



## An overview of the combat against counterfeit trade marks in Brazil

Brazil is continental in scale. It is the largest country in Latin America with a total territory of 8,511,965 sq. km and a population of around 208 million. It borders ten countries (Argentina, Bolivia, Colombia, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela). Its total borderline is 16,885 km, making it the country with the third longest land border in the world, behind only China and Russia and it has 37 public maritime ports.

In Brazil, counterfeiting continues to be a significant problem, involving not only counterfeit products manufactured locally, but also those that are imported to Brazil or that are in transit to another country.

In this context, one recurring legal issue is the extent to which trade mark owners can efficiently tackle counterfeiting in Brazil. The purpose of this article is to set out an overview of

some relevant mechanisms provided for in the Brazilian legal system.

The rights and duties pertaining to trade marks are set out in the Brazilian Industrial Property Law (the "LPI"), which also includes provisions on patents, designs and geographical indications as well as the rules on the suppression of unfair competition. The LPI stipulates that infringement of trade marks constitutes both a civil wrong (tort) and a crime. Hence, the injured party is entitled to rely on both civil and criminal measures in order to enforce its rights. The provisions of the Civil Procedure Code and the Criminal Procedure Code act as subsidiary provisions to the LPI for the purposes of enforcement of rights.



In terms of criminal measures, one very important mechanism is the conducting of raids. The ultimate goal is to achieve the destruction of the goods seized during the operation. Destruction requires, however, the issuance of an expert report that confirms an infringement. A favourable expert report also provides the basis upon which the trade mark owner can file a criminal action against the infringer.

In the field of trade mark law, the raids usually take place as part of a police investigation into possible crime and with a view to obtain evidence (although it is also possible to make an independent application for a court-mandated raid). The goods seized during raids are sent to an official expert for analysis. If the expert report

confirms that there has been infringement, the trade mark owner can then file a request for the destruction of the seized goods. Once the police investigation has been concluded, the chief police officer sends the findings to a first instance court for ratification of the expert report.

Following ratification of the report the limitation period for the filing of a criminal lawsuit against the infringer starts running. It is not possible to file a criminal action without having previously obtained an expert report, either within the scope of a police investigation or through a court procedure. Criminal penalties for trade mark infringement include imprisonment or fines. In practice, the normal sentence imposed is a fine, which then reverts to the state – it is generally believed that criminal sanctions are mild. However, if a convicted infringer re-offends, he loses several benefits offered to first-time offenders and the penalties become more severe. Should the expert report confirm the trade mark infringement, one alternative to the filing of the criminal action is for the offender to sign a formal agreement to refrain from further infringement of the trade mark owner's rights. The request for the destruction of the seized goods would be filed in parallel to the signing of the agreement.

As for civil measures, the trade mark owner may file a lawsuit seeking cessation of the infringement coupled with a claim for damages. An order for cessation of the infringement and an award for loss can only be obtained in civil proceedings. The civil lawsuit may also include an application for *ex parte* preliminary injunction with a view to immediate cessation of the harmful conduct, pending a definitive ruling on the merits.

In order to obtain a preliminary injunction, the trade mark owner must demonstrate a *prima facie* good case, *i.e.* that there is a likelihood of success on the merits of the case, and that delay in granting the relief sought would likely give rise to harm that is irreparable or very difficult to redress. 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 merits. The trade mark owner may also request, within the scope of the civil lawsuit, the immediate seizure of all merchandise, products, objects, packages, labels and other materials bearing the counterfeited or imitated mark. Such an order will only be granted in cases of reproduction or flagrant imitation of the registered mark.

Border control mechanisms are also a part of



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the Brazilian legal system to combat piracy. The rules provided for in the LPI and in the Decree No. 6.759/09 (Brazilian Customs Regulation) include authorisation for customs officials to seize *ex officio* any products which they consider to bear altered or imitated marks. Moreover, a trade mark owner who has sufficient evidence of the planned import or export of counterfeit goods may request the seizure of such goods, by filing an application setting out the facts or circumstances which give rise to the owner's suspicions. The seizure and destruction of the goods are implemented via an administrative procedure at Customs. However, if the trade mark owner needs to obtain official information as to the importer (such as the individual or company name, address, identification and corporate details), it will be necessary to make a formal application to the court.

It can therefore be seen that the local legal system provides a range of mechanisms both in the civil and criminal spheres, in addition to administrative procedures before the customs authorities, which enable trade mark owners to efficiently combat counterfeit in Brazil. The major concerns as to the risk of piracy continue to centre on geographical and socio-economic issues.



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