

Fame in South America: how to establish and wield well-known status

Renown is a powerful tool for trademark practitioners, but when seeking to establish and utilise it in Central and South America, local nuance is all important





PICTURE: SCROLLAH/SHUTTERSTOCK.COM

Well-known marks enjoy full protection in Argentina. Due to the fact that the country is a member of the Paris Convention for the Protection of Industrial Property, the General Agreement on Tariffs and Trade and the Agreement on Trade-Related Aspects of Intellectual Property (TRIPs), a uniform doctrine and case law has been established to protect such marks even if they are not licensed or used in the country. In 2018 the Trademark Law was amended (National Decree 27/2018, later ratified as Law 27.444) and Resolution 279/2019 was issued by the Trademark Office, resulting in well-known marks not being liable to cancellation proceedings due to non-use.

This reform has significantly improved protection for well-known marks. However, ‘well-known’ status is still not defined in the Trademark Law and there are no details about how to prove such status. To determine best practices for rejecting non-use actions and prove recognition, practitioners should recall that the 2018 amendments also introduced a mid-term affidavit of use and transferred jurisdiction for non-use actions to the Trademark Office.

Non-use actions before the office have proven to be smoother and more accurate than prior proceedings heard by the courts. In a nutshell, the new procedure is similar to a written judicial proceeding (ie, complaint, complaint response, stage of discovery, final arguments and, finally, judgment) with two key benefits:

- While the mid-term affidavit of use is non-binding, the Trademark Office will take it as a substantive piece of evidence in favour of the mark.
- Officers there are highly qualified, with a keen understanding of trademark regulation.

This new administrative procedure, which allows for a more informal approach to non-use actions, also offers the possibility of providing alternate evidence via straightforward means that may help the owners of well-known marks not being used in Argentina. Digital evidence is sufficient – there is no need for complicated notarial loads of paper-based records.

Historically, all marks had to have ample use within Argentina in order to demonstrate that they were well known. It was unheard of that a mark could be well known if it had not been used in the country. Nowadays, it is easy to illustrate global awareness; considering these recent amendments to the Trademark Law, it is highly

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unlikely that anyone would question well-known status based on the absence of local use.

A genuinely consumer-protective trademark regulation should address the recognition of a well-known mark rather than its use in the local market. Simpler criteria to demonstrate notoriety would assist in the battle against bad-faith competitors and pirates taking advantage of the challenges of doing business in the global economy.

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It is hoped that in future the courts will become more flexible with regard to the criteria for proving well-known status

Another scenario that must be considered with regard to well-known marks is that of applications for notorious international marks that are not registered in Argentina. Although the latest changes to the Trademark Law did not assign authority to the Trademark Office for such cancellation proceedings, there was a significant precedent following a case involving Brahma, in which the office itself declined to register a well-known mark for unrelated goods. Since then, officers have established a longstanding practice of refusing any unlawful application that is identical or confusingly similar to a well-known mark, even if the legitimate owner missed the opportunity to file an opposition.

It is hoped that in future the courts will become more flexible with regard to the criteria for proving well-known status, as the Trademark Office is doing, especially in cases where several third-party sources can be found online. Ultimately, the key goal of trademark regulation is to protect consumers and encourage fair practices. Taking recognition, rather than use, as a parameter for determining status in the local market helps to promote growth and investment within an efficient trademark system. **WTR**



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Protection for highly renowned trademarks is set out in Article 125 of the Industrial Property Law (9,279/96). This states that a trademark registered in Brazil and considered to be highly renowned is afforded special protection in all fields of activity. Although no definition is given for ‘highly renowned’ in the statute, Article 125 is regulated by National Institute of Industrial Property (INPI) Resolution 107/2013 (as amended by Resolution 172/2016).

According to Article 1 of the resolution, a trademark is highly renowned if it effectively distinguishes the relevant products or services beyond its original limited scope, thus exceeding the principle of specialty, so that it is recognised by a significant portion of the public and associated with quality and prestige, and its mere presence is capable of attracting consumers.

The highly renowned status provided for in Article 125 of the Industrial Property Law is distinct from the well-known status set out in Article 6*bis* of the Paris Convention, which was implemented in Brazil by Article 126 of the Industrial Property Law.

An application for highly renowned status can be submitted to INPI at any time during the trademark term of protection. The application must be made via a specific petition, with all the necessary supporting evidence attached. A petition can only cover one trademark; therefore, a separate application must be made for each mark.

The application must satisfy the following three requirements:

- The trademark is recognised by a significant portion of the general public in Brazil.
- The public associates the mark (and consequently the goods or services that it identifies) with quality and prestige.
- The trademark has a significant degree of distinctiveness and exclusivity.

One effective way to satisfy the first requirement (as it is referred to in Resolution 107/2013) is to submit market research. It is also advisable to submit press releases and media coverage of the trademark, including articles and reports from newspapers, journals, electronic media and other relevant audiovisual, electronic and printed materials.

With respect to the second requirement, INPI recommends the submission of brand recognition surveys covering the Brazilian national territory, in addition to

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any other material that the trademark owner considers relevant to demonstrating the public perception of the trademark in Brazil. INPI also accepts as evidence copies of court orders or case records of lawsuits filed to combat dilution and parasitic exploitation of a mark.

Resolution 107/2013 states that evidence to support an application for highly renowned status may contain information such as:

- details of the length time during which the trademark has had a presence on the Brazilian market and, if relevant, abroad;
- the distribution and marketing channels used for the trademark in Brazil;
- the geographical extent of the effective distribution and marketing of the trademark in Brazil and, if relevant, abroad;
- the amount invested by the trademark owner in marketing and advertising the trademark in the Brazilian media over the past five years;
- the sales volume of the product or revenue from the service in the past five years; and
- the trademark’s economic value.



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If the request is granted, the trademark will hold its highly renowned status for 10 years from the date of publication, unless the corresponding registration is cancelled before the end of said period or the decision to confer highly renowned status is reversed on appeal by a third party. In order to maintain the special status condition, a new request must be filed in the last year of the protection term using the same procedure.

The granting of highly renowned status is extremely helpful when it comes to enforcing rights both within the administrative sphere (before INPI) and before the courts. **WTR**



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In Chile the legal basis for trademark protection is established in Law 19.039 (modified by Law 19.996, amended by Law 20.160 and, later, by Law 20.569, which came into force on 6 February 2012) and Decree 236 (on Regulation Rules of Law 19.039, modified by Laws 19.996 and 20.160, and further by Supreme Decree 29). Chile is also party to international conventions including the Paris Convention, the World Trade Organisation's TRIPS Agreement and the Trademark Law Treaty.

In terms of fame, there are prohibitions that affect the establishment and recognition of well-known trademarks, particularly on “expressions or signs used to indicate the kind, nature, origin, nationality, source, destination, weight, value or quality of the products, services or establishments; those of general use in trade to name a certain kind of products, services or establishments, and those that do not exhibit an innovating feature or describe the products, services or establishments to which they must be applied”. However, signs that are not inherently distinctive may be registered if they have acquired distinctive character through use in the country (ie, well-known local marks).

Elsewhere there are prohibitions on marks that lead to errors or confusion with regard to the source, quality or kinds of products, services or establishments being offered. This is especially applicable in cases involving a company's trade name where there is the possibility of confusion between the origins of the company applying for the mark and its opponent.

Another prohibition applies to trademarks that are identical to – or graphically or phonetically resemble – other marks registered abroad for the same products, services or commercial and/or industrial establishments in a manner that is likely to result in confusion, provided that they enjoy fame and notoriety. If a registration is rejected or invalidated for this reason, the foreign owner

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can apply to register the trademark within 90 days; if it fail to do so, the mark may be requested by any person, with priority being given to anyone whose application was rejected or was the subject of the invalidation.

Alongside this is a prohibition on trademarks that are identical or similar to prior Chilean well-known registered marks, applied for in different classes, if the registration could affect the interests of the owner of the well-known mark.

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No statute of limitations applies in the case of bad-faith registrations

Additional protection is granted to trademarks that are registered in Chile and famous and notorious, allowing owners to either oppose new applications or cancel existing registrations for other identical or similar signs for different and unrelated goods, services or commercial or industrial establishments, where it is likely that such protection would harm the interests of the owner of the well-known registered mark. In this case, the fame and notoriety will be determined in relation to the sector of the public that usually consumes those goods in Chile.

One important aspect to consider relates to cancellation actions. Based on any of the aforementioned non-registrable provisions, these must be initiated within five years of the registration date. However, no statute of limitations applies in the case of bad-faith registrations. **WTR**



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'Well-known' trademarks are defined as marks that are extensively known in the region covered by the Andean Pact (ie, Bolivia, Colombia, Ecuador and Peru). While the countries of the Andean Community do not have a community registration system, they do share a common regime, which means that they have the same legislation on industrial property, as well as various provisions that affect all member countries – including on well-known marks.

According to these provisions, a well-known mark is one that is known within the relevant sector in any member country. Therefore, a well-known trademark that is not known in Andean Pact member countries will not be eligible for this special protection.

Extended protection for well-known marks in Colombia

In accordance with Article 136(h) of Decision 486 of the Andean Community, the owner of a well-known trademark may oppose any mark that constitutes an imitation, translation, transliteration or total or partial transcription of its well-known mark, regardless of the products or services to which the mark applies.

The provision establishes that the use of the mark at issue must be capable of causing:

- a risk of confusion or association;
- unfair use of the prestige of the sign; or
- the dilution of its distinctive power or its commercial or advertising value.

This suggests that protection of well-known marks overrides the principle of specialty that governs ordinary trademarks, by which their exclusive power operates only in regard to the products or services covered by their registration or where there is a risk of confusion of association. The rule thus establishes that well-known marks can be protected against marks that cover any product or service.

The regulation stipulates that the infringing use must be likely to generate confusion or association, dilution, loss of distinctiveness, loss of advertising value or misappropriation of the prestige of the well-known trademark.

However, in 2015 and 2016 the Andean Court of Justice indicated that there is no absolute breach of the principle of specialty – this only occurs where there is a risk of confusion or association with regard to the products or services distinguished by the well-known trademark.

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Well-known marks and renowned marks

As of 2016, the jurisprudence of the Andean Court of Justice has differentiated between a renowned mark, which is not defined by the Andean legislation, and a well-known mark, which is expressly regulated by Andean legislation.

A well-known mark is one known by the relevant sector in any Andean country, while a renowned mark is known beyond the relevant sector. A renowned mark is therefore quantitatively much better known than a well-known mark. Both types of mark breach the principle of specialty, but renowned marks do so absolutely, with respect to all products or services.

A well-known mark breaches the principle of specialty in a restricted way, with regard to identical, similar and different products, but only where there may be a risk of confusion or association regarding the trademark owner or its products or services.

Current practice with regard to well-known marks

An official declaration of a trademark's well-known status can be obtained by filing an administrative opposition to a third-party trademark application. If an opposition is filed in accordance with Article 136(h) of Decision 486, an official decision will be issued either recognising the mark as well known or refusing such status. Within the same decision, the Trademark Office will decide whether to protect the trademark at issue against the applied-for mark.

To support a claim of well-known status in Colombia, applicants should submit evidence of:

- foreign trademark registrations, with the aim of proving the age of the trademark – the older the registrations, the better the evidence to support well-known status;
- declarations as to the history and antiquity of the trademark, the method of its commercialisation, the amount invested in advertising and the amount of sales in Andean Pact countries for several years before the application date of the trademark for which opposition is filed;
- accounting documents that corroborate the amount invested in advertising and sales;
- representative examples of sales invoices for the relevant products or services;
- publications showing the trademark and results of online searches for the mark showing several hits;
- advertising samples, preferably containing the date and geographical scope of distribution;

- proof of the trademark's book value;
- proof of the existence of licensees for the trademark;
- if the trademark has been advertised within international rankings of famous brands – this will be good evidence to support the fact that it is widely recognised; and
- depending on the way that the trademark has been advertised, sponsorship of international or large events – during the covid-19 pandemic, evidence of online sponsorship is acceptable.

Evidence need not be original, notarised or legalised. All documents can be filed as scanned copies. If texts are in another language, a simple translation is sufficient. For evidence such as advertising, brochures, newspaper

articles or online publications, a translation into Spanish will not be necessary, if it is possible to clearly see the trademark at issue.

According to current practice, no protection is afforded to well-known trademarks against the risk of dilution, loss of advertising value or misappropriation of its prestige.

Although the Andean legislation has already been in force for 20 years and contemplates the extension of protection to well-known marks, its development has been slow and has taken place through jurisprudence and interpretations of the Andean Court of Justice. **WTR**



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It has been common practice to recognise and protect well-known trademarks in Mexico for at least 45 years. However, it was only after the Industrial Property Law was amended in 2005 that the distinction between famous and well-known trademarks was formally introduced.

Mexico is a member of various international treaties, including the Paris Convention, the TRIPs and Nice Agreements, and the Madrid Protocol, as well as various free trade agreements with different countries – including Bolivia, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Uruguay – that recognise the application of Article 6*bis* of the Paris Convention, which confers protection to well-known trademarks. In addition, Mexico has entered into treaties with:

- the United States and Canada (USMCA), in force since 1 July 2020;
- the Transpacific Partnership Agreement, in force since 30 December 2018; and
- the European Union, which is still being revised.

Protection of well-known and famous trademarks is sustained by Articles 6*bis* and 10*bis* of the Paris Convention, which recognises the need for applied principles to fight against unfair competition.

As a consequence of the USMCA negotiations, Mexico enacted the Federal Law for the Protection of the Industrial Property, which came into force on 5 November 2020. This upholds the provisions of the former Industrial Property Law with regard to the protection and recognition of well-known and famous

marks – that is, that the notoriety or fame of a trademark can be determined by taking into account the knowledge that the specific public sector or commercial circle may have as a consequence of commercial activities.

As with the Industrial Property Law, the Law for the Protection of the Industrial Property has two mechanisms to recognise well-known and famous marks. The first is by estimating a trademark's notoriety or fame through a litigation process (ie, cancellation action (annulment) or infringement) before the Mexican Institute of Industrial Property (IMPI). The second is through an administrative declaration issued by IMPI in which it declares that the mark is famous or well known.

The Law for the Protection of the Industrial Property – unlike the former Industrial Property Law – states that it is not necessary for a trademark to be registered in Mexico in order for such a declaration to be issued. Once obtained, the declaration can be renewed every five years, provided that the conditions that gave rise to it still apply.

According to various sources, IMPI granted 31 declarations of notoriety and 90 declaration of fame between 2005 to 2018. However, it is difficult to find information about how many of these declarations have been renewed and how many have been used in a litigation proceeding or have been cancelled (annulled) by IMPI due to a third-party validity challenge. **WTR**



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