



The Patent Litigation Review

2026

**Mexico: newly implemented Industrial
Property Law sparks controversy
around the criteria and scope of
provisions**

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The third edition of the *IAM Patent Litigation Review* casts an expert eye on some of the most pressing issues facing those involved in patent litigation in the Americas, the Asia-Pacific, and Europe, the Middle East and Africa.

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Mexico: newly implemented Industrial Property Law sparks controversy around the criteria and scope of provisions

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SUMMARY

This article explains some of the most relevant current controversies in patent practice triggered by the entry into force of the new IP Law, specifically, those related to patent term adjustment and divisional applications.

DISCUSSION POINTS

- Patent compensation in Mexico
 - Cascade divisional applications in Mexico
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REFERENCED IN THIS ARTICLE

- Federal Law for the Protection of Industrial Property
 - Abrogated Industrial Property Law
 - Mexican Institute of Industrial Property
 - The United States–Mexico–Canada Agreement
 - North American Free Trade Agreement
 - Second Chamber of the Supreme Court of Justice
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On 5 November 2020, as a result of the entry into force of the USMCA, the new Federal Law for Protection of the Industrial Property (the new IP Law), entered into force. The new IP Law represents an important legislative change, as it aims to align domestic law with the standards set by the new trade and cooperation agreements signed by Mexico in recent years.

However, some of its provisions combined with the authorities' criteria have generated controversy and continue to be the subject of discussion due to the solutions or interpretations that are being given in practice, a situation that has even led to the filing of legal actions to try to define the criteria and scope of said provisions for their proper implementation in benefit of patent applicants and holders in Mexico.

PATENT TERM ADJUSTMENT

Article 53 of the Federal Law for the Protection of Industrial Property, in force as of 5 November 2020, establishes that patents in Mexico have a non-extendable validity of 20 years counted from the filing date of the application. This determination is consistent with the provisions of article 23 of the now abrogated Industrial Property Law, which is still applicable to patents filed and prosecuted before 5 November 2020.

It is well known that, prior to 5 November 2020, Mexican laws and regulations did not provide any mechanism for patent term adjustment for unreasonable delays caused by the granting authority, the Mexican Institute of Industrial Property (IMPI).

However, there has been an important legislative change aimed at matching domestic law with the standards set by the new trade and cooperation agreements signed by Mexico,

mainly as a result of the entry into force of the United States–Mexico–Canada Agreement (USMCA). The new IP Law provides for the issuance of a ‘supplementary certificate’ for those cases where, during the processing of a patent with IMPI, there are unreasonable delays directly attributable to IMPI that translate into a period of more than five years between the filing date of the application in Mexico and the granting of the patent. The certificate to adjust the validity of the patent may be granted at the request of the interested party.

In this regard, it is important to highlight that in the new article on supplementary certificates it is clearly stipulated that the period that must be subject to analysis to determine whether there was an unreasonable delay is between the date in which formal requirements have been met and the date on which the applicant is notified by IMPI that all requirements have been met to proceed with the granting of the patent.

The period that has elapsed between the date of receipt of the application and the date of the favourable resolution of the formal examination, as well as any delay to the process of granting the patent attributable to actions or omissions of the applicant and the additional periods used to respond to official actions issued during the assessment of the patent application, will be considered as ‘reasonable delays’, which will not be counted as part of the official delay for these purposes.

If applicable, the validity of the supplementary certificate may not exceed five years, and IMPI will determine the number of days that actually correspond to the unreasonable delay. This will result in a supplementary certificate valid for one day for every two days of unreasonable delay.

In accordance with the new IP Law, the petition for a supplementary certificate must be filed with IMPI at the same time as complying with the requirement to pay the final fees, and the certificate will take effect the day after the expiration of the 20-year validity period of the patent and will confer the same rights as the patent from which it derives.

Although these provisions are applicable only to patents filed and prosecuted with IMPI after 5 November 2020, there is currently much controversy regarding the possibility of requesting compensation during the validity of a patent filed and prosecuted before 5 November 2020, that is, those patents processed under the abrogated Industrial Property Law.

COMPENSATION CONTROVERSY FOR PATENTS PROCESSED BEFORE 5 NOVEMBER 2020

This controversy derives from the criteria set forth in the judgment dated 14 October 2020 issued in the *amparo* proceeding under review with file number 257/2020, where the Second Chamber of the Supreme Court of Justice issued a relevant judgment relating to patent term adjustment due to unjustified delays during patent prosecution prior to the USMCA, that is, patents filed and prosecuted before 5 November 2020.

This ruling concluded that if there is evidence of an unjustified delay during the patent prosecution, the term of protection should be compensated in accordance with article 1709, section 12 of the North American Free Trade Agreement (NAFTA), which established that the term of patents cannot be less than 20 years counted from their filing date, or 17 years from the granting date.

In applying the principle of ‘greatest benefit’ in the constitutional venue where the case was heard, the Second Chamber of the Supreme Court considered as a remedy that the

compensation in that specific case should be 17 years of validity counted from the date of granting, in this case, the official issuance of the patent.

It is important to point out that this precedent was not unanimous, and it is not binding, meaning that IMPI is not obliged to adopt the criteria to compensate the life term of patents in similar cases without a court order. For the Mexican courts, the precedent is not binding either, but highly persuasive in similar cases.

However, various omissions and inaccuracies in the judgment dated 14 October 2020, issued in case number 257/2020, have resulted in frivolous compensation petitions for patents filed and prosecuted before 5 November 2020, even when there were no delays during patent prosecution.

These frivolous petitions are due to the fact that in the precedent of interest, the Second Chamber of the Supreme Court failed to clearly establish how and under what circumstances it will be considered that IMPI actually caused a delay during the processing of a patent application, so much so that in the referenced judgment, the Second Chamber mistakenly refers to the international filing date of the patent application to establish the date on which the administrative procedure for the patent began, and not to the national filing date.

Therefore, while we agree with the Supreme Court ruling in the sense that a delay in the patent prosecution by IMPI should be compensated, we consider that the decision failed to clarify that the period that must elapse is between the filing date in Mexico and the granting date. There are cases that take advantage of such inaccuracies and compensation is being requested, counting the processing period before IMPI from the date of international filing in another country until the date of granting by IMPI.

By the date of resolution of the case that led to said precedent, IMPI had already issued the agreement establishing the response deadlines to various procedures before them, which established that the term for granting a patent may not be greater than five years from the start of the substantive examination of the application. The USMCA, which replaced NAFTA, was also already in force, and expressly provides in its article 20.44 that the parties are obliged to have the necessary means so that at the request of the owner of a patent, the term of validity could be adjusted to compensate for unreasonable delays in the procedure for its granting. An unreasonable delay should be understood as one of more than five years counted from the date of filing of the application in the territory of the party, or three years from the date the application for examination was made, provisions that should have been considered by the Supreme Court when issuing the corresponding ruling, but this was not the case.

In addition to the above, there is also controversy regarding the remedy proposed by the Second Chamber of the Supreme Court concerning the compensation requested in the specific case mentioned. Notwithstanding the provisions of article 23 of the abrogated Industrial Property Law, the Second Chamber determined that once the existence of a delay in the processing of the patent application under scrutiny was verified, the applicable remedy was that the patent in question should be valid for 17 years from the date it was granted by IMPI, instead of 20 years counted from the date of filing of the application.

The Court's remedy in this specific case for a delay attributable to IMPI was to modify the 20-year validity period applicable by law to the patent in question to 17 years from the date of its granting. This was grounded on the fact that NAFTA established in its article 1709 that the parties to the treaty will establish a protection period for patents of at least 20 years,

which will be counted from the date of filing of the application, or 17 years from the date of granting of the patent.

It is considered that the Supreme Court's remedy in this case is disproportionate to the issue claimed in the constitutional action claim that resulted in the judgment. Based on the delay observed in that matter, the Second Chamber should have analysed the additional period that should be granted to the patent in question based on the time lost during the unjustified delay. However, what was done clearly goes beyond just granting compensation, since its solution directly impacts the patent system chosen by Mexico under said treaty, having chosen for its applicable regulations that all patents will be valid for 20 years from their filing and not 17 years from their granting.

Once an actual administrative delay attributable exclusively to IMPI in the processing of the patent application has been demonstrated, compensation proportional to the delay actually incurred must be granted and must not modify the term of validity of the patent, since these validity terms depend on the patent system that each of the countries that are a party to NAFTA chose and applied at the time, and its eventual applicability is subject to various factors additional to the patent processing, such as the signing of international treaties to facilitate and accelerate the processing of national patents.

Therefore, while we agree with the Supreme Court ruling in the sense that a delay in the patent prosecution by IMPI should be compensated, it is clear that the decision failed to clarify what amount of time must elapse between the date of application and granting for it to be considered that IMPI in fact caused a delay during its processing and the way in which said compensation must be granted.

In the absence of an analysis and defined parameters that allow clarity and certainty about when a delay attributable to IMPI in the processing of a patent application filed and prosecuted before 5 November 2020 occurs, cases have arisen in which patent holders are requesting compensation even when a delay exclusively attributable to the authority is non-existent, for the sole reason that their patent must be valid for 17 years from its granting, and not 20 years from its filing, which could be considered an abuse of the right of the titleholder.

These are circumstances that clearly contradict the intrinsic nature of patent compensation, since its existence derives precisely from the proven existence of an unjustified delay directly attributable to IMPI during the processing of the patent application.

Therefore, the remedy and the lack of delay parameters established in the Supreme Court's decision could exceed the current legal constraints in violation of the statutory law and would contradict the entire patent system and its current term adjustment.

DIVISIONAL APPLICATIONS

Article 100 of the new IP Law provides the possibility of filing divisional applications either voluntarily or through a requirement issued by IMPI, but also states that a divisional application cannot consist in the division of other divisional applications, unless IMPI deems further division necessary or requests further division in accordance with article 113 of the new IP Law, meaning that IMPI is no longer accepting any voluntary cascade divisionals when the first parent case has been issued or abandoned, leaving only the possibility of filing cascade divisionals in case IMPI requests them through a lack of unity objection.

Accordingly, article 113 of the new IP Law states that when the application does not meet the requirement of unity of invention, IMPI will consider as the principal invention only the one mentioned first in the claims and based on that invention, will assess compliance with the remaining patentability requirements. In which case, IMPI will require the applicant to limit the claims to the principal invention and, where appropriate, file the corresponding divisional applications within the provisions referred to in article 111 of the new IP Law.

Taking into consideration the above, IMPI decided to deny all voluntary cascade divisional applications regardless of whether the parent case was filed before or after 5 November 2020. IMPI applied this criterion despite the fact that the law contains transitional articles that specifically state that patent applications filed under the now abrogated Industrial Property Law should be prosecuted still under the same law, in which cascade divisional applications had no restrictions.

Although this criterion was temporarily reversed due to lobbying efforts, it remains in place today, and IMPI is not accepting any voluntary cascade divisionals if the first parent case has been allowed and has issued as a patent or if it was abandoned.

IMPI's criterion is supported by a judicial precedent that analysed contradictory criteria on the subject of the applicability of the abrogated Industrial Property Law or the new IP Law, where it was concluded that when a voluntarily divisional patent application has been processed under the new IP Law, but derived from a patent granted under the abrogated Industrial Property Law, in accordance with the principle of retroactivity of acquired rights, the applicant does not have the right to prosecute the new application under the abrogated law, since the initial application is no longer pending and the right to file divisional applications expired upon completion of the substantive examination of the parent case.

In addition to the above, in some cases where the lack of unity objection has been raised, IMPI is now requiring the applicant to file all the possible divisional applications when responding to the corresponding office action, which corresponds to an erroneous interpretation of the provisions of articles 100 and 113 of the new IP Law, since the applicable provisions contemplate the possibility of limiting the scope of the parent case to one of the inventions identified by IMPI and filing a single divisional application containing the remaining inventions that were eliminated from the parent case as a result of the lack of unity objection.

While the changes brought about by the new IP Law are certainly welcome, proper interpretation and implementation of its provisions remains an outstanding issue, which in many cases will only be possible through judicial review of specific relevant cases.



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