

Argentina

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Patent enforcement proceedings

- 1 What legal or administrative proceedings are available for enforcing patent rights against an infringer? Are there specialised courts in which a patent infringement lawsuit can or must be brought?

The only available proceeding for enforcing patent rights against an infringer is the judicial legal action. The competent courts in this area are the Federal Courts.

- 2 What is the format of a patent infringement trial? To what extent are documents, affidavits and live testimony relied on? Is cross-examination of witnesses permitted? Are experts used? Are disputed issues decided by a judge or a jury? How long does a trial typically last?

In legal actions related to the infringement of a patent, the civil proceedings comprise three stages in the first instance. During the first stage, the parties expose their arguments and positions, and offer any evidence that they will later produce to support such arguments (evidence includes documents, affidavits, witnesses and experts). The documentary evidence must be filed with the complaint or the response to the complaint. In the second stage, the evidence is produced, witnesses make their declarations (cross-examination is allowed) and the experts file their opinions (court-appointed and private experts that may be appointed by the parties). The third stage is where the parties file their allegations based on the results of the evidence produced. Immediately after, the first instance judge issues his or her decisions. This decision is subject to further appeal before the Federal Court of Appeals. In particular cases, a third appeal is available before the Supreme Court of Justice.

The average duration of this type of action is of around three to four years, up to a second instance decision.

There is also a criminal proceeding. In this kind of proceeding, as established by the Penal Code, it is the official prosecutor who is entitled to act. The patent owners can only denounce the existence of the crime and it shall depend on the prosecutor's decision to start or not to start the proceeding. If criminal legal action is in fact started, the patent owner may be accepted as a party jointly with the prosecutor. This criminal proceeding comprises two main stages. The first one is the investigation stage where the judge or the prosecutor, or both, follow several procedures in order to verify the alleged crime. The second stage is the trial, and the prosecutor accuses the defendant of the infringement on the grounds of the evidence in order to show he or she is innocent. Lastly, the judge issues his or her decision.

- 3 What are the respective burdens of proof for establishing infringement, invalidity, and unenforceability of a patent?

The general principle is that the party alleging a fact must prove it. Therefore, the party that alleges the existence of an infringement to its patent, must prove the existence of the infringement. And the party alleging the nullity of a patent must prove that the patent is null and how the invoked reasons apply to the case.

There is an exception to the general principle when it comes to patents that protect processes. Mainly as it is established in article 34 of TRIPs, the defendant party accused of an infringement must prove which process it is using. If it does not prove it or if it rejects to prove it, an infringement of the process patent may be assumed.

- 4 Who may sue for patent infringement? Under what conditions can an accused infringer bring a lawsuit to obtain a judicial ruling or declaration on the accusation?

Those entitled to sue for patent infringement are the patent owner and the licensee (either exclusive or non-exclusive).

- 5 To what extent can someone be liable for inducing or contributing to patent infringement?

Anyone contributing or cooperating with the infringement is liable to the same extent as the infringer. They are jointly responsible.

- 6 To what extent can activities that take place outside of the country support a charge of patent infringement?

To no extent. The tort must be committed in Argentina. If the product is manufactured abroad, only the importer will be liable.

- 7 To what extent are 'equivalents' of the claimed subject matter liable for infringement?

The theory of 'equivalents' is applicable. For a means to be considered equivalent of another, it must meet the following requirements: it must operatively relate other means that comprise the invention in the same way as the original means; it must serve that function in the same way; and it must not modify the final result of the invention.

- 8 What mechanisms are available for obtaining evidence from an adverse party, from third parties or from outside the country, for proving infringement, damages or invalidity?

Pre-trial discovery is not part of our legal system. During the legal action and upon the plaintiff's request, the judge may ask the infringer to file or show all the evidence of the infringement and damages caused (documents, accounting books, etc), but the infringer is not obliged to deliver or show such elements. The penalty arising from such denial shall be the assumption of the existence of such evidence in favour of the plaintiff. Evidence in the form of reports and letters rogatory may be required of third parties and parties abroad.

- 9 What is the typical timetable for a patent infringement lawsuit in the trial and appellate courts?

The typical timetable for a patent infringement lawsuit in trial is three to five years. For an appeal, three to six months may be estimated before obtaining a Court of Appeals decision.

- 10 What is the typical range of costs of a patent infringement lawsuit before trial, during trial and for an appeal?

Anything from US\$10,000 to US\$50,000 without expert fees. It may be higher depending on the complexity of the case.

- 11 What avenues of appeal are available following an adverse decision in a patent infringement lawsuit?

The decisions issued by the first instance courts are subject to appeal by the losing party. In the event of a decision by the Court of Appeals, it is only possible to appeal further before the Supreme Court when the interpretation of rules of a federal nature are involved, and not because of a disagreement with respect to the interpretation of the facts or the evidence gathered during the process before the court.

- 12 To what extent can enforcement of a patent expose the patent owner to liability for a competition violation, unfair competition, or a business-related tort?

There is no exemption established in the law with respect to the application of the antitrust law, unfair competition laws nor with respect to any other law. We may state that the regular exercise of the patent law will not violate any law. Unfortunately there are no court cases that refer to this issue.

- 13 To what extent are alternative dispute resolution techniques available to resolve patent disputes?

The parties are free to solve their disputes through mediation or arbitration. In the City of Buenos Aires it is obligatory for the plaintiff to call the defendant to a mediation session as a condition to opening the way to legal action. If the defendant does not attend or if there is no agreement, the plaintiff may start the legal action.

Scope and ownership of patents

- 14 Can a patent be obtained to cover any type of invention, including software, business methods and medical procedures?

Any invention of a product or of a process is patentable, provided it is new, that it involves an inventive activity and that it has industrial application.

The following are not considered inventions under Argentine law:

- discoveries, scientific theories or mathematical methods;
- literary, artistic or aesthetic works, as well as scientific works;
- plans, rules and methods for the exercise of intellectual activities, games or economic-commercial activities, as well as software programs;
- forms of presentation of information;
- surgical, therapeutic or diagnosis treatments applicable to the human body and those relative to animals;
- juxtaposition of known inventions or mixtures of known products, their variation in shape, size or materials, except that they are combined or merged in such a way that the can not function separately or that their main qualities and functions are modified to obtain a non-obvious industrial result for a technician skilled in the art; and
- any kind of living matter and substances that pre-exist in nature.

The following are not patentable under Argentine law:

- any inventions, the exploitation of which in Argentina is forbidden to protect public order, morality, health or life of human beings or animals and to preserve vegetation or to avoid serious damage to the environment; and
- any biological or genetic material, existing in nature or its replica, biological processes implicit in animal, plant or human reproduction, including genetic processes relative to any material capable of conducting its own duplication under normal and free conditions, such as occurs in nature.

Therefore, software, business methods and medical procedures are not patentable.

- 15 Who owns the patent on an invention made by a company employee, an independent contractor, or multiple inventors? How is patent ownership officially recorded and transferred?

The employer shall own those inventions developed by an employee during the course of a contract or of a working or service relationship with the employer that has as a purpose the total or partial accomplishment of inventive activities.

The same will happen with an independent contractor hired to invent.

Multiple inventors jointly own in equal parts their invention unless otherwise requested in the patent application.

The patent owner is mentioned in the letter patent. Ownership can be transferred by filing before the Patent Office an assignment document duly notarised and legalised by apostille of the Hague Convention.

Defences

- 16 How and on what grounds can a patent be invalidated?

A patent can be only cancelled at the courts. The cancellation can be requested by the plaintiff or by the defendant as a coun-

terclaim. The federal civil and commercial courts are competent to deal with these legal actions. The ground is that the patent was granted contrary to what is established in the law. The grounds would be: lack of novelty, inventive activity or industrial application. Also a patent could be invalidated because certain formalities were not respected, such as deficient description, non-publication or lack of examination.

17 Is there an 'absolute novelty' requirement for patentability, and if so, are there any exceptions?

Argentine law requires absolute novelty. The only exception is the display of the invention in a local or international exhibition or its availability by any means of communication made by the inventor or his lawful successors within one year prior to the date of filing of the patent application or, given the case, of its recognised priority.

18 What is the legal standard for determining whether a patent is 'obvious' or 'inventive' in view of the prior art?

Prior art is defined by the law as the collection of technical information made public before the date of filing of the patent application or, given the case, of the recognised priority, by means of an oral or written form, by exploitation or by any other means of communication or information, either in Argentina or abroad. The law prescribes that there shall be inventive activity when the creative process or its result are not inferred in an obvious manner from its prior art by a person normally skilled in the corresponding technical matter.

19 Are there any grounds on which an otherwise valid patent can be deemed unenforceable owing to misconduct by the inventors or the patent owner, or for some other reason?

The law does not foresee such a possibility.

Remedies

20 What monetary remedies are available against a patent infringer? When do damages start to accrue? Do damage awards tend to be only nominal, provide fair compensation or be punitive in nature?

A patent owner may claim and recover damages from the infringer. There is no established basis for recovery, but in patent cases the courts have condemned the infringer to pay a percentage of its sales. Though it has been said that the damages are not the profit of the infringer, in one case 30 per cent of the sales was considered liquid profits and that was the amount to be paid. In other cases, 35 per cent and 50 per cent of the sales amount was the damage awarded.

The exclusive right is from the moment the patent is granted and theoretically as from that date the damages start to accrue. Nevertheless, and this has not yet been decided by the courts, if the infringer is notified of a patent application and asked to cease in its use, and he or she does not cease, if the patent is granted, the damages would start to accrue as from the date of the notification.

The plaintiff must prove the damage he or she claims. With patents every infringing product will be considered as a lost sale of the patent owner and that will be the basis that will be taken into account. This tends to make damage award a fair compensation. The Argentine legal system does not allow for punitive damages.

21 To what extent is it possible to obtain a temporary injunction or a final injunction against future infringement? Is an injunction effective against the infringer's suppliers or customers?

Since Argentina approved the TRIPs Agreement, temporary injunctions can be obtained when there is a violation of any industrial property right, including patents. Article 50 of the TRIPs has been applied by the courts with respect to patents, and most of the time *ex parte* since 1995.

In 2003, after negotiations held between Argentina and US representatives at the WTO, a very curious law (in our opinion, in violation of the above-mentioned article 50) was passed modifying the patent law: Law No. 25,859. This law establishes that the preliminary injunctions may be issued by the courts but certain conditions must be met, namely: (i) there is a reasonable probability that the patent, if challenged of nullity by defendant, be declared valid; (ii) it is proven that any delay in granting such measure will cause a non-repairable damage to the patent owner; (iii) the damage cost to the patent owner exceeds the damage that the presumed infringer will suffer in case the injunction was wrongly granted; and (iv) there is a reasonable probability that the patent is infringing.

In exceptional cases the judges may grant the injunction *inaudita altera parte*.

Lastly, prior to granting the injunction the judge will appoint an expert who within 15 days must give an opinion about points (i) and (iv) mentioned above.

The requesting party shall always have to give a guarantee to protect defendant and avoid abuses.

This modification establishes conditions that are not established in article 50.

In Argentina, a law cannot modify an international treaty, so if the law is challenged in the courts, it should be declared unconstitutional. We do not know yet of cases in which the courts have applied the new process in order to grant an injunction, nor that they have ignored it.

The injunction will be, as stated above, temporary until the courts render a final decision, after which the injunction may be confirmed as long as the patent is in force.

The injunction will be effective against suppliers or customers if requested and granted against them.

22 In what conditions can a successful litigant recover costs and attorneys' fees?

The successful party will usually recover costs and an amount established by the court as fees. The latter will not be what was paid by the other party to their lawyers. The amount is established by the court according to the value of the matter involved and the work performed in the legal process.

There are cases, though, in which the courts consider that each party should bear its own costs, and pay nothing to the other party. This may happen when the court believes that the losing party rightfully thought they had the right to litigate.

23 Are additional remedies available against a deliberate or wilful infringer?

If so, what is the test or standard to determine whether the infringement is deliberate?

No, there are no additional remedies against a deliberate or wilful infringer.

24 What is the time limit for seeking a remedy for patent infringement?

The criminal action must be started within three years as from day of the infringing act. The civil action claiming damages is of two years.

25 Must a patent holder mark its patented products? If so, how must the marking be made? What are the consequences of failure to mark?

There is no obligation to mark the products as patented in Argentina.

Licensing

26 Are there any restrictions on the contractual terms by which a patent owner may license a patent?

There are no restrictions on the terms of a patent licence. The Transference of Technology Law established, however, that the terms of an agreement executed between a foreign corporation and a local corporation must be as if reached between independent corporations.

27 Are any mechanisms available to obtain a compulsory licence to a patent? How are the terms of such a licence determined?

Compulsory licences can be requested in the following cases:

- lack of exploitation of the patent within three years as from granting or four years as from filing of the patent application, and when exploitation has been interrupted for more than one year. In case of force majeure, this cause does not apply.
- when there is a violation of the antitrust law, so declared by the antitrust authority. The following, among others, are considered anti-competitive practices:
 - discriminatory or excessive pricing, compared with the market price average, in particular when there are offers to supply the market at significantly lower prices than those offered by the patent owner;
 - denial to supply the local market in commercial reasonable conditions; and
 - hindering productive or commercial activities (it must be said that these forms of conduct are not considered illegal by the antitrust law, and we find it highly improbable that the antitrust authorities will consider them illegal);
- when the exploitation of the second patent cannot be made without infringing the first patent, whenever:
 - the invention protected in the second patent constitutes

a significant technical advance of considerable economic importance with respect to the first patent;

- the owner of the first patent has the right to obtain a cross-licence in reasonable conditions to exploit the second patent; and
- the authorisation to exploit the first patent cannot be sublicensed without so doing with the second patent; and
- in cases of sanitary emergency or national security so declared by the government.

Given the lack of exploitation and the additional patent the licence, in reasonable terms, can be requested from the patent owner. If it is denied after 150 days the licence can be requested before the Instituto Nacional de la Propiedad Industrial (INPI). The INPI will also grant the licence after the antitrust authorities consider there has been a violation of the antitrust law. The INPI establishes the conditions of the licence, including the royalty to be paid by the licensee.

The law establishes that the licence will be non-exclusive, it cannot be sublicensed and it is directed principally to supply the local market.

Patent office proceedings

28 How long does it typically take, and how much does it typically cost, to obtain a patent?

Timetable for patenting is three to nine years. The costs for obtaining a patent vary between US\$2,000 and US\$5,000.

In order to maintain a patent, annual fees are to be paid and they vary as follows: US\$35 (first to third year), US\$80 (third to sixth year) and US\$160 (seventh to 20th year).

29 Must an inventor disclose prior art to the patent office examiner?

In order to obtain a patent, the technical description of the invention must include a description of the prior art in such field, known by the inventor, detailing if possible the documents which disclose it.

30 May a patent applicant file one or more later applications to pursue additional claims to an invention disclosed in its earlier filed application? If so, what are the applicable requirements or limitations?

Any person who improves an invention disclosed in an earlier filed application or patent shall have the right to request a patent

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of addition. The main claim shall be limited to characterise only such improvement.

31 Is it possible to appeal an adverse decision by the patent office in a court of law?

It is possible to appeal an adverse decision by the Patent Office in a court of law.

32 Does the patent office provide any mechanism for opposing the grant of a patent?

Within 60 days of the publication of the patent application any person may lodge founded observations, together with the respective evidence.

33 Does the patent office provide any mechanism for resolving priority disputes between different applicants for the same invention? What factors determine who has priority?

The law states that the owner of the patent is the one that files the application first.

34 Does the patent office provide procedures for modifying, re-examining and revoking a patent? May a court amend the patent claims during a lawsuit?

The Patent Office does not provide procedures for modifying, re-examining or revoking a patent after it has been granted. Only a court can cancel one or more claims but it cannot amend them or partially cancel them.

35 How is the duration of patent protection determined?

Twenty years from the date of filing of the application, subject to payment of maintenance fees.