

# Trade mark litigation in Brazil: overview

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## SOURCES OF LAW

### 1. What are the principal sources of law and regulation relating to trademarks and trade mark litigation?

Brazil is a civil law country in which judicial precedents are not usually binding, but this is changing and the superior courts can now create binding precedents. This is still the exception, rather than the rule, however.

Sources of law are the Federal Constitution, statutes approved by the Congress (Laws), international treaties and decrees and resolutions issued by the administration.

In principle, international treaties are not automatically adopted as internal law, but as a commitment to implement the laws needed for full compliance with the treaty. International treaties are commonly used by the courts as an aid to statutory interpretation. The Constitution guarantees patent, trade mark and copyrights to help secure the social and economic development of the country.

The main laws and regulations regarding trade mark registration procedure and trade mark litigation are the following:

- Decree No. 1.263 of 1994, by which the WIPO Paris Convention for the Protection of Industrial Property 1883 (Paris Convention) (Stockholm Revision) entered into force in Brazil.
- Decree No. 1.355 of December 1994, by which the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS) came into force in Brazil.
- Law No. 9.279 of May 1996, also known as the Industrial Property Act (BIPA).
- Resolution No. 177 of 18 January 2017 from the Brazilian Patent and Trademark Office (BPTO) which established the Guidelines of Trademark Procedures.

Brazil is still neither a party to the WIPO Madrid Agreement Concerning the International Registration of Marks 1891 (Madrid Agreement) nor to the WIPO Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks 1989 (Madrid Protocol), but the current administration has recently sent the Congress a request for the Madrid Protocol to be approved.

The main challenge for the implementation of the Madrid Protocol in Brazil is still the long delay in examination of trade mark applications by the BPTO, as in Brazil the ex-officio examination covers both absolute and relative grounds for refusal. The time taken is currently around 30 months but it has been steadily reduced in the last few years. The BPTO is planning to be ready to implement the Madrid Protocol on 1 January 2019, but there is no certainty that this will go ahead, as the Congress has yet to examine and approve the adoption of the Madrid Protocol (see *Question 38*).

## COURT SYSTEM

### 2. Can third parties oppose/request cancellation of a national or supranational trade mark application/registration? If so, on what grounds?

Brazil has a dual system of oppositions so that it is possible to oppose a trade mark both before and after registration is granted. Third parties are allowed to file oppositions before the BPTO within 60 days of the publication of an application, which is done before the BPTO has carried out any examination.

The post-grant opposition is called a Request for Administrative Annulment and can be applied for within 180 days from the date of issue of the trademark registration. This request can be filed by any person with a legitimate interest or (rarely) by the BPTO *ex-officio*.

Third parties can also request the forfeiture of a trade mark registration for non-use (see *Question 10*).

### 3. Which courts/government bodies enforce registered trade mark rights?

The Brazilian judicial system is divided into two different jurisdictions, state and federal courts. State courts are responsible for trade mark infringement cases, while validity matters are dealt with in the federal courts.

In many state jurisdictions, state courts are not generally specialised in trade mark issues. A few state courts, such as in Rio de Janeiro and Sao Paulo, do have courts specialised in industrial property matters including patents, designs, trade marks and unfair competition.

In the federal system, only Rio de Janeiro has courts specialising in industrial property matters, because the BPTO, which must be a defendant in all validity cases, is situated in Rio de Janeiro.

Whenever there are specialised courts there is a higher level of expertise among the judges. In general, an issued trade mark registration is good legal title and is readily enforced by the state courts all over the country.

### 4. Who can represent parties before each court set out above?

All parties must always be represented before the courts by an attorney duly registered at the Brazilian Bar Association (*Ordem dos Advogados do Brasil, OAB*).

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## 5. What is the language of the proceedings? Is there a choice of language?

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The proceedings are held in Portuguese and there is no possibility of choosing another language.

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## 6. To what extent are courts willing to consider, or are bound by, the decisions or opinions of other national or foreign courts that have handed down decisions in similar cases?

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Brazilian courts are never bound by decisions of foreign courts. As for national courts, the general rule is that there is no binding precedent, except when a decision is rendered by a Brazilian higher court with binding effects (for example, a decision rendered by the Brazilian Supreme Court which will bind lower courts). However, in practice courts usually consider decisions handed down by other courts in similar cases as persuasive arguments.

### Limitation periods

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## 7. What limitation periods apply to registered trade mark infringement actions?

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An infringement action involving a registered trade mark can be filed within five years from the date the infringement took place, otherwise the action will be time-barred under the statute of limitations. There is some doubt in the legal doctrine whether an infringement lawsuit is possible after five years, but in any case, the damage award would be limited to loss caused in the five years preceding the filing of the lawsuit.

An action to annul a registration is subject to a five-year limitation, counted from the date of issue of the Brazilian registration, with some notable exceptions, namely for trade marks registered in bad faith and for descriptive signs unduly registered as trade marks. There have been two cases in which the courts have recognised that there is no statute of limitations applicable to such lawsuits.

### SUBSTANTIVE LAW

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## 8. Are unregistered trade marks protected in your jurisdiction?

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Brazil adopts the "first-to-file" principle, under which the registration of a trade mark is granted to the first person who files the application. The ownership of a trade mark is obtained through a valid registration granted by the BPTO. In general, therefore, a trade mark is only protected if it is duly registered. Despite this being the general rule, it is possible to protect unregistered trade marks in Brazil in a few cases. Article 126 of the Industrial Property Act (BIPA) provides for the protection of well-known trade marks in accordance with Article 6bis of the Paris Convention. Such trade marks enjoy special protection, even if they have not been registered in Brazil. However, for a trade mark to be considered well-known, it must comply with specific conditions and requirements (see *Elisabeth Kasznar Fekete, Use of Unregistered and Registered Trade marks: The Brazilian System, The Trade mark Reporter*, vol. 104, No. 6, Nov-Dec. 2014, 1255-1274).

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## 9. How is a registered trade mark infringement assessed?

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Trade mark infringement occurs when a third party:

- Uses an identical or similar registered trade mark to cover identical or similar services or products, with no prior authorisation or consent from the registered owner.
- Violates the integrity and reputation protection rights of an owner of a registration or the applicant for a pending trade mark application, under Article 130 of the Industrial Property Act (BIPA).

The registrant of, or applicant for, a mark is also guaranteed the rights to (Article 130, BIPA):

- Assign the registration or application for registration.
- License its use.
- Preserve its material integrity or reputation.

In addition, an administrative cancellation procedure, called forfeiture for non-use, can be started at the request of any person with a legitimate interest, where (Article 143, BIPA):

- Five years has elapsed after the trade mark registration was granted and its use in the country has not been initiated.
- The use was interrupted for more than five consecutive years.
- The mark was used in a modified form that alters its original distinctive character.

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## 10. On what grounds may a proprietor lose rights in a registered trade mark?

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A trade mark owner can lose its rights due to (Article 142, Industrial Property Act (BIPA)):

- Expiry of the ten-year validity period without renewal.
- Renouncing of rights, wholly or partially, by the trade mark owner.
- Forfeiture due to lack of use: a trade mark will not be forfeited if the trade mark owner shows that the trade mark has been regularly used in Brazil or can present legitimate reasons to justify the lack of use (Article 143, BIPA).
- Failure to maintain a duly qualified representative in Brazil with powers to represent the trade mark owner in administrative and judicial procedures, or for receiving a summons (Article 217, BIPA).
- Annulment of the registration.

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## 11. What defences, if any, are available to an alleged infringer?

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An owner of a trade mark cannot prevent, among others (Article 132, Industrial Property Act (BIPA)):

- Traders or distributors using their own distinctive sign, together with the mark of the product for its promotion and commercialisation.
- Manufacturers of accessories from using the mark to indicate the use of the product, provided they comply with fair competition practices.
- The free circulation of products placed on the internal market by the trade mark owner itself or by another with his/her/its consent.
- The mention of the mark in speeches, scientific or literary works or in any other type of publication, as long as such use does not have any commercial connotation and does not prejudice the trade mark's distinctive character.

Other defences to an infringement claim may be available (according to case law and to experts in the field), for example, that:

- The trade marks in dispute are not similar and are distinctive enough from each other.
- There is an absence of confusion or unlawful association between the trade marks among consumers because, for example, there are other similar trade marks co-existing in the same or similar market and/or that the trade mark lacks distinctiveness.
- There was prior use in good faith of the trade mark without any objection of third parties.
- The sign is not being used as a trade mark but as a descriptive term.

## 12. Can a trade mark holder plead registered trade mark infringement and passing off/unfair competition in the alternative in the same action?

Usually a claim of unfair competition/passing off relates to an unregistered trade mark or a pending application. However, it is possible to plead registered trademark infringement and unfair competition in the alternative in the same action, although this strategy might not be considered the most effective one from a procedural point of view. The imitation of a competitor's get-up, trade dress or packaging is considered an act of unfair competition in Brazil, so when this happens coupled with a trade mark infringement, the two causes of action are joined in the same lawsuit.

## PARTIES TO LITIGATION

### 13. Who can sue for trade mark infringement?

A trade mark infringement action can be filed not only by the trade mark owner, but also by its licensee. The licensee (exclusive or non-exclusive) can only file an infringement suit as long as this measure is expressly set included in the licence agreement. In addition, for the licensee to have standing to sue, the licence agreement must also be registered with the BPTO. A distributor and other parties cannot sue for trade mark infringement.

### 14. Who can be sued for trade mark infringement?

The defendant in a civil trade mark infringement action is the natural person or legal entity who/which has been using the trade mark without authorisation from the registered trade mark owner. A company director can be sued as a co-defendant, provided that there is some indication that he/she was aware of the infringement.

## 15. What type of acts amount to primary and secondary registered trade mark infringement?

Brazilian law does not distinguish between primary or secondary registered trademark infringement. Acts are treated equally as infringements.

## 16. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment on non-infringement?

The potential outcome of any action has to be, at least in theory, useful for the claimant. This is the requirement called "interest to file a lawsuit" (see *Question 17*). In this context, anyone planning to file a declaratory action of non-infringement must show there is a reasonable possibility that he/she is facing an infringement action, which is likely to be the case when he/she has received a cease and desist letter.

## 17. Is it possible to add or remove parties during litigation?

It is possible to add or remove parties during litigation, in certain situations (*Code of Civil Procedure*). Two elements are required to bring an action before a court (*Article 17, Code of Civil Procedure*):

- Interest in filing a lawsuit.
- Legal standing.

It is therefore open to parties to argue that one of the claimants or defendants lacks legal standing. It is for the judge to analyse the arguments and decide if the parties have interest and legal standing in the subject matter, and by this decision can add or remove parties during litigation.

Additionally, Title III of the Code of Civil Procedure establishes the cases in which third parties can intervene or assist the claimant or defendant. One of these situations is known as "impleader" (*denúncia da lide*) which enables a third party to be joined in the lawsuit, if this third party can be held liable instead of the original defendant.

## ENFORCEMENT OPTIONS

## 18. What options are open to a trade mark holder when seeking to enforce its rights in your jurisdiction?

### Civil proceedings

A trade mark holder/owner can file an infringement action or a nullity action seeking to enforce its rights to its trade marks.

Infringement actions falls under state jurisdiction.

Nullity actions on the other hand, come under federal jurisdiction, because the BPTO (as a federal body) must be a defendant in proceedings (see *Question 3*).

### Criminal proceedings

Criminal offences for registered trade mark infringement are set out in the Industrial Property Act as follows (*Articles 189 and 190*):

- Anyone who carries out one of the following acts is liable for imprisonment of three months to one year or a fine (*Article 189*):
  - reproduces a registered mark wholly or in part, without the authorisation of the registrant, or imitates it in a manner that may induce confusion;
  - alters the registered mark of a third party already applied to a product placed on the market.
- Anyone who keeps, imports, exports, sells or offers for sale the following is liable for imprisonment of three months to one year or a fine (*Article 190*):
  - products branded with an illicitly, wholly or partially, reproduced or imitated mark of a third party; or

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- products carrying the legitimate mark of a third party.

BIPA also provides for the above penalties to be increased by one third to one half if the party is or was a representative, proxy, agent, partner or employee of the owner or registrant or of its licensee, or if the altered, reproduced or imitated trade mark is famous, well-known or a certification or collective trade mark.

The fines set out above are daily fines, fixed for at least ten days up to a maximum of 360 days, under the Criminal Code. A fine can be increased or reduced by up to ten times to reflect the personal conditions of the agent and the extent of the advantaged obtained.

#### Border measures

Border measures are carried out by the Internal Revenue Service (IRS), through its network of Customs Offices located at every port, airport and land border.

Suspected counterfeited products can be seized at the request of the trade mark owner or by the customs authority *ex officio* (Article 605, Decree No. 6759 of 5 February 2009). When products are seized, the customs authorities must notify the trade mark owner to verify which further steps will be taken in the case. Border measures and procedures can vary between the different customs authorities.

In 2015, the government created two parallel mechanisms to expedite communications between customs' agents and trade mark owners:

- The National Anti-Counterfeiting Directory (kept by the BPTO in addition to its "normal" trade mark registry).
- The Directory of Trade mark Representatives (maintained by the IRS).

Both systems have generated positive results, despite the lack of interest in their integration.

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#### 19. Is it advisable to send a letter before action (cease and desist letter) to an alleged infringer before commencing registered trade mark infringement proceedings?

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Sending a cease and desist letter in Brazil is common practice in IP legal matters. It is therefore advisable to send a cease and desist letter to a potential or alleged infringer before taking any judicial measures. This is because infringers are, in many cases, willing to solve the matter without incurring further costs (namely litigation costs), complying with the outlined terms of the letters. For this reason, sending a cease and desist letter can be a good strategy, and is cheaper and faster than court proceedings. However, it is important to bear in mind that, depending on how the cease and desist letter is written, this measure can be seen as an unjustified threat or intimidation.

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#### 20. To what extent are your national courts able to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

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Brazilian national courts are not able to grant cross-border decisions/injunctions (preliminary or permanent).

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#### 21. To what extent are arbitration and alternative dispute resolution (ADR) methods (such as mediation) available to resolves trade mark disputes?

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The Code of Civil Procedure was renewed in 2015, with one of its main aims to enable more efficient and faster proceedings for legal disputes. This included establishing mediation and conciliatory

centres (under Article 165 of the Code of Civil Procedure). Additionally, parties are free to choose, by mutual agreement, the conciliator, mediator or private conciliation or mediation venue.

The court will usually require the parties to attend mediation hearings to settle their dispute before trial and the parties usually do so (in exceptional cases, the parties can stop mediation hearings being held if they both agree to this).

#### Arbitration

Arbitration proceedings are regulated by Law No. 9,307 of 23 September 1996. The arbitration clause must be in written form, in the main contract or another document related to the contract (Article 4(1)). Arbitration methods are not commonly used in trade mark disputes.

#### ADR

ADR methods are widespread and several chambers of commerce and associations have mediation and or/arbitration centres, including for conflicts between a trade mark and a domain name.

### PROCEDURE IN CIVIL COURTS

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#### 22. What is the format of trade mark infringement proceedings?

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Trade mark Infringement actions fall under state jurisdiction (see Question 3) and are held before a single state judge. If there is an appeal from the single judge's decision, the case is forwarded to the Appeals Court, where three judges decide the matter jointly in chambers.

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#### 23. Is a fast-track procedure available?

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A fast-track procedure is not available unless both parties agree to adopt different timeframes from those set by the Code of Civil Procedure to speed up the proceedings.

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#### 24. What are the rules and practice concerning evidence in trade mark infringement proceedings in your jurisdiction?

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**Admissibility** of evidence is governed by the Code of Civil Procedure (Chapter XII). Under the Code of Civil Procedure, the parties have the right to use all legal and legitimate means to prove the alleged facts and rights involved in the dispute. Additionally, the judge, at the request of the parties or *ex officio*, can determine which evidence is necessary for resolving the merits of the case (Article 370, Code of Civil Procedure).

#### Documents

The most common form of evidence in trade mark lawsuits is documentary evidence. In most cases, if not all, the parties usually attach the certificate of registration granted by BPTO to the complaint or defence. Other documents, such as contracts and invoices, are also usually submitted. Parties are required to submit all documents necessary for proving their case with the initial petition or the defence. (Article 434, Code of Civil Procedure).

Expert legal opinions are also generally presented as documentary evidence to the court, since many judges do not have specialised knowledge in IP matters (see Question 3).

#### Witness evidence

Witness evidence is rarely used in trade mark infringement or validity cases.



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## Expert evidence

Expert witnesses are not always used in trade mark litigation, since the issues involved in such lawsuits are commonly considered as points of law rather than fact. However, parties can hire experts to present their legal opinion as documentary evidence. In addition, an independent expert can be appointed by the judge (or by both parties, if they agree on the expert) to give an opinion about the alleged infringement or the validity of the registration.

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### 25. To what extent is survey evidence used (for example, to support acquired distinctiveness, or likelihood of confusion)? What is its evidential value?

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Survey evidence is commonly used in trade mark infringement actions to show the existence (or otherwise) of distinctiveness or likelihood of confusion between the marks. The judge is responsible for deciding which evidence is necessary to resolve the case (see *Question 24*) and as with any other type of evidence, must determine the need or importance of survey evidence. Survey evidence can also be filed at court by the claimant together with the infringement claim.

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### 26. Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

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It is technically possible to use evidence obtained for criminal proceedings in civil proceedings and *vice versa*, provided both:

- The procedure allows the parties to comment on/agree to the use of] this evidence in accordance with the rights to a proper defence and due process of law.
- The subject matter of the criminal and civil proceedings are linked.

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### 27. To what extent is pre-trial discovery permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

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Brazil has no discovery system and a defendant cannot be compelled to produce evidence against himself/herself. Defendants are therefore allowed to withhold evidence that is damaging to their case. Pre-trial lawsuits aiming to find evidence (such as a search and seizure or inspection in a trade fair, for example) are not uncommon.

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### 28. Can an order be made to establish proof of infringement (saisie-contrefaçon)? If not, what other mechanisms, if any, are available?

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Under the Industrial Property Act, a court order can be granted to establish proof of infringement, for example, search and seizure measures. In addition, Article 202 of BIPA also provides for the seizure or destruction of counterfeited marks and/or products.

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### 29. How long do trade mark infringement proceedings typically last?

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The length of a trade mark infringement proceeding can vary from court to court and jurisdiction to jurisdiction. However, a trade mark infringement lawsuit usually lasts about two years (at the first instance) and an additional two years to a final decision by the Court of Appeals.

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### 30. What options, if any, are available to a defendant seeking to stay the proceedings?

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The Code of Civil Procedure lists the situations in which proceedings can be stayed, including (among others) (*Articles 313-315*):

- Death or loss of procedural capacity of the party, its legal representative or attorney.
- By agreement of the parties, for example when the parties are discussing a possible agreement to settle the case. Proceedings can be suspended for a maximum of six months (*Article 313(II)*).
- By the suspicion or disqualification of the judge.
- By instigating an incident for resolution of repetitive demands. This is a mechanism to solve demands involving the same subject matter in a faster and more efficient way, preventing the courts from having to make multiple decisions related to the same subject matter. The most representative cases related to the subject matter of the dispute are selected for consideration, while the other lawsuits in question will be halted for up to one year. Once the court renders a decision on the selected issues, the same thesis will be applied to all remaining lawsuits pending decision.
- The decision depends on the judgment of another pending lawsuit, verification of a certain fact, or production of certain evidence in a different court.

- Reasons of force majeure.

The most common situation is when an infringement action in a state court is stayed because the defendant (that is, the alleged infringer) files an annulment action before a federal court (*Article 313(V)*). In this situation, the state court judge can await the final decision about the validity of the trade mark registration from the federal court.

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## PRELIMINARY RELIEF

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### 31. Is preliminary relief available?

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Preliminary injunctions can be granted if it can be shown that there is both a (*Article 300, Code of Civil Procedure*):

- Likelihood of success for the claimant.
- Real urgency for a decision.

Injunctive reliefs are available *ex parte*, but it is more common for the judge to wait for the defendant to present the defence before deciding on the request for relief.

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### 32. Can a protective writ be filed at the court at which an *ex parte* application may be filed against that defendant?

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The jurisdiction of the dispute falls to the court of the first lawsuit. This means that if an alleged infringer files proceedings seeking a declaratory non-infringement decision, this court will automatically be the sole competent court to also rule on any infringement lawsuit that may be filed by the trade mark owner. This means that in Brazil protective writs filed by a defendant in infringement proceedings to prevent a preliminary injunction being granted against it are not common and usually cannot be specifically obtained.

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### 33. What is the format for preliminary injunction proceedings?

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#### General

Both preliminary and permanent injunctions are available. In both cases, two requirements must be fulfilled for an injunction to be granted by the judge:

- There must be a likelihood of success based on strong evidence submitted by the claimant regarding both its right and the infringement.
- There must be a risk of unjust harm if the remedy requested is not implemented immediately.

At the same time, the judge must weigh the hardship caused by the decision to grant the injunction with the hardship of not granting it, and if it is possible for the parties to return to the *status quo* if the injunction turns out to be unfair or unnecessary. For this reason, the claimant must be required to post a bond or a fiduciary guarantee, if the judge deems it necessary.

Final injunctions are usually granted when the court renders a decision on the merits that an infringement has occurred.

#### Level of proof

The level of proof required by the court to grant preliminary injunctions is usually lower than that in the main proceedings because it does not involve analysing all the facts and rights related to the merits of the case. Instead, it focuses on the two requirements of the likelihood of success and the risk of harm to the claimant.

#### Evidence

At the very least, the claimant must present proof of ownership of the trade mark registration and unauthorised use of the trade mark by the defendant.

#### Length of proceedings

The length of preliminary proceedings varies between courts and judges. Preliminary injunctions are generally granted in days or weeks, while a decision at first instance is usually made within at least one to two years.

### FINAL REMEDIES

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### 34. What remedies are available in a registered trade mark infringement action?

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#### Permanent injunction

The Brazilian enforcement system provides for both criminal and civil measures which the claimant can seek for the unlawful use of their trade mark by third parties.

In both cases, if the court decides that the evidence presented shows trade mark infringement, a permanent injunction can be granted forbidding the infringing party from continuing to infringe the claimant's industrial property rights. In granting the injunction, the court must state the specific undue acts to which the injunction refers, so that it is only effective against the parties in the infringement action and cannot be enforced against third parties.

#### Monetary remedies

Claimants can seek both moral and material damages, as well as reasonable losses (indirect damages) caused by the infringement. When the claimant is a legal person, moral damages are only awarded if the court decides that the infringement has harmed the good reputation of the trade mark.

The amount of material damages is usually fixed by an expert appointed by the court. The success of civil compensation procedures depends on the evidence of damages and the defendant's financial situation.

#### Delivery up or destruction of infringing goods

Criminal remedies include search and seizure, detention and imprisonment of three months to one year, or a fine.

Civil remedies also include search and seizure which aim at confiscating products that infringe the claimant's trade mark. A court can additionally order the destruction of goods, materials and any element used to carry out the civil offence.

#### Recall order

Another possible remedy is a recall order, by which the judge determines that the infringing party must withdraw from the market all products and goods that are unlawfully using or reproducing the trade mark. Such a decision can be issued both in the main proceedings on the merits and during the preliminary injunction phase. Non-compliance with this order can result in the party having to pay a daily fine.

#### Others

Another civil measure that can be requested by the party is an order to cease the infringement under penalty of a daily fine to be fixed by the court (*see Question 18*).

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### 35. How are monetary remedies assessed against a registered trade mark infringer?

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In addition to the general provisions relating to monetary remedies, the Industrial Property Act requires loss of profits to be determined by the most favourable of the (*Article 270*):

- Benefits that would have been gained by the injured party if the violation had not occurred.
- Benefits gained by the infringing party.
- Remuneration that the infringer would have paid to the proprietor of the violated rights for a licence to exploit the subject of the rights.

Due to the difficulty in applying the first two criteria above, in a large number of cases the third (presumed royalty) is granted, even though it usually results in a slightly higher royalty than the one actually applicable in voluntary licences for similar markets.

#### Appeal remedies

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### 36. What routes of appeal are available to the unsuccessful party?

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Appeals are governed by Article 994 of the Code of Civil Procedure. Decisions can be amended, clarified or invalidated, and any party in the action has the right to appeal against the decision made by the trial judge.

Under state jurisdiction (*see Question 3*), a decision of a trial court judge in a trade mark infringement case can be appealed to the assigned civil chamber of that state court.

Under federal jurisdiction, which relates to trade mark nullity actions (*see Question 3*), a decision of the federal judge can be appealed to the Federal Court of Appeals for the specific circuit. For example, a nullity action decision under the jurisdiction of a federal judge located in Rio de Janeiro can be appealed to the Federal Court of Appeals for the 2nd Circuit.

The time taken to bring an appeal depends on the type of appeal, but generally appeal proceedings usually take two to three years.

Further appeals to third instance are admitted under strict conditions.

#### Litigation costs

#### 37. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

Costs include attorneys' fees, experts' fees and court fees. Attorney fees are freely negotiated between each party and his/her attorney. Claimants must pay court fees to file a brief, applications and petitions before the courts. Usually, expert fees must be paid by the claimant or by the party that has requested the expert. Depending on the type of proceedings and whether the claimant is located outside Brazil, the court can require a party to pay a bond (*Article 83, Code of Civil Procedure*).

In addition, some types of appeal require payment of a legal fee as an admissibility requirement.

At the end of the trial, the losing party reimburses to the winning party its costs and legal fees. In contrast to some other jurisdictions, in Brazil the full amount of the winning party's attorney fees are not reimbursed by the losing party, who is usually ordered to pay a percentage of them and, in any case, no more than 20% of the value attributed to the lawsuit by the claimant.

## REFORM

#### 38. What are the important developing and emerging trends in your country's trade mark law?

Various topics are under discussion in Brazil, including:

- The ongoing discussion on the adoption of the Madrid Protocol. Since its creation, Brazilian IP agents, lawyers and the BPTO have been discussing the advantages and disadvantages of adopting it.
- The registration of unconventional trade marks, since there is no statutory provision for the protection of non-visual signs.
- The debate on updating the Industrial Property Act, which is still pending among the main IP players and attorneys.
- The judicial system is deciding from which date the statute of limitations should be applied in nullity actions (from the first granting decision of BPTO or from the final granting decision of BPTO (that is, the decision that upholds the granting in an administrative nullity procedure).
- Enforcement measures against online infringement have found new grounds and are still evolving since Brazil adopted its Internet Law in 2014.

## ONLINE RESOURCES

#### Brazilian Patent and Trade mark Office (*Instituto Nacional da Propriedade Industrial*) (BPTO)

W [www.inpi.gov.br](http://www.inpi.gov.br)

Description. Official website of the BPTO, only in Portuguese.

#### Brazilian Federal Government website

W [http://www.planalto.gov.br/ccivil\\_03/](http://www.planalto.gov.br/ccivil_03/)

Description. Brazilian laws on the Federal Government official website. No English translation.

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**Professional qualifications.** Senior partner and co-founder of Kasznar Leonardos; 35 years of experience in intellectual property; adjunct Professor and Coordinator of IP courses; law degree with honours, State University of Rio de Janeiro (UERJ) 1981; doctorate degree (SJD) in commercial law from the University of São Paulo (USP) 1999; specialist in patents (INPI and PUC) Rio 1983; guest research fellow at the Max Planck Institute in Munich, Germany (1984).

**Areas of practice.** Strategic consultation, litigation, arbitration, mediation and expert opinions in IP matters (trade marks, patents, copyrights, anti-counterfeiting, trade secrets and unfair competition), transactional work (licensing, knowhow agreements) and trade mark prosecution.

**Languages** Portuguese, English, French, German, Spanish, Hungarian, Italian

**Professional associations/memberships** Member of the Council and Arbiter of the Arbitration Board (CARB) of the Brazilian Intellectual Property Association (ABPI); past President of ABPI and AIPPI's Brazilian Group (2014-2015); member of INTA's Board of Directors and Latin American Global Advisory Council; co-chair of the Article Solicitation and Development Subcommittee (ASD-SC) of the Trade mark Reporter Committee (TMR); member ASIPI, ABAPI and ASIPI.

**Publications.** Treatise: *Trade Secrets Under Brazilian Law* (2003) and more than 30 articles on IP matters.

**Professional qualifications.** Senior partner and co-founder of Kasznar Leonardos, 30 years of experience in intellectual property and a lecturer and professor of IP courses; law degree from the State University of Rio de Janeiro (UERJ) 1986; postgraduate degree in German Law from the Ludwig Maximilian University 1989; LLM in Financial Law from the University of São Paulo (USP) 1996; Guest research fellow at the Max Planck Institute in Munich, Germany 1988/89; received the Germany Cross of Merit.

**Areas of practice.** Litigation before the courts in IP law, consulting services on licensing agreements, patents, trade marks, copyrights, unfair competition, trade mark prosecution and arbitration and mediation in IP and contract law.

**Languages** Portuguese, English, German, French.

**Professional associations/memberships** FICPI, LES (former President of LES Brazil), and AHK (German Brazilian Chamber of Commerce and Industry (Honorary President)), among others; member of the Ethics Court of the Inter-American Association of Intellectual Property (ASIPI); vice president of the Brazilian Association of Industrial Property Agents (ABAPI) for 14 years.

**Publications.** The book *Taxation of Technology Transfer* (1997) and several articles on IP matters.