

INPI's role in patent nullity actions – which side will it choose?

The National Institute of Industrial Property (INPI) is a federal agency linked to the Ministry of Economy. It is responsible for granting trademarks, patents and industrial designs as well as for registering technology transfer, franchise agreements and computer programs.

The Industrial Property Law (9279/1996) permits INPI to revise its administrative decisions and allows any person with a legitimate interest to file a nullity action before federal courts seek the annulment of an administrative act. When INPI is not the plaintiff, it must intervene in the lawsuit. It is not summoned to defend its own interest, but rather to protect public interest.

INPI's standing in nullity actions has been raised before federal courts in the past few years. It is understood that it should be a defendant, rather than a mere assistant, in proceedings seeking the annulment of its administrative acts. Further, INPI is subject to attorney fees if the lawsuit is ruled in the plaintiff's favour.

In March 2019 the Third Chamber of the Superior Court of Justice held that while INPI's participation in a trademark nullity action was mandatory but that its position was flexible (eg, it could side with the plaintiff or the defendant according to public interest).

INPI is able to do this because, after examining the complaint and other elements in the case, it may:

- uphold its administrative decision;
- review its position; and
- pursue a decision that benefits the plaintiff and defendant.

Based on this, the Third Chamber held that INPI's standing in nullity actions must be analysed on a case-by-case basis.

Although the decision was handed down in a trademark nullity action, it can be extended to nullity actions in general, including those involving the grant of patents, wherein INPI would have the same *sui generis* standing.

Further, the Brazilian Civil Procedure Code states that courts must standardise their case law. This means that federal courts must take the Superior Court of Justice's understanding into consideration from now on.