

Patents

Contributing editor
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GETTING THE
DEAL THROUGH

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Patents 2017

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Preface

Patents 2017

Fourteenth edition

Getting the Deal Through is delighted to publish the fourteenth edition of *Patents*, which is available in print, as an e-book and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Costa Rica, Norway and Saudi Arabia.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Richard T McCaulley Jr of Ropes & Gray LLP, for his continued assistance with this volume.

GETTING THE
DEAL THROUGH 

London
March 2017

Global overview

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There are a great many changes in patent law. Perhaps the greatest change in the law is the imminent roll-out of the Unified Patent Court (UPC) in Europe. Companies that do any significant business in the European Union are in the process of evaluating whether to opt their patents out of that system. This new court system potentially presents a seismic shift in the way patents are asserted worldwide. This new court system will provide a forum to litigate patent disputes to obtain, under certain circumstances, EU-wide relief in a patent dispute. In rough numbers this allows patents to be asserted in a jurisdiction that represents roughly 20 per cent of the world GDP. Thus the European Union under this new court system would represent a market roughly the same size as the United States. As a result it is expected that we will see a shift in some litigation that might have occurred in the United States to Europe. There appears to be a consistent effort to put pressure on parties asserting patents in the United States.

At the same time that this new court system evolves in Europe, there are some significant changes in US law that affect lawsuits in the United States. First, and perhaps foremost, the emergence of the Patent Trial and Appeal Board (PTAB) as a venue for attacking validity has caused many companies to rethink their approach to litigation. Most district court litigation of patents in the United States involve a PTAB component. Many defendants see this venue as the best place to litigate issues related to patent validity. Early decisions from the PTAB were not encouraging for patent owners, to the point that one jurist famously referred to the PTAB as a 'death squad' for patents. While the statistics have become more balanced as the court matures, it is still generally perceived as a favourable forum for resolving issues relating to validity. Many district courts will stay litigation pending resolution of the PTAB case, which takes roughly 18 months from start to finish. Because taking a PTAB case through to a final written decision will have some scope of estoppel associated with it, validity issues are typically significantly streamlined for trial.

Another consideration is the increasing resistance in the US courts to grant injunctive relief after a finding of infringement. Prior to the US Supreme Court's *eBay* decision, permanent injunctions were fairly

routinely entered after a patent was found valid and infringed. The availability of that remedy made patent infringement litigation risky for defendants. Since injunctions are granted less frequently under *eBay*, this tends to make assessing risk in a patent infringement suit easier for defendants. Under the rules as currently proposed for the UPC, injunctive relief appears to be more readily available in that forum. It remains to be seen how this will play out when the UPC opens for business, but it might suggest that plaintiffs seeking injunctive relief will prefer to sue under the new system. For a company conducting business across the globe an injunction for the entire European Union may be as effective as an injunction from a US court.

Consistent with the theme of making patent cases more difficult there has been increased scrutiny in US cases on proof of damages. Courts require exacting proof of not only the appropriate royalty to be applied to infringing sales, but also proof of the proper royalty base against which to apply that rate. The focus in damages cases has moved to examining what constitutes the 'smallest saleable unit' for application of the rate. Historically plaintiffs have typically used the sales of the entire device in applying a royalty. Courts have clarified that using the entire value of the accused product is only appropriate where the patented feature or component substantially creates or drives demand for the entire product. This increased scrutiny on proof in patent cases generally makes it more difficult to put forward overly aggressive damages cases where the patent component is merely a minor factor in a consumer decision to purchase an infringing product. Thus, while the statutory entitlement to 'not less than a reasonable royalty' remains, it is limited to a royalty on the smallest saleable unit where the patented feature does not substantially drive the sale of the infringing product.

Overall there seems to be momentum for making it more challenging to assert patents in the United States. How this will affect the emergence of the new court system in the European Union remains to be seen.

* *The information in this chapter is accurate as of 2016.*

Honduras

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Patent enforcement proceedings

1 Lawsuits and courts

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 holder of a patent registration is entitled to file an infringement action before the competent court against any party who infringes its rights. It may also act against a party who is carrying out acts that may give grounds to presume an imminent infraction. In cases of co-ownership of a right, any of the co-owners may file an infringement action without seeking the consent of the other owners. A duly recorded licensee may also file suit for these reasons. For measures that can be requested in the event of infraction of the rights protected by the Honduran Industrial Property Law (see question 21).

There are no specialised courts where a patent infringement suit can be brought. These cases are filed before the civil courts.

The above should be differentiated from a nullity action, which may be filed by anyone that considers itself the rightful owner of a patent and files suit against a third party who was able to secure a patent for the same object of protection. This action will expire after five years starting from the date of grant of patent, or two years starting from the date in which the invention had begun to be worked in the country, applying the term that expires later.

2 Trial format and timing

What is the format of a patent infringement trial?

Under the general principles of Honduran law, it is the plaintiff who must prove all allegations and claims. Thus, a plaintiff in a patent litigation is required by law to prove the existence of the infringement. In this respect, the Honduran Industrial Property Law does not regulate the manner in which an infringement is to be proven. The Honduran Code of Civil Procedure is applied as a supplement to the Honduran Patent Law regulations, and under such Code the following proofs are allowed: documentary evidence; expert witnesses; judicial audit or inspections; and presumptions.

3 Proof requirements

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

The Honduran Industrial Property Law grants patentees and their duly registered licensees the rights to the exclusive exploitation of the patented invention. Therefore, a patent gives the right to exclude others from making, using, offering for sale or importing the covered invention. In a patent infringement action, the plaintiff must prove the following:

- ownership or recorded licence over a granted, valid and fully enforce patent – generally, a certified copy of the ‘file wrapper’ of the patent prosecution is enough to prove these requirements. The validity of the patent may be challenged by the defendant;
- that someone is using, making, offering to sell or importing the patented invention – when a plaintiff claims infringement of a

patented process, the defendant has the burden of proving the use of a different process other than the patented process; and

- use of the patented invention – only literal infringement is recognised. No doctrine of equivalence applies. The plaintiff must prove that the wording of the patent’s claim or claims covers the alleged infringing product or process. First, the plaintiff must define the scope of the approved claims. The Honduran Industrial Property Law and the courts have established that the span of the claims is determined by the wording of the claims, aided by the description and drawings.

Infringement actions usually require expert witness declarations and official attestations and opinions from the Honduran Patent Office.

Non-infringement

The basis of this defence is that the proper interpretation of the patent claim does not catch the alleged infringing product or process.

Challenging the validity of patents

Under the Honduran Patent Law, granted patents (for products or procedures) are valid until the contrary is proven in a court of law or in an administrative procedure for the nullity of the patent as previously indicated.

One of the most common defences in patent litigation in Honduras, both at a court or administrative level, is to attack the validity of the allegedly infringed patent. As the patent exists, an administrative or judicial resolution is required to declare its annulment.

This defence must be brought up when answering the plaintiff’s claim, but by means of a counterclaim. The court or Patent Office will give notification of the counterclaim to the party who filed the original complaint. Both the infringement claim and the counterclaim should be resolved simultaneously to preclude the possibility of contradictory outcomes. The grounds for invalidating a patent are as follows:

- the patent was granted in contravention of the provisions regarding the requirements and conditions for the grant of patents or registration of utility models and industrial designs (namely, the patent was granted to an invention that, according to the law, was non-patentable on absolute or relative grounds;
- the patent was granted in contravention of the law in effect at the time the patent or registration was granted;
- the patent application was abandoned during its prosecution; or
- the grant of patent was defective because of errors or serious oversight, or it was granted to a person not entitled to it.

4 Standing to sue

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?

Any patentee or duly registered licensee (unless expressly forbidden from doing so) has the right to prosecute a suit against a third party infringing his or her rights. A distributor may not bring a suit for infringement. An accused infringer may counterclaim patent invalidity under formal or technical considerations upon receiving the infringement suit.

5 Inducement, and contributory and multiple party infringement

To what extent can someone be liable for inducing or contributing to patent infringement? Can multiple parties be jointly liable for infringement if each practises only some of the elements of a patent claim, but together they practise all the elements?

All parties involved in an infringement, either by manufacturing, providing means to commit the infringement or perpetuating acts that may be considered as facilitating patent infringement, may be liable in a patent infringement suit.

6 Joinder of multiple defendants

Can multiple parties be joined as defendants in the same lawsuit? If so, what are the requirements? Must all of the defendants be accused of infringing all of the same patents?

Multiple parties can be joined as defendants in the same lawsuit. The requirements are that the defendants are making, using or selling substantially similar methods or products and that they have the same corporate or commercial relationship to the accused's methods or products. All of the defendants must be accused of infringing the same patent in these cases.

7 Infringement by foreign activities

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

Activities that take place abroad cannot support a patent infringement action in Honduras per se, unless there is a resulting effect in Honduras such as the importation of infringing goods.

8 Infringement by equivalents

To what extent can 'equivalents' of the claimed subject matter be shown to infringe?

Pursuant to the Honduran Industrial Property Law, only literal infringement is recognised. No infringement under the doctrine of equivalence is expressly provided for. The plaintiff should prove that the wording of the patent claim covers the alleged infringing product or process.

9 Discovery of evidence

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

Honduran law does not contemplate the possibility of discovery as such. Accordingly, a plaintiff must provide the court or Patent Office with all available evidence to prove infringement, damages or invalidity. There is, however, a possibility of acquiring documentation during an inspection visit of the judge or administrative officer. During process patent suits, the defendant has to provide evidence that the process used is different from the one covered by the patent claims.

10 Litigation timetable

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

Actions before the Patent Office, Higher and Highest Administrative Office (Superintendency of Intellectual Property) may last from 15 to 24 months. An initial resolution from the Patent Office can be expected within 12 months. A decision from the Higher Administrative Office may take around four months, and a decision from the Highest Administrative Office take an additional two to six months.

A court action, either before the civil courts or the Contentious Administrative Court (challenging decisions issued by the Highest Administrative Office) may last from two to three years.

11 Litigation costs

What is the typical range of costs of a patent infringement lawsuit before trial, during trial and for an appeal? Are contingency fees permitted?

Fees for the preparation and filing of a patent infringement lawsuit before the Patent Office or courts are around US\$6,000. Additional fees and expenses (depending on the nature of the evidence submitted, translation costs when needed, expert witness charges) are highly variable. Attorneys' fees for prosecuting the matter alone may cost another US\$7,000 to US\$10,000. Contingency fees are permitted but rarely awarded.

12 Court appeals

What avenues of appeal are available following an adverse decision in a patent infringement lawsuit? Is new evidence allowed at the appellate stage?

Appeals to decisions rendered by the Patent Office go to the Higher Administrative Office and then to the Highest Administrative Office (Superintendency of Intellectual Property). The decision rendered by this Office puts an end to administrative procedures. The affected party may file suit before the Contentious Administrative Court against the decision rendered by this office and request reversal of the decision and damages.

Appeals to decisions rendered by the civil courts go to the circuit court of appeals and then to the Honduran Supreme Court. New evidence at the appellate stage is allowed provided that the same is new and relevant.

13 Competition considerations

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?

The Honduran Administrative Offices and courts generally consider that the use of a state-given right cannot constitute a violation of rights.

Nevertheless, an action could theoretically be brought for activities falling outside the scope of a patent, such as non-competition agreements for products that are not covered by the claims, product-tying within that scope or unfair competition activities such as advertising that a product is better than an alternative for the sole reason of it having a patent.

14 Alternative dispute resolution

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

Alternative dispute resolution methods are available in Honduras but they are not commonly used. There are no provisions requiring the mandatory use of an alternative dispute resolution method before bringing a patent infringement action.

Scope and ownership of patents

15 Types of protectable inventions

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

The following will not be considered an invention, and by virtue of this will be excluded from patent protection:

- computer programs per se; and
- methods of surgical and therapeutic treatment or diagnostic methods applicable to the human body and those related to animals.

16 Patent ownership

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

The right to the patent will belong to the inventor without prejudice to what it is established in articles 12 and 13 of the Honduran Industrial Property Law. When several people produce an invention jointly, the right to the patent will belong to them in common. The right to a patent can be transferred by acts between living persons or through hereditary succession. If several people independently effect the same invention from one another, the patent will be granted to the person (or his or her beneficiary) who files the patent application first or who claims the earliest priority date according to article 141 in the Honduran Industrial Property Law.

According to article 12, when an invention had been produced in fulfilment or compliance with a work or service contract or employment contract, the right to the patent for that invention will belong to the person who contracted the work or service, or to the employer, as it shall correspond, except for a contractual provision otherwise. When the invention should have an economic value much higher than the one the parties could have reasonably foreseen at the time of concluding the contract, the inventor will have the right to special compensation, the amount of which will be set by the competent court in the absence of agreement between the parties. Any contractual provision less favourable to the inventor than the ones provided in this article will be null.

According to article 13, if an employee who was not under the obligation in his or her employment contract to perform an inventive activity should fulfil an invention in the area of activities of the employer, or through the use of data or means to which he or she would have access because of his or her employment, he or she will immediately communicate this fact to his or her employer in writing. If, within a term of two months starting from the date on which the employer would have received such communication, or should have knowledge of the invention by any other means, applying the earliest date, the employer notifies the employee in writing of his or her interest in the invention, the employee will have a right to the co-ownership of the patent, having an equitable right to the profits that the use of the invention should occasion. If the employer does not carry out the notification within the established term, the right to the patent will belong to the employee. Any contractual provision less favourable to the inventor employee than the ones provided in this article will be null ipso jure.

Besides joint ownership, as stated above, which originates from the parties' joint contribution to the creation of the intellectual property as joint inventors, Honduran Law also recognises co-ownership of patents by virtue of joint venture agreements.

Defences

17 Patent invalidity

How and on what grounds can the validity of a patent be challenged? Is there a special court or administrative tribunal in which to do this?

The validity of a patent may be challenged through a nullity action before the Honduran Patent Office. A patent can be established as invalid by proving that:

- the patent covers subject matter that cannot be regarded as an invention (namely, theoretical or scientific principles, discoveries, schemes, plans, rules, games, business methods – in the abstract – and mathematical methods, computer programs, forms of presenting information, artistic and literary productions, methods of surgical or therapeutic treatment and juxtaposition of inventions that are known), is not a product (machine, device or composition of matter) or is not a process;
- the patent does not meet one or more of the patentability standards or conditions, namely novelty, inventive activity or step and industrial application, if the subject matter ab initio qualifies as an invention; or
- the patent was granted in contravention of the law. A patent can be annulled if it does not comply with formal or technical legal provisions.

18 Absolute novelty requirement

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

Absolute novelty is a requirement for patentability in Honduras.

There are some exceptions to the absolute novelty bar: disclosure of the invention by the inventor or assignee within a 12-month period prior to the filing of the Honduran application, or the recognised priority, does not constitute a novelty bar, provided that a statement regarding the date, place and means of disclosure is filed together with the Honduran application. Means of disclosure include a trade show, a published article, sales of the product and so on.

Publication of a patent application or issuance of a patent by a foreign patent office are the only means of disclosure excluded from the foregoing.

19 Obviousness or inventiveness test

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

The standard for determining whether a patent is inventive in view of the prior art is defined in articles 4, 6 and 12 (and others) of the Honduran Industrial Property Law. These articles establish that an inventive activity is a creative process the results of which are not apparent from the state of the art to a person with technical knowledge in that field.

20 Patent unenforceability

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 Honduran Industrial Property Law contemplates some scenarios in which a valid patent is deemed unenforceable. A patent cannot be enforced against a third party that:

- in the private academic field performs, for non-commercial purposes, purely experimental, scientific or technological research, testing or teaching activities, and for this purpose produces or uses a product or process equal to the patented one; and
- for reasons of public interest, and particularly in cases of emergency or for national security reasons, nutrition or public health, the state department of the Ministry of Industry and Commerce, on request of any natural or juristic person, state entity or official, will be able to order the following at any time:
 - that an invention, object of a patent or patent pending application be used by a state entity or one or more people of public or private right, designated for the purpose; and
 - that an invention for which a patent has been granted or has a patent pending application shall remain open to the grant of licences of public interest. In this case, the Industrial Property Registry Office will grant a licence of use to any person that shall request it and shall have the capacity of accomplishing such use in the country.

Any licence of public interest will generate the corresponding payment in favour of the holder of the patent granted by the Patent Office or, if there is a lack of an agreement, the payment due will be fixed by the state department of the Ministry of Industry and Commerce before the General Directorate of Intellectual Property. The decision of the Ministry in terms of the payment to the holder of the patent shall be the object of remedy of appeal through executive action, and once this is exhausted, the legal process will remain unobstructed.

21 Prior user defence

Is it a defence if an accused infringer has been privately using the accused method or device prior to the filing date or publication date of the patent? If so, does the defence cover all types of inventions? Is the defence limited to commercial uses?

Private use of the method can be used as a defence by the accused infringer and it covers all types of invention.

Remedies

22 Monetary remedies for infringement

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

Several administrative sanctions can be imposed on a person found to have infringed a patent. These range from a fine to penal sanctions in the event of recidivism. The affected party may also bring an additional claim for damages and lost profit in a civil law action.

Damages and lost profit start accruing from the date on which the existence of an infringement can be proven. Honduran law tends to provide fair compensation to the affected party.

Royalties are generally calculated on the basis of the scale of exploitation of the invention subject matter of the licence and the economic value thereof. No specific form of calculation is prescribed by law, so some general rules of thumb apply such as to estimate the market for a product with the patented invention. Assuming that the invention in question is the major piece of the product, a typical licensing arrangement may be 2 to 5 per cent of the wholesale cost of the product. The value of a licence to the patent would be proportional to the licence royalties multiplied by the yearly sales of the product.

23 Injunctions against infringement

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?

In the event of infraction of the rights protected by the Honduran Industrial Property Law, one or more of the following measures can be requested:

- (i) the cessation of the acts that infringe the rights;
- (ii) indemnification from the damages suffered;
- (iii) the seizure of the objects resulting from the infraction, and of the means that had predominantly served to commit the infraction;
- (iv) the prohibition of the import or export of the products, materials or means referred to in (iii);
- (v) the withdrawal of the objects or means referred to in (iii) from the commercial circuits, or their destruction, when appropriate;
- (vi) the attribution in property of the objects or means referred to in (iii). In this case, the value of the assets will be imputed to the amount of the damages; and
- (vii) the necessary measures to avoid the continuation or repetition of the infraction, including the destruction of the seized objects referred to in (iii).

A bond will be required from the plaintiff prior to issuing the provisional injunctions needed to carry out any of the measures listed above. This bond would provide damages caused to the defendant by the unfounded action.

24 Banning importation of infringing products

To what extent is it possible to block the importation of infringing products into the country? Is there a specific tribunal or proceeding available to accomplish this?

As part of the DR-CAFTA agreements, the Honduran Customs Office may block the importation of infringing products into the country. However, in practice, the IP special unit of the Honduran Customs Office will ask the Patent Office to notify the attorneys of the registered owners of a possible infringement; they will then have up to 48 hours to initiate an action before the IP unit of the Attorney General's Office to work with the Customs Office and achieve the seizure of the goods before they are released in the Honduran market.

The Customs Office also allows for some firms that handle a large number of cases to provide them with lists of relevant patents and products in order to receive forewarning when an importation petition is filed or when the merchandise arrives at the port of entry.

25 Attorneys' fees

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

Although contemplated both in administrative and court actions, costs and attorneys' fees are not usually awarded except in those cases where the lack of the right to litigate of one of the involved parties is extremely obvious.

26 Wilful infringement

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? Are opinions of counsel used as a defence to a charge of wilful infringement?

Yes, whether or not an infringement was wilful is taken into consideration both in administrative and judicial instances for determining fines, penalties and damages. Opinions of counsel are taken into account but these opinions are not binding on any administrative and judicial authorities.

27 Time limits for lawsuits

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

The present criterion is that the time limit for seeking a remedy is during the life term of the patent. Once the patent has expired, an action may not be brought for actions that took place before the end of the life term.

28 Patent marking

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

There are no marking requirements under Honduran law. In cases of false patent marking, unfair competition actions could, theoretically, be filed.

Licensing

29 Voluntary licensing

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

There are no restrictions on the contractual terms by which a patent owner is permitted to license a patent. According to the Honduran Industrial Property Law, a licence agreement must be recorded with the Patent Office in order for the same to be enforceable against third parties. A duly registered licensee will be entitled to exercise legal action to protect the patent rights as if he or she were the holder, unless otherwise agreed. The working of a patent by a duly registered licensee will be deemed to be worked by its holder.

Thus, even though it is not mandatory to register a licence agreement, it is advisable to do so so that the licensee can exercise his or her legal rights, particularly against third parties.

30 Compulsory licences

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

At the request of any person who proves his or her capacity to use the patented invention, presented four years starting from the date of the filing of the application of the patent, or three years starting from the date of grant of the patent, whichever expires later, the Patent Office shall grant a compulsory licence for the use of a patent if it is not in use in the country and following an audience with the patent holder.

A compulsory licence will not be granted when it is demonstrated that lack of use is due to a fortuitous case or force majeure, or to circumstances that are out of the will or control of the holder of the patent and that justify the lack or insufficiency of industrial use of the patented

invention. Lack of financial resources or lack of financial viability of the use will not be considered as sufficient circumstances for non-working.

Before granting a compulsory licence, the Registration Office will give the holder of the patent the opportunity to proceed to its use within a term of two years starting from the notification made to him or her.

Whoever requests a compulsory licence according to the Honduran Industrial Property Law must prove that he or she has previously asked the holder of the patent for a contractual licence, and that he or she has not been able to obtain it within reasonable conditions and terms. The application for the compulsory licence will indicate the conditions under which the licence is claimed to be obtained.

The resolution of grant of a compulsory licence will establish:

- the scope or extension of the licence, specifying in particular the term and acts, which will mainly be to supply the home market of the country;
- the quantity and way of payment the licensee shall fulfil, such payment to be determined based on the amplitude of the use of the invention object of the licence and the economic value of the licence; and
- other conditions that the Industrial Property Registry Office would estimate necessary or convenient for the best use of the patent.

A compulsory licence granted according to the precepts of the Honduran Industrial Property Law shall be revoked by the Industrial Property Registry Office, at request of the interested person, if the beneficiary of the licence should not accomplish the obligations that are his or her duty, or if the circumstances that originated the licence disappear and it would not be probable for them to occur again. The obligatory licence shall be modified by the Registration Office, at the request of any of the parties, when new facts or circumstances justify it, particularly when the holder of the patent had granted contractual licences in more favourable conditions than the ones agreed to the beneficiary of the compulsory licence.

Compulsory licences cannot be exclusive, cannot be assigned or sub-licensed and can only be transferred with the business or with the portion of the business in which the invention is worked.

Patent office proceedings

31 Patenting timetable and costs

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

The average time for obtaining a Honduran patent varies depending on the field of technology. Generally, it takes from two to three years to obtain a patent.

The cost of obtaining and maintaining a patent in Honduras, from filing to expiry date (20 years in all cases), will be around US\$4,000 to US\$5,000.

Additionally, the cost of Spanish translations of the specification and the cost of any other documents filed in a foreign language during the prosecution of the application need to be taken into account.

32 Expedited patent prosecution

Are there any procedures to expedite patent prosecution?

There are no expediting procedures for patent prosecution in Honduras.

33 Patent application contents

What must be disclosed or described about the invention in a patent application? Are there any particular guidelines that should be followed or pitfalls to avoid in deciding what to include in the application?

Both national patent applications and Patent Cooperation Treaty (PCT) national phase applications must include the following:

- the name and address of the applicant;
- the place of incorporation (if a juridical person);
- the title of the invention or the utility model;
- the name and address of the inventor if he or she is not the applicant. If the inventor did not file the PCT base application, but rather the company entering the national phase in Honduras, then no assignment is needed;
- the petition designating Honduras as a national phase country;

Update and trends

There is a bill before Congress that may open the door to obtain patent protection for traditional knowledge.

- payment of the first annuities since the basic PCT application was filed until the date on which the national phase application is filed before the Honduran Patent Office;
- the date and serial number of the basic PCT application;
- two copies of the description, claims, drawings (if applicable) and summary in Spanish (the Spanish translation has to be filed at the time of filing the application); and
- power of attorney (legalised by the apostille or a Honduran consulate).

34 Prior art disclosure obligations

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

No, unless requested to do so as part of the examination process of the patent application.

35 Pursuit of additional claims

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?

Yes, divisional applications are allowed in particular cases.

36 Patent office appeals

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

The decisions rendered by the Highest Administrative Office (Superintendency of Intellectual Property) put an end to administrative procedures. The affected party may file suit before the Honduran Contentious Administrative Court requesting the said court to revoke the decision and also reclaim monetary compensation for damages in particular cases.

37 Oppositions or protests to patents

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

After the publication of the application in the Official Gazette, which is ordered after substantial and formal examination by the examiners of the Honduran Patent Office, any interested person will be able to present an opposition before the Patent Office making observations and presenting information or documents related to the patentability of the invention object of the application.

The Honduran Patent Office is in charge of knowing and resolving the oppositions filed that will be substantiated under the ordinary declarative procedures established by the Code of Administrative Procedures and the Honduran Industrial Property Law regulations.

The opposition should be presented within the term established by the Honduran Industrial Property Law, which is during the term of the publication or up to 30 working days counted from the last publication date.

38 Priority of invention

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

Honduras follows the first-to-file system. Consequently, there are no mechanisms for resolving disputes between different applicants for the same invention.

39 Modification and re-examination of patents

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

Amendments, additional claims or modification of claims, description or drawings are allowed during the prosecution of a patent application. After allowance, amendments are only permitted for correcting obvious errors in the letters patent or limiting the scope of the claims in the letters patent.

The patent shall be revoked by the Honduran Patent Office, upon the request of any interested person or competent authority, in cases of abuse of the rights conferred by the patent with the purpose of controlling, restricting or suppressing the industrial or commercial activities in such a way that it unlawfully affects the national economy, and as long as the grant of a compulsory licence had not been enough to end the situation created by this abuse.

The following situations, among others, will be considered abuses of the patent:

- the unlawful blocking or affecting of the establishment or development of new enterprises or industrial or commercial activities in the country due to the unjustified or abusive conditions imposed by the grant of a licence;
- the products protected by the patent are offered in the country at an unjustifiably high price as a consequence of an abuse of the rights conferred by the patent; and
- the patent is used to unjustifiably impede, restrict or control any industrial or commercial activity related to products or procedures that are not covered by the patent.

40 Patent duration

How is the duration of patent protection determined?

Honduran patents (in all fields) are granted for 20 years counted from the effective filing date of the patent application. For Convention and non-Convention applications, the effective filing date is the filing date in Honduras. For PCT applications, the effective filing date is the date of filing of the international patent application. A 30-month term is used for entering national phase applications.

Patents or registrations expire and the rights they protect normally fall into the public domain in the following cases:

- at the end of the 20-year term; and
- for failure to pay patent annuities (a total of 20 annuities).

Expiration owing to the expiration of the patent duration term will not require an administrative resolution.

Utility models have a term of 15 years from the effective filing date. Design registrations have a term of five years (renewable for two additional periods of five years) from the effective filing date.



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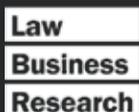
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