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Paulo Bianco and Rafael Lacaz Amaral of Kasznar Leonardos Intellectual Property summarise the use of injunctive relief in Brazil, which is a quick and efficient measure to stop infringement

## Avoiding lengthy litigation

Generally, when IP rights holders decide to file a law suit in Brazil, they are looking for a swift answer to the violation of their rights. It is widely known, however, that law suits in Brazil usually take a long time to reach a final outcome. This is especially true in infringement and nullity actions involving patent rights, due to the technical background knowledge demanded to fully understand the technology at issue (in most of these law suits an expert is nominated by the trial judge to assist in clarifying technical aspects of the case). That is why injunctive relief plays an important role in litigation cases, as it is an efficient measure to put a stop to the infringement of IP rights while a final decision is being rendered in the case.

According to the Brazilian civil procedural law, preliminary injunctive relief is the measure through which a judge can anticipate the material effects of part or all the requests made by the plaintiff (usually before a decision on the merits, but, as a general rule of law, injunctions can also be granted at any point of the law suit).

### Procedural rules for injunctive relief

Section 273, *caput* and item I, of the Brazilian Code of Civil Procedure, establishes the general rule for injunctive relief:

The judge may, at the request of a party, anticipate, totally or partially, the effects of the protection sought in the initial brief, provided that there is clear evidence and he/she is convinced of the likelihood of the claim and there is well-founded fear of irreparable damage difficult to repair.

Therefore, the Brazilian Procedural Law sets out two requirements for granting injunction requests, namely: *fumus boni juris* (the likelihood of the allegations) and *periculum in mora* (the risk of damages).

The requirement *fumus boni juris* is a Latin expression that literally means 'smoke of the good right'. It establishes that, when the judge is analysing the arguments and evidence presented by the plaintiff, they must, in a probability assessment, be convinced that the set of allegations are more likely to be true than the false, in order to grant an injunction relief. Brazilian scholars highlight that, in such analysis, the judge is not required to be absolutely convinced of the allegations raised by the plaintiff. Otherwise, the injunction would become the anticipation of the decision of the merits itself, without the need of production of further evidences during the development of the law suit.

Additionally, there is the *periculum in mora* requirement, according to which injunctive relief can only be granted in cases where there is serious risk of damages, or where they would be difficult to repair. It is important to note, however, that this second requirement can be substituted in cases where the defendant abuses their right of defense or exercises it with the clear purpose of postponing, as established by section 273, item II, of the Brazilian Code of Civil Procedure.

A third requirement can be understood from the provisions of the second paragraph of section 273, according to which "the preliminary injunctive relief shall not be granted when there is risk of irreversibility of such decision".

### Paulo Bianco



Admitted to the Brazilian Bar Association in 2010, Paulo Bianco graduated in law from Rio de Janeiro State University. During law school, he was awarded by the the State of Rio de Janeiro a scholarship to study personality rights in Brazil. In 2013, Paulo concluded the post-graduate course in IP law at the Pontifical Catholic

University of Rio de Janeiro.

In 2007, Paulo started working at Momsen, Leonardos & Cia as a legal intern and, in 2010, he became an associate lawyer. He still occupies this position at Kasznar Leonardos, one of ML&Cia's successor firms.

During the last five years, Paulo has been working in several different branches of IP law, especially patent, trade mark and copyright infringements; nullity actions involving patent and trade mark registration; patent and trade mark prosecution; and unfair competition and trade secret issues. He has been involved in important court actions in Brazil, such as nullity actions against one of the leading global electronics companies, with the aim of declaring void patents related to DVD technology.

### Rafael Lacaz Amaral



Admitted to the Brazilian Bar in 2000, Rafael Lacaz Amaral has a law degree (2000) from the Federal University of Rio de Janeiro, a post-graduate degree in intellectual property (2002) from the State University of Rio de Janeiro, and a post-graduate degree in civil procedural law (2009) from Candido Mendes University.

At Kasznar Leonardos, Rafael is a partner, and coordinates the Rio de Janeiro office's litigation team. He provides IP law litigation; consulting services on licensing agreements, patents, trade marks, copyrights, and unfair competition; trade mark prosecution; and arbitration and mediation in intellectual property.

Rafael chairs the Latin America and Caribbean Subcommittee of Non-traditional Trademarks of the International Trademark Association (INTA). In Brazil, he is a member of the board and chair of the Enforcement Committee of the Brazilian Association of Intellectual Property (ABPI). He also teaches IP law at local universities.

He has just won the Client Choice Award 2013 in the trade marks/IP (Brazil) category and has made, once more, the final rankings in the third edition of the trade mark professionals guide *WTR 1000*. Also, he was recommended by *Best Lawyers* as one of the best IP litigators in Brazil.



Furthermore, section 461 of the Brazilian Code of Civil Procedure, establishes that:

In a law suit which has the aim of fulfilling the obligation to do or not do, the judge will grant the specific protection of the obligation or, if the claims are well-founded, determine measures to ensure the practical result equivalent to the compliances of such obligations.

Such a provision has special importance in litigation cases involving IP rights, such as infringement court actions. In these cases, one of the plaintiff's main goals is to force the

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infringer to cease the violation of the patent or trade mark at issue.

In order to make the injunction more constraining, the fifth paragraph of said section sets forth that:

For enforcing the injunction or obtaining the equivalent practical result, the judge may, whether ex-officio or per request, determine the necessary measures, such as imposing a fine for delay in complying with the decision, search and seizure ..., with police request, if deemed necessary.

While the provisions of section 273 are understood as the generic rule for injunctive relief, section 461 is considered specific to law suits involving obligations to do or not do.

Additionally, section 796 (and following sections) of the Brazilian Code of Civil Procedure sets out provisional measures. One of them is the search and seizure procedure, through which a party requests an inspection at a given place (for example, the infringer's facilities), in order to try to find particular documents or objects. There is also the document exhibition procedure, to force the adverse party to show a document that is in their possession. Sections 846 to 851 regulate early evidence production, through which a party can assure obtaining evidence in situations where it would not be possible to wait any longer. These are the most relevant provisional measures for IP owners, but the Brazilian Procedure Law establishes several others.

It is important to note that provisional measures have an accessory nature, since they are usually filed with the aim of assuring the utility and effectiveness of a decision of the merits that will be rendered in the main law suit (for example, an infringement action). On the other hand, the case law of the Brazilian Superior Court of Justice establishes that search and seizure, early production of evidence, and document exhibition procedures are not conditional on the filing of the main law suit. Therefore, a party can first file a provisional measure and then, if convenient, lodge the main law suit.

The provisional measure can only be granted in cases where the *fumus boni juris* and *periculum in mora* requirements are duly fulfilled.

### Brazilian Patent and Trademark Act's provisions

Besides provisions regulating trade mark and patent rights, the Brazilian Patent and Trademark Act (Law 9,279/96) also has several specific provisions pertaining to the Criminal and Civil Procedural Law.

Section 209, first paragraph of Law 9,279/96 states that:

The judge may, in the records of the same proceedings, in order to avoid irreparable damage or damage difficult to recover, order an injunction to cease the infringement or act concerned, before summoning the defendant, upon, in case he/she deems necessary, cash bond or personal security.

This is known as the *inaudita altera parte* (without hearing the adverse party) injunction and it is especially important because it allows the judge to grant an injunction even before the defendants are summoned. Usually the judges are reluctant to grant injunctions before the defendants present their replies in the law suit, because of the contradictory principle, which determines that all parties must have the opportunity to express their point of view before the judge renders their decision.

As already mentioned, cases involving trade mark infringement are more likely to obtain an injunction than in law suits involving patent rights. This is because patent infringement actions require a technical background knowledge that judges generally do not have. Therefore, it is harder to evidence the fulfillment of the *fumus boni juris* requirement. This is why judges in most patent infringement and nullity actions nominate a court expert, who clarifies the technical aspects of the patent at stake. In order to increase the chances of obtaining an injunction relief, the plaintiff commonly presents their initial briefs with a technical opinion prepared by an expert (a person skilled in the art related to the invention at issue).

In cases of patent and trade mark registration nullity actions, injunctions can also be granted in order to suspend the effects of the patent or registration at stake until a decision on the merits has been rendered. Usually, such suspension has its effects limited to the parties involved in the law suit.

In a nullity action filed before the 13th Federal Court of Rio de Janeiro involving patents related to the field of metallurgy, preliminary injunctive relief was granted in order to suspend the effects of the patents at issue. An important factor taken into consideration by the judge was the fact that the plaintiffs were building an important steel mill in the city of Rio de Janeiro and the defendants were alleging that the plaintiffs were violating their patents, so there was a risk of the construction being halted due to a potential infringement action. In order to reinforce their arguments, the plaintiffs hired a group of experts from a prestigious university to render a technical opinion demonstrating that the patent in question was void, since it did not meet the patentability requirements.

In another case, an infringement action, filed before the 1st Civil Regional Court of Tatuapé, was filed by the owner of three patents related to the production of hoods designed for automobiles. An injunction was granted by the trial judge, against which the defendant filed an interlocutory appeal. The previous decision was upheld by the Court of Appeals, based on the reasoning that the renowned backlog of the Brazilian courts would compromise the activities of the plaintiff, since, while a decision of the merits was not granted, the defendant could freely explore the patented technology in question.

With regard to the search and seizure procedure, there are several provisions related to it in the Brazilian Patent and Trademark Act. The first part of section 209, first paragraph, for instance, establishes that "in the case of clear reproduction or imitation of a registered mark, the judge may order the

seizure of all merchandise, products, articles, packaging, labels or other objects bearing the falsified or imitated mark”.

Furthermore, section 201 of Law 9,279/96, establishes that: While conducting the search and seizure proceedings in connection with an infringement of a patent subject matter which pertains to a process invention, the bailiff shall be accompanied by an expert who shall make a preliminary verification of the existence of the unlawful act to enable the court to order seizure of the products obtained by the infringer using the patented process.

In fact, in search and seizure procedures, the court expert plays an important role in assessing whether an actual infringement is taking place or not. An eventual infringement action will be based upon their technical opinion.

The Patent and Trademark Act, on the other hand, sets out, in section 204, that:

If a search and seizure proceeding was requested in bad faith, for reasons of competition, simple caprice or gross error, the person who requested the measure shall be liable for losses and damages.

It is important to highlight that such provisions must be applied only in cases where the procedure was clearly requested in bad faith or through a gross mistake.

Search and seizure procedures can also be requested in cases involving copyrights. Sections 102 to 110 of the Brazilian Copyright Law offer several provisions related to the Civil Procedural Law. Some of them establish that the right

holder can request the seizure of the infringing material, as well as other legal measures (for example, payment of damages, and criminal prosecution).

### Building a strong case

Injunctive relief is an important resource available in the Brazilian civil procedural law that allows the immediate cessation of violation of a third party's IP rights. It is an important remedy in a country where litigation cases are often lengthy. However, the injunctions can only be granted in cases where

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the legal requirements have been fulfilled. This is especially difficult in law suits involving patent rights, due to the technical background required to understand the patent at stake. That is why plaintiffs hire specialists in the field to render a technical opinion supporting their position.

The possibility of obtaining injunctive relief and even a favourable decision of the merits depends upon building a strong case. The pre-litigation phase plays an important role: at this stage the plaintiff should not only define his/her, legal strategy, but also gather relevant evidence to support their position, which can include a technical opinion to clarify technical aspects of the law suit.

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- **Ranked 2<sup>nd</sup> in IP/Brazil by The Legal 500 – Latin America 2012**
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