

- **THE BRAZILIAN FEDERAL CIRCUIT AND THE ATTORNEY GENERAL'S OFFICE UPHELD THE WTO/TRIPS AGREEMENT SELF-EXECUTING WITH NO TRANSITIONAL PERIOD AND EXTENDED A BRAZILIAN PATENT TERM FROM 15 TO 20 YEARS FROM FILING (AKZO NOBEL).**
 - **M,L & CIA INTRODUCES NEW WAYS TO MINIMIZE LITIGATION COSTS TO THOSE INTERESTED IN BENEFITING FROM THE FIVE YEAR PATENT EXTENSION TERM SET BY THE NEW PRECEDENT HANDLED BY THE OFFICE (SEE PAGE 2).**
-

The first panel of the Second Federal Circuit held on June 8, that the WTO's TRIPS agreement of April 15, 1994 became the law of the land in Brazil on January 1st, 1995, after it was signed into a presidential decree (decree 1355/94) following approval by the Brazilian Congress. The decision reversed a lower court ruling which had rejected a writ of mandamus against the Brazilian PTO (INPI) hon. vice-commissioner for patents. (*Akzo Nobel N.V. v. Diretora de Patentes do INPI*).

The Second Federal Circuit Court is the most important Brazilian court with jurisdiction to review the Brazilian Patent Office's decisions, as a second instance federal court, such as the US Court of Appeals for the Federal Circuit.

Both Hon. Circuit Judge Carreira Alvim, (writing the unanimous opinion for the first panel of the Second Federal Circuit) and the General Attorney's office in Rio de Janeiro agreed with plaintiffs' arguments, deeming i) the TRIPS Agreement a self-executing treaty with no transitional period and ii) stating that the Agreement implied amended provisions of Brazilian patent law which were in conflict with the Agreement (law 5772/71, expressly repealed by law 9.279/96).

Akzo Nobel's patent 8905340-0 was issued by INPI on March 25, 1997 for a term of 15 years from the filing of the patent application. Despite Akzo Nobel's administrative appeals the vice-commissioner for patents refused to issue the patent for a term of 20 years, alleging that article 24 of law 5772/71 did not allow for a term longer than 15 years. The vice-commissioner's decision hinged on arguments that the TRIPS Agreement was not self-executing and that the transition periods found in its article 65 (which developing countries can use to delay application of the Agreement) would allow for a 15 year patent term until the year 2000.

The Second Federal Circuit and the general attorney's office rejected INPI's interpretation of the nature of the TRIPS Agreement in Brazilian law and granted the writ to extend Akzo Nobel's patent for a term of 20 years from the filing based on TRIPS articles 33 and 70.2.

Several other decisions upholding the TRIPS Agreement on the exact same grounds were already issued in Brazil by lower Federal Courts (see the Max-Planck-Institute's international publication 28 IIC 74-83,128). We became aware of only one prior case (*Haag Streit*, unreported) which has been unsuccessful before the fourth panel. Nevertheless, the importance of *Akzo Nobel* should be stressed as the first favorable one before the Second Federal Circuit Court. Indeed, Hon. Circuit Judge Carreira Alvim, who wrote the unanimous opinion for the first panel, is a leading author and respected scholar in Brazil. His decision, therefore, will likely be followed by other judges.

M,L & Cia. is proud to inform that with Akzo Nobel's decision reversing a lower court ruling the firm has a perfect score, (with a 100% efficacy) in all six cases already filed by us on the patent extension term. Where a preliminary *ex parte* injunction was not available, M,L & Cia was able to obtain summary judgment.

- **M,L & CIA INTRODUCES NEW WAYS TO MINIMIZE LITIGATION COSTS TO THOSE INTERESTED IN BENEFITING FROM THE FIVE YEAR PATENT EXTENSION TERM SET BY THE NEW PRECEDENT HANDLED BY THE OFFICE .**

Akzo Nobel's decision is a leading case before the Second Federal Circuit that strongly enhances chances of successfully obtaining a five year patent extension term to all Brazilian patents which have not expired before January 1, 1995 or were granted between this date and May 15, 1997, when the new Brazilian patent law became effective establishing, thereafter, a 20 year patent term as from the filing date.

Despite the new precedent, the Brazilian PTO has not reviewed its position regarding this issue. Therefore, patent owners interested in obtaining the same patent extension term will also have to file similar lawsuits against the Office.

Committed to make the patent extension term affordable to all patent holders in Brazil, M, L & Cia. has developed a cost conscious way to file similar lawsuits against the Patent and Trademark Office based on a per patent fee with increasing discounts. A cap on fees is also available.

If you would like to discuss these services, please contact Luiz Leonardos, Gustavo Leonardos or Otto Licks at our Rio de Janeiro Office.