



# El Salvador

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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?

Protection against patent infringement can be implemented by executing administrative and judicial actions.

Administrative actions are based on the rights granted by the Intellectual Property Law, which provides that the owner of a patent can stop its unauthorised use by a third party. If the patent was granted for a procedure, use of such patent comprises manufacturing, sales, imports, storage and transit through the country, plus prohibition to use the procedure. The limits to the right of ownership are those mentioned in article 5 of the Paris Convention: private use, scientific investigation, and commercialisation of the patent once its term of protection has lapsed.

The Intellectual Property Law provides an opposition procedure enabling the filing of observations to the patentability requirements of a new invention, within two months after publication of the patent extract notice in the Official Gazette. The applicant is granted the right to reply to any observations made by third parties and after analysing both, the Patent Examiner resolves whether or not the patent application moves to the examination phase.

Judicial actions may be taken against patent infringement based on the Intellectual Property Law and the Mercantile Code or based on the Criminal Code.

Intellectual Property Law and Mercantile Code-based actions must be filed before the Mercantile Courts in the Judicial District of San Salvador or in a court with mercantile jurisdiction in other districts. Criminal actions must be filed before the General Attorney's Office and their prosecution is made before a criminal court.

The registration of a patent can be cancelled by filing a complaint before a Mercantile Court in the Judicial District of San Salvador or in a court with mercantile jurisdiction in other districts. Said cancellation action proceeds when it has been granted to a person other than the legitimate owner of the patented invention.

The Intellectual Property Law also grants the legitimate owner of a patent, legal actions to reivindicar it, if registered by an unauthorised third party.

Unfair competition actions can also be initiated based on the Commerce Code. The effect of such action is to obtain an injunctive relief, such as a judicial order to cease and desist any unauthorised patent use, make payment of damages, allow seizure of any objects used in the production of the patent, set in motion the reivindicación of legal ownership over the patent, allow the destruction of all objects used in the infringement and the publication of the judicial verdict.

The Criminal Code provides that violation of patent rights is a crime. Any person who, with industrial or commercial purposes and without the consent of the legitimate owner of a patent, manufactures, imports, offers or introduces into commerce objects derived from the patent right can be punished with one to three years' imprisonment.

- 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?

The trial format for Commerce Code and Intellectual Property Law-based actions related to patent registration annulment, reivindicación or unfair competition actions is as follows. A complaint must be filed before the Mercantile Court or a Court with mercantile jurisdiction. The complaint is examined for compliance of formal requirements stated in the Civil Procedures Code. If all formal requirements are fulfilled, the complaint is admitted. At this stage the judge may request a judicial bail granted in favour of the defendant to cover any damages caused, in the event the plaintiff fails to sustain its claims. Salvadoran Law does not establish how the bail should be calculated, hence its amount is set under the judge's discretion. Preliminary injunction can be requested in the complaint. Upon admission of the complaint, the infringing party is served and granted three days to reply. Both parties are granted eight days to file their evidence and afterwards the judge issues the verdict.

The criminal trial is initiated by filing a complaint before the Police or the Attorney General's Office. If the complaint is filed before the Police, the document is sent to the Attorney General's Office, as they are responsible for directing the investigation, to be done by the Police. Upon conclusion of said investigation, the Attorney General's Office requests a peace judge to open the trial, a point at which preliminary injunctions are executed, including seizure of all elements used to commit the infringement. A hearing is held before the peace judge, during which the parties can reach a settlement. If not, the judge decides if the investigations made by the police under direction of the Attorney General's Office resulted in sufficient evidence to continue with the trial. A second hearing is made before an instruction judge to determine the judicial relevance of the evidence provided. A final hearing takes place before a third judge, who will issue the final verdict, declaring the guilt or innocence of the defendant. If the defendant is found guilty, the penalty is of one to three years of imprisonment, which can be substituted by other out of prison penalties and restraints.

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

As in any trial, evidence is key to obtaining a favourable verdict. Ownership over the patent must be evidenced in the trial, by filing the patent registration procedure and the patent description, claims and summary and drawings if applicable. Owing to the nature of patents, it is also necessary to provide expert opinions in the trial. The experts are proposed to the judge by the intervening parties, and are instrumental in determining if the product being made by an infringer does contain the patent procedure.

In trials before a Mercantile Courts, the relevance of the evidence is provided by the Civil Procedures Code and failure by the judge to comply with the value set for each type of evidence may result in violation of the law. For example, a document issued by a public authority has more evidentiary weight than a private document; an expert opinion has more weight than a testimony, and so on. The trial is all made in written form and the dispute is decided by a judge and not by a jury.

In trials before a Criminal Court, the judge may consider all evidence provided and may provide each one with a value without any legal restriction. Cross-examination, witnesses and expert opinions are available and valued by the judge according to its best criteria. The parties provide the experts. The dispute is decided by a judge and not by a jury.

The estimated time for a trial to reach its final verdict before a Mercantile Court is one year and before a Criminal Court, between six months and a year. This estimate does not include the filing of remedies by the parties, which increases the time it takes to reach the verdict.

**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?

According to section 164 of the Intellectual Property Law, only the legitimate owner of a patent may request the annulment of a patent registered by an unauthorised third party. Annulment based on failure to comply with any legal requirements may be requested by any interested party, any person who uses the patent in commerce or by the attorney general. Additionally, a licensee may initiate actions against the infringement of a patent, provided it has a power of attorney to that regard. If not, the licensee must show before the court that it gave notice of the infringement to the legitimate owner of the patent and one month elapsed without any defence taken. Under these circumstances, the licensee may request preliminary injunctions to the judge to prevent the assignment or further infringement of the patent. The legitimate owner of the patent may intervene in the trial at any point.

The plaintiff may request the following precautionary measures: a judge's order to cease and desist all actions related to the infringement, the preventive seizure of all objects related to the infraction, and a prohibition from importing, exporting and transporting through the country illegally fabricated products by ordering the Customs Authorities to close the borders. If a precautionary measures is requested before the complaint is filed, its effect will cease within 15 days unless the judicial complaint is filed within that term.

If the trial is held before a Mercantile Court against an infringing company, the board member acting as legal representative is responsible for the corporate acts. Such person must file his or her credentials, duly recorded at the Registry of Commerce. If the corporation is found guilty, and the plaintiff

is awarded damages, the legal representative is not obliged to that payment and only the corporation can be made liable. If the trial is held before a criminal court, against a corporation, the legal representative of the corporation is held responsible for the actions of the corporation.

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

Inducement and contributory infringement can be argued in criminal cases, and those circumstances would have to be evidenced in the trial. The responsibility of the participants will depend on the extent of their intervention in the infringement.

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

If the patent infringement takes place outside the country, Salvadoran judges can not emit a ruling to that regard. If the infringing product enters the country, the judge's jurisdiction is activated. The import of infringing goods can be prevented by initiating a close of border action. A ruling or decision from another country may serve for illustrative purposes as evidence in a criminal trial, but the ruling cannot be based on such evidence, as the jurisdiction under which the ruling or decision was issued does not oblige the Salvadoran judge to issue a similar ruling.

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

A trial may be based on the production of an equivalent patent and, as in the evidence filing phase, an expert would determine if the product of the infringing party does infringe the patent.

**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?

In order to obtain evidence from the defendant or a third party, it shall be requested by the judge, who may order any person or authority to submit the requested documents. For example the defendant may request the judge to make an inspection of a laboratory accused of unauthorised reproduction of a pharmaceutical patent; in which case the judge may also request such lab to provide the patent documents, necessary to evidence the procedure used in the production, which in turn will be examined by the experts. Any evidence coming from another country must be duly legalised by means of apostille or up to the nearest Salvadorean consulate and later must be translated into Spanish, following the local procedures, for it to have legal value in the trial.

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

A patent infringement trial may take a year to reach its verdict. The parties are granted the possibility to file reverting petition remedies or appeals. A reverting petition may be resolved by the judge in a month to three months term, an appeal may be resolved within six months after its filing. If an appeal is made before the Supreme Court of Justice, reaching a final verdict may take a year.

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

Litigation costs may vary depending on the complexity of the case, but typically a trial may range between US\$10,000 to US\$25,000. The cost of appeals may also vary depending on the complexity of the issue, and typical cost range from US\$5,000 to US\$15,000. There are other minor costs that must be taken into consideration such as legalisation of documents and obtaining certification of documents from the Registry of Commerce and the Registry of Intellectual Property.

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

The parties may file an appeal against an unfavourable verdict. The appeal is resolved by either the Civil Chamber or the Criminal Chamber. In Mercantile Code and Intellectual Property Law derived trials, the appeal must be filed within three days after service of the verdict. An appeal can also be filed before the Civil Chamber of the Supreme Court of Justice. In criminal trials the appeal must be filed within five days after the verdict of the peace judge and the instruction judge is issued. Against a final verdict in a criminal trial the parties may file an appeal before the Criminal Chamber to the Supreme Court of Justice.

**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?

Judicial actions can be taken against unfair competition acts, based on article 491 of the Commerce Code which establishes that actions that may cause damage to a legitimate patent owner, through unauthorised use of a patent constitute unfair competition. Unfair competition trials can be initiated before a Mercantile Court or a criminal court. The criminal suit is also based on articles 238 of the Criminal Code and 491 of the Mercantile Code. The judge may ask the plaintiff to provide a judicial bail, to cover any damages caused to the defendant in the event he or she is declared innocent.

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

Alternative dispute resolution means can be implemented to resolve patent related matters, as long as the parties involved are willing to accept the ruling of arbitrators. El Salvador has a Mediation, Conciliation and Arbitration Law, which can be applied to these types of matters. International arbitration can also be implemented. In a criminal action a settlement may be reached by the parties at any time before the issuance of the final verdict.

### Scope and ownership of patents

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

According to Salvadorean Intellectual Property Law, article 107, a patent can not be granted over:

- discoveries, scientific theories, mathematical methods;
- plans, principles and methods applied to economics, advertising and business related to purely mental or intellectual activities and those related to games;
- methods of diagnostic, surgical or therapeutic treatment

applied to humans or animals, except for the products destined to execute such methods; and

- inventions which publication and commercial or industrial use would be considered to go against the public or moral order.

**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?

Ownership over a patent can be granted to the inventor or to a corporation as long as the patent application is accompanied by an assignment document or the contract of the inventor by the company. If the assignment document or the contract were granted in a foreign country, the document must be filed before the Intellectual Property Registry duly legalised by means of apostille or up to the nearest Salvadorean Consulate.

### Defences

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

Patents can be invalidated and their registrations can be annulled through a judicial declaration, the lapsing of the patent protection term, which is 20 years, or through the filing of a renouncement of the right by the legitimate owner of the patent.

The annulment of a registration certificate occurs when the patent was granted even though it did not comply with legal requirements, such as novelty, unity of the invention or patentable material. It also occurs if upon publication of the patent, its content is not sufficiently understandable for an expert in the field and the claims are not coherent with the publication or if due to a modification or division in the patent, the claims are no longer coherent or contain new claims that were not included in the original document. Finally the annulment of a registration operates if the patent was granted to a person who is not the legitimate owner of the patent.

The annulment can be requested by those who use the patent or are part of the same industry for which the patent was requested, the legitimate owner of the patent and the Attorney General's Office.

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

Novelty, non-obviousness and utility are registration requirements for any patent. The Registry of Intellectual Property does a patent search in the domestic database and in foreign patent office databases in order to determine the novelty of the patent in accordance to article 152 of the Intellectual Property Law.

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

To determine novelty, non-obviousness and utility of the patent, the Registry of Intellectual Property conducts a patent examination, assisted by an expert in the field for which the patent is requested. Since the local Registry has limited examining staff, the law allows it to request examination in foreign technical institutions. To this end, an Examination Agreement is entered into by the Registry and the applicant's counsel and examination fees are paid in advance. This step is key to expedite prosecution of the patent. The examination results determine whether the patent complies with the novelty and inventive level requirements. The

applicant has the right to file legal remedies against the patent examination results, which include a revision remedy before the patent registrar, a reverting petition remedy before the chief patent registrar and the appeal before the Direction of the General Bureau of Registries, in that order.

- 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?

Misconduct of the inventors or the patent owner does not make a registered patent unenforceable.

#### 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?

Against the infringement of a patent, the parties can claim economic compensation, in accordance to article 173 of the Intellectual Property Law. The basis of the calculation are:

- the damages made through the infringement;
- the benefits that the legitimate owner of the patent would have obtained if the infraction would have not occurred;
- the benefits that the infringing party obtained;
- the revenue that the legitimate owner of the patent would have obtained if a licence had been granted, compared to other similar licences granted and the patent object of the infraction; and
- any other criteria the court considers applicable.

The plaintiff may request the economic compensation based on any of the above.

The damages start to accrue from the moment the infraction starts. Evidence must be provided of when this began in the trial.

- 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?

There is no possibility to obtain a temporary injunction or final injunction against a future infringer. The injunction would not apply to the infringing party suppliers or to the customers.

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

A judge can order the payment of judicial fees in the final verdict, but attorney fees can not be awarded in the verdict.

- 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?

Salvadorean law does not establish a special procedure for willful infringement matters, hence the criteria to be used are the same as those used in a regular infringement case. Nonetheless, in any infringement case, the defendant is likely to argue lack of knowledge of the existence of the patent. Such circumstance would have to be evidenced by the defendant. In the trial the judge would have to take into consideration that part of the patent registration procedure involves the publication of the patent edict,

which determines the date from which the patent has entered the state of the art. Other points to be taken into consideration are the academic status of the infringer and the commercial circles to which the infringer belongs, which elements are useful to determine the penalty in the final verdict.

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

The time limits to seek a remedy against patent infringement may vary depending on the type of trial. In mercantile legal actions derived from patent rights, such as annulment and reivindicacion of a registered patent, legal actions lapse within five years after the patent has been granted. Unfair competition-based actions can be attempted within five years after obtaining knowledge of the infringement. Criminal actions can only be attempted within a term equal to the maximum penalty for crimes sanctioned with imprisonment or within 10 years after the infringement has been made.

- 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?

Patent marking is not compulsory but is recommended. Salvadorean Law does not establish the obligation to mark a patent, nonetheless such practice may help discourage infringement.

#### Licensing

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

Patent licensing is not compulsory, the parties involved can grant the licence agreement based on the principle of contractual freedom, based on the TRIPs agreement. A patent licence may be recorded before the Registry of Intellectual Property, against the licensed patents.

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

Salvadorean Law only establishes the obligation of granting licences over patent rights in cases of legally declared national security emergencies. The licence must be granted by the by a mercantile judge and only applies to patents that are considered necessary to satisfy the basic needs of the people of the country in an emergency. Such licences cannot be assigned by the licensee and are not exclusive.

#### Patent office proceedings

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

From the filing of the application until obtaining the registration certificate, the procedure lasts approximately two years. The procedure begins with the filing of the application. As attachments the applicant must file the patent description, abstract, claims and drawings if applicable, an assignment document in case the application is filed in the name of a corporation. If all formal requirements are fulfilled, the application is admitted and the edict for publication in the Official Gazette is issued. The publication is made after 18 months have passed, calculated from the filing date. After the publication, a patent examination is made by an expert in the field and if the patent complies with all requirements, the certificate is granted.

**Update and trends**

El Salvador has entered the PCT, which has been in force since August 2006. Hence, from February 2008, applications filed after August 2006 can undergo the national phase in El Salvador. Once the application is filed for the national phase, the applicable procedure is that of the Salvadorean Intellectual Property Law. The Intellectual Property Law was amended in 2006 to adapt itself to the requirements set by DR-CAFTA (Dominican Republic-Central American Free Trade Agreement with the US).

The costs related to patent registrations are set by law, with a registration fee of approximately US\$57, which must be paid at the moment of filing, and the payment of the patent examination (around US\$339 for a patent with 10 claims; for any further claims a US\$13 fee is added). The publication in the Official Gazette costs approximately between US\$45 and US\$65. Professional fees of local counsel must be added. Patent annuity maintenance fees must also be paid starting before the end of the second year counted from filing date; these are incremental according to the annuity paid. A six-month grace period applies for the payment of annuities. Two or more annuities can be paid at once.

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

The inventor requesting a patent registration is obliged by law to disclose prior art to the office examiner; such obligation is established by the Intellectual Property Law, in article 1.38b, as a requisite of the patent description document.

**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?

A patent applicant who wishes to obtain protection over claims that were not included in the original filing can file a new patent application, which will have to comply with all formal and

content requirements. The application will be examined and the information regarding the original filing will be comprised in the prior art section of the patent description document.

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

Upon the issuance of an unfavourable resolution in the patent registration procedure, the applicant may file a revision remedy before the Patent Registrar, a reverting petition remedy before the Chief Registrar and an appeal before the Direction of the General Bureau of Registries, in that order. If the verdict remains unfavourable, the applicant may file suit before the Supreme Court of Justice, based solely on the legality of the actions of the patent office.

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

The Intellectual Property Law grants any interested party the chance to oppose or protest against an application. The opposition must be filed within two months after the publication of the patent edict in the Official Gazette. After the filing of the opposition, the registry notifies the applicant of the observations made, and grants the opportunity to answer. The decision on the opposition is issued by the patent examiner, who may issue an office action to fulfill legal requirements, reject the patent application or grant it.

**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?

Any applicant may claim a priority right in the year that follows the filing of the original application in another country. In case of conflict between two patent application, the priority date will be that in which the first patent application was filed in its country of origin. If no foreign priority is claimed, the time and date of filing before the Registry of Intellectual Property will determine the priority right.

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**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 Intellectual Property Law does not grant the possibility of re-examination or modification of a patent, unless such modification is made as a result of the observations made in the patent examination in order to limit or clarify the patent content. The applicant may limit the claims in order to further clarify the invention, but is not allowed to file new claims. A court may revoke part of the patent claims as a result of a lawsuit, as stated in article 163 of the Intellectual Property Law.

**35** How is the duration of patent protection determined?

The patent protection term is 20 years for all patents, counted from filing date and provided annuities have been timely paid. However, patent restoration rules are available in several cases in which the Intellectual Property Registry delayed the prosecution of a patent.