

# Trademarks

*Contributing editors*

**Claus Eckhartt and Christine Fluhme**



2018



GETTING THE  
DEAL THROUGH 

# Trademarks 2018

*Contributing editors*

**Claus Eckhartt and Christine Fluhme**  
**Bardehle Pagenberg Partnerschaft mbB**

Publisher  
Gideon Robertson  
gideon.roberton@lbresearch.com

Subscriptions  
Sophie Pallier  
subscriptions@gettingthedealthrough.com

Senior business development managers  
Alan Lee  
alan.lee@gettingthedealthrough.com

Adam Sargent  
adam.sargent@gettingthedealthrough.com

Dan White  
dan.white@gettingthedealthrough.com



Published by  
Law Business Research Ltd  
87 Lancaster Road  
London, W11 1QQ, UK  
Tel: +44 20 3708 4199  
Fax: +44 20 7229 6910

© Law Business Research Ltd 2017  
No photocopying without a CLA licence.  
First published 2005  
Fourteenth edition  
ISSN 1745-4638

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between August and September 2017. Be advised that this is a developing area.

Printed and distributed by  
Encompass Print Solutions  
Tel: 0844 2480 112



## CONTENTS

<b>Angola</b>	<b>7</b>	<b>Korea</b>	<b>93</b>
Márcia Gonçalves Raul César Ferreira (Herd) SA		Yoon Bae Kim Kims and Lees	
<b>Australia</b>	<b>11</b>	<b>Kyrgyzstan</b>	<b>98</b>
Marie Wong Wrays		Omurgul Balpanova and Aisulu Chubarova ARTE Law Firm	
<b>Austria</b>	<b>19</b>	<b>Macao</b>	<b>102</b>
Peter Israiloff Barger, Piso & Partner		Márcia Gonçalves Raul César Ferreira (Herd) SA	
<b>Brazil</b>	<b>25</b>	<b>Malaysia</b>	<b>106</b>
Philippe Bhering and Jiuliano Maurer Bhering Advogados		Jin Nee Wong Wong Jin Nee & Teo	
<b>Cape Verde</b>	<b>32</b>	<b>Malta</b>	<b>111</b>
Márcia Gonçalves Raul César Ferreira (Herd) SA		Henri Mizzi, Sharon Xuereb and Terence Cassar Camilleri Preziosi Advocates	
<b>Chile</b>	<b>36</b>	<b>Mexico</b>	<b>116</b>
Francisco Silva and Luis Felipe Opazo Silva		Marcela Bolland Uthhoff, Gomez Vega & Uthhoff SC	
<b>Colombia</b>	<b>41</b>	<b>Mozambique</b>	<b>121</b>
Juan Guillermo Moure, Juan Felipe Acosta, Isabella Herrera, Maria Alejandra Pava and Bibiana Agudelo OlarteMoure		Márcia Gonçalves Raul César Ferreira (Herd) SA	
<b>Ecuador</b>	<b>46</b>	<b>Nigeria</b>	<b>125</b>
María Rosa Fabara Vera Fabara & Compañía Abogados		Fred Onuobia, Solomon Ezike and Blessing Akunebu G Elias & Co	
<b>France</b>	<b>52</b>	<b>Pakistan</b>	<b>129</b>
Catherine Mateu Armengaud Guerlain		Ali Kabir Shah and Hanya Haroon Ali & Associates	
<b>Germany</b>	<b>58</b>	<b>Peru</b>	<b>135</b>
Claus Eckhardt and Christine Fluhme Bardehle Pagenberg Partnerschaft mbB		María del Carmen Arana Courrejolles Estudio Colmenares & Asociados	
<b>Guatemala</b>	<b>64</b>	<b>Portugal</b>	<b>142</b>
Marco Antonio Palacios and Hilda Monterroso Palacios & Asociados/Sercomi		Patricia Rodrigues Raul César Ferreira (Herd) SA	
<b>Honduras</b>	<b>70</b>	<b>Russia</b>	<b>146</b>
Ricardo Anibal Mejía Bufete Mejía & Asociados		Vladimir Trey and Evgeny Alexandrov Gorodissky & Partners	
<b>India</b>	<b>76</b>	<b>São Tomé and Príncipe</b>	<b>153</b>
Swati Sharma and Safir R Anand Anand and Anand		Márcia Gonçalves Raul César Ferreira (Herd) SA	
<b>Italy</b>	<b>82</b>	<b>Saudi Arabia</b>	<b>157</b>
Adriano Vanzetti and Giulio E Sironi Vanzetti e Associati		Mohammad Jomoa and Asif Iqbal Kadasa & Partners	
<b>Japan</b>	<b>88</b>	<b>Serbia</b>	<b>163</b>
Masayuki Yamanouchi, Ai Nagaoka and Satoko Yokogawa Anderson Mōri & Tomotsune		Bogdan Ivanišević and Marko Popović BDK Advokati	
		<b>Singapore</b>	<b>168</b>
		Kiran Dharsan Seiter Seiter IP Consultants LLP	

<b>South Africa</b>	<b>175</b>	<b>Turkey</b>	<b>195</b>
Debbie Marriott, Eugene Honey and Reinhardt Biermann Adams & Adams		Ahmet Akguloglu ATG Law Firm	
<b>Switzerland</b>	<b>181</b>	<b>United Kingdom</b>	<b>201</b>
Jürg Simon and the Lenz & Staehelin IP team Lenz & Staehelin		Robert Guthrie and Becky Crawford Osborne Clarke LLP	
<b>Taiwan</b>	<b>186</b>	<b>United States</b>	<b>207</b>
Victor SC Lee, Crystal J Chen, Nick JC Lan, Yiling Liu and Iris LC Lin Tsai, Lee & Chen		Anthony F Lo Cicero and Max Vern Amster, Rothstein & Ebenstein LLP	
<b>Tanzania</b>	<b>191</b>	<b>Venezuela</b>	<b>213</b>
Patrick Sanga and Haika-Belinda John Macha Vemma Consult Attorneys		María Milagros Nebreda Hoet Peláez Castillo & Duque	

# Brazil

Philippe Bhering and Jiuliano Maurer

Bhering Advogados

## 1 Ownership of marks

### Who may apply?

The Brazilian Industrial Property Law – BIPL (Law No. 9,279 of 14 May 1996) states that natural or legal persons who are subject either to public law or private law may apply for the registration of a mark.

Business entities subject to private law may only apply for the registration of a mark covering activities that such persons effectively and lawfully exercise either directly or through companies that they directly or indirectly control. The products or services covered in the filing petition must fall within the scope of such activities.

Likewise, natural persons may only apply for registration of a mark covering their professional activities.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The BIPL establishes that any distinctive, visually perceptible sign may be registered as a trademark, provided it does not fall within the prohibitions arising under Brazilian law.

The requisite of a visual representation excludes from the scope of protection non-traditional trademarks, such as olfactory, sound and gustatory marks. On the other hand, the protection of three-dimensional signs – which are considered non-traditional trademarks – has been admitted in Brazil since the enactment of the BIPL in 1996.

The BIPL sets out, in article 124, a list of signs that are not registrable as trademarks. The list includes:

- 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 with respect to its nature, nationality, weight, value, quality and moment of production of a product or provision of a service, except when the sign is presented in a sufficiently distinctive manner;
- signs or expressions used only as a means of advertising;
- colours and their names, except when arranged or combined in an unusual and 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 competent authority or entity promoting the event.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The BIPL states that the ownership of a mark is acquired by means of a validly granted registration, following which the titleholder has an established right to exclusive use of the trademark throughout the national territory.

However, the BIPL also provides protection for the owners of trademarks that have not yet been registered with the Brazilian Patent and Trademark Office (BPTO).

An example is the right of preference, which establishes that any person who, in good faith, at the date of priority or the filing date of the application, has been using an identical or similar mark for at least six

months in the country, to distinguish or certify a product or service that is identical, similar or akin to, is entitled to the right of preference 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, independently 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 trademark filing an opposition or an administrative nullity action based on its well-known trademark, it has a period of 60 days commencing with the filing of the opposition or administrative nullity action in which to file an application for the registration in Brazil of its well-known mark.

The BIPL also establishes that signs that imitate or reproduce, wholly or in part, a third-party mark of which the applicant could not be unaware due to the commercial activity in which he or she engages, are not registrable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark and is likely to cause confusion or association with such third-party mark. As a consequence, the BIPL enables the owner of a trademark that has not yet been filed or registered in Brazil to challenge third parties who attempt to register similar or identical trademarks. Similarly to the situation mentioned in the above paragraph, the owner of the trademark has a 60-day term in which to file an application for registration of his or her mark in Brazil, with said period commencing upon the date he or she filed the opposition or administrative nullity action.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Two-and-a-half years is the estimated time frame from the filing until the grant of registration of a trademark, in the case of ‘smooth’ prosecution (free of obstacles such as official actions, opposition and rejection).

Usually, the legal fees for obtaining a trademark registration are charged on a fixed-fee basis. Some attorneys, however, charge for prosecuting a trademark application on an hourly rate rather than a fixed-fee basis.

The following circumstances may cause deviations from the average time for final registration and, therefore, increase the estimated time and cost of a trademark prosecution:

- opposition filed by third parties;
- official actions by the BPTO in which an applicant is required to present clarification or supplementary documentation;
- rejection of the trademark application; and
- the abeyance of an application pending a decision on a prior application by a third party.

The required documents for the purpose of filing trademark applications are:

- power of attorney duly executed and signed by the authorised officer of the applicant (no notarisation or legalisation is required), including a clear print of the name and title of the signor below the signature. A simple signed copy sent via e-mail or fax to the applicant's attorney in Brazil is acceptable to the BPTO. Moreover, the power of attorney can be submitted to the BPTO – if not at the filing – within a 60-day term from the filing date in Brazil through a supplementary petition and additional late filing costs;
- in the case of a priority claim, a copy of the priority application, comprising all of the goods and services to be filed in Brazil. The priority documents can be submitted to the BPTO – if not at the filing – within a four-month period from the filing date in Brazil through a supplementary petition and additional late filing costs; and
- in the case of composite or device marks, a clear sample of the mark (usually a high definition file in jpeg format) and information regarding any colour claim is also required.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Brazil began to apply the International Classification of Goods and Services in 2000. At that time, the seventh edition of the Nice Classification came into force in Brazil – pursuant to Normative Act No. 150 of 9 September 1999. The 11th edition of the Nice Classification has been in force in Brazil since 1 January 2017.

Given that, until 2000, Brazil followed a national classification system, trademark applications filed prior to that year had to be reclassified in accordance with the international classification as and when renewals were sought.

On 6 January 2006, the BPTO issued Resolution No. 123/06, which suspended the force and applicability of the International Classification System to trademark applications filed up until 31 December 1999, as well as to trademark registrations granted up until 31 December 1999, and which had been classified in accordance with the former Brazilian classification system.

As a consequence, applications or registrations filed or granted up until 31 December 1999 were deemed to have been granted or renewed in accordance with the former Brazilian classification system. The Resolution is still in force, and for this reason there are still registrations in Brazil classified under the national classification system.

As mentioned in question 4, multi-class applications are not allowed in Brazil.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

As per the BIPL, after an application is filed, it will be published in the Official Gazette in order to give any interested parties an opportunity to present an opposition, within a period of 60 days. If an opposition is filed, the applicant will be notified to respond within 60 days. After the terms for opposition and counter-arguments have expired, the examination will be conducted. Potential conflicts with senior trademarks will then be considered.

During the period of examination, official actions or requests may be issued and must be responded to within a period of 60 days. If an applicant fails to respond to an official requirement, the application will be definitively shelved. If, however, a response is filed, the examination will continue, even if the requirement has not in fact been satisfied or if the applicant's response was to lodge a formal challenge to the official action or request.

In the absence of oppositions, the examiner will consider the results of the availability search. If potential conflicts with prior registrations are verified, then the examiner will, *ex officio*, reject the application. If a possible conflicting registration, which might be cited as grounds for rejection, is under forfeiture or subject to court proceedings or orders, then the examiner will stay the junior application in abeyance pending

a final decision in the respective case. The same applies to possible conflicting senior applications that are still under examination.

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

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

When applying for registration in Brazil, there is no need to claim prior use or to submit proof of use of the trademark.

Priority rights are guaranteed for an application for the registration of a mark, when an application has been filed in a country that has an agreement with Brazil, or filed before an international organisation of which Brazil is a member. The application in Brazil must be filed within the time limits established in the agreement, without the occurrence during said time limits of any fact that invalidates or prejudices the application.

The registrant must initiate the use of its trademark within five years from grant. Failing to do so may result, upon the request of any person with a legitimate interest, in the declaration of forfeiture and consequent cancellation of the registration. Likewise, 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, upon third-party request, be deemed forfeited and cancelled.

The use of the mark must include all the products or services mentioned on the certificate, under penalty of partial forfeiture of the registration with respect to those products or services not similar or akin to those for which use of the mark has been proved.

Forfeiture requests will not be admitted if use of the mark has been proved (or if its lack of use has been justified) in earlier proceedings in the past five years.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The applicant may file an appeal against a rejection decision within 60 days. Third parties with a legitimate interest may challenge the appeal within 60 days of the date of publication of notice of appeal.

In the event of the BPTO allowing an application, but subject to limitations or reservations (eg, without the right of exclusive use of a certain word element), the applicant may file an appeal against the limitation.

The appeal and any challenges to it are analysed by the president of the BPTO. A decision to uphold the rejection ends proceedings in the administrative sphere. Thereafter, it is possible for the applicant to file a judicial nullity action against the administrative act that upheld the rejection of the application.

In the event of the rejection being overturned on appeal, the allowance of the application will be automatically published, with the start of the period of time within which the applicant is to pay the final fees for registration.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

As mentioned in question 6, once an application is filed, it will be published in the Official Gazette for opposition purposes. Any interested

party will have a 60-day term, counted from the date of the publication, to submit an opposition to the application. After the opposition is filed, the applicant is notified to submit a reply within 60 days. Once the opposition and reply terms have expired, the examination of the application is conducted. The BIPL establishes a pre-registration opposition system. As a consequence, oppositions may be filed only against trademark applications. In this regard, please see question 6.

Once the registration is granted and published in the Official Gazette, a 180-day term commences in which any person with a legitimate interest may file an administrative nullity action. It is important to highlight that the administrative nullity action may be also commenced ex officio by the BPTO. The registrant will be notified to respond within a period of 60 days. After the term for counter-arguments has expired and even if no response has been presented, the issue will be decided by the President of the BPTO. This decision brings the administrative stage to a close.

A registration is subject to a declaration of administrative nullity if the registration was granted in conflict with the provisions of the BIPL. To be successful in an administrative nullity action a third party must demonstrate, *inter alia*:

- a lack of compliance with one of the legal formalities of the BPTO, essential for the proper processing of the application;
- that the trademark registration infringes one of the provisions of article 124 (signs not registrable as marks) of the BIPL;
- that the sign does not meet the essential requirements to characterise it as a trademark; or
- that the registrant's commercial or professional activities are not consistent with the products or services claimed in the filing petition.

A brand owner who does not have yet trademark protection in Brazil can oppose a bad-faith application for its mark based on the provisions of article 124, XXIII of the BIPL. Said provision specifically establishes that signs that imitate or reproduce, wholly or in part, a third-party mark, of which the applicant could not be unaware due to the commercial activity in which he or she engages, are not registrable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark and is likely to cause confusion or association with such third-party mark.

Further, in the event the bad-faith application matures into registration, the brand owner will have the possibility to file an administrative nullity action against the bad-faith registration based on the same provision. At this stage, it is also possible to file a judicial nullity action against the decision of the BPTO in order to have the grant decision reviewed by a federal court.

Any person with a legitimate interest, or the BPTO itself, may file a judicial nullity action against the trademark registration. The registrant or the BPTO itself may also file a judicial nullity action against the administrative act that annulled a trademark registration. A declaration of nullity will take retroactive effect as from the date the trademark application was filed at the BPTO. A judicial nullity action is statute barred following the expiry of five years from the date of publication of the granting decision.

Of note is that in Brazil nullity actions are statute barred following the expiry of five years from the date of publication of the granting decision. Notwithstanding, under the Paris Convention, the five-year rule does not apply for judicial nullity actions based on bad faith. Therefore, an action based on this particular argument is imprescriptible.

Official fees for the preparation and filing of an opposition or a reply to an opposition are US\$150 and US\$50, respectively. On the other hand, the official fees for preparing and filing an administrative nullity action or a reply to an administrative nullity action are US\$200 and US\$50, respectively. The dollar equivalent of official fees (which are fixed in local currency) fluctuates in line with exchange rate variations.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The trademark registration remains in effect for 10 years commencing with the date of its grant, and may be renewed for equal and successive

periods. The renewal request must be filed during the last year of the term of the registration 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 request within the following six months on payment of an additional fee.

According to the BIPL, it is not necessary to submit proof of use of the trademark when applying for registration or when requesting its renewal. The use of the mark needs to be proved only in the event of a forfeiture request being filed by a third party with a legitimate interest.

As mentioned in question 7, a registrant must initiate the use of its trademark within five years from its grant or the registration may become forfeit and, therefore, extinct. In the event of the use of the mark being interrupted for more than five consecutive years or if, within that time, the mark has been used in a modified form that implies alteration to its original distinctive character, as per the certificate of registration, the registration may also become forfeit and extinct.

If a forfeiture request is filed, the registrant will be notified to reply within a period of 60 days, the onus being on him or her to prove the use of the mark or to justify lack of use for legitimate reasons. An appeal may be lodged against the decision that either declares or rejects forfeiture of the registration. Forfeiture requests will not be admitted if use of the mark has been proved (or if its lack of use has been justified) in earlier proceedings in the past five years.

The BIPL does not set out specific provisions regarding proof of use. When analysing the effective use of trademarks, the BPTO will take into consideration all means of proof admitted by law, such as commercial invoices referring to the registered trademark and its owner, advertising materials and catalogues and documents that prove the import or the nationalisation of the products in Brazil in the case of products that are manufactured abroad.

## 11 The benefits of registration

**What are the benefits of registration?**

The following benefits are guaranteed to the registrant:

- exclusive use of the trademark on Brazilian territory;
- the right to use legal means to prevent third parties from using identical or similar trademarks to identify identical or similar products or services;
- the right to cancel registration of identical or similar trademarks identifying identical or similar products or services; and
- the right to dispose of the trademark, by assigning its registration or licensing its use.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The BIPL allows the owner or the applicant of a trademark registration to enter into licence agreements for the use of the mark without prejudice to their right to exercise effective control over the specifications, nature or quality of the respective products or services.

A licence agreement takes effect between the contracting parties from the moment it is executed. However, it must be recorded with the BPTO in order to be enforceable against third parties. It will produce effects in relation to third parties as from the date of its publication in the Official Gazette.

Registration of the licence agreement with the BPTO is also important if royalties are agreed, in that it is only after such registration that royalties can be remitted abroad and the licence fees become tax-deductible. 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 trademark registration are not allowed.

Registration with the BPTO is not necessary in order to constitute proof of use.

## 13 Assignment

**What can be assigned?**

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 the trademark alone and it is not necessary. The goodwill and other business assets need not to be assigned in order for assignment of the trademark to be valid.

The assignment must cover all existing registrations and applications in the name of the assignor in relation to identical or similar trademarks that identify identical or similar products or services, failing which the registrations or applications not assigned may be cancelled or deemed abandoned.

#### 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The documents necessary to record a trademark assignment are the following:

- a power of attorney to be executed and signed by an authorised officer of the assignee. There is no need to notarise or legalise this document; and
- an assignment document to be executed and signed by the authorised officers of the assignor and assignee, with all the signatures being notarised before a notary public. The notary should attest that the signatories have the necessary powers to represent the parties in this act. This document must also include the signature and details of the identity of two witnesses (no notarisation is required for the witnesses' signatures).

#### 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

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, to produce effects in relation to third parties the assignment must be recorded at the BPTO. The assignment will produce effects with respect to third parties as from the date of its publication in the Official Gazette.

#### 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests are governed by the Brazilian Civil Code (Law No. 10,406 of 10 January 2002). Of the security interests for which the Brazilian Civil Code makes provision the one that applies to trademarks is the lien or pledge. The security interest must be recorded at the BPTO in order to produce effects in relation to third parties. The security interest will produce effects with respect to third parties as from the date of its publication in the Official Gazette.

Pledge agreements that contain references to the amount of the credit, or its estimated value or maximum amount; the time frame for payment of the debt; and the trademark's specifications are usually accepted for registration by the BPTO. The limitation or onus on the application or registration is then published in the Official Gazette by the BPTO.

#### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The symbol ® can be used in Brazil to indicate that the trademark is registered with the BPTO.

The BIPL does not mention the use of marking in any of its provisions. Therefore, one can be assumed that, in Brazil, marking is not mandatory.

The benefit of using the ® symbol is that it reinforces the fact that the sign in question is registered as a trademark and that, consequently, third parties cannot make use of it without express permission from the owner.

Dishonestly claiming for advertising purposes that a product or service has received a prize or distinction is deemed to be a crime of unfair competition under the BIPL.

#### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

In addition to the administrative proceedings of opposition and cancellation, the trademark owner can enforce its rights through criminal and civil proceedings, as provided for in the BIPL, in articles 189 and 190 (crimes against marks) and in articles 207 to 210 (civil measures).

Civil proceedings include, for example, applications for injunctions requiring the immediate cessation of the infringement act (plaintiff may request the imposition of a daily penalty for failure to comply with an injunction or other preliminary relief) and claims for damages. It is important to note that the judge may grant ex parte injunctions in order to avoid irreparable loss or harm that would be difficult to repair. The court may, in such circumstances, require the petitioner to post a judgment bond or a fiduciary guarantee. In cases of blatant reproduction or imitation of a registered mark, the judge may order the seizure of all the merchandise, products, objects, packages, labels and other materials that bear the falsified or imitated mark.

A criminal action requires the filing of a criminal complaint, except in the case of the crime against armorial bearings, crests or official public distinctions, be they national, foreign or international, in which case the criminal action will be public (ie, commenced by the public prosecution service). In addition to preliminary criminal search and seizure measures, the trademark owner may request: seizure of a falsified, altered or imitated mark at its place of preparation or wherever it is to be found, prior to its unlawful use; or destruction of a counterfeit mark on packets or products that contain it, before they are distributed, even in circumstances in which the packages or products themselves appear to have been discarded.

Border enforcement mechanisms are regulated by articles 605 to 608 of Federal Decree No. 6759 of 5 February 2009. The customs authority may, on its own initiative or at the request of an interested party, seize, during the course of a customs inspection, any products carrying falsified, altered or imitated marks or a false indication of source. Following seizure, the customs authority is under a duty to notify the trademark owner so that he or she may, within a period of 10 working days, file the respective complaint and request for judicial seizure.

Moreover, in the event of a trademark owner having sufficient evidence of planned import or export of counterfeit goods, it may request that the customs authority seize the goods. The trademark owner will be required to set out the facts or circumstances that justify its suspicion. The customs authority may require the trademark owner to provide a bond in an amount sufficient to cover any loss that may be caused to the defendant in the event of the seizure proving to be unfounded, and as a means of seeking to ensure that the trademark owner's request is not an abuse of right.

Nullity actions against trademark registration and nullity actions against administrative acts that uphold a rejection decision, or which a trademark registration, are submitted to the Federal Justice of Rio de Janeiro. The BPTO is automatically a party in all such court proceedings. Whenever a government agency is party to a lawsuit, the proceedings must be listed before a federal court. The BPTO head office is in Rio de Janeiro and, therefore, proceedings to which it is a party must commence in the federal court district of that city.

The entry level (first instance) of the Federal Court of Rio de Janeiro has four courts specialising in intellectual property. At the 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 panels for intellectual property.

Infringement actions must be filed before state courts, as the BPTO does not participate in such proceedings. There are no specialist state courts handling trademark infringement cases.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Discovery, in the form that exists in common law systems as a pretrial phase in a lawsuit, is not provided for in the Brazilian legal system.

According to the Brazilian Code of Civil Procedure, the parties can resort to the following mechanisms (*inter alia*) to obtain evidence for legal proceedings: personal deposition; exhibition of documents or other material; witness testimony; expert evidence and court inspection.

In addition, the Code of Civil Procedure also permits the filing of a request for early production of evidence. This measure allows one party to request the live testimony of the opposing party or witnesses or the undertaking of an expert examination, when there are reasonable grounds for fearing that the evidence may be lost or for some other urgent reason. The application for early production of evidence may be filed prior to the commencement of the substantive proceedings. Such an application may also be made following commencement of proceedings – in these circumstances the party seeking the direction must demonstrate that it could not reasonably be expected to wait until the time at which the evidence would normally be adduced in the proceedings.

Once a civil trademark infringement action is filed, the defendant is notified to present his or her response 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 the parties' technical assistants may be cross-examined as to their findings, in the event of a dispute between them (the relevant questions having been filed and responded to in writing prior to the hearing – the scope of the cross-examination being issues that remain in dispute); depositions are taken from the parties and the witnesses listed are heard. It is important to note that this second hearing occurs only in cases where there is a need for evidence to be produced.

A final decision on a civil infringement action may take between one and two years at first instance. This time frame will vary in accordance with the state and court in which the lawsuit is filed.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof system is ruled by the Civil Procedure Code, which apportions the burden of proof equally between the disputing parties.

The plaintiff bears the burden of proving the facts it claims support its right. The defendant has the burden of proving facts that impede, modify or terminate the plaintiff's right. If the defendant merely denies the fact on which the plaintiff's plea is based, the burden of proof remains on the plaintiff.

In general, in infringement actions, the plaintiff has to prove the offence against its trademark rights and the defendant has to demonstrate that no offence was committed.

As of 2003, the Superior Court of Justice has consolidated the view that proof of the violation of a trademark right is sufficient in itself to give rise to a right to damages independently of any evidence of harm caused to the injured party.

In relation to the quantum of damages, the BIPL applies a triple criteria calculation, as follows:

- the benefits that would have been gained by the injured party if the violation had not occurred;
- the benefits gained by the author of the violation of the rights; or
- the remuneration that the author of the violation would have paid to the proprietor of the violated rights for a licence that would have legally permitted him or her to make use of the protected rights.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner is entitled to have recourse to the courts in the event of trademark infringement. Licensees and distributors may also file suit in response to an alleged trademark violation, provided they

have been invested by the trademark owner with full powers to act in defence of the mark.

The same conditions apply to criminal complaints.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Activities that take place outside the country, without producing direct effects in the country, may be cited in an infringement action as additional arguments.

When the said activities have a direct effect in Brazil, they may serve as the basis for an infringement action. In this regard, the BIPL establishes, for example, that it is a crime, carrying a penalty of imprisonment for a period of one to three years, or a fine, to import: products branded with the illicitly, wholly or partially, reproduced or imitated mark of a third party; or of a product from the infringer's industry or commerce, held in a vessel, container or package bearing the legitimate mark of a third party. Border enforcement mechanisms are also an example. See question 18.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

As mentioned in question 19, the discovery procedure, as conceived in common law systems as a pretrial phase in a lawsuit, is not applicable in Brazil.

To obtain evidence in legal proceedings, the parties can request directions, *inter alia*, for the following: personal deposition by a party; exhibition of documents or other material; witness testimony; expert evidence, documentary evidence and court inspection.

In addition, as stated in question 19, the Code of Civil Procedure also permits an application for early production of evidence.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

A final decision on a civil infringement action may take between one and two years at first instance. A final decision on second instance may take up to two years. These time frames will vary according to the complexity of the case and the state and court in which the lawsuit is filed. Preliminary injunctions may be granted immediately, provided the legal requirements are met.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The attorneys' fees associated with a civil trademark infringement action may vary according to the complexity of each case and according to the professional rates charged by the assigned counsel.

Court fees are fixed proportionally to the amount in issue estimated by the plaintiff.

Usually, the legal fees for filing an infringement action, for filing an appeal against the final decision at first instance and for filing an appeal to the Superior Court of Justice against a final decision at second instance are charged on a fixed-fee basis.

Some attorneys, however, charge for such proceedings and for trial preparation and advocacy on an hourly rate rather than a fixed-fee basis.

Additionally, many attorneys charge a success fee, which may also be payable if the disputing parties reach a settlement.

## 26 Appeals

### What avenues of appeal are available?

The Brazilian Civil Procedure Code sets out various avenues of appeal, to which parties in trademark infringement proceedings may resort.

### Update and trends

An important decision has been issued by the Brazilian Superior Court of Justice in Special Appeal No. 1,464,975 regarding the right of precedence in Brazil. The BIPL, in paragraph 1 of article 129, prescribes that every person who, in good faith on the priority or filing date of a trademark application in Brazil, has been using an identical or similar mark in the country for at least six months to distinguish or certify an identical, similar or like product or service shall have the right of precedence for the registration of such mark. Even though the BPTO understands that the right of precedence can only be argued before a trademark matures to registration (ie, in an opposition), the Brazilian Superior Court of Justice rejected such understanding and recognised that the right of precedence can be used as the basis for contesting a trademark administratively (ie, in an opposition against a trademark application and in an administrative nullity action against a trademark registration) and also can serve as legal grounds for a judicial nullity action, should the owner of the right of precedence opt to discuss the matter in court, whether or not the owner had previously argued such right administratively before the BPTO.

An important development for international companies and individuals to be aware of is that in July 2015 the Brazilian

National Congress approved the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, which was enacted by Decree No. 8,660 on 29 January 2016. The convention entered into force in Brazil on 14 August 2016. Adopting the convention is an important step for Brazil in view of eradicating delays related to the validation of foreign documents. Until 14 August 2016, in order to legalise a public document one had to obtain diplomatic or consular legalisation. After the convention entered in force in Brazil, the apostille, which unifies in one document all the information required to validate a public document issued in any of the member states of the convention, eliminates the need for the consular authentication process. The apostille certifies the signature, the position or title of the signer of the public document and also the authenticity of the seal or stamp attached to the document. The certification process brought by the Apostille Convention simplifies the international circulation of public documents between Brazil and other countries that sign the convention and consequently facilitates cross-border commercial and legal transactions and strengthens Brazil's international credibility.

There are both appeals on the merits (substantive issue) of a case and appeals on procedural grounds or relating to questions other than the substantive issue.

The possible forms of appeal include motions based on conflicting case law, motions for clarification of the ruling and appeals based on internal court rules.

The final decision of the first instance court, for example, may be challenged on appeal before the state court of appeal by means of an *apelação*. From the appeal court, a further appeal is possible on issues pertaining to federal law, to the Superior Court of Justice or, in the event of a constitutional issue arising, to the Federal Supreme Court.

### 27 Defences

#### What defences are available to a charge of infringement or dilution, or any related action?

In a civil infringement action, the defendant in its reply may assert facts that impede, modify or terminate plaintiff's right or simply present a general denial. In addition to its reply, the defendant may also file a counterclaim against the plaintiff, if the legal prerequisites are duly met.

One commonly used argument asserted by defendants is that there is a lack of confusing similarity between the confronting signs.

The right of prior use mentioned in question 3 may also be asserted in the defendant's reply.

In relation to criminal actions, an allegation of nullity of the registration on which the action is based may be relied upon as a defence. Acquittal of the defendant, however, will not automatically lead to nullity of the registration, which can only be requested in an action before the competent courts.

### 28 Remedies

#### What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

As per question 18, the civil remedies include: an order for the 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 the unauthorised use of the trademark.

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

As for the quantum of damages, the BIPL applies a triple criteria calculation, as follows: the benefits that would have been gained by the

injured party if the violation had not occurred; the benefits gained by the author of the violation of the rights; or the remuneration that the author of the violation would have paid to the proprietor of the violated rights for a licence that would have legally permitted him or her to make use of the protected rights.

Criminal remedies include: preliminary criminal search and seizure measures, imprisonment of the infringer and fines.

In criminal proceedings, the trademark owner may request, in addition to preliminary criminal search and seizure measures, the seizure of a falsified, altered or imitated mark at its place of preparation or where it is found, prior to its unlawful use; or destruction of a counterfeit mark on packets or products that contain it, before they are distributed, even if the packages or even the products themselves have been discarded. Further, the BIPL establishes that anyone who: reproduces a registered mark wholly or in part, without the authorisation of the registrant, or imitates it in a manner that may induce confusion; or alters the registered mark of a third party already applied to a product placed on the market, is subject to imprisonment for a period of three months to one year, or a fine. The same penalty applies to anyone caught importing, exporting, selling, offering or exhibiting for sale, hiding or maintaining in stock: a product branded with an illicitly, wholly or partially reproduced or imitated mark of a third party; or a product from the accused's industry or commerce, held in a vessel, container or package carrying a legitimate mark of a third party.

### 29 ADR

#### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The BIPL does not have any provision related to ADR. Arbitration proceedings are governed by the Arbitration Law (Law No. 9,307 of 23 September 1996). Although arbitration is not commonly used in trademark infringement cases, the parties may agree to arbitration instead of resorting to the courts. Among the possible benefits of using arbitration are the comparative speed of proceedings and their confidentiality. However, in the event of a party needing, for example, injunctive relief for the immediate cessation of use of a confusingly similar mark and, by consequence, the immediate cessation of the sale of products identified by said mark, arbitration would not be an advisable way of proceeding.

### 30 Famous foreign trademarks

#### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

No. If not registered and in use in Brazil, a famous foreign trademark is not afforded special protection in all branches of activity, as foreseen in article 125 of the BIPL. On the other hand, in accordance with article 6-bis (1) of the Paris Convention, well-known trademarks in their field

of activity are given special protection, independently of whether they have been previously filed or registered in Brazil. Registration certificates in other jurisdictions and advertising materials are normally sufficient to prove to the BPTO the well-known status of a foreign mark. The BPTO has powers to reject ex officio a trademark application that wholly or partially reproduces or imitates a well-known trademark. Further, in the event of the owner of a well-known trademark filing an opposition or an administrative nullity action based on its well-known trademark, it has a period of 60 days commencing with the filing of the opposition or administrative nullity action, in which to file an application for the registration in Brazil of its well-known mark.

The BIPL also establishes that signs that imitate or reproduce, wholly or in part, a third-party mark of which the applicant could not

be unaware, due to the commercial activity in which he or she engages, are not registrable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark, and is likely to cause confusion or association with such third-party mark. As a consequence, the BIPL enables the owner of a trademark that has not yet been filed or registered in Brazil to challenge third parties who attempt to register similar or identical trademarks. In this case, it is not necessary for the third-party mark to be well-known in its field of activity in order to claim this special condition. Similarly, to the situation mentioned in the above paragraph, the owner of the trademark has a 60-day term in which to file the application in Brazil commencing with the date of filing of the opposition or administrative nullity action.

# BHERING

ADVOGADOS

**Philippe Bhering**  
**Juiliano Maurer**

**philippe.bhering@bhering.adv.br**  
**juiliano.maurer@bhering.adv.br**

Av Rio Branco, 103, 11th and 12th floors  
Centro  
20040-004 Rio de Janeiro  
Brazil

Tel: +55 21 2221 3757  
Fax: +55 21 2224 7169  
bhe@bheringadvogados.com.br  
www.bheringadvogados.com.br

## Getting the Deal Through

Acquisition Finance  
Advertising & Marketing  
Agribusiness  
Air Transport  
Anti-Corruption Regulation  
Anti-Money Laundering  
Arbitration  
Asset Recovery  
Automotive  
Aviation Finance & Leasing  
Banking Regulation  
Cartel Regulation  
Class Actions  
Commercial Contracts  
Construction  
Copyright  
Corporate Governance  
Corporate Immigration  
Cybersecurity  
Data Protection & Privacy  
Debt Capital Markets  
Dispute Resolution  
Distribution & Agency  
Domains & Domain Names  
Dominance  
e-Commerce  
Electricity Regulation  
Energy Disputes  
Enforcement of Foreign Judgments  
Environment & Climate Regulation

Equity Derivatives  
Executive Compensation & Employee Benefits  
Financial Services Litigation  
Fintech  
Foreign Investment Review  
Franchise  
Fund Management  
Gas Regulation  
Government Investigations  
Healthcare Enforcement & Litigation  
High-Yield Debt  
Initial Public Offerings  
Insurance & Reinsurance  
Insurance Litigation  
Intellectual Property & Antitrust  
Investment Treaty Arbitration  
Islamic Finance & Markets  
Labour & Employment  
Legal Privilege & Professional Secrecy  
Licensing  
Life Sciences  
Loans & Secured Financing  
Mediation  
Merger Control  
Mergers & Acquisitions  
Mining  
Oil Regulation  
Outsourcing  
Patents  
Pensions & Retirement Plans

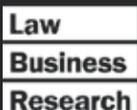
Pharmaceutical Antitrust  
Ports & Terminals  
Private Antitrust Litigation  
Private Banking & Wealth Management  
Private Client  
Private Equity  
Product Liability  
Product Recall  
Project Finance  
Public-Private Partnerships  
Public Procurement  
Real Estate  
Renewable Energy  
Restructuring & Insolvency  
Right of Publicity  
Securities Finance  
Securities Litigation  
Shareholder Activism & Engagement  
Ship Finance  
Shipbuilding  
Shipping  
State Aid  
Structured Finance & Securitisation  
Tax Controversy  
Tax on Inbound Investment  
Telecoms & Media  
Trade & Customs  
Trademarks  
Transfer Pricing  
Vertical Agreements

Also available digitally



# Online

[www.gettingthedealthrough.com](http://www.gettingthedealthrough.com)



Trademarks  
ISSN 1745-4638



Official Partner of the Latin American  
Corporate Counsel Association



Strategic Research Sponsor of the  
ABA Section of International Law