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PARTNERS

PATENT YEARBOOK 1996

Mexico has granted protection inventions since 1832. Various laws were promulgated over the following years, until finally in 1991 the current Law was passed. It introduced substantive amendments to improve the protection of industrial property rights which were, at least partially, forerunners of the North American Free Trade Agreement (NAFTA) negotiations. Accordingly, when NAFTA went into effect, significant changes to Mexican legislation were unnecessary. However the changes required to conform to NAFTA were made in 1994.

PATENTABILITY REQUIREMENTS

If we accept as valid the premise that the phrases “inventive step” and “capable of industrial application” are equivalent to “non-obvious” and “useful”, the patentability requirements of the US, Canada and Mexico did not differ greatly prior to the Treaty. Therefore there was no debate on these items among the NAFTA negotiators.

NAFTA’s Article 1709 (I) adopted this position establishing that: “For purposes of this Article, a Party may deem the terms ‘inventive step’ and ‘capable of industrial application’ to be synonymous with the terms ‘non-obvious’ and ‘useful’ respectively”.

Under the Mexican Law of Industrial Property (LIP), “novel” means anything that is not included in the state of the art. This is interpreted as something different from what preceded it. The novelty concept is absolute, since state of the art includes the composite of knowledge that has been published in an oral or written form, exploitation or any other medium of publication or information,

domestically or overseas. The LIP however contemplates a 12-month grace period from the date the invention is first disclosed, within which a patent application may be filed, without the invention losing its novelty. Disclosure of the invention by means of the publication of a foreign patent application or by the grant of a foreign patent, however, constitutes a bar to novelty.

On the other hand, the LIP defines as "inventive step" the creative process whose results are not obviously inferred from the state of the art by someone familiar with the subject matter. This definition is equivalent, to a degree, to the "non-obviousness" principle contemplated in the US Patent Act.

The third patentability requirement is the "industrial application" of the invention. The LIP defines it as the possibility of an invention being produced or used in any field of economic activity, including industry, ranching, fishing, mining, the so-called transformation industry, construction, services of every kind, etc.

PATENTABILITY EXCEPTIONS

NAFTA's Articles 1709(2) and 1709(3) defined the types of inventions which the Parties may exclude from patentability. This issue led to controversy among the negotiators because of the differences that have existed and that still exist in the laws of the three countries. These two precepts reflect the efforts of the member countries directed at conciliating the differences as to what is considered as something non-patentable by each of them.

Article 1709(2) is very broad and somewhat ambiguous. It could be interpreted in several ways, mainly relative to "public order" and "morality".

Notwithstanding the foregoing, Mexican legislation has excluded only:

(i) biological and genetic material as it is found in nature, and

(ii) the human body and the live parts that make up the human body, in addition to the exceptions contemplated in Article 1709(3).

Despite the controversy this precept could generate, it is interesting to note that the fact that it establishes that exclusion cannot be based only on a Party's prohibiting commercial exploitation in its territory of the subject matter of the patent, is a frame of reference.

Article 1709(3) establishes that the Parties may exclude the following from patentability:

(a) diagnostic, therapeutic, and surgical methods for the treatment of humans

or animals;
(b) plants and animals other than microorganisms; and
(c) essentially biological processes for the production of plants or animals other than non-biological and microbiological processes for such production.
Notwithstanding subparagraph (b), each Party shall provide for the protection of plant varieties through patents, an effective scheme of *sui generis* protection, or both.
In addition to the subject matter mentioned in point (a) above, the LIP considers not to be inventions: scientific and theoretical principles; discoveries of something previously existing in nature; schemes, plans, rules and methods for carrying out mental acts, games or business; computer software and forms of presenting information. On the other hand, the same considers not to be patentable:
(I) essentially biological processes for the production, reproduction and propagation of plants and animals;
(II) animal breeds; and
(III) plant varieties.
Comparing the above point (I) with (c), it is observed that under Mexican Law, non-biological processes fall outside the exclusion, but microbiological processes, if they are essentially biological, are considered non-patentable. On the other hand, comparing points (II) and (III) with point (b), it is observed that Mexican Law does incorporate restrictions relative to plants and animals.
As to plant varieties, exhibit 1701.3 of NAFTA establishes that Mexico, (a) will use its best efforts to comply as soon as possible with the substantive provisions of the UPOV Convention, 1978 of 1991, and will do so no later than within two years from the signing of the Treaty; and (b) as of the effective date of the Treaty, it will accept applications from obtainers of plants for varieties in every plant genus and species and will grant protection pursuant to said substantive provisions promptly after complying with the provisions of subparagraph (a).
The provisions of the UPOV Convention have not yet come into effect in Mexico, but the Mexican Industrial Property Institute (IMPI) has been receiving the respective applications.

EXCEPTIONS TO RIGHTS

NAFTA'S Article 1709(6) allows the countries to make exceptions to the

exclusive rights granted by a patent, “provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interest of the patent owner, taking into account the legitimate interests of other persons”.

In this respect, Article 22 of the LIP contains six exception cases: (i) experimental scientific or technological research; (ii) the use and marketing by third Parties of a patented product or obtained from a patented process, once such product has been legally placed on the market; (iii) use of the patent prior to the filing date of the application or recognized priority date; (iv) use of an invention in a transport vehicle pertaining to another country, that forms part of it, when the vehicle is passing through the country; (v) a third Party who, in the case of living matter, uses a patented product as the initial source of variation to obtain other products, unless he uses it repeatedly, and (vi) a third Party who, in the case of living matter, uses or distributes products for purposes other than multiplication and propagation after they have been legally introduced on the market.

Thus it is observed that although the NAFTA provisions is extremely broad, the exceptions to the rights contemplated under Mexican Law have a clearly defined and specific sphere of action.

From all the above it can be concluded that Mexican Patent Law has implemented a system that allows protecting inventions in a fairly broad manner, and has established clear rules in terms of the rights conferred and exceptions imposed. This has now led to increased interest among companies and individuals in protecting their inventions in Mexico.