MEXICO

Compulsory licences and non-working

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In recent times we became aware of some requests for advice as to whether a statement of excuse for the non-working of a patented invention in Mexico should be filed with the Patent Office (IMPI).

It is true that the Mexican IP Law establishes that in the case of patented inventions, after three years from the date of grant of the patent, or four years of the filing of the application, whichever occurs later, any person may request IMPI to grant a compulsory licence to exploit the invention, when the invention is not worked in Mexico, unless there are justified reasons.

Notwithstanding this, there is no express obligation or a requirement to file evidence of working the patent or proofs of arguments related to the excuses for non-working the claimed invention to keep the patent/application alive or enforceable. In this regard, a recommendation to provide a statement or periodically file proofs of working, stating that they would prevent the filing or grant of a compulsory licence is completely unsupported.

According to the law, if a third party files an application for a compulsory licence, the title holder would have one year from the date IMPI informs about the request for compulsory licence to cure the non-exploitation of the invention and start working the patent in Mexico, either by exporting the patented product or using it in our country directly or through a licence recorded before IMPI. Therefore, the risk of a compulsory licence may not be actually reduced by filing a statement of working the patent.

In the case of a petition for a compulsory licence, the applicant also has the obligation to provide evidence showing technical and economic capacity for work the patent in Mexico. Furthermore, the IP Law establishes that after giving the opportunity to cure the non-exploitation there should be a hearing with the parties in which IMPI will decide on the grant of a compulsory licence, and if IMPI decides to grant it, it will set forth its duration, conditions, field of application and amount of royalties which should be fair and reasonable.

In Mexico the IP law does not define nor provide examples or parameters for justified excuse for not working a patent, nor how it would be proved or argued, therefore any kind of evidence allowed by the local regulations should be accepted by IMPI to sustain the justified excuse for not working the patent as an exception for the potential compulsory licence proceeding and eventually analysed by this authority on a case-by-case basis.

We have not been aware that a compulsory licence has been granted in recent years in Mexico; however if it occurs it would be subject to further and detailed study.