

Brazilian Supreme Court has finally put an end on the constitutionality judgement of the patent extended term provision

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The Brazilian Supreme Court has just finalized the judgment of the lawsuit that challenged the constitutionality of the sole paragraph of Article 40 of the Brazilian Patent Law , after four long sessions with high repercussion in the local media. This legal provision allowed a minimum term of 10 years for patents, counted from the granting date, as a compensation for patentees in cases where there was an excessive delay of the Brazilian Patent Office (BPTO) to exam and grant the patents.

Last week, the Brazilian Supreme Court has decided that the sole paragraph of Article 40 is unconstitutional, which means that all patents granted from now on will be valid for a 20 years term counted from its filing date, without a minimum validity term after grant if the exam takes more than 10 years.

However, the extension of the effects of such decision was only defined in this last session (May 12). In short, the Supreme Court decided that patents that have already been granted (with the benefit provided by such sole paragraph) are not affected by this decision, so their validity term will remain the same, with a term of 10 years counted from the granting date, except for those patents related to pharmaceutical products and processes, as well as equipment and materials for use in healthcare, which will have their validity reduced based on a retroactive (*ex tunc*) effect.

According to data provided by the BPTO, there are approximately 36,000 patents in force in Brazil that were granted with the benefit of the sole paragraph of Article 40 of the Brazilian Patent Law. The Supreme Court estimated that only 11% of the patents granted with the benefits of such extended term belongs to the pharmaceutical/healthcare area (around 4,000 patents). Consequently, around 32,000 patents that were granted with the benefits of such extended term will have their term safely maintained in Brazil.

The decision also made clear that licensing rights covered by contracts involving such affected patents will be preserved up to April 7, 2021, date in which the preliminary injunction granted in this lawsuit was disclosed .

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