



# Memorandum

March 9, 2018

## Brazil Expected To Implement Fast-Track Patent Approval Measure

The Brazilian Patent and Trademark Office (INPI) has accumulated a tremendous backlog of patent applications which are hindering the functioning of the government's patent system. Recent official data reveals there are over 230,000 patent applications pending for a first instance decision, which under the current system, would take between 11-14 years before reaching a final decision.

The Brazilian government is soon expected to launch an emergency measure to resolve the chronic backlog issue by eliminating substantive examinations and automatically granting the pending patent applications. The measure is not expected to apply to pharmaceutical patent applications or divisional applications where the parent application has been examined. INPI and the Ministry of Industry, Foreign Trade and Services opened the rules for public comments last year. The deadline for submission of comments was August 31, 2017.

Based on the comments published, most practitioners believe the controversial proposal will leave patents granted under the measure vulnerable to invalidity challenges at the INPI through post-grant oppositions, as well as invalidity claims in federal courts. Additionally, the measure could, in effect, just push the backlog to another area of the government's patent system. Despite the controversy, the INPI has indicated that it has no other viable options available to deal with the backlog.

Until published, it is difficult to speculate on the exact details and the timing of the measure. The consensus is that companies may need to make important decisions about their patent portfolio strategy in a timeframe as short as 90 days after the measure is enacted in order to maximize the advantages and minimize the risks of the measure.

### Considerations

- **Patent Cooperation Treaty and Paris Convention:** The measure is expected to be applicable to any non-pharmaceutical, non-divisional application pending in Brazil as of some deadline to be determined in the future. As such, applicants that wish to have their applications processed under the measure will likely have to file their applications in Brazil before this deadline.

- **Opt-out clause:** As proposed, the measure includes an opt-out provision that allows applicants to request withdrawal of an application from the automatic grant system. Applications which are removed from the automatic grant system would receive normal examination, which may reduce the invalidity risk inherent in an application being granted without examination.
- **Pre-grant oppositions:** The proposed measure allows for the possibility of removing third parties' applications from the automatic grant system by filing pre-grant oppositions. Interested parties could potentially thwart a patent application of a competitor through this provision.

## Conclusion

It is difficult to foresee when the measure will be published and when it will become effective. Though the feedback provided to INPI reveals the considerable drawbacks to the proposed measure, the measure does have the potential to reduce the backlog and get Brazil's patent system back on track. The measure could be a positive for all applicants, even those who opt out, as it stands to reason that with thousands of applications automatically granted, the backlog should be substantially reduced and normal examination procedures shortened.

The above description of developments in Brazil is provided for informational purposes only, and should not be considered legal advice.

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