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The effect of design space on patent grant and recognition for designs

Dr. Yongqiang Qi, Partner and Patent Attorney at Corner Stone, examines the latest judicial interpretation and what it means for design.

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Brazil: a discussion more current than ever on patent validity terms

Ana Paula Affonso Brito, Attorney at Law and Partner of Montauray Pimenta, Machado & Vieira de Mello, looks at the discussions around patents validity terms and the implications on the development of a COVID-19 vaccine and innovation.

The topic of patents in Brazil is always a minefield filled with heated discussions and extreme stances. Today, in an increasingly polarized world, the discussion of patents has also fallen victim to ideological extremes.

And as if the friction related to patents could not get worse, there is nothing like a worldwide pandemic to further heat the debate. Because access to medicines is directly linked to price, which in turn is directly linked to the existence or not of a current patent to protect a specific drug, the COVID-19 pandemic has put pressure on the patent system in this country.

Yet this is not a situation unique to Brazil, as other countries, including the United States, grapple with patent law protections and health issues stemming from the COVID-19 pandemic. The need for large pharmaceutical companies like Moderna, Pfizer, and AstraZenica to deliver an effective vaccine for the COVID-19 virus is dire.

However, legal issues revolving around patent rights have presented potential obstacles to the rollout of a vaccine to combat the pandemic. Namely, Moderna's COVID-19 vaccine has cleared most of the legal issues surrounding its patents but may run afoul of patents owned by Arbutus.¹ Additionally, until many of the pending disputes between Moderna and Arbutus are resolved, the distribution and sale of their vaccine that is desperately needed may inadvertently open up countless others to infringement liability.

Obviously, the goal of saving lives and ending the pandemic is pushing pharmaceutical companies and their partners, like the U.S.



Ana Paula Affonso Brito

“Legal issues revolving around patent rights have presented potential obstacles to the rollout of a vaccine.”

government, manufacturers, distributors, hospitals, and the like, to push forward with vaccine development, regardless of the legal implications.² And yet, the unresolved patent issues with respect to COVID-19 vaccines and the underlying patent protections will present unique challenges when and if potential infringement is found and then levelled against violators simply trying to do the right thing.

Similarly, in Brazil, the pandemic has inflamed passions as much as it has created competing opinions on patent protections.

A recent study on economics appointed that “while the term of a pharmaceutical patent is 20 years in other countries, in Brazil the average duration is 23 years, and are cases that it extends beyond 28 years”. In another study³ it is said that: “Brazilian legislation gives companies an extra benefit that was not anticipated [in the international treaty that determined two decades as standard time]”, says economist Julia Paranhos, coordinator of the study.

Is this really so? Are patents really the greatest villains of humanity? Do patents hinder people from gaining access to medicines? Is Brazil a country that abusively grants excess rights to patent holders?

In the wake of the COVID-19 pandemic, the discussion has now become even more fierce and controversial than in the past, creating an emotional response to the issue. Instead of discussing the matter in a technical and rational way, political issues involving social justice and sector specific interests (i.e. the pharmaceutical industry) are cropping up.

The friction caused by this discussion on



patents has reached its boiling point. This is due in part to the Supreme Court (STF), which is about to analyze the alleged unconstitutionality of a section of the patent law in view of a motion called Direct Plea of Unconstitutionality #5529 (ADI #5529), filed by the Federal District Attorney's Office back on May 17th, 2016. The measure challenges the sole paragraph of Article 40 of the Brazilian Patent Law, which provides for a minimum term of 10 years of validity of patents after their grant by the Brazilian Patent Office.

The article in question is a novelty of the 1996 Brazilian Industrial Property Law (Law no 9.279/96) in relation to the previous legal text and aims to ensure that the holder of a patent is not harmed by an excessive delay in processing his application with the INPI. It is a safeguard meant to remedy problems arising from the unjustified delay of the INPI. Therefore, the provision will not be applied if the INPI examines the request within a reasonable time or if it is prevented from examining it due to a judicial pending or for reasons of force majeure.

This rule determines that patent validity dates "will not be less than ten years for invention patents and seven years for utility models, counted from its grant date, except in cases where the BPTO cannot move forward with the merit examination for pending litigations or force majeure". Such provision implements section 62.2, of the TRIPS Agreement setting forth that patent owners will have the right to obtain the exclusive exploitation of their invention by a minimum period of 10 years.

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- 1 <https://www.law.com/newyorklawjournal/2020/09/14/patent-issues-highlight-risks-of-modernas-covid-19-vaccine/?sreturn=20201102131035>
- 2 <https://www.law.com/newyorklawjournal/2020/09/14/patent-issues-highlight-risks-of-modernas-covid-19-vaccine/?sret=20201102131035>
- 3 http://www.abifina.org.br/revista_facto_materia.php?id=770 Julia Paranhos, coordinator of the study

Résumé

**Ana Paula Affonso Brito,
 Attorney at Law and Partner**

Ana Paula is a trial Lawyer, who has been working with Intellectual Property litigation matters since 2001. She has extensive expertise in litigation before Brazilian Federal and State Courts, acting for both domestic and international clients.

Ana Paula's diverse practice includes the evaluation of potential litigation risks, collaborating with corporate departments, developing mitigation solutions and litigation strategies, as well as handling and monitoring of complex litigation matters.

Ana Paula has litigated diverse cases involving patents, trademarks, copyrights, domains, designs and unfair competition law. She assists clients across different fields of activity and technologies, such as pharmaceuticals, telecom, house appliances, crop science, cosmetics, fashion, food, mechanical, oil and gas, machinery, software, among others.

Ana Paula actively participates in several national and international IP associations and is the author of numerous articles in her area of expertise.

The constitutional challenge was filed in 2016 by the Public Prosecutors Office (acronym "PGR"), one of the entities entitled to file a constitutional case with the Supreme Court. In a nutshell, PGR develops the argument that the sole paragraph of article 40 would work as a tool to extend the term of patents in Brazil. It defends the application of the 20-year term from the filing date for all cases, grounded on the Patent Statute and on the TRIPS Agreement, arguing that the extended patent term affects society, consumers, and the local industry. PGR filed the case based on a previous case filed by ABIFINA (Association of Generic Pharmaceutical Industries).

Some aspects seem to be overlooked in the middle of the discussion, such as that the respective law provision is not restricted to pharmaceutical patents, but for all fields of technology. Patents in the telecommunications area, for instance, have been granted after decades of examination, sometimes even after the underlying technology has already become obsolete. Therefore, the "10 years minimum validity term" is a safe disposition to encourage filings and innovation in Brazil.

Another point that needs to be addressed is that this provision was included in Brazilian legislation after 5 years of the bill's discussion in the Brazilian Congress, being questioned now, over 30 years after the IP law initially came into effect. This development has had the impact of causing a great deal of legal uncertainty and uncertainty for many innovators and patent holders.

That is why, different stakeholders endorsed the legality of such provision and raised strong arguments on behalf of the validity of such section, including the Brazilian IP Association (ABPI) which has recently published a full page MANIFESTUM in the in favor of innovation and of the possible maintenance of the exceptional term of patents in Brazil provided in sole paragraph or Article 40.

The current President of ABPI, Mr. Luiz Edgard Montauray Pimenta, states that "as a matter of fact, the Article 40, sole paragraph provision should hardly ever be applied [in this manner] being only a guarantee for a minimum 10-year patent term[.]

As of August 2019, the Brazilian Patent Office has implemented a program through which they seek the elimination of the long-standing patent backlog, which has been contested on a regular basis for several years, including before the courts.⁴ Indeed, the ABPI has been accepted in the position of amicus curiae, by the Supreme Court in the referred lawsuit.

Governmental authorities such as the Country's President Office, the Brazilian Congress, and the



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Does Brazil intend to reduce any protection to the inventor going forward?
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Chief Federal Attorney (AGU) presented briefs supporting the constitutionality and maintenance of the Article 40, sole paragraph, of the Brazilian Patent Law.

What needs to be said is that Brazil has a history of not privileging industrial property, despite being a signatory to International IP agreements, like TRIPS. Investors have been pushed away for decades either because of the lack of a culture of innovation in all segments of society, or because Brazil has a long tradition of bureaucracies and obstacles for entrepreneurs. One strong example is the Brazilian Patent and Trademark Office's (INPI) considerable backlog and its pendency problems.

The question is: does Brazil intend to reduce any protection to the inventor going forward? The TRIPS agreement establishes that patents must be valid for at least 20 years. No doubt, trips is a minimum guarantee agreement. But if it is minimum guarantee, it is also acceptable that each country may adjust its legislation to local needs in order to guarantee the minimum protection and that is the rationale for how Article 40, sole paragraph, was conceived.

⁴ <https://www.lexology.com/library/detail.aspx?g=6c53e63e-68d9-44b1-b7ba-4a226da7b7eb>, Luiz Edgard Montauray Pimenta, president of ABPI- October 20 2020

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