented from the end of the 1980s to 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 neighbouring rights, among others.

i Patents

Patent protection is available for any invention complying with the following three essential requirements: novelty, inventive step and industrial applicability. Exemptions for patentability and non-statutory subject matter are discussed in Section III, *infra*.

An invention is considered to be any human creation that allows transformation of matter or energy existing in nature for human benefit and the fulfilment of human needs.

The term for a patent is 20 years from the recognised filing date, subject to payment of annuities. The recognised filing date for PCT-derived patents is the international filing date. The patent term cannot be currently extended at all.

Mexico has a first-to-file patent system, but it contemplates a 12-month grace period for previous disclosure of the invention performed by the inventor or his or her assignee.

The scope of protection conferred by patents is determined by the approved claims (literal interpretation; no doctrine of equivalents established). 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

Victor Garrido is a manager at Dumont Bergman Bider SC.

the filing date, whichever occurs later, enables third parties to request and eventually obtain a compulsory licence, unless there are justified reasons for non-use. Patent marking, although not compulsory, is recommended.

The previous user of a patented invention within Mexico is entitled to continue using his or her invention, provided the prior use is duly proven.

Compulsory licences could be granted to third parties for reasons of public utility; however, the patent owner shall be previously heard and must be compensated economically. No compulsory licence has been granted in the country so far.

Amendments to the claims are permitted before issuance of notice of allowance if they are supported by the specification and drawings with payment of a fee. Divisions can be requested during examination if inventive concept (unity) does not exist among the claims. Voluntary divisions are also permitted before paying grant fees for the parent case. 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.

ii Utility models

Registration for new utility models with industrial applicability is available in the country (no inventive step required). Utility models are objects, utensils, apparatus or tools that, as a result of a modification in their arrangement, configuration, structure or form, offer a different function with respect to their component parts or advantages of use. The term of protection of a utility model registration is 10 years from the filing date subject to payment of annuities, with no extension. Utility model protection is not available for processes. Utility model applications undergo substantive examination, where novelty and industrial applicability are evaluated under the same standards used to evaluate patents.

iii Industrial designs

Protection for new industrial designs capable of industrial application is also available. For a design to be novel it needs to be of independent creation, significantly different from already known designs or combinations of characteristics from already known designs. Industrial designs include two-dimensional drawings and three-dimensional models. Only ornamental features are protected.

The protection term is 15 years from the filing date of the application, subject to the payment of annuity fees, with no extension.

Under the current inventive concept standard, multiple designs are difficult to obtain in a single registration, independent of whether they are comprised by the same Locarno class. Divisions can be entered either voluntarily or at the Mexican Institute of Industrial Property's request (MIIP). The practice tends to process one design per filed application. Electronic filing (not the complete prosecution) of design applications is currently possible in Mexico.

iv Trademarks

The Industrial Property Law (IPL) provides protection for distinctive signs, which includes not only product and service trademarks, but also collective trademarks, trade names and slogans. Generally, the exclusive use of such signs is obtained by registration.

Among the mentioned signs, trademarks are the most popular figure of protection. Trademarks can be nominative, non-nominative and mixed. A word mark to be registered must be distinctive, that is, different from any other mark. Multi-class trademarks are not currently available in the country.

In Mexico there is protection for well-known and famous marks. A well-known mark is one known by a determined sector of the public or the country's commercial groups. A famous mark is one known by almost all of the consumer public. A specific and yet polemic protection for well-known and famous marks is currently obtained by an official declaration for which some commercial information about the use of the trademark should be submitted and significant fees should be paid.

Filing a letter of consent from the owner of a trademark cited because of similarity issues is possible to try to avoid refusal of a determined trademark. However, this letter of consent is not accepted when the two trademarks involved are absolutely identical.

Trademark protection is granted for 10 years from the filing date of the application in Mexico. The registration can be renewed every 10 years. Renewal of the registration of a trademark will only be appropriate if a written declaration under oath is submitted that the trademark has been used on Mexican territory for the products or services to which it applies, and that its use has not been interrupted for a period of three consecutive years.

The Mexican government can declare exceptionally for public interest reasons that certain trademarks cannot be used. The Mexican government has also the right to grant compulsory licences for public interest issues, provided that the trademark owner is guaranteed hearing rights.

Once a trademark has lapsed, any third party can apply and obtain the trademark, even the person who used to be the owner of the trademark, should he or she apply for it before a third party does. A trademark declared nullified or cancelled cannot be revived.

The IPL establishes that the illegal use of registered trademarks is a crime. It is an administrative violation deserving a fine and the payment of damages. This also includes the use of a mark similar to a registered trademark to the point of confusion, graphically or phonetically, or as an element of a commercial name when the establishment is engaged in the sale of products or services similar to those covered by the registered trademark. Falsification of a trademark is also a crime.

The most important recent development in the trademark field has been the entrance into force of the Madrid Protocol on 19 February 2013. The country is working on developing an opposition system. No date has been set to launch said opposition system. Electronic filing (not the complete prosecution) of trademark applications is currently possible in Mexico.

v Industrial secrets

The IPL contains provisions for protecting certain information as an industrial secret, provided such information gives the proprietor a competitive or economic advantage, and measures are taken by such proprietor to keep the information confidential. The information constituting a trade secret shall necessarily relate to the nature, characteristics or purposes of products; to production methods or processes; or to ways or means of distributing or marketing products or rendering services. Examples of information qualifying as an industrial secret are: know-how, some business methods, some lists of clients, etc. The information should be fixed in a tangible medium, including electronic means, to be protectable. In addition to the IPL,

industrial secrets are enforceable under the Civil Law for breaches of contracts and claims for damages, and the Federal Criminal Code under which the disclosure of an industrial secret constitutes a criminal offence.

vi Appellations of origin

A denomination of origin is the name of a domestic geographical region that serves to designate a product native to that region, and whose quality or characteristics are exclusive to that geographical zone, including the natural and human factors. The MIIP carries out the denomination of origin declaration by publishing it on the Federation's Official Gazette. The MIIP, through the Department of Foreign Affairs, processes the registration of the denominations of origin that have been declared in order to obtain their worldwide recognition, according to international treaties on the matter. The MIIP authorises the use of the denomination of origin to individuals or companies that are devoted to the extraction, production or elaboration of the products protected by the denomination of origin and that carry out their activities within a certain territory, as well as to those entities that comply with the official standards regarding the products in reference. The authorisation has a validity of 10 years, and can be renewed jointly with a trademark.

Products with a denomination of origin in Mexico include, Tequila, Mezcal, Olinalá, Talavera, Bacanora, Café Veracruz, Ambar de Chiapas, Sotol, Charanda, Mango Ataulfo del Soconusco Chiapas, Café Chiapas, Vainilla de Papantla, Chile Habanero de la Peninsula de Yucatán and Arroz del Estado de Morelos.

vii Plant varieties

The current plant variety system is based on the UPOV Act 1978. The country joined the Act on 9 August 1997. Applications are processed before the Ministry of Agriculture, Livestock, Rural Development, Fishing and Food through the National Service of Seeds Inspection and Certification.

A plant variety qualifying for protection must be new, distinguishable, stable and homogeneous. Additionally, some filing requirements should be met, such as: to propose a denomination; to specify the genealogy as well as the origin of the plant variety; to submit the plant variety or its propagation material (if requested); to provide a description according to UPOV guidelines; to supply photographs; and to supply the relevant trademark, if any.

Priority rights are recognised within the 12-month period following filing in another country with which Mexico has signed a treaty. The protection lasts 18 years for perennial species (forest, fruits, vines and ornamental) and their implant-carriers, and 15 years for other species not previously included.

viii Copyrights

The Federal Copyright Law acknowledges protection for artistic works. The protected rights can be:

- a moral rights and acknowledgements to the author of the work, which are inalienable, non-lapsable, non-renounceable and non-sizeable rights;
- *b* exclusive economic rights: the right to exploit the work in an exclusive manner or to authorise third parties to do so; or

c simple remuneration rights: non-exclusive economic right to obtain payment for the exploitation of a work, applicable to very specific cases having in common that exploitation is performed independently of the author's consent, although usually legal.

Exclusive economic rights may be transferred or licensed onerously and temporarily. Moral rights cannot be waived by the author. The protection for economic rights lasts the lifetime of the author and up to 100 years after his or her death. Personal rights do not expire, although enforceability of some of them is limited after the death of the author. Registration is not a prerequisite for protection; however, it facilitates litigation.

One interesting and sui generis protection provided by the Federal Copyright Law is the so-called reservation of rights. The reservation of rights is the faculty for the exclusive use and exploitation of titles, names, designations, distinctive physical and psychological characteristics or original operational characteristics, as applied, according to their nature, to any of the following genres:

- *a* periodical publications: edited in successive parts with varied content and intended to continue indefinitely;
- periodical broadcasts: broadcast in successive parts with varied content and capable of being transmitted;
- c human or fictional or symbolic characters;
- d persons or groups devoted to artistic activities; and
- e promotional advertising: a novel, or an unprotected operation mechanism intended to promote a product or offer a good or service with the additional incentive of providing the general public with the option to acquire another good or service on more favourable conditions than those generally encountered on the market.

Usual commercial advertisements shall be excluded from the foregoing. Contrary to copyright, reservation of rights is recognised by the law by means of registration. The term of protection is variable: one year (renewable) in the case of titles of newspapers, journals, magazines and TV and radio shows broadcast on a regular basis; five years (renewable) for the names of fiction characters; and five years (non-renewable) for original advertising campaigns.

Mexico was part of the negotiations and eventually signed the polemic Anti-Counterfeiting Trade Agreement on 11 July 2012, containing high copyright enforcement standards in digital media. However, owing to the secrecy of the negotiations, concerns about privacy rights on the internet and internet service provider obligations, the Senate has not ratified the agreement and it may not enter into force.

ix Neighbouring rights

Rights in favour of performers, producers of phonograms (sound recordings) and videos, book editors, and broadcasting organisations are also acknowledged by the Federal Copyright Law; they are collectively known as related rights.

Related rights provide exclusivity rights to:

- a performances, including the right to oppose the fixing of the performance on tangible media, the reproduction of any such fixation and the public communication or broadcast of fixed performances;
- b book editors to oppose the reproduction of their books, regardless of whether the work is in the public domain;

- c the producers of phonograms and videos to oppose the non-authorised reproduction and public communication of the phonogram and video, among other rights; and
- *d* broadcasting entities to oppose the retransmission, fixing, public communication and reproduction of the broadcasted material.

The statute provides that related rights are fully protected without registration. However, related rights concerning books, phonograms and videos may be registered with the Copyright Registry.

The protection term varies depending on the specific right: for book editions, videos and broadcastings, the term is 50 years from the date of the first edition, fixing or broadcast, respectively; for performers and phonogram producers, the term is 75 years from the date of first fixing of the performance or the first fixing of sounds, respectively.

II RECENT DEVELOPMENTS

i Legislation

In 2010, the IPL was amended to contemplate the following relevant patent-related issues.

- To modify the definition of industrial application as follows: 'the possibility that an invention has a practical utility or can be produced or used in any branch of economical activity, for the purposes described in the application'. A further related amendment was introduced to require that the specification contain information exemplifying the industrial application of the invention. These amendments have been interpreted by examiners in the chemical, pharmaceutical and biotechnological fields as raising the utility standard to demonstration of actual industrial application from the very initial specification, with a negative, restrictive impact for applicants.
- b To include a provision for determining partial priority in patent cases.
- To introduce provisions for third-party observations for published patent applications. According to this amendment, after an application is published in the Official Gazette, a six-month period is open for any party to submit observations to try to show that the invention contained in the published application is not patentable. Within these six months, the application does not enter the examination process. If third-party observations are submitted, the MIIP informs the applicant of the observations. The applicant can decide to respond or not to such observations. The response is not served to the third party as it does not acquire the character of an interested party. After the six-month period ends, the application goes to examination just as any other application. The MIIP can decide whether to take into consideration any of the third-party observations or the response filed by the applicant. Very few applications undergo third-party observations, so questions have arisen about whether the observation system is worth stopping the prosecution of all patents for six months.

In 2011, the IPL Regulations were amended to contemplate the following relevant patent-related issues:

- a to clearly indicate that lack of signature in writs submitted to the MIIP will be definitively dismissed, meaning that dismissal is not subject to appeals;
- b to reduce the term for entering complementary official fees, when missing, from two months (extendable for two additional months) to only five working days (with no extension); and

c to benefit applicants submitting applications in their original language to be requested to file the translation by means of an office action instead of being subject to the previous automatic, non-extendable, two-month term from the national filing date.

ii Court opinions

Fixed term for patents

On 4 September 2015, the Supreme Court ruled that the fact that NAFTA 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.

Presumption of legality of the commercial exploitation of an invalidated patent

On 19 February 2016, a federal circuit court wrongly ruled that a patent provides for the presumption that the exploitation of the patented invention is legal because the granted patent was subject to examination under which prior patents were reviewed. According to this ruling, no responsibility can be generated for the patent owner in view of third-party patent rights because the infringement or rights had been checked during examination. Therefore, in the case that a patent is invalidated, such invalidation destroys the related exclusive patent right but not the mentioned presumption of legality of the commercial exploitation of the patented invention. This ruling is clearly wrong, because the possible violation of a third party's rights is not a task carried out during the examination process.

Linkage system for pharmaceutical products (2010-2012)

The most important patent decision in recent times was issued on January 2010 by the Supreme Court on the linkage system between the MIIP and the regulatory agency in charge of marketing approvals for medicaments – the Federal Commission for Protection against Sanitary Risks (COFEPRIS).

The linkage system was established in 2003 to coordinate the MIIP and COFEPRIS. Under the system, the MIIP periodically issues the Linkage Gazette listing those patents in force covering allopathic medicines. The MIIP 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 MIIP. 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 MIIP's interpretation before federal circuit courts resulting in contradictory rulings. The Supreme Court intervened to clarify the issue ruling that patents covering pharmaceutical compositions (product patents) qualify for listing in the Gazette and that only patents covering processes were unambiguously excluded from the linkage system.

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 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.

A subsequent decision related to composition patents was ruled by one of the lower courts on 9 August 2012, through which the MIIP was requested to indicate in the Gazette that the exclusive right provided by the listed patent is limited to the relevant pharmaceutical composition containing an active ingredient but not to the active ingredient as such.

Misinterpretation of patent claim scope

On 28 February 2013, a federal circuit court ruled an unfortunate decision misinterpreting the concepts of claim scope and claim support in the specification. According to the IPL, claim amendment is permitted, provided it does not exceed the scope of the original application as filed. The federal circuit court held that after submission of a response to an office action from the substantive examination, the MIIP shall review whether the number of new claims coincides with those formerly on file. If not, a further office action shall be issued to request clarification. This decision seems to interpret that the mere number of claims defines claim scope and that support for claims amended during examination shall be found in the original claims (or those previously on file), instead of the whole original application as allowed by law and usual practice. Moreover, the ruling tries to unduly give the burden to the applicant to determine whether the claim amendment fulfils requirements, which is the MIIP's duty.

III OBTAINING PROTECTION

Essential requirements for obtaining patents in Mexico are discussed in Section I.i, *supra*. However, it should be also taken into account that by statute the following matter is not considered to be an invention: theoretical or scientific principles; discoveries that consist of publishing or revealing something that already existed in nature, although previously unknown by man; schemes, plans, rules and methods for performing games or businesses; mathematical methods; computer programs; information presentation forms; aesthetic creations and artistic or literary works; surgical treatment; therapeutic or diagnostic methods applicable to the human body and those related to animals; the juxtaposition of known inventions or mixtures of known products, their variation or form, dimensions or materials, except when their combination or fusion is actually involved in such a way that they cannot function separately or their characteristic qualities of functions are modified to obtain an industrial result that is not obvious to an expert in the matter.

Moreover, the following matter is specifically excluded from patent protection: essential biological processes for obtaining, reproducing and propagating plants and animals; biological and genetic material such as is found in nature; animal breeds; the human body and the living matter constituting it.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

Patent rights are enforced first via an administrative infringement action filed at the MIIP acting as a first instance.

Since 2009, the Federal Trial Court on Tax and Administrative Matters (FTCTAM) has had a specialised chamber dealing with IP matters. This chamber acts as a second instance for appeals in IP cases.

There is a third and final instance for appeal before a federal circuit court by means of a constitutional appeal (*amparo*).

Only in exceptional cases would the Supreme Court intervene in this type of case (patents).

ii Requirements for jurisdiction and venue

Although the MIIP has regional offices across the country, contentious cases are all solved in its main office in Mexico City. Accordingly, both patent infringement and patent nullification actions are held therein.

iii Obtaining relevant evidence of infringement and discovery

The plaintiff at the time of submitting the complaint must add all the evidence that supports its claim. The same applies for the defendant submitting his or her response to the action. Evidence will not be accepted afterwards unless dated after the complaint filing date or, if dated before, if it is declared under oath that it was unknown to the party submitting it.

iv Trial decision-maker

At the first instance, internal lawyers and experts in the relevant technical field compose the MIIP's contentious department rendering decisions. At the second instance, the specialised IP chamber is integrated by three magistrates. At the third instance, the decision is rendered by a judge.

v Structure of the trial

There are some pre-action procedures to obtain information regarding the alleged infringers. According to the IPL, the MIIP may verify the compliance of the provisions for the infringement action by bringing the following procedures: requests for reports and information, and inspection visits.

The prosecution of a patent infringement action follows as described below:

- *a* filing the infringement action along with all the evidence available;
- b once the infringement action has been served, the defendant has 10 business days to respond along with all evidence to support its defences;
- c if expert opinions are filed as evidence by the parties, the MIIP grants a discretional time to prepare the relevant opinion;
- d official file is sent to the corresponding MIIP division for the infringement technical analysis;
- e the MIIP grants to the parties a term to submit closing arguments; and
- f the MIIP renders its decision.

Decisions rendered by the MIIP will only rule on whether the infringement took place and the defendant will be ordered to immediately stop the infringing activity and will also be fined.

vi Infringement

Mexican law provides that a patent is infringed when the patented product is manufactured or when the patented process is carried out by a third party without the authorisation or corresponding licence of the owner. Importation of the product obtained by a patented process constitutes infringement. There is no doctrine of equivalents in defining infringement.

vii Defences

If provisional measures are requested by the plaintiff, the defendant has the right to lift the same by submitting a counter bond.

Apart from submitting evidence and arguments in his or her favour during the infringement action, including expert opinions, the defendant has the right to initiate an invalidation proceeding against the relevant patent as a counterclaim within a settled legal term. If so, the MIIP shall decide both actions at the same time and will therefore most likely issue a sole ruling. Nullity claims instituted by the defendant after the legal term will not be deemed linked to the same process and thus, the claim for infringement may very well be decided upon before the nullity case is decided, and without taking the same into consideration.

Usual grounds of patent invalidation include lack of clarity or support (primarily in the claims), novelty and inventive step. Where the invalidation affects only one or some of the claims, or part of a claim, invalidation shall be declared only in respect of the relevant claim, or the relevant part of a claim. Invalidation may be declared in the form of a limitation or specification of the corresponding claim. The patent claims cannot be amended during an invalidation action.

When a patent has been invalidated by means of a decision rendered by the MIIP, the relevant patent holder may appeal it before the FTCTAM.

viii Time to first-level decision

The procedure at the MIIP usually takes about 18 months, although there is no obligation for the MIIP to decide within this time period; especially when a patent invalidation proceeding is interposed and expert opinions are submitted in one or both of the infringement and invalidation actions.

ix Remedies

Provisional measures are available in Mexico that range from the seizure of merchandise or materials used to produce infringing products, to the issuance of restrictive orders; and they are in force until a decision is rendered by the MIIP. The requirements are a bond to guarantee the defendant against the possible damages caused by the application of the provisional measures and prove that it has made public the fact that the product is protected by a patent (i.e., the inclusion in the patented product that it is protected by a Mexican patent, or instead a public announcement in a major newspaper in Mexico).

In all infringement cases there are two different sums to be paid: a fine that is determined by the MIIP in its final decision (up to about US\$120,000) and is kept by the Mexican government, and damages that may be collected by the plaintiff (once the case has raised *res judicata*). For this purpose, it would be necessary to initiate a separate judicial action, in this case a civil procedure.

If the MIIP declares the administrative infringement, after hearing the parties, this authority would decide the fate of seized products, if any.

On the other hand, the MIIP provides that compensation or indemnification for damages derived from the violation of the rights shall in no case be less than 40 per cent of the public sale price of each relevant product or the price of the rendered service. Such damages must be collected in a separate civil action. It is worth noting that contrary to copyright cases, for patent matters civil actions cannot be initiated before the infringement action initiated at the MIIP becomes *res judicata*.

x Appellate review

After the first instance trial, 45 business days are provided to appeal the MIIP's resolutions, and after the second instance trial is decided, there are 15 business days to appeal FTCTAM's judgments at a federal circuit court via an *amparo* appeal.

It is important to mention that there are no hearings in these procedures. All arguments have to be submitted in writing when filling the appeal or when filling the relevant response. Moreover, there are no *de novo* hearings under Mexican law. According to the Federal Law of Administrative Procedure, the FTCTAM may analyse and decide on the formal and substantive grounds of each case.

The FTCTAM takes approximately five months to render a decision once the closing arguments have been filed. A federal circuit court takes around five months to rule once the relevant magistrate has been elected to resolve the case.

xi Alternatives to litigation

The parties may settle at any time before and during the prosecution of the infringement action. Although not commonly used, the parties may choose to undergo an arbitration procedure for solving their disputes.

V TRENDS AND OUTLOOK

Mexico continues to sign international agreements to align its internal regulations and practices with international practices. Mexico has been very active in implementing patent prosecution highway (PPH) programmes for accelerated patent examination. PPH programmes are currently available in the following jurisdictions: Canada, China, Japan, Korea, Singapore, Spain, the United States and the European Patent Office.

Mexico is part of the Trans-Pacific Partnership Agreement signed on 4 February 2016. This agreement is in the process of being ratified by Mexican Congress. If the agreement enters into force, it would impose a number of obligations, possibly including accession to the Hague Agreement Concerning the International Registration of Industrial Designs and the 1991 UPOV Act. The agreement contains provisions that may impact the local patent system, such as: patent term extensions; data protection for pharmaceutical, agrochemical and biotechnological products; and publication of the patent prosecution history before grant.

Appendix 1

ABOUT THE AUTHORS

VICTOR GARRIDO

Dumont Bergman Bider SC

Victor Garrido is manager of the technical department at Dumont Bergman Bider SC. He is an industrial chemical engineer, with specialisation in polymers and in intellectual property law. He has been involved in patent matters for 15 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 organisations, such as the AMPPI, AIPPI and AIPF. He speaks Spanish and is fluent in English.

DUMONT BERGMAN BIDER SC

Avenida Insurgentes Sur 1898, Pent Office, 21st Floor Colonia Florida 01030 Mexico City Mexico

Tel: +52 55 5322 6230 Fax: +52 55 5661 3056 vgarrido@dumont.com.mx mail@dumont.com.mx www.dumont.com.mx