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IP RIGHTS PROTECTION AND ENFORCEMENT

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Patents and Industrial Designs
Trade Secrets
Licensing and Transfer of Technology
Information Technology Law
Cyberlaw
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Enforcement against Unfair Competition and Counterfeiting
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Legal framework

In Brazil, trademarks are governed by the Law on Industrial Property (9,279/1996).

Brazil is a party to the following international treaties:

- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks; and
- the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

Unregistered marks

As a general rule, the Industrial Property Law states that ownership of a mark is acquired through a granted registration, following which the rights holder has the right to exclusive use of the trademark throughout the national territory. However, the law also provides protection for owners of marks that have not yet been registered with the Brazilian Patent

and Trademark Office (BPTO). An example is the right of prior use, which establishes that any person who, at the date of priority or filing date of the application, has been using in good faith an identical or similar mark for at least six months to distinguish or certify an identical or similar product or service has a preferential right to registration.

Another example is trademarks that are well known in their field of activity, as per Article 6*bis*(1) of the Paris Convention. Well-known trademarks are given special protection regardless of whether they have been previously filed or registered in Brazil. The BPTO has powers to reject *ex officio* a trademark application that wholly or partially reproduces or imitates a well-known trademark.

On the other hand, in the event of the owner of a well-known mark filing an opposition or administrative nullity action based on its mark, it has 60 days from filing this in which to file an application to register its well-known mark in Brazil.

The law also establishes that signs that imitate or reproduce a third-party mark are

not registrable as trademarks if the sign is intended to distinguish a product or service that is identical or similar to that covered by the existing mark and is likely to cause confusion or association with such mark. As a consequence, the law enables the owner of a mark that has not yet been filed or registered in Brazil to challenge third parties which attempt to register similar or identical trademarks. Similar to the aforementioned situation, the rights holder has 60 days in which to file an application for registration of its mark in Brazil, starting from the filing date of the opposition or administrative nullity action.

The amount of use necessary to establish unregistered rights is highly contingent on the circumstances of fact, the statute that is being raised and the market segment at issue.

Registered marks

The Law on Industrial Property states that a natural or legal person subject to either a public or private law regime may register a mark. Business entities that are subject to private law regimes may apply to register a mark covering only activities that they effectively and lawfully carry out either directly or through companies that they control either directly or indirectly. Similarly, natural persons may apply to register only marks that cover their professional activities.

Required documents

A trademark application must include:

- a power of attorney, duly executed and signed by the applicant’s authorised representative (it need not be notarised, legalised or apostilled). If the power of attorney is not lodged at the time of filing,

it can be submitted to the BPTO within 60 days of the filing date;

- in the case of a priority claim, a simple copy of the priority application comprising all goods and/or services to be filed in Brazil. If this is not lodged at the time of filing, it can be submitted to the BPTO within four months of the filing date; and
- in the case of composite or device marks, a clear sample of the mark so that copies can be made in accordance with BPTO filing requirements.

Registration requirements

The law establishes that any distinctive, visually perceptible sign may be registered as a trademark, provided that it fulfils the legal requirements.

The visual representation requirement excludes non-traditional trademarks (eg, olfactory, sound and gustatory marks) from the scope of protection. However, the protection of three-dimensional (3D) signs – which are considered non-traditional trademarks – has been admitted in Brazil since the enactment of the Industrial Property Law in 1997.

Article 124 of the law gives examples of unregistrable signs, including:

- signs of a generic, necessary, common, usual or merely descriptive character (when related to the product or service to be distinguished) or those commonly used to designate a characteristic of the product or service, except when the sign is presented in a sufficiently distinctive manner; and
- names, prizes or symbols of sporting, artistic, cultural, social, political, economic or technical official or officially recognised events, as well as imitations likely to cause confusion, except when authorised by the



The law enables the owner of a mark that has not yet been filed or registered in Brazil to challenge third parties which attempt to register similar or identical trademarks

competent authority or entity promoting the event.

Procedures

Examination and opposition

Once the application has been filed, it is published and interested parties can file an opposition within 60 days. If an opposition is filed, the applicant will be notified to respond within 60 days. After the term for opposition and counterarguments has expired, the examination is conducted and potential conflicts with senior trademarks are considered. During the examination period, office actions or requests may be issued and must be responded to within 60 days.

If an applicant fails to respond to an office requirement, the application will be shelved. However, if a response is filed, the examination will continue, even if the requirement has not been satisfied or if the applicant's response was to lodge a formal challenge to the office action or request.

In the absence of opposition, the examiner will consider the results of the availability search. If conflicts with prior registrations are found, the examiner will reject the application. If a possible conflicting registration which could be cited as grounds for rejection is under forfeiture or subject to court proceedings or orders, the examiner will stay the junior application pending a final decision on the respective case. The same applies to possible conflicting senior applications that are still under examination.

Once an examination has been concluded, a decision will be issued either allowing or rejecting the application. In the event of rejection, the applicant has 60 days to file an appeal to the BPTO president.

Registration

The trademark registration is effective for 10 years from grant and may be renewed for equal and successive periods. The renewal request must be made during the last year of the registration term and must be accompanied by proof of payment of the respective fee. If a renewal request has not been made by the end of the registration term, the registrant may make such a request within the following six months on payment of an additional fee.



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Philippe Bhering holds an LLB from the Candido Mendes University of Rio de Janeiro, as well as an LLM and a Dr jur from Ludwig-Maximilian University in Munich. He has worked as a guest researcher and as a research assistant at the Max Planck Institute for Innovation and Competition.

He is a member of the Brazilian Industrial Property Association (where he is a member of the board of directors), the Brazilian Bar Association, INTA, the Association of European Trademark Owners, the International Association for the Protection of Intellectual Property and the German Association for the Protection of Intellectual Property.

His areas of practice include trademarks, copyright, software, information technology, unfair competition, anti-piracy measures, IP transactions and IP litigation. He speaks Portuguese, English and German.

Removal from register

The registrant must initiate the use of its trademark within five years of grant, failing which the registration may, at the request of any person with a legitimate interest, be declared extinct. Moreover, if use of the mark has been interrupted for more than five consecutive years or if, within that time, the mark has been used in a modified form that implies alteration of its original distinctive character as found on the certificate of registration, the registration may, at the request of a third party, be deemed extinct.



The Industrial Property Law sets out two administrative mechanisms for a rights holder to enforce its rights: opposition and administrative nullity action

Once the registration is published in the *Official Gazette*, a 180-day term commences in which any person with a legitimate interest may file an administrative nullity action. An administrative nullity action may also be commenced *ex officio* by the BPTO and the registrant will have 60 days to respond. Once the term for counterarguments has expired, even if no response has been presented, the issue will be decided by the BPTO president. This decision brings the administrative stage to a close.

A registration may be subject to a declaration of administrative nullity if a third party can prove that it was granted in conflict with the law.

Any person with a legitimate interest or the BPTO may file a judicial nullity action against a registration or the administrative act that annulled a registration.

Timeframe

The BPTO is expected to issue a first decision in regard to an unopposed application approximately nine months from the filing date of the application. A decision in connection with an opposed application is expected one year after the filing date of the application.

As to purely administrative proceedings (eg renewals, mergers and changes of name), a decision is expected within three to four months.

Searches

The following trademark office searches are available:

- identical trademark search;
- similar trademark search;

- search per class; and
- search of device marks.

Enforcement

Administrative proceedings

The Industrial Property Law sets out two administrative mechanisms for a rights holder to enforce its rights: opposition and administrative nullity action.

Civil and criminal proceedings

In addition, the rights holder can enforce its rights through criminal and civil proceedings, as provided for in Articles 189 and 190 (crimes against marks) and Articles 207 to 210 (civil measures) of the law.

For civil proceedings, the injured party may file a lawsuit seeking the cessation of the infringing act, coupled with a claim for damages. The lawsuit may also include an *ex parte* preliminary injunction request, with a view to the immediate cessation of the harmful conduct until a decision on the merits can be rendered, subject to the specific requirements of the Civil Procedure Code. In order to obtain a preliminary injunction, the plaintiff must demonstrate a *prima facie* good case (ie, that there is a likelihood of success on the merits of the case) and that delay in granting the relief sought would be likely to give rise to harm that is irreparable or extremely difficult to redress.

The plaintiff may also seek the imposition of a daily penalty for failure to abide by the preliminary injunction. If the interim relief sought is granted, the defendant will be restrained from practising the infringing act pending a final and definitive ruling on the substantive lawsuit. In some circumstances, a

court will only grant interim injunctive relief if the petitioner posts a bond or a fiduciary guarantee to cover any losses incurred by the respondent.

A criminal action requires the filing of a criminal complaint; although if the crime is committed against armorial bearings, crests or official public distinctions, a criminal action will be commenced by the Public Prosecution Service.

In terms of criminal proceedings, one very important provision is the possibility of filing a preliminary criminal search and seizure action, aimed at gathering evidence of acts of infringement before the infringer has a chance to destroy or hide it. Pursuing a preliminary criminal search and seizure action is normally more straightforward than undergoing the more complicated civil proceeding of early production of evidence. Given that it is possible to rely on evidence obtained under a search and seizure warrant in both civil and criminal proceedings, an application for preliminary criminal search and seizure is frequently a useful starting point for civil infringement proceedings, as well as for criminal proceedings *per se*.

Jurisdiction

Nullity actions against trademark registrations and against administrative acts upholding a rejection decision or annulment of a trademark registration are submitted to the Rio de Janeiro Federal Court (the BPTO is a party to all such actions and thus they must be filed in the federal courts).

The Rio de Janeiro Federal Court has four courts specialising in intellectual property at first instance. At appeal level, the Regional Federal Court of the Second Region, with

jurisdiction over the states of Rio de Janeiro and Espirito Santo, has two specialist IP panels.

Infringement actions must be filed before state courts as the BPTO does not participate in such proceedings.

Remedies

Civil remedies include an order for immediate cessation of the infringing act (the plaintiff may request the imposition of a daily penalty for failure to comply with a preliminary injunction or with a first-instance decision) and compensation for unauthorised use of the trademark.

In a lawsuit seeking cessation of the infringing act and a damages award, the judge may grant an *ex parte* preliminary injunction in order to avoid irreparable loss or harm that would be difficult to repair. In such circumstances, the court may require a petitioner to post a bond or a fiduciary guarantee and may order the seizure of all merchandise, products, packaging, labels and other materials that bear the counterfeit or imitated mark.

Criminal remedies include preliminary criminal search and seizure measures, imprisonment and fines.

Damages

The law applies three criteria when calculating damages:

- the benefits that would have been gained by the injured party had the infringement not occurred;
- the benefits obtained by the infringing party; and
- the remuneration that the infringing party would have paid to the rights holder for a licence to use the protected rights legally.



Infringement actions must be filed before state courts as the BPTO does not participate in such proceedings

Since 2003 the Superior Court of Justice has held that proof of the infringement of a trademark right is sufficient in itself to give rise to a right to damages, independent of any evidence of actual harm caused to the injured party.

Time limit for action against third-party registration

Any person with a legitimate interest or the BPTO may file a judicial nullity action against a trademark registration filed in good faith. A judicial nullity action is statute barred following the expiry of five years from the date of publication of the granting decision.

As to a registration filed in bad faith, a nullity action can be filed at any time, according to Article 6*bis*(3) of the Paris Convention.

Timeframe for enforcement action

Once a civil trademark infringement action has been filed, the defendant is notified to respond within 15 days. The plaintiff may respond to the defendant's answer within 10 days.

There are usually two hearings at first instance:

- a conciliatory or preliminary hearing, in which the parties try to settle the case amicably; and
- an evidentiary hearing, in which the expert and technical assistants may be cross-examined if their findings disagree (the relevant questions having been filed and responded to in writing before the hearing)

– depositions are taken from the parties and the listed witnesses are heard.

This second hearing occurs only in cases where there is a need for evidence to be produced.

At the close of the hearing, the judge may immediately make a final order (the final decision at first instance) or he or she may direct that the parties submit final briefs. In the latter case, the judge will issue the final order following the submission of the briefs and their consideration.

It is possible to file an appeal against this order to the State Court of Appeal, and an order of the State Court of Appeal may be challenged in a special appeal to the Superior Court of Justice or an extraordinary appeal to the Federal Supreme Court.

A final decision on infringement and nullity actions may take between one and two years at first instance. A final decision on second instance may take up to two years. Whether the lawsuit is based on registered or unregistered rights should not substantially affect the timeframe of the case.

Ownership changes and rights transfers

Assignment
Applications and registrations may be assigned on condition that the legal requirements for requesting registration are met by the assignee. The assignment of a trademark application or registration covers only the trademark; no goodwill or other business assets need be assigned in order for an assignment to be valid.



Applications and registrations may be assigned on condition that the legal requirements for requesting registration are met by the assignee

A trademark assignment application must include:

- a power of attorney executed and signed by an authorised officer of the assignee (this need not be notarised, legalised or apostilled); and
- an assignment document to be executed and signed by the authorised officers of the assignor and assignee.

If the document is signed by the company's president, vice president, CEO, chief financial officer, chief operational officer, director or secretary, notarisation is not needed. If, however, the signing officer has a different title, it is recommended to have the document notarised in order to avoid doubts about his or her powers to represent the company. This document must also include the signature and details of the identity of two witnesses (no notarisation is required for the witnesses' signatures).

The assignment of a trademark application or registration takes effect between the contracting parties from the moment it is executed and signed by the assignor and assignee. However, in order to be effective against third parties, the assignment must be registered at the BPTO. The assignment is effective against third parties from the date of publication in the *Official Gazette*.

Licensing

A licence agreement takes effect between the contracting parties from the moment it is executed. However, a trademark licence agreement must be recorded with the BPTO in order to be effective against third parties. It will be effective against third parties from the date of publication in the *Official Gazette*.

Registration of the licence agreement with the BPTO is also important if royalties are agreed to.

The remittance of payments from trademark licences will be accepted only after grant of a respective trademark registration by the BPTO. Retroactive payments before the grant of the registration are not allowed.

Registration of the licence contract with the BPTO is not required to constitute proof of use of the licensed mark.

Related rights

Trademark rights may overlap with copyright and industrial design rights. A logo or a device trademark can also be protected by copyright, provided that it is an original work within the terms of the Copyright Law. The particular form (design) of a product or its finishing or packaging may be protected under the provisions covering 3D trademarks, industrial designs and copyright, provided that the requirements for each form of protection are met.

Online issues

Since October 2010 Brazil has had an administrative conflict management system, SACI-Adm, for domain names using the country-code top-level domain '.br'.

According to the SACI-Adm Regulations, a rights holder may oppose a domain name on the grounds that there is a previously filed or registered trademark before the BPTO; or that the opposing party owns a trademark that, although not filed or registered with the BPTO, is considered to be well known in its field of activity within the terms of the Industrial Property Law. The decision rendered in the SACI-Adm procedure will determine either cancellation of the domain name or its transfer to the rights holder.

The Brazilian courts have not yet specifically addressed the question of whether the use of a third party's trademark in keyword advertising constitutes trademark infringement. However, the judiciary has already issued rulings indicating that such use may constitute an act of unfair competition when it is likely to confuse or redirect consumers. In such a case, rights holders can invoke the regulations for protection against unfair competition.

Pursuant to Article 19 of the Civil Rights Framework for the Internet (Law 12,965/2014), hosts and other service providers are granted a safe harbour in regard to trademark and copyright infringement, as they may only be held civilly liable for damages arising from content generated by third parties if they fail to take the infringing content down after a specific court order, meaning that there is no red flag awareness provision applicable in this context. Moreover, according to Article

18, the internet service provider will not be civilly liable for damages arising from content generated by third parties. **WR**

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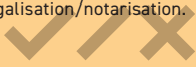
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Examination/registration

Representative requires a power of attorney when filing? Legalised/notarised?

Yes: power of attorney required.
No: legalisation/notarisation.



Examination for relative grounds for refusal based on earlier rights?

Yes



Non-traditional marks registrable?

3D



Unregistered rights

Protection for unregistered rights?

Yes



Specific/increased protection for well-known marks?

Yes



Opposition

Opposition procedure available? Term from publication?

Yes: 60 days from publication.



Removal from register

Can a registration be removed for non-use? Term and start date?

Yes: five years after grant if certain conditions fulfilled.



Are proceedings available to remove a mark that has become generic?

Yes: an administrative nullity action or court action may be filed.



Are proceedings available to remove a mark that was incorrectly registered?

Yes: an administrative nullity action or court action may be filed.



Enforcement

Specialist IP/trademark court?

Yes



Punitive damages available?

No



Interim injunctions available? Time limit?

Yes: an application for preliminary injunction may be included in the plaintiff's complaint.



Ownership changes

Is registration mandatory for assignment/licensing documents?

Yes



Online issues

National anti-cybersquatting provisions?

No



National alternative dispute resolution policy (DRP) for local ccTLD available?

Yes: SACI-Adm.

