



# IP year in review Perspectives for 2017 Spain + Latin America

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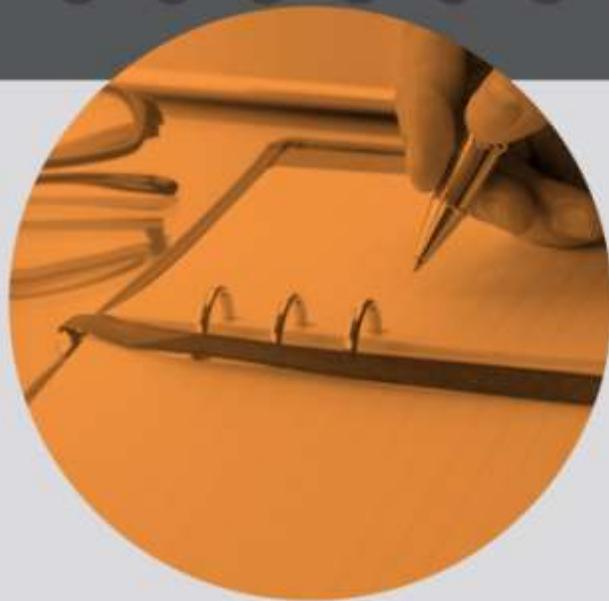
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2016 was a special year for Ungria, as we celebrated our 125th anniversary, since our foundation in Madrid, in 1891.

Thanks to the trust received from our clients, we have developed a far reaching international practice, in particular in Spanish-speaking countries. This publication aims at sharing this experience with you and summarizes the main developments in Patent and Trademark prosecution practice that occurred in Spain and Latin America in 2016.

Before summarizing the many relevant changes experienced last year, we would like to mention a few numbers that illustrate the position of Latin America and Spain in the IP scenario worldwide.

Latin America has been experiencing a continuing increase of Patent and Trademark filings in the past years, resulting in more than 65,000 patents and 650,000 trademarks every year. This results in an accumulated increase, in the last decade, of approximately 27%, which is an increase higher than the European and slightly lower than the American.

Mexico and Brazil are within the 20 most important offices in the world, based on the number of annual filings. In both countries, this increase is mostly attributed to non-resident filings. Something similar happens in other offices, such as Colombia, Peru and Costa Rica.

The region continues to experience a delay in the prosecution of patents and trademarks. This affects the number of Patents granted. Despite efforts to improve this issue, countries like Brazil and Venezuela still experience a significant back-log to examine applications.



93% of granted  
European  
Patents

In relation to Spain, the number of European patents designating Spain has increased by approximately 20% in the last

5 years, even though direct national patents, mostly filed by residents, have experienced a decrease of approximately 5%. Moreover, the majority of granted European Patents designate Spain, which confirms the country's status as crucial in the strategy of applicants to obtain protection for their intangible assets. Clearly, most non-resident applicants search protection in Spain via European Patent Convention.

In relation to industrial designs, national filings have increased more than 8%, whilst the number of national trademarks exceeds 43,000, which is a slight increase compared to previous years. On the other hand, the number of European trademarks filed before the EUIPO in Alicante, Spain, which would have a direct effect in Spain if granted, surpasses 130,000.

Argentina, Uruguay and Paraguay are among the few countries in Latin America and in the world which are still not member

of the PCT. However, it appears that the 3 counties may have had serious discussions, at a parliamentary level, regarding the possibility of joining the PCT. There are still many uncertainties and steps to take, but we may have news soon in relation this.

**PPH program  
between MEXICO,  
CHILE,  
COLOMBIA and  
PERU**



**One of the most notable developments in the Latin American region is the declaration between the representatives of the Patent Offices**

of Mexico, Chile, Colombia and Peru which initiates a PPH pilot program between these countries. This program is expected to be active until 2019, although it may be extended for an additional period of 1 year, before evaluating the results in order to decide whether to implement it permanently.

This program sets forth an accelerated examination of patents already examined by the office of another member of the Agreement, provided that:

- (i) the applications share the same initial date (either the priority date or the filing date),
- (ii) the corresponding application has been substantively examined and has one or more claims considered patentable by the office of the other member state,
- (iii) all claims (as filed or amended) sufficiently correspond to one or more claims considered as patentable by the office of the other member state,
- (iv) the application has been published; and
- (v) the examiner has not been appointed yet.

It may be too soon to evaluate the results of its implementation. However, it is a noteworthy sign of cooperation between countries and an effort to accelerate prosecution.

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## One of the most notable changes in Spain is the approval of the new Patent

Law, which will enter into force on April 1st, 2017. The aim of this new law is to adapt the current legal framework to the current needs (the current law was approved on 1986) and facilitate the issuing of solid rights to inventors, most of them Spanish, as approximately 95% of the national patents granted in Spain have a Spanish origin.

Among the different developments that this law brings we may highlight the fact that the option to prosecute Patents without examination disappears. In practice, approximately 9 out of 10 applicants chose not to have their applications examined. This poured into the market a large number of weak patents. The new law will prevent this practice, bringing the Spanish system to the standards of modern patent systems.

Also, a post grant opposition system is set forth, similar to the European one, and, even though observations from third parties during prosecution will be allowed, formal oppositions during prosecution will not be an option anymore. This and other implementations should result in a shortening of terms and the granting of more solid rights.

### NEW PATENT LAW:

*Cancelation of the non-examination procedure for the grant of patents.*

*50% reduction in certain official fees for some for some types of applicants.*

*New aspects in the regulating of actions against patent right infringement, patent invalidity, patent expiry and obligatory licenses.*

*New procedure for the revocation or limitation of patents.*

*New regulation of employment-related inventions.*

*Explicit mention of the doctrine of equivalents.*

*Amendments of procedural rules.*

*Strengthening of the utility model.*

*Introduction of the rules of application of International Conventions.*



# 2/2 Spain

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*A new regulation for EU trademarks was implemented.*

Additionally, the trademark practice has also changed, resulting from the new regulation for European Union trademarks,

directly applicable in Spain. The changes are pretty well known already but went from a change in the denomination of the trademark office, now EUIPO, to a clarification in the debate regarding the scope of “class headings”, the deletion of the requirement to represent a trademark “graphically”, the introduction of a EU Certification Mark, a large abolishment of the “own name” defense or the mandatory requirement for all EU Member States to introduce protection of reputed marks against dilution. It is still too early to evaluate profoundly the effects of this new legislation but the legal framework has surely been substantially re-shaped.

#### *NEW LEGAL FRAMEWORK:*

*Regulation (EU)  
No 2015/2424 of the European  
Parliament and the Council  
amending the Community trade  
mark regulation entered into  
force on 23 March 2016. The  
Office is now called the  
European Union Intellectual  
Property Office (EUIPO) and the  
Community trade mark will be  
called the European Union trade  
mark (EUTM).*



# Argentina

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*Argentina has implemented the possibility to request acceleration of examination*

## Argentina has experienced a change in Government this year, which may have implications in the Intellectual Property

policy of the country. However, as of today, things remain pretty much the same. The Argentine Patent Office continues implementing very restrictive guidelines for pharmaceutical patent applications and the country is still not a member of the PCT or Madrid agreements.

One of the main developments in Argentina is the Resolution which came into force on October 15th pursuant to which patent applicants are able to request accelerated examination of patent applications, based on patents granted abroad for the same invention (independently of whether priority has been claimed or not). There are several requirements and this examination is optional and not compulsory for the ARPTO. It is still early to evaluate the scope of this development.

In relation to trademarks, two major changes need to be noted:

- (1) in the trademark opposition process, mediation will no longer suspend the 1 year term to settle trademark oppositions and
- (2) the Argentinian Courts ruled that the registration of trademarks with the sole purpose of their subsequent sale is forbidden, requiring therefore that trademarks are used and not merely sold to be maintained as valid.



# 1/2 Brazil

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*There are several efforts to reduce the backlog but its effect is still marginal.*

## The country still experiences an important backlog to examine patent applications.

Although Brazil has a provision granting a 10 year patent term as of the granting irrespective of the earliest priority date of the application, the Brazilian authorities are aware that this backlog affects competitiveness. There are efforts to reduce this issue: One is the pilot program with the United States to accelerate examination of patents. Unfortunately, the INPI limits this program to applications filed within the last 3 years, containing claims directed to Oil, Gas and Petrochemical inventions, consequently, its effect in reducing the backlog is expected to be marginal.

Similarly, the country implemented a change pursuant to which any interested party can now request priority examination status for a patent application by another applicant if it can prove that: (i) it has been accused by the applicant of reproducing the object of the patent application, or (ii) it holds a patent application or a granted patent for a technology which is equivalent to that of the application. However, again, this initiative has a duration of only 1 year and it is limited to a maximum of 100 patent applications, consequently, the extent of this measure is expected to be limited.

### KEY DEVELOPMENTS:

*Pilot program with the United States to accelerate examination.*

*Prioritize examination for "green patents" is now a permanent option.*

*Changes in the requirements for assignment documents.*





## One of the main issues with patent applications in Brazil is referred to the role the Brazilian Health Regulatory Agency (ANVISA) adopts in

the examination process of patents applications. ANVISA's role is to protect and promote public health. However, when a patent application is in the process of examination it is reported to ANVISA. The Agency quite often provides comments in relation to the patentability of the application, even if they are not strictly related to health issues. This controversy has been going on for quite a long time and, although there have been statements from the Attorney General (number 0006-2015-AGU/PGF/PFE/INPI/COOPI-LBC-1.0) and the INPI (MEMO/INPI/DIRPA/Nº 055/2016), the controversy remains.

One of the main developments in Brazil, whose scope is still uncertain, comes from Resolution #174 issued early December 2016 pursuant to which the documentation requirements for assignment of priority rights in National phase PCT applications have changed. This Resolution sets forth that when dealing with PCT National Stage applications in Brazil, the assignment document related to an application to which priority is claimed must be executed and dated by the assignors prior to the filing date of the PCT, which would affect all priorities claimed other than the PCT. If the assignment was signed after the filing date of the PCT, the assignor of the rights needs to ratify the assignment within a period of 90 days as of the publication of the Resolution. However, the Brazilian Association of Industrial Property Agents questioned this Resolution and, presumably, it should be re-issued shortly.

Finally, the prioritized examination proceeding for green patents, which was initiated in 2012 and has been annually renovated since then, has now been set forth on a permanent basis via Resolution No. 175, maintaining essentially the previous eligibility requirements.

### RESOLUTION 174:

*Assignment documents related to applications claiming priority, need to be signed before the filing of the PCT application. However, this Resolution should, presumably, be re-issued shortly.*

# Chile Costa Rica



## CHILE:

In Chile a series of amendments were introduced to the bill of law that modifies the Health Code, in order to regulate generic bioequivalent pharmaceutical products and prevent the vertical integration of pharmaceutical laboratories and pharmacies. Other than that, the Chilean Patent Office (INAPI) updated its cooperation agreement with the Chinese Patent Office, allowing the exchange of information between both offices

Overall, Chile remains one of the most consistent countries in the region, working towards the legal framework of the developed countries. For example, early this year, President Bachelet signed a project to create the Ministry of Science and Technology, which should booster the technical development of the country by coordinating and implementing policies and programs in this area. We will monitor how this project develops in the following months and its impact in the IP sector is.

## COSTA RICA:

In Costa Rica, the Patent Office changed its interpretation on the calculation term to pay patent annuities and, as a result of that, overdue annuities needed to be paid retroactively from the international application date. Previously, annuity payments were calculated starting from the Costa Rican filing date (that is, the national phase entrance filing date.), which resulted in substantial increase of official costs for annuities.

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# Colombia

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*Examination official fees need to be paid with every amendment of the claim chapter.*

Colombia is one of the countries which changed more substantially its official fee schedule for patent and trademark applications this year. The Superintendence of Industry and Trade of Colombia issued a Resolution approving new official taxes for patents, industrial models, industrial designs, trademarks, collective marks and similar. Some official taxes - for patents - were decreased in approximately 75%, although applicants are requested to pay examination fees after every amendment of the claims or specification, whilst in the past it was only required to pay once the examination was requested.

Also worth mentioning, the Patent Office has been issuing office actions quite quickly after the filing of applications, in an effort to address standard objections often raised within the substance examination process. It is too early to evaluate the impact of this measure although it appears to have a positive effect in reducing the examination process and backlog.

# Cuba



## Cuba did not experience any substantial legal developments

and all attention is focused on the changes that the new political scenario may bring. Many companies have started to evaluate the convenience of requesting trademark protection in the country, expecting the political scenario to result in potential new business relationships. Cuba is a first-to-file system and, consequently, if a trademark application is not filed other applicants may file an application before. There may be ways to reclaim rights but costs and the present uncertainty are higher. Additionally, the requirement of Use is mandatory in Cuba. The cancellation of the mark may succeed should the registration not be used within 3 consecutive years. However, this obligation is applicable only after grant. The registration process usually takes around 12 to 18 months and consequently, applicants may have a timeframe of almost 5 years to start using the trademark in Cuba after having filed or extended the trademark.

*Cuba is a first to file system for trademarks and they can be cancelled if not used within 3 consecutive years.*

# Ecuador

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*The new official fee rates implied a reduction of almost 90% in most of the regular charges.*

## The most notable development in Ecuador was the reduction of official fees

implemented pursuant to the resolution dated August 19th. After many years being one of the most expensive Offices in Latin America, the Ecuadorian IP Office published a resolution reducing substantially the official fees that have been charged in recent years for patent applications. The new rates implied a reduction of almost 90% in most of the regular charges. For instance, Excess claim fees were \$130 and now will be \$55; Filing a patent application implied an official fee of more than \$2,800. Now the official fee will be less than \$500. The annuity for the first year was \$1,143 and now it will be of \$125. This was excellent news for patent owners and the result of many years of insistence to obtain a rationalization of the filing and maintenance patent fees in Ecuador.

In addition to the substantial reduction of official fees, the National Assembly of Ecuador approved the Organic Code for the Social Knowledge and Innovation Economy (Codigo Ingenios) which aims at modifying “radically” the existing paradigms of creation, use and distribution of knowledge. We are still in the process of reviewing the changes that this legislation will bring, which will be reported shortly.

# Mexico

*Mexico adopted a new Trademark opposition system.*

## The main development in Mexico in relation to trademarks

Wimplementation of a new trademark opposition system, which came into effect on August 30, 2016. This system implies that trademark applications are published 10 days after its filing, opening a 1 month period to file oppositions.

Trademarks being opposed will be published 10 days after the 1 month period indicated above and, then, there will be another 1 month period after the publication of the opposition so that the applicant can reply.

In relation to patents, a relevant development occurred recently, in relation to the doctrine of equivalents, a doctrine which was not clearly defined in Mexico. A resolution issued on November 18th ruled that the determination of the scope of protection of a patent requires an analysis of the claims, in the context of the invention, not merely relying on the literal meaning used in the application. It is a sole resolution therefore, we will have to be attentive to evaluate its real impact and if it is sustained in future cases. However, it is worth mentioning since, as mentioned in the resolution, identifies the intention of the Mexican Courts to set up a legal framework similar to the most developed jurisdictions.

### *NEW OPPOSITION SYSTEM:*

*the opponents do not need to show legal interest in the opposition,*

*the opposition does not bind the examination of the trademark by the Trademark Office,*

*if the applicant does not reply, it does not imply acceptance of the opposition grounds and*

*the opposition does not suspend the prosecution of the trademark.*

# Venezuela



## In Venezuela, the Government further increased the official fees

for patent and trademark filings, renewals, grant fees, changes of ownership and licenses, creating additional barriers in an already very complex jurisdiction

Unfortunately, the country's political instability results in many challenges for IP owners and practitioners, as demonstrated in the changes experienced last year with the official currency exchange rates and the previous increase in tributary units. After an increase in February, a decreased was approved in March. IP owners had to react quickly in a very ambiguous legal framework. Nonetheless, official fees are still substantially high and the volatility of the official exchange rate does not play in favor of the legal certainty searched by IP right holders. The Venezuelan Patent Office is practically not examining patent applications and most actors (law firms, applicants, etc.) are expectant to see how things develop in the near future in a country that, despite of all, has a huge potential.





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