

Maintenance of Patents in Brazil

A clear and present danger

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Very recently, by means of Resolution 113/2013, the Brazilian Patent and Trademark Office, henceforth the INPI, declared a change in its interpretation of the restoration clause that was inserted by the legislators in Law 9279/96 — the Brazilian Industrial Property Law.¹

This restoration clause gives to those that did not pay an annuity during the regular and extended terms, the opportunity to revive their case after a notice communicating its forfeiture is published.

Until the advent of this new interpretation, a single notice could be published in connection with a set of unpaid annuities. Actually, as the INPI had very little control over the annuity fees that were paid, it was quite common that many years would pass before a notice was published. Therefore, whenever it came to be published, the notice would inform that the forfeiture had been caused by non-payment of multiple annuities, and these would be listed in the published notification.

Now, things have changed. The INPI informally alleged that many applicants and patentees would abuse its lack of control, by waiting for the always delayed publication of the notice, and, only then, paying the annuities due for a case.

Shielded by this oblique logic, the INPI has put forth that the forfeiture due to non-payment of multiple annuities cannot be revoked, that is, the patent or patent application can no longer be restored whenever multiple annuities are left unpaid. This interpretation was quickly adopted, and already several patents and patent applications have been declared irremediably forfeited.

One cannot avoid noting that the INPI faces a chronic backlog problem, and that this initiative would help to clear the cobwebs that for sure have been spun over the files that rest for 8 to 10 years in the Office's archives before being examined.

The Brazilian Association of Industrial Property Agents (ABAPI) and the Brazilian Intellectual Property Association (ABPI) have already questioned this new interpretation, although so far with no substantive result.

In any way, it seems possible to bring down this unwelcome interpretation before the Courts, after a proper examination of the relevant sections of the Code, which read:

Article 86 – The lack of payment of the annual retribution, under the terms of Articles 84 and 85, will imply the abandonment of the application or the extinction of the patent.

Article 87 – The patent application or the patent may be restored, if the applicant or patentee requests it, within 3 (three) months counted from the notification of abandonment of the application or extinction of the patent, by paying a specific retribution.

¹Published on 14 May 1996, this law came fully into force one year later. It brought to the Brazilian legal scene many of the formal provisions that would be later inscribed in the Patent Law Treaty, signed at WIPO, in June 2000. Although having signed it, Brazil never ratified this treaty, and many say it doesn't need to do it, because Brazil's legislation already is very much in accordance with its provisions. But, this is another story.

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Thankfully, in Brazil there prevails a principle that dictates that the legislator does not add meaningless words to articles of law.

And, in fact, Article 87 is very clear and concise when it creates a right to restore and sets as the only conditions for its applicability that a notification is to be published, and a payment made within a given term after said publication. The clear intent of the legislator was to avoid the unintentional loss of a deservedly obtained right, and the possibility to restore was, thus, created.

This right to restore cannot be suppressed simply because more than one year passed without the fees being paid. It is so, because the law, further to having created a right, imposed a duty. The subject of this duty is the INPI, which must make a publication notifying the “abandonment of the application or extinction of the patent”, and must give the applicant or patentee time to act on such notice.

The INPI cannot ignore the legislator's intent, penalizing the holders of patents, as it is itself guilty of inertia, when it delays the publication of a notification that should be made shortly after an annuity is first left unpaid. Regretfully, this is not recognized by the INPI, and the wrongful interpretation of the law persists.

It is, therefore, quite advisable, that anyone owning patents and patent applications in Brazil ensures that control over the payment of annuities is closely kept.

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