

Brazil's constitutional court decides on extension of patent terms

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Authors

Ana Cristina Müller, D.Sc.

Antonella Carminatti

Pedro Frankovsky Barroso

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On May 12, 2021, Brazil's highest court, the Supreme Federal Court (STF – Supremo Tribunal Federal) issued judgment on a constitutional challenge to a provision in article 40 of Brazil's Industrial Property Law, which extends the term of patents in cases where the time taken by Brazil's patent office, the INPI (Instituto Nacional de Propriedade Industrial), to examine patent applications is excessive. By majority, the STF ruled that said provision is unconstitutional.

The STF decided that its judgment would have only prospective effects from the date on which the judgement is published, thus maintaining the term of patents already granted that benefited from the challenged provision. The court made two exceptions to this rule: (i) patents that are the subject of pending lawsuits involving constitutionality of the extension provision and filed until April 7, 2021, and (ii) patents granted with extended term related to pharmaceutical products and processes, and for equipment and/or materials used in healthcare. In these two cases, the effects of the STF's decision will be retroactive. The STF's decision makes it clear that the retroactive effects of its judgment will not affect established legal relationships, such as contracts agreements involving technologies protected by patents affected by said judgment.

In summary, under STF's decision, all patents for healthcare equipment and/or materials and all patents related to medications currently in the extension term under the provisions of the sole paragraph of article 40 of the Industrial Property Law fall into public domain, and can, for example, be manufactured and sold as generic drugs by competitors. As for the remaining market sectors, the STF's decision will affect only patent applications that have not been granted by the INPI and patents already involved in litigation over constitutionality of article 40.

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Ana Cristina Müller, D.Sc.



Antonella Carminatti



Pedro Frankovsky Barroso