

The Federal Supreme Court confirms the impossibility of extending the term of patents in Brazil.

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The judgment of the Direct Action of Unconstitutionality n°. 5,529 ("ADI No. 5529") by the Federal Supreme Court, which occurred in April 2021, was a relevant milestone in the old war of counting of patents term in Brazil. The sole paragraph of art. 40 of the Industrial Property Law (Law 9.279/96), which had its constitutionality challenged in the aforementioned ADI, guarantee to the holders of patents granted by the INPI a minimum term of ten years from the date of the grant, which meant that a considerable number of patents had protection that extended the general rule of 20 years from filing.

The STF's decision was based on the argument that linking the term to the date of granting the patent (an uncertain and future event) would lead to unpredictability and would violate the principle of temporariness provided set forth in art. 5 of the Constitution. At the time, the Court decided not to apply the modulation of effects of the decision to patents in the pharmaceutical field (as a general rule, the STF decided that patents that had already benefited from the rule of a minimum term of 10 years after granting would not be affected), which caused the technologies protected by such patents to fall into the public domain immediately. It is estimated that at least 3,400 patents in this segment entered the public domain shortly after the publication of the STF decision.

Without the protection of the rule of the sole paragraph of art. 40 of the LPI and feeling harmed by the delay in the analysis of patent applications in Brazil, patent holders benefited by the rule considered unconstitutional filed a series of lawsuits requesting the application of a mechanism called "Patent Term Adjustment" ("PTA"). With legal provisions in some countries (such as Chile, Colombia, South Korea, United States, Peru, and Singapore), the PTA consists of the possibility of extending the term of the patent on a case-by-case basis due to the delay in analyzing the application due to fault of the patent office of the respective jurisdiction.

In these actions, it is alleged that there is no obstacle in applying the PTA given what was decided in the judgment of ADI n°. 5,529, since the former sole paragraph of art. 40 established an "automatic extension" in any case of delay in the proceeding, unlike the PTA, which considers the concrete case and the proven delay of the public entity in the patentability examination.

Despite the discussion related to the application of the PTA in Brazilian law is recent and still embryonic, decisions of the Federal Court of the 1st Region regarding requests for preliminary injunctions for immediate readjustment of the term of validity of patents ended up being questioned before the STF through a constitutional complaint. The holders of pharmaceutical patents

argue that the rejection of reliefs to adjust the period of patent term is not supported by the decision rendered in ADI no. 5529. After all, the STF prohibited only the minimum term rule but recognized the value of other instruments used abroad to adjust the patent term, such as the PTA.

Last December 16, the First Panel of the STF formed a majority to revoke the injunction granted by the Reporting Justice Luiz Fux that opened space for the application of the PTA in Brazil when he stated that *"the decision of this Federal Supreme Court in the ADI 5.529 would not prevent the competent jurisdictional bodies from authorizing the extension, for a certain and reasonable period, of patent privileges, if present, in the specific case, circumstances that demonstrate that there was an unreasonable, unjustified and exceptional delay by the INPI in granting the patent application."*

According to the vote of the Justice Dias Toffoli's, which opened the divergence, Minister Fux's decision goes against to what was decided in the ADI, specifically concerning the temporary nature of industrial property rights. According to the Justice, *"any extension of patent term **requires objective criteria disciplined by current law in the country, without making the extension conditional solely on the delay in analyzing the case by the INPI or subverting the essence of art. 5, item XXIX, of CF/88,** so that predictability regarding the term of validity of the patent allows rational choices by market agents"*.

In summary, it was decided that the reasons *"based on the length taken for the administrative proceeding to justify the claim to extend the patent term (...) go against the ratio that informs the declaration of unconstitutionality of the sole paragraph of art. 40 of Law No. 9.279/96"*.

If at the time of judgment of ADI n°. 5,529 there was doubt about the possibility of applying the PTA in Brazil, the judgment of Rcl. 56,378/DF, by confirming the Court's position on the impossibility of extending the patents term in Brazil, represents a strong indication that such a legal mechanism will not be accepted in Brazilian law.

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