

GETTING THE DEAL THROUGH - PATENTS 2010

PATENT ENFORCEMENT PROCEEDINGS

1 LAWSUITS AND COURTS

WHAT LEGAL OR ADMINISTRATIVE PROCEEDINGS ARE AVAILABLE FOR ENFORCING PATENT RIGHTS AGAINST AN INFRINGER? ARE THERE SPECIALISED COURTS IN WHICH A PATENT INFRINGEMENT LAWSUIT CAN OR MUST BE BROUGHT?

The only competent authority to hear and decide a patent infringement suit is the administrative authority known as the Mexican Institute of Industrial Property (IMPI). IMPI is located in Mexico City; it operates there and in three other Mexican cities. Consequently, administrative infringement suits are always heard in the first instance by an administrative authority. Appeals against IMPI decisions can be brought either before a specialised IP section at a federal administrative court, or before federal district judges. Decisions by either court can be appealed in a final stage before federal circuit courts.

After an infringement has been declared beyond shadow of appeal, the plaintiff may pursue a civil action for damages. The plaintiff must choose a federal or state court unless the patent infringement affects government interests, in which case jurisdiction will be granted to a federal court. The plaintiff will have to follow the rules established in the Code of Civil Procedure to determine the judge with proper jurisdiction.

2 TRIAL FORMAT AND TIMING

WHAT IS THE FORMAT OF A PATENT INFRINGEMENT TRIAL?

A patent infringement action has three main litigation stages: first, once a suit has been brought, it is served on the alleged infringer, who then has 10 working days to respond and bring a counterclaim; then the response is served on the plaintiff for allegations, and all evidence is analysed; and finally a decision is issued. This decision can be challenged before federal courts.

There are several other considerations in patent litigation. These include preliminary measures, the nature of the counterclaim and the nature of the evidence filed. Public documents can be filed and are considered the main source of evidence in patent infringement suits.

Under the general principles of Mexican law, the burden of proof lies with the person who brings an action. Thus, a plaintiff in patent litigation is required by law to prove the existence of the infringement. In this respect, the Industrial Property Law (IPL) does not regulate the manner in which an infringement is to be proven. The Federal Code of Civil Procedure is applied as a supplement to the IPL.

Under the Federal Code of Civil Procedure, the following are accepted as evidence:

- depositions;
- public documents;
- private documents;
- expert testimony;
- judicial audit or inspection;
- witnesses;
- photographs, writs, and stenographic notes, and in general all other elements stemming from scientific discoveries; and
- presumptions.

The IMPI has, however, rejected depositions and testimonial evidence unless they are in an affidavit.

Affidavits will not be considered a primary source of evidence. Mexican law does not permit live testimony or cross-examination of witnesses. Expert testimony can be filed as documentary evidence or as an on-trial report. IMPI also appoints its own experts to determine the grounds of an infringement action.

IMPI is an administrative authority. There is no judge or jury participation in

patent infringement actions. The proceeding before IMPI usually lasts 12 to 18 months. The whole proceeding, including appeals, will last around three years.

3 PROOF REQUIREMENTS

WHAT ARE THE BURDENS OF PROOF FOR ESTABLISHING INFRINGEMENT, INVALIDITY AND UNENFORCEABILITY OF A PATENT?

The IPL grants patentees the right to the exclusive exploitation of the patented invention. Therefore, a patent gives the right to exclude others from making, using, offering for sale or importing the covered invention. In a patent infringement action, the plaintiff must prove the following:

- ownership or recorded licence over a granted, valid and fully in-force patent – generally, a certified copy of the ‘file wrapper’ of the patent prosecution is enough to prove these requirements. Validity of the patent may be challenged by the defendant;
- that someone is using, making, offering to sell or importing the patented invention – the IPL establishes direct infringement over the manufacturer. Infringement against sellers requires evidence of prior notice of the alleged infringement. When a plaintiff claims infringement of a patented process, the defendant has the burden of proving the use of a different process other than the patented process. There are no grounds in the IPL to apply the contributory infringement doctrine;
- use of the patented invention – pursuant to the IPL, only literal infringement is recognised. No doctrine of equivalence applies. The plaintiff must prove that the wording of the patent’s claim or claims cover the alleged infringing product or process. First, the plaintiff must define the scope of the approved claims. The IPL provides that the span of the claims is determined by the wording of the claims, aided by the description and drawings. The interpretation of the claims and the use of the patented invention on the infringing product or process are technical issues. Therefore, infringement actions may require expert evidence even though the technical department of the Patent Office will provide a report to its legal team; and
- non-authorised use – the burden of proving authorisation is on the defendant.

The doctrine of implied licence has never been tested before the Mexican courts.

For unenforceability and invalidity claims, the burden of proof is as follows:

NON-INFRINGEMENT

The basis of this defence is that the proper interpretation of the patent claim does not catch the alleged infringing product or process.

CHALLENGING THE VALIDITY OF PATENTS

Under the IPL, patents are valid until the contrary is proven.

One of the most common defences in patent litigation in Mexico is to attack the validity of the allegedly infringed patent. As the patent exists, an administrative resolution is required to declare its annulment. This defence must be alleged when answering the plaintiff's claim, but by means of a counterclaim. IMPI will give notification of the counterclaim to the party who filed the original complaint. Both the infringement claim and the counterclaim should be resolved simultaneously to preclude the possibility of contradictory outcomes. The grounds for invalidating a patent, as established in article 78 of the IPL, are the following:

- (i) the patent was granted in contravention of the provisions regarding the requirements and conditions for the grant of patents or registration of utility models and industrial designs. The requirements and conditions for the grant of patents and registration are established in articles 16, 19, 27, 31 and 47 of the IPL;
- (ii) the patent was granted in contravention of the law in effect at the time the patent or registration was granted. A nullity action brought under this section may not be based on a challenge of the legal representation of the applicant when prosecuting and obtaining a patent or a registration;
- (iii) the patent application was abandoned during its prosecution; and
- (iv) the grant of patent was defective because of errors or serious oversight, or it was granted to a person not entitled to it.

The nullity actions mentioned in points (i) and (ii) may be brought at any time.

The actions in points (iii) and (iv) may be brought within five years from

publication of the patent or registration in the *Gazette*.

4 STANDING TO SUE

WHO MAY SUE FOR PATENT INFRINGEMENT? UNDER WHAT CONDITIONS CAN AN ACCUSED INFRINGER BRING A LAWSUIT TO OBTAIN A JUDICIAL RULING OR DECLARATION ON THE ACCUSATION?

Any patentee or licensee (unless expressly forbidden from doing so) has the right to prosecute a suit against a third party infringing his or her rights. A distributor may not bring a suit for infringement. An accused infringer may counterclaim patent invalidity under formal or technical considerations upon receiving the infringement suit before IMPI, but it is not possible to request an additional judicial ruling or declaration.

5 INDUCEMENT AND CONTRIBUTORY INFRINGEMENT

TO WHAT EXTENT CAN SOMEONE BE LIABLE FOR INDUCING OR CONTRIBUTING TO PATENT INFRINGEMENT?

There are no specific grounds in the IPL relating to the doctrine of contributory infringement. Actions may be brought against distributors of an infringing product and provisional measures may be imposed on third parties, to some extent.

6 INFRINGEMENT BY FOREIGN ACTIVITIES

TO WHAT EXTENT CAN ACTIVITIES THAT TAKE PLACE OUTSIDE THE JURISDICTION SUPPORT A CHARGE OF PATENT INFRINGEMENT?

Activities that take place abroad cannot support a patent infringement action in

Mexico per se, unless there is a resulting effect in Mexico, such as the importation of infringing goods.

7 INFRINGEMENT BY EQUIVALENTS

TO WHAT EXTENT ARE 'EQUIVALENTS' OF THE CLAIMED SUBJECT MATTER LIABLE FOR INFRINGEMENT?

Pursuant to the IPL, only literal infringement is recognised. No infringement under the doctrine of equivalence is expressly provided for. The plaintiff should prove that the wording of the patent claim covers the alleged infringing product or process.

8 DISCOVERY OF EVIDENCE

WHAT MECHANISMS ARE AVAILABLE FOR OBTAINING EVIDENCE FROM AN OPPONENT, FROM THIRD PARTIES OR FROM OUTSIDE THE COUNTRY FOR PROVING INFRINGEMENT, DAMAGES OR INVALIDITY?

Mexican law does not contemplate the possibility of discovery as such. Accordingly, a plaintiff must provide IMPI with all available evidence to prove infringement, damages or invalidity. There is, however, a possibility of acquiring documentation during an inspection visit. During process patent suits, the defendant has to provide evidence that the process used is different from the one covered by the patent claims.

9 LITIGATION TIMETABLE

WHAT IS THE TYPICAL TIMETABLE FOR A PATENT INFRINGEMENT LAWSUIT IN THE TRIAL AND APPELLATE COURTS?

The initial stage before IMPI of a patent infringement action will usually take between 12 and 18 months. After IMPI has issued a decision, the first stage of appeal before an administrative court usually takes around 12 months. A final stage of appeal before a circuit court will take between six and eight months.

10 LITIGATION COSTS

WHAT IS THE TYPICAL RANGE OF COSTS OF A PATENT INFRINGEMENT LAWSUIT BEFORE TRIAL, DURING TRIAL AND FOR AN APPEAL?

Fees for the preparation and filing of a patent infringement lawsuit are around US\$6,000. During the course of the trial, fees are charged on an hourly basis. The preparation, filing and follow-up during the further stages of appeal has a similar cost. In normal circumstances, there are two stages of appeal after IMPI's decision. In making a cost calculation, experts' fees also have to be taken into account.

11 COURT APPEALS

WHAT AVENUES OF APPEAL ARE AVAILABLE FOLLOWING AN ADVERSE DECISION IN A PATENT INFRINGEMENT LAWSUIT?

The main available avenue of appeal is a nullity trial before the Federal Court for Tax and Administrative Affairs (FCTAA), which is an administrative court. The affected party can also file a review recourse before IMPI. The review recourse will be decided by a higher-ranking officer within IMPI's structure.

12 COMPETITION CONSIDERATIONS

TO WHAT EXTENT CAN ENFORCEMENT OF A PATENT EXPOSE THE PATENT OWNER TO LIABILITY FOR A COMPETITION VIOLATION, UNFAIR COMPETITION, OR A BUSINESS-RELATED TORT?

This is a relatively new field. There is no precedent in Mexico of antitrust, unfair competition or business-related tort actions brought against patentees for the use of a patent. Courts generally consider that the use of a state-given right cannot constitute a violation in these areas.

Nevertheless, an action could theoretically be brought for activities falling outside the scope of a patent, such as non-competition agreements for products that are not covered by the claims, product-tying within that scope, or unfair competition activities such as advertising that a product is better than an alternative for the sole reason of it having a patent. Actions could also be brought before the Antitrust Commission for other forms of abuse of patent rights, such as clearly unfounded attempts to enforce a patent.

13 ALTERNATIVE DISPUTE RESOLUTION

TO WHAT EXTENT ARE ALTERNATIVE DISPUTE RESOLUTION TECHNIQUES AVAILABLE TO RESOLVE PATENT DISPUTES?

Alternative dispute resolution methods are available in Mexico but they are not commonly used even though specialised firms provide these services for patent and trademark disputes.

There are no provisions requiring the mandatory use of an alternative dispute resolution method before bringing a patent infringement action.

SCOPE AND OWNERSHIP OF PATENTS

14 TYPES OF PROTECTABLE INVENTIONS

CAN A PATENT BE OBTAINED TO COVER ANY TYPE OF INVENTION, INCLUDING SOFTWARE, BUSINESS METHODS AND MEDICAL PROCEDURES?

Article 19 of the Industrial Property Law (IPL) explicitly excludes methods for doing business and computer programs from patentability as they are not considered to be inventions. On the other hand, IMPI has established that for an invention to be patentable it must have a technical and tangible effect. Even though no case law or guidelines have been developed in Mexico in connection with the patentability of computer programs and business methods, the criteria adopted by IMPI for allowing these type of cases establish that the invention is patentable as long as the computer program or the business method is not claimed per se and that a technical and tangible effect is obtained by using the invention. The validity and scope of protection of computer-related inventions, business methods and e-commerce patents are still to be tested before IMPI and the courts.

Article 19 of the IPL excludes medical procedures from being the subject matter of an invention. A patent can, however, be obtained for a therapeutic method by drafting the claims in the 'Swiss-style' format – ie, by claiming the medical use of the compound for the treatment of a specified illness.

15 PATENT OWNERSHIP

WHO OWNS THE PATENT ON AN INVENTION MADE BY A COMPANY EMPLOYEE, AN INDEPENDENT CONTRACTOR, OR MULTIPLE INVENTORS? HOW IS PATENT OWNERSHIP OFFICIALLY RECORDED AND TRANSFERRED?

According to article 9 of the IPL, an individual or the assignee of an individual who makes an invention, utility model or industrial design will have the exclusive right of working it for his or her benefit, either by him or herself or by authorised third parties.

Mexican labour law establishes that in cases where an employee is hired to conduct research and development, an invention resulting from such activities belongs to the employer. The employer, however, must compensate the employee when the profits derived from the invention are not commensurate

with the salary received by the employee. If the employee is hired for other purposes, the invention belongs to the individual. The employer, however, has the first option to purchase or license the invention.

Patent ownership may be transferred among individuals or corporations through the appropriate assignment of rights. To have full effect against third parties, the assignment must be recorded with the Mexican Patent Office.

DEFENCES

16 PATENT INVALIDITY

HOW AND ON WHAT GROUNDS CAN A PATENT BE INVALIDATED?

The validity of a patent may be challenged through a nullity action before IMPI. A patent can be established as invalid by proving that:

- the patent covers subject matter that cannot be regarded as an invention (ie, theoretical or scientific principles, discoveries, schemes, plans, rules, games, business methods – in the abstract – and mathematical methods, computer programs, forms of presenting information, artistic and literary productions, methods of surgical or therapeutic treatment, and juxtaposition of inventions that are known), or is not a product (machine, device or composition of matter), or is not a process;
- the patent does not meet one or more of the patentability standards or conditions, namely novelty, inventive activity or step and industrial application, if the subject matter ab initio qualifies as an invention; or
- the patent was granted in contravention of the law. A patent can be annulled if it does not comply with formal or technical legal provisions.

17 ABSOLUTE NOVELTY REQUIREMENT

IS THERE AN 'ABSOLUTE NOVELTY' REQUIREMENT FOR PATENTABILITY, AND IF SO, ARE THERE ANY EXCEPTIONS?

According to articles 12, 16 and 17 of the IPL, absolute novelty is a requirement for patentability.

Article 18 of the IPL includes exceptions to the absolute novelty bar establishing that disclosure of the invention by the inventor or assignee within a 12-month period prior to the filing of the Mexican application, or the recognised priority, does not constitute a novelty bar, provided that a statement regarding the date, place and means of disclosure is filed together with the Mexican application. Means of disclosure include a trade show, a published article, sales of the product, and so on. Publication of a patent application or issuance of a patent by a foreign Patent Office are the only means of disclosure excluded from the scope of article 18.

18 OBVIOUSNESS OR INVENTIVENESS TEST

WHAT IS THE LEGAL STANDARD FOR DETERMINING WHETHER A PATENT IS 'OBVIOUS' OR 'INVENTIVE' IN VIEW OF THE PRIOR ART?

The standard for determining whether a patent is inventive in view of the prior art is defined in section III of article 12 of the IPL. This section establishes that an inventive activity is a creative process the results of which are not apparent from the state of the art to a person with technical knowledge in that field.

19 PATENT UNENFORCEABILITY

ARE THERE ANY GROUNDS ON WHICH AN OTHERWISE VALID PATENT CAN BE DEEMED UNENFORCEABLE OWING TO MISCONDUCT BY THE INVENTORS OR THE PATENT OWNER, OR FOR SOME OTHER REASON?

Article 22 of the IPL establishes scenarios in which a valid patent is deemed unenforceable. Article 22 states that a patent cannot be enforced against a third

party that:

- in the private academic field, performs, for non-commercial purposes, purely experimental, scientific or technological research, testing or teaching activities, and for this purpose produces or uses a product or process equal to the patented one;
- trades with, acquires or uses the patented product or the product obtained by the patented process, after such product has been legally introduced into trade;
- prior to the filing date of the patent application or the recognized priority date, uses the patented process, manufactures the patented product, or takes the preparatory measures required to carry out such use or manufacture;
- uses the invention in transportation vehicles, from other countries, forming part thereof, when such vehicles are in transit in the national territory;
- in the case of patents relating to living matter, uses the patented product as an initial source of variation or propagation to obtain other products, unless said use is reiterated; and
- in the case of patents relating to products that consist of living matter, uses, puts into circulation or trades with the patented products, for purposes other than multiplication or propagation, after they have been legally introduced into trade by the holder of the patent or by the licence holder.

REMEDIES

20 MONETARY REMEDIES FOR INFRINGEMENT

*WHAT MONETARY REMEDIES ARE AVAILABLE AGAINST A PATENT INFRINGER?
WHEN DO DAMAGES START TO ACCRUE? DO DAMAGE AWARDS TEND TO BE
NOMINAL, PROVIDE FAIR COMPENSATION OR BE PUNITIVE IN NATURE?*

Several administrative sanctions can be imposed on a person found to have infringed a patent. These range from a fine to penal sanctions in the event of recidivism.

The affected party may also bring an additional claim for damages and lost profit, in a civil law action and without detriment to the provisions of article

221bis, which provides:

the repair of material damages or the indemnification of damages and lost profit resulting from a violation of the rights conferred by this law will never be lower than 40 per cent of the sale price to the public of each product or the rendering of services that implies a violation of any one or more of the industrial property rights regulated by this law.

Damages and lost profit start accruing from the date on which the existence of an infringement can be proven. Even though claims for damages involve a lengthy proceeding in addition to the administrative infringement action, the wording of Mexican laws is for awards to provide fair compensation to the affected party.

21 INJUNCTIONS AGAINST INFRINGEMENT

TO WHAT EXTENT IS IT POSSIBLE TO OBTAIN A TEMPORARY INJUNCTION OR A FINAL INJUNCTION AGAINST FUTURE INFRINGEMENT? IS AN INJUNCTION EFFECTIVE AGAINST THE INFRINGER'S SUPPLIERS OR CUSTOMERS?

The IPL provides for the possibility of requesting provisional injunctions whereby IMPI can take certain measures against defendants. These are listed in article 199bis.

If the plaintiff chooses to ask IMPI for a provisional injunction, a bond will be fixed to warrant possible damages to the defendant. This injunction is to be petitioned in writing, and within 20 days from its execution the plaintiff is required to file a formal written claim of infringement. Failure to do so will cause the plaintiff to lose the bond in favour of the defendant. This party has the right to place a counter-bond to stop the effects of the provisional injunction. Defendants have the right to allege whatever they deem pertinent with respect to the provisional injunctions within a term of 10 days from the date of execution.

The provisional injunctions established by the various sections of article 199bis include:

- ordering the recall or preventing the circulation of the infringing merchandise;
- ordering the following to be withdrawn from circulation:
 - illegally manufactured or used articles;
 - articles, packaging, wrapping, stationery, advertising material, and other, similar items that infringe any of the rights protected by law;
 - advertisements, signs, posters, stationery, and other similar articles that infringe any of the rights protected by law; and
 - utensils or instruments destined for or used in the manufacture, production, or obtainment of any of the concepts indicated in the above sub-bulleted points;
- immediately prohibiting the marketing or use of the products with which any rights protected by the law are violated;
- ordering the attachment of the products pursuant to articles 211 to 212bis(2);
- ordering the alleged transgressor or third parties to suspend or cease all acts that constitute a violation of the provisions of the law; and
- ordering a suspension of service or the closure of the establishment when the measures indicated in the preceding paragraphs are insufficient to prevent or avoid the violation of rights protected by the law.

If the product or service is in trade, the merchants or service providers will be required to refrain from selling the product or rendering the service as of the date of notification of the resolution.

The same obligation is imposed on the producers, manufacturers, importers and their distributors, who will be responsible for the immediate recall of the products that are found in trade.

22 BANNING IMPORTATION OF INFRINGING PRODUCTS

TO WHAT EXTENT IS IT POSSIBLE TO BLOCK THE IMPORTATION OF INFRINGING PRODUCTS INTO THE COUNTRY? IS THERE A SPECIFIC TRIBUNAL OR PROCEEDING AVAILABLE TO ACCOMPLISH THIS?

The Mexican IP system does allow for administrative actions to block the importation of infringing products into the country.

The process is brought before IMPI as a regular infringement proceeding,

specifying: the nature of the merchandise and the scope of the relevant patent; the entry port of the merchandise of interest; and the importation petition number, if available.

The customs office also allows for some firms, which handle a large number of cases, to provide them with lists of relevant patents/products, in order to receive forewarning when an importation petition is filed or when the merchandise arrives at the port of entry.

Once the infringement proceeding is filed, IMPI will follow regular procedural rules, and will serve the customs office with a communication restricting the circulation of the allegedly infringing merchandise.

23 ATTORNEYS' FEES

UNDER WHAT CONDITIONS CAN A SUCCESSFUL LITIGANT RECOVER COSTS AND ATTORNEYS' FEES?

Costs and attorneys' fees can be recovered in a civil claim for damages and lost profits. This takes place after IMPI has declared the administrative infringement. The civil courts follow a specific scheme for reasonable attorneys' fees, regardless of whether this table reflects the actual fees charged.

24 WILFUL INFRINGEMENT

ARE ADDITIONAL REMEDIES AVAILABLE AGAINST A DELIBERATE OR WILLFUL INFRINGER? IF SO, WHAT IS THE TEST OR STANDARD TO DETERMINE WHETHER THE INFRINGEMENT IS DELIBERATE?

After an infringement has been declared, the infringer's intention can be taken into account when determining the level of the administrative fine. Depending on the infringer's intention, a higher fine may be imposed. Whereas there is no specific standard or test in either the IPL or court precedents for this purpose, civil courts can take into account previous knowledge or sufficient grounds to

assume knowledge of the existence of the patent right.

25 TIME LIMITS FOR LAWSUITS

WHAT IS THE TIME LIMIT FOR SEEKING A REMEDY FOR PATENT INFRINGEMENT?

IMPI's current criterion is that the time limit for seeking a remedy is during the life term of the patent. Once the patent has expired, an action may not be brought for actions that took place before the end of the life term. Arguably this is an unjust criterion, as there is no clear development of a laches defence regarding these cases. No time limit exists in respect of bringing an infringement action during the life term of the patent.

26 PATENT MARKING

MUST A PATENT HOLDER MARK PATENTED PRODUCTS? IF SO, HOW MUST THE MARKING BE MADE? WHAT ARE THE CONSEQUENCES OF FAILURE TO MARK?

The IPL stipulates that a party is required to have complied with the marking of patented products before that party can bring a civil or criminal action. This requirement also applies to a party bringing an administrative action before IMPI if the party is requesting preliminary measures against the alleged infringer.

The most common form of complying with this requirement is through marking the packaging of a product. Mexican IP law does contemplate the possibility of a party bringing an action without having complied with the marking requirements, provided that the existence of the patent was made known through other means available to the public, such as publications in national newspapers.

LICENSING

27 VOLUNTARY LICENSING

ARE THERE ANY RESTRICTIONS ON THE CONTRACTUAL TERMS BY WHICH A PATENT OWNER MAY LICENSE A PATENT?

There are no restrictions on the contractual terms by which a patent owner is permitted to license a patent. According to article 63 of the IPL, a licence must be recorded with IMPI to be enforceable against third parties. Additionally, article 68 of the IPL states that the person who has been granted a licence, which is recorded with IMPI, will be entitled to exercise legal action to protect the patent rights, as if he or she were the holder, unless otherwise agreed. Article 69 of the IPL establishes that the working of a patent by the person to whom a licence recorded with IMPI has been granted will be deemed to be worked by its holder. Thus, even though it is not mandatory to register a licence, it is advisable to record it with IMPI so that the licensee can exercise his or her legal rights, particularly against third parties.

28 COMPULSORY LICENCES

ARE ANY MECHANISMS AVAILABLE TO OBTAIN A COMPULSORY LICENCE TO A PATENT? HOW ARE THE TERMS OF SUCH A LICENCE DETERMINED?

Article 70 of the IPL states that after three years from the date of grant of the patent, or four years from the filing date (whichever is later) anyone may request the grant of a compulsory licence from IMPI if the patent has not been worked, unless duly justified causes exist. Article 70 also states that a compulsory licence will not be granted when the patent holder or a licensee has been importing the patented product or the product obtained by the patented process. Further, article 69 states that the working of a patent by a licensee will be deemed to be worked by its holder, provided that the licence was recorded with IMPI.

Article 71 of the IPL states that a party applying for a compulsory licence shall have the technical and economical capacity to efficiently work the patented

invention.

Article 72 of the IPL establishes that before the grant of the first compulsory licence, IMPI will provide the patentee with the opportunity to begin working the patent within a term of one year from the date of personal notification given to him or her. Following a hearing with the parties, IMPI will decide on the grant of a compulsory licence. If IMPI decides to grant the compulsory licence, it will set out its duration, conditions, field of application and the amount of royalties that should be paid to the patent holder.

PATENT OFFICE PROCEEDINGS

29 PATENTING TIMETABLE AND COSTS

HOW LONG DOES IT TYPICALLY TAKE, AND HOW MUCH DOES IT TYPICALLY COST, TO OBTAIN A PATENT?

The average time for obtaining a Mexican patent varies depending on the field of technology. Generally, it takes from three to four years to obtain a patent. The cost of obtaining and maintaining a patent in Mexico, from filing to its expiry date, can be anything from US\$5,000 to US\$8,000. Additionally, the cost of Spanish translations of the specification and the cost of any other documents filed in a foreign language during the prosecution of the application need to be taken into account.

30 PRIOR ART DISCLOSURE OBLIGATIONS

MUST AN INVENTOR DISCLOSE PRIOR ART TO THE PATENT OFFICE EXAMINER?

The IPL provides that the invention description should be sufficiently clear and complete so that it can be fully understood and should enable someone having skills and knowledge in the field to implement it. It should also include the best

method known by the applicant to put the invention into practice, if is not clear from the description of the invention. The inventor or applicant does not have an obligation to disclose prior art to the Patent Office examiner.

31 PURSUIT OF ADDITIONAL CLAIMS

MAY A PATENT APPLICANT FILE ONE OR MORE LATER APPLICATIONS TO PURSUE ADDITIONAL CLAIMS TO AN INVENTION DISCLOSED IN AN EARLIER FILED APPLICATION? IF SO, WHAT ARE THE APPLICABLE REQUIREMENTS OR LIMITATIONS?

One or more later applications to pursue additional claims may be filed through divisional applications, provided that the earlier filed application is still pending and that the subject matter of the additional claims is duly supported by the specification as originally filed.

32 PATENT OFFICE APPEALS

IS IT POSSIBLE TO APPEAL AN ADVERSE DECISION BY THE PATENT OFFICE IN A COURT OF LAW?

It is possible to appeal an adverse decision by the Patent Office in a court of law. As with appeals against decisions in infringement suits, the main avenues of appeal against adverse rulings by IMPI are a nullity trial before the FCTAA and appeal before an IMPI higher officer.

33 OPPOSITIONS OR PROTESTS TO PATENTS

DOES THE PATENT OFFICE PROVIDE ANY MECHANISM FOR OPPOSING THE GRANT OF A PATENT?

Mechanisms for opposing or protesting the grant of a patent do not exist in Mexico.

34 PRIORITY OF INVENTION

DOES THE PATENT OFFICE PROVIDE ANY MECHANISM FOR RESOLVING PRIORITY DISPUTES BETWEEN DIFFERENT APPLICANTS FOR THE SAME INVENTION? WHAT FACTORS DETERMINE WHO HAS PRIORITY?

Mexico follows the 'first to file' system. Consequently, there are no mechanisms for resolving disputes between different applicants for the same invention.

35 MODIFICATION OF PATENTS

DOES THE PATENT OFFICE PROVIDE PROCEDURES FOR MODIFYING, RE-EXAMINING AND REVOKING A PATENT? MAY A COURT AMEND THE PATENT CLAIMS DURING A LAWSUIT?

According to article 61 of the IPL, an amendment after allowance is only permitted for correcting obvious errors in the letters patent or for limiting the scope of the claims in the letters patent.

36 PATENT DURATION

HOW IS THE DURATION OF PATENT PROTECTION DETERMINED?

The term of a Mexican patent is 20 years as of the effective filing date of the patent application. For Convention and non-Convention applications, the

effective filing date is the filing date in Mexico. For Patent Cooperation Treaty applications, the effective filing date is the date of filing of the international patent application. Utility models have a term of 10 years from the effective filing date. Design registrations have a term of 15 years from the effective filing date.