

## Nudge, Nudge – Wink, Wink

In a 2016 article in *CIPA*<sup>1</sup>, I suggested that applying nudge theory to patent office management may result in far greater work sharing than does the Patent Prosecution Highway model and offers the opportunity for a significant reduction in wasted effort by patent offices.

The essence of the proposal was for patent offices to provide for a pre-examination step by informing the applicant in respect of a relevant application, that they had a set period for filing amendments/arguments in light of prosecution elsewhere, and if there was no response within that period deeming the application withdrawn. This was suggested to encourage the applicant to put the application in good order for examination, or to abandon the application, thereby saving on examiner effort within patent offices.

The Brazilian Patent Office instituted a pilot programme of this general nature in January-March 2018, and the results of the programme are now available. It appears that around 22% of the applications that received the pre-examination office action were abandoned; and around 56% of the responses contained a set of claims that conformed to EP or US counterparts<sup>2</sup>. As a result, the Brazilian Patent Office is continuing with the programme, which is evidently effective so far as managing the workload of the Brazilian Patent Office.

It is to be hoped that other patent offices take note of the effectiveness of this approach.

The following article provides, from the viewpoint of Brazilian practitioners, a summary of experience under the programme, and on other methods for accelerating examination in Brazil.

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1. Patent Prosecution Alley – towards smart work sharing – May [2016] *CIPA* 16
2. <https://www.daniel-ip.com/en/articles/brazilian-patent-office-will-resume-the-preexamination-pilot-program/>

# Accelerating patent examination in Brazil

By Gustavo Sartori

One of the major concerns about Brazilian patent system has been the time it takes for obtaining patent protection or, in other words, the backlog. In 2015, the time an applicant had to wait for receiving a grant notice was around ten years from filing, on average, and, depending on the technical field, this time could be even longer.

In order to overcome this situation, the Brazilian Patent Office has taken some initiatives to try to reduce the backlog and improve productivity, as for example hiring new examiners, reviewing internal procedure, and turning to electronic or digital proceedings as much as possible. However, on their own these initiatives are not enough to solve the backlog. Particularly, hiring the necessary number of examiners to analyze the almost 200,000 applications waiting examination would be a problem, for two main reasons. First, Brazil is now recovering from a recession and the government does not have the necessary budget to hire more people in the next few years. Second, the examiners in Brazil are public employees, which means that they are appointed for life, so that if extra examiners are recruited they cannot be fired as soon as the backlog is over and the Brazilian Patent Office resumes analyzing the regular amount of applications it receives per year (approximately 26,000). Therefore, the Brazilian Patent Office has been trying to find solutions that do not involve significantly increasing the number of examiners.

Accordingly, the Brazilian Patent Office has released new programmes for accelerating examination and expanded some of the already existing fast-track options, as a way to test different options and to permit some applications to be examined first. As these multiple expedited examination programmes are relatively

recent in Brazilian practice, not everyone knows them very well and that is the reason it is worth providing a few comments on the main ones. This article will cover the main fast-track options made available by the Brazilian Patent Office.

### Pre-examination office action

Since last year, the Brazilian Patent Office has begun to work on an initiative called pre-examination office action. According to this initiative, the Brazilian Patent Office identifies patent applications that have a counterpart allowed or granted abroad. Then, a formal office action is issued on these applications, containing the prior art cited during the examination proceedings carried out in other jurisdictions by foreign patent offices<sup>1</sup>. It should be noted that this pre-examination office action has no comments or remarks on patentability, but only a list of prior art references and a standard text inviting the applicant to respond.

The idea behind the pre-examination office action is to encourage the applicant to put the application in good order before the substantive examination begins. Upon receiving this office action, the applicant has an opportunity to mirror the claims allowed or granted abroad, which can make the subsequent examination proceedings in Brazil very simple and fast. If the pre-examination office action is responded to with such claim amendments, the Brazilian examiners do not perform an in depth examination, since they take advantage of the work made by other patent offices and they only check formalities of Brazilian practice<sup>2</sup>. Consequently, by conforming the claims to those allowed or granted abroad, the Brazilian application can be allowed and granted within three to six months of response, on average.

This pre-examination office action was a very clever way the Brazilian Patent Office found to eliminate part of the backlog. As mentioned, if the applicant responds with conforming claim amendments, the examination proceedings that take place subsequently are brief. In addition, since it is mandatory to respond to an office action, a lack of response leads the application to dismissal without examination, and consequently takes the application out of the examination queue<sup>3</sup>. According to Brazilian Patent Office data, approximately 20% of the applicants do not submit a response, which helps to reduce the number of applications waiting to be examined. Therefore, by using the examination results of other patent offices, the Brazilian Patent Office found a clever way to expedite examination.

It should be noted that it is not possible to request the Brazilian Patent Office to issue a pre-examination office action. It is the Brazilian Patent Office that decides when and if an office action will be issued, according to its own criteria. Even if the applicant tries to anticipate things and file voluntary amendments to conform the claims to the ones allowed or granted abroad, the Brazilian Patent Office will not accelerate the allowance. In cases where the applicants tried this approach, the Brazilian Patent Office still issued a pre-examination office action and it was necessary to file a response simply stating that the current claims

had already been modified according to a counterpart allowed application or granted patent.

### Green patents programme

Unlike the pre-examination office action, the green patents programme (and all the other that will be discussed hereinafter) requires filing a request to the Brazilian Patent Office to expedite examination. Under this programme, the examination proceedings are accelerated for those applications that refer to environmentally friendly inventions, for example the ones that are related to alternative sources of energy, sustainable agriculture, transportation, waste management and energy conservation.

As for the eligibility for this programme, in addition to relating to a green technology, the application must contain no more than 15 claims and no more than three independent claims. So far, the green patents programme has proven to be very effective. It takes around 18 months from the time the green patents participation request is filed until a patent is granted.

### Patent Prosecution Highway (PPH)

The Brazilian Patent Office has signed multiple PPH agreements with many different patent offices. As the PPHs in Brazil are pilot programmes, most of them are restricted to certain areas of technology and have a limited amount of applications per month (and per applicant) that can participate in each of them. The following is a list of the PPHs signed with the Brazilian Patent Office:

- USPTO: oil, gas, petrochemical and information technology.
- EPO: medical technology and chemistry – except pharma.
- JPO: information technology, energy, machinery, audiovisual technology, telecommunications, digital communication, computing, semiconductors, polymers, metallurgy and materials, agrochemicals, microorganisms and enzymes – except pharma.
- UKIPO: IT, telecommunications, semiconductors, machines, electric apparatus, energy and biotechnology.
- SIPO: information technology, package, measurement technologies and chemistry;
- DKPTO: mechanical engineering, lighting, heating, weapons and blasting.
- PROSUL<sup>4</sup>: encompasses the patent offices from Argentina, Chile, Colombia, CR, Ecuador, Paraguay, Peru, Costa Rica and Uruguay – this programme is not restricted to any technical field.

By using a PPH, not only is the patent granted faster, but the allowance rates are dramatically increased. If the PPH is used, the patent is granted within 0.7 years from the time the PPH request is filed and the allowance rate is around 90%, which is much higher than the average allowance rate of the Brazilian Patent Office, which is 69%, on average.

### Health products

This fast-track option seeks to accelerate the examination of applications related to the treatment and/or prevention of HIV, cancer, neglected or rare diseases.

### Potential infringement

It is also possible to request fast-track examination, if a third party is reproducing at least one independent claim of a patent application. To request accelerated examination under this option, it is necessary to send the third party a warning letter about this potential infringement. Then, a simple request must be filed before the Brazilian Patent Office outlining the potential infringement and attaching a copy of the warning letter.

It should be noted that not only the applicant can request fast-track examination under this option. If the applicant is accusing or warning someone about an infringement or a potential infringement, the alleged infringer can file a request before the Brazilian Patent Office for fast-track examination (attaching a copy of the warning letter received).

### Senior or ill applicant

There is a fast-track option for those applicants that are an individual over 60 years old and/or seriously ill. To qualify the application for this fast-track option, it is necessary to demonstrate the age of the applicant and/or her/his medical condition.

### Other fast-track options

In addition to the fast-track options mentioned above, there are options available for Brazilian small and medium companies, Brazilian R&D institutions (universities, for example) and for Brazilian priority applications that have an allowed or granted counterpart application in another jurisdiction (similar to the PPH, but without the restrictions of technical area).

### Developments in the Brazilian patent system

The fast-track options and other measures the Brazilian Patent Office has taken are now having a positive impact on the backlog. For example, the average time an applicant has to wait for a granted patent has been reduced from 10.1 years to 8.5 years. Although this is still a very long time, it is the first time in many years that the delay has reduced significantly, which demonstrates that the Brazilian Patent Office is going in the right direction.

### Notes and references

1. In most cases, the Brazilian Patent Office lists the prior art cited by the EPO and/or USPTO
2. For example, whether the amendments broadens the scope of the claims that were in the application when the examination has been requested
3. The applicant has various options on how to respond to a pre-examination office action; such as amending the claims, presenting arguments, presenting arguments and amendments or simply stating that the applicant wishes to wait for the substantive examination.
4. Forum for the Progress and Development of South America – see more at [https://en.m.wikipedia.org/wiki/Forum\\_for\\_the\\_Progress\\_and\\_Development\\_of\\_South\\_America](https://en.m.wikipedia.org/wiki/Forum_for_the_Progress_and_Development_of_South_America)

Moreover, as the pre-examination office action programme has been proven very effective in solving part of the backlog, the Brazilian Patent Office is now considering expanding it. According to recent statements by Brazilian Patent Office directors, the number of pre-examination office actions will considerably increase from May or June of this year. The Brazilian Patent Office expects that the expansion of the pre-examination programme will not only reduce but also eliminate the backlog within two years. This should be possible, since the bulk of Brazilian patent applications (around 80%) are filed by foreigners and have counterparts filed in other jurisdictions.

Although there is still no official notice about the expansion of the pre-examination office action, it is very likely that the Brazilian Patent Office will continue expanding and creating fast-track options to reduce the backlog. Therefore, it has become important for companies that conduct business in Brazil to know more about these fast-track options and use them accordingly. ▣

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