

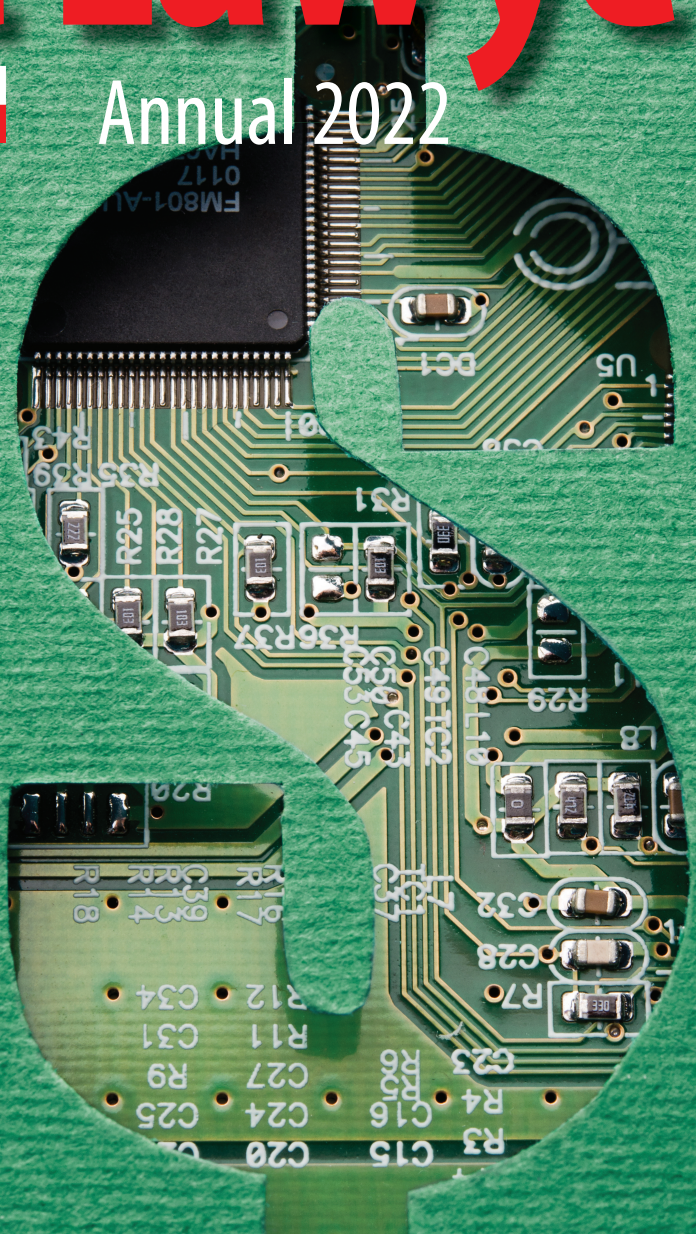
# The Patent Lawyer

GLOBAL REACH, LOCAL KNOWLEDGE

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Annual 2022

## Keeping up with Fintech: patent filing strategy



Hui Li, Partner at Beijing Sanyou IP Agency Ltd., provides an informative update on the developments of Fintech and provides guidance for developing a successful strategy for patenting in this field.

**Interview:**  
**Robert Mino,**  
**Cybin**

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# Patent term adjustments in Mexico

**Sergio Olivares & Mauricio Samano, of OLIVARES, examine the history of Patent Term Adjustments in Mexico from Pipeline Patents to the current Supplementary certificate that is available for patent owners.**

Since the beginning of 2020, businesses around the world have faced unexpected challenges and law firms are no exception to this. The COVID-19 pandemic has made social distancing a necessity and has led us to rethink the way we work. We are now avid users of electronic platforms and spend long hours at the office, which for many is our home office. As a result of the pandemic, almost all patent applications in Mexico are now filed through the official online platform, which has been perfected by the Mexican PTO and works smoothly.

Also, on November 5, 2020, a new Mexican IP law entered into force, which contains numerous modifications to the previous law. This completely new Mexican IP law elaborated on many practices currently performed by the Mexican Patent Office (IMPI) and clarified many gray areas that were present in the previous law. As it relates to inventions, this new law incorporated several positive changes, which are in line with the requirements of the new U.S. Mexico Canada (USMCA) Treaty, such as the possibility of applying for a patent term adjustment in the case of unreasonable delays (more than five years between the filing date in Mexico and the date of grant), directly attributable to IMPI during the prosecution of a patent application. Of course, this was well-received by IP



practitioners and owners of patent rights, and it demonstrates that Mexico is heading toward a more harmonic IP protection system that meets international standards.

On the other hand, in the context of COVID-19, patent term extensions have become worrisome for some countries, such as Brazil, in which their Supreme Court ruled that patent extensions are unconstitutional and applied this provision retroactively for pharmaceutical patents.

Ahead is some of the history of patent term adjustments in Mexico, given that this has not been an isolated experience.

## Pipeline patents, Mexico's first experience

Prior to 1991, the IP law that was in force had been on the books and enforced since 1976. This 1976 law was significantly limited and pharmaceutical inventions, among others, were not considered patentable subject matter.

At that time, Mexico was negotiating the North American Free Trade Agreement (NAFTA) with the U.S. and Canada, a situation that triggered a dramatic change to the state of IP in Mexico, with a new IP law that was published in the Official Federal Gazette on June 27, 1991, which was then modernized to generally comply with the IP chapter of NAFTA.

In this new law, pharmaceutical inventions, among others, were now

considered patentable. This 1991 law contained a new concept for providing so-called 'pipeline protection' for patents that had fallen in the public domain, since they had not been considered patentable in the previous law of 1976, which was included in the 12th Transitional Provision of the 1991 IP Law.

In the 1991 Law, the conditions for obtaining Pipeline protection were the following:

- The corresponding Mexican patent application had to be filed within 12 months of the enactment of the law and should have been filed by the first applicant of the corresponding foreign application or by the assignee thereof.
- The applicant had to prove they had filed the application in any of the member countries of the PCT or had to prove they had obtained the corresponding patent.
- The exploitation of the invention, or the import on a commercial scale of the patented product or of the product obtained by the patented process, must not have been initiated by any person in Mexico prior to the filing of the application in Mexico.

The last paragraph of the 12th Transitional Provision of the 1991 IP Law read that *"The term of the patents granted under the provisions of this article will end on the same date as the patent granted in the country where the first application was filed, but the term will never exceed 20 years as of the filing date in Mexico."*

Based on the above provision, patents were granted following the term granted in the country where the first application was filed, and a correction of up to 20 years, as of the Mexican filing date, could be granted by the Federal Courts as a consequence of litigation. Of the total amount of pipeline cases that were litigated, our firm achieved patent term corrections in 12 of them of a total of around 20 that were litigated.

This was Mexico's first experience with patent term adjustments and ended many years ago, as the patents that qualified for such adjustment also ended many years ago.

### Supreme Court of Justice case. Compensation due to unjustified delays

On October 14, 2020, the Mexican Supreme Court ruled for the first time that the owner of a patent (in this case Bayer) should be compensated by an adjustment in the life-term of the patent due to unreasonable delays by the Patent Office. It is important to clarify that this Supreme Court decision was a divided one



Sergio Olivares



Mauricio Samano

## Résumés

### Sergio L. Olivares, Jr., Partner

Sergio Olivares, Jr. joined OLIVARES in 1987 and today leads the firm with strength and a commitment to transparency, client satisfaction, and personal service. He has been a partner since 1994 and Chairman of the Management Committee since 2009. Mr. Olivares' breadth of experience is extensive; he is skilled in the prosecution and litigation of intellectual property rights. He is proficient across all areas of intellectual property law but works most closely with the firm's Patent Group. Mr. Olivares is highly recommended by leading industry publications and directories as a leader in IP. He has been influential in ensuring that Olivares remains highly innovative, helping to support the firm's effort to add new practice areas and industry groups enabling the firm to offer its clients a more comprehensive approach. Mr. Olivares has played a key role in the establishment of many of these new groups, including the Regulatory and Administrative Law Groups and the Life Science & Pharmaceutical and Information Technology Industry Groups. After his graduate work, Mr. Olivares trained with two prominent IP law firms in New York City—Morgan & Finnegan and Kenyon & Kenyon—before joining Olivares. This deep understanding of US intellectual property law allows him to offer clients clear comparative analyses of the US and Mexican legal systems and to explain complex matters in a way that suits the needs of the firm's international clients.

### Mauricio Samano., Engineer

Mauricio Samano works in the patent department of our firm. His work at OLIVARES mainly focuses in prosecuting Chemical, Biotechnological and Pharmaceutical patent applications, as well as in providing technical opinions regarding patent infringement. He has experience in conducting state of the art searches and drafting patent, utility model and industrial design applications. Additionally, he has participated in interviews with examiners of the Mexican Institute of Industrial Property (IMPI) and the United States Patent and Trademark Office.

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(three vs two), and since it was not unanimous, it did not become jurisprudence and was not binding. Thus, any other party that sought such compensation would have to independently litigate.

The rationale of the Supreme Court was that NAFTA provided that a life term of a patent could be of 17 years as of the granting day of a patent. Thus, it was suitable to compensate the life term of the specific patent subject matter of that litigation (which was granted under NAFTA and the previous 1991 IP Law) so that it is in force for 17 years, starting from the date of grant, due to unjustified delays during patent prosecution.

In Mexico, international treaties such as NAFTA have a higher hierarchy than domestic law, which was a key factor in this decision.

The Supreme Court ordered IMPI to issue an official communication and establish the term of validity of the specific patent in that particular case, according to the 17 years from the granting date, as established by NAFTA.

Since the decision was not binding to IMPI, it is expected that IMPI will not adopt the criteria to compensate life term patents in similar cases without a court order. For the Mexican Courts, the precedent is not binding either, but highly persuasive.

The decision was surprising by all measures, especially considering that the new Mexican IP Law had already been approved by Mexico's congress and senate and was scheduled to be published on November 5, 2020. The new IP law already contemplated patent term adjustments due to unreasonable delays by the Patent Office and even specified the timeframes for deciding when patent term adjustments would apply.

### Supplementary Certificate of life term correction due to delays in prosecution

On November 5, 2020, the new IP Law (LFPPI) entered in force in Mexico and included a scheme to address patent term adjustments derived from unjustified delays by IMPI in prosecuting and granting patents by way of a "supplementary certificate."

The main features of this supplementary certificate are as follows:

- The duration of the supplementary certificate should not exceed five years.
- The patent holder may request a supplementary certificate only once, by a brief that complies with the requirements set forth in the IP Law and its Regulations.
- The application must be submitted independently, when replying to the notice of allowance.
- When the granting of the



**Patent owners can now be compensated in case of unreasonable delays directly attributable to the IMPI.**



supplementary certificate is authorized, IMI will notify the applicant so that, within a period of one month, the proof of payment of fees corresponding to the issuance of the certificate's title is submitted.

Additionally, for the processing and resolution of an applicant's request for a supplementary certificate filed before IMPI, the following conditions should be met:

- The prosecution of the patent should have exceeded five years, otherwise, IMPI will resolve the inadmissibility of the petition.
- If the prosecution of the patent has exceeded five years, IMPI will determine the amount of time that corresponds to 'reasonable delays' and will subtract that amount from the prosecution period.
- If the time calculated for the reasonable delays is less than five years, IMPI will reject the request for a supplementary certificate.
- If the time calculated after considering reasonable delays is still greater than five years, IMPI will determine the number of days that corresponds to an unreasonable delay, which will be included in the extension listed in the supplementary certificate, as an extension valid for one day for each two days of unreasonable delay.

The LFPPI considers the following to be reasonable delays:

- I. The period that elapses between the date of receipt and the date of the favorable resolution of the formal examination;
- II. The periods attributable to actions or omissions of the applicant, tending to delay the procedure for granting the patent and the extensions to answer deadlines;
- III. The periods not attributable to actions or omissions of IMPI or that are beyond its control, such as those that pass in the substantiation of any means of administrative or jurisdictional challenge or that derive from them; and
- IV. The periods attributable to force majeure or fortuitous events.

Any other delays attributable to IMPI are those that will be considered as not reasonable and will be considered for the supplementary certificate. An example is if IMPI issues the first office action more than six years after the filing date in Mexico.



These new provisions will apply to patent applications that are filed starting from November 5, 2020, so there will be quite some time before we see a petition for a Patent Term Adjustment under the new IP law. Seeing how this will work in practice and celebrating that patent owners can now be compensated in case of unreasonable delays directly attributable to the IMPI is certainly something to look forward to.

### Mexico's current prosecution scenario and future expectations.

IMPI has significantly reduced the backlog for patent applications and is issuing the first office action in some cases less than two years after the filing date in Mexico.

Also, options for expediting granting such as the well-known PPH agreements that IMPI has with several patent offices around the world have proved to be very useful in getting patent applications allowed as quickly as two-three months after a PPH request is filed.

Furthermore, IMPI has recently signed a Parallel Patent Grant (PPG) with the USPTO, which contemplates the possibility of obtaining an expedited grant in Mexico based on a published US patent. Unlike the PPH, participation in the PPG program is not requested by the applicant. In the PPG, IMPI will issue an office action in which they will invite the applicant to participate in this program and adapt the set of claims to those that issued in the corresponding US patent. This office action is one of the four

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**Mexico is on the fast track to having several options to accelerate granting.**  
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office actions that IMPI issues per each application, and if the applicant accepts participation in the PPG program, the notice of allowance would follow. Even though it is not necessary to file a request for participation in the PPG, if the applicant is interested in voluntarily participating in the PPG program, they can do so by filing a voluntary amendment and adapting the Mexican claims to those of the corresponding issued US patent.

In short, Mexico is on the fast track to having several options to accelerate granting, and for those cases that indeed end up being forgotten, the applicant will now have options to receive compensation through the issuance of the Supplementary Certificate.

One item remains pending in Mexico's new IP law, and this is patent term adjustment due to regulatory delays. Since this is also contemplated in the recently signed USMCA, Mexican law will have to incorporate it within the next four and a half years, starting from the date the USMCA entered in force, on July 01, 2020.



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