

# Brazil

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## 1 Relevant Authorities and Legislation

### 1.1 What is the relevant Brazilian trade mark authority?

The relevant authority is the Brazilian Patent and Trademark Office – BPTO (INPI, in Portuguese).

### 1.2 What is the relevant Brazilian trade mark legislation?

The relevant legislation is:

- Decree #1,263, of October 10, 1994, whereby the Paris Convention (Stockholm Revision) came into force in Brazil.
- Decree #1,355, of December 30, 1994, whereby the TRIPS Agreement came into force in Brazil.
- Law #9,279, of May 14th, 1996 – the Brazilian Industrial Property Act.

## 2 Application for a Trade Mark

### 2.1 What can be registered as a trade mark?

The Brazilian law has some restrictions in terms of what kind of signs can be registered as trade mark. In fact, Section 122, of Law #9,279/96, determines that only distinctive visually perceivable signs, if not prohibited by law, are eligible for registration. Therefore, the so-called non-traditional marks, such as smells, colours, melodies, etc., do not comply with such statutory requirement and are not registrable in light of the Brazilian IP Act.

Furthermore, it is also important to stress that, in order for a trade mark be registered, a sign must comply with the following requirements:

- Relative novelty – the sign must be new in the market where it will be used.
- Veracity – the sign cannot lead the consumer to believe that the product or service identified by it has characteristic and/or qualities that actually it does not have.
- Distinctiveness – the sign must be distinct enough to allow the consumers to identify the products or services which bear it from others of the same kind.
- Not forbidden by law – the registration of the sign must not be forbidden by law.

### 2.2 What cannot be registered as a trade mark?

Although Section 124, of Law #9,279/96, sets forth several cases of

non-registrability, it is possible to summarise them as follows:

- Signs that are already owned by third parties.
- Signs that violate moral and/or ethical principles.
- Signs that can cause confusion among consumers.
- Signs that are protected in the Brazilian law through a system different from the trade marks' one.

### 2.3 What information is needed to register a trade mark?

The main information includes the: trade mark which the applicant wants to protect; list of services or goods to be protected within the class; priority date and number, if applicable; claimed colours, in case of composite, device and three-dimensional trade mark (not mandatory); and declaration concerning the applicant's areas of activity.

### 2.4 What is the general procedure for trade mark registration?

- The applicant files its trade mark application.
- The trade mark is published for opposition purposes.
- The examination is carried out by the BPTO.
- The BPTO publishes its decision, opening a 60-day term for the applicant to pay the issuance fees.
- The notice of the issuance is published in the Official Gazette.

### 2.5 How can a trade mark be adequately graphically represented?

For composite and device trade marks, the applicant must indicate which classes from the International Classification of Figurative Elements of a Mark apply to the trade mark in question. Moreover, in order to protect a special scheme of colours, the applicant must indicate which colours are used (and where) in the trade mark.

### 2.6 How are goods and services described?

The goods and services may or may not be described exactly as in the Nice Classification system, which is adopted in Brazil, but must be compatible with the activities declared in the applicant's bylaws. The BPTO tends to forbid the specification of products and services with too broad protection, especially for medicines.

## 2.7 What territories (including dependants, colonies, etc.) are or can be covered by a Brazilian trade mark?

A Brazilian trade mark registration has effect only within the Brazilian territory.

## 2.8 Who can own a Brazilian trade mark?

Any natural or legal person can own a trade mark, provided the latter is duly registered before the competent authority and the applicant must state that it is effectively engaged in the field of activities to which the products and/or services belong.

## 2.9 Can a trade mark acquire distinctive character through use?

While Brazilian scholars and case law understand that a non-registrable trade mark can acquire distinctive character through use, usually the BPTO's examiners are reluctant to accept the secondary meaning of a trade mark. In these cases, the applicant must bring a lawsuit seeking the annulment of the BPTO's rejection and the issuance of the respective registration. The requirements to assess whether a trade mark did acquire secondary meaning may vary. But, in any event, the plaintiff or applicant must evidence that, due to the long use in the market, the Brazilian consumers recognise the sign at stake as a trade mark that effectively identifies the product or service in question.

## 2.10 How long on average does registration take?

The issuance of a trade mark registration usually takes from three to five years.

## 2.11 What is the average cost of obtaining a Brazilian trade mark?

Usually, the following fees are due:

- When the trade mark application is filed before the INPI: about US\$ 270.00.
- Before the registration certificate is issued, when fees related to the first ten-year period of validity of the registration must be paid: about US\$ 426.00.
- During the last year of the ten-year registration term, when fees for the renewal application must be paid: US\$ 610.00.

Note that such figures do not include the attorney fees for performing these services.

## 2.12 Is there more than one route to obtaining a registration in Brazil?

Currently, trade mark registrations can only be obtained through applications directly filed before the INPI. Note that, although the adoption of the Madrid Protocol has been discussed, it has not been signed or ratified by the Brazilian Government.

## 2.13 Is a Power of Attorney needed?

Yes. The Power of Attorney must be presented together with the trade mark application or within the sixty days after the filing of the application. Otherwise, the application will be dismissed (Section 216, §2nd, of Law #9,279/96). With regard to foreign applicants, the Power of Attorney must expressly include powers to receive judicial summons (Section #217, of Law #9,279/96).

## 2.14 How is priority claimed?

For claiming a trade mark priority, the applicant must request it on the application form and must present evidence of the priority by a certified copy of the home application on the same opportunity or within the following four months after the trade mark filing date.

## 2.15 Does Brazil recognise Collective or Certification marks?

Yes. Both kinds of marks are expressly allowed by Law #9,729/96 and will be registered, provided that their respective application complies with the statutory requirements. In this sense, for filling a collective mark, the applicant must present, attached to the application, the regulations for use, establishing conditions and prohibitions regarding the use of this mark. With respect to certification mark, the applicant must indicate in the application the characteristics of the product or service to be certified, as well as the control measures to be adopted.

## 3 Absolute Grounds for Refusal

### 3.1 What are the absolute grounds for refusal of registration?

The absolute grounds for refusal of registration are generally related to violation of morality and public order rules, but also involve cases where the sign at stake has a deceivable nature. Section 124, of Law #9,279/96, set forth a list of non-registrable trade marks (relative and absolute prohibitions). The following cases are considered absolute prohibitions:

- Signs composed by coats of arms, armorial bearings, medals, flags, emblems, badges and monuments, as well as any designations, figures or imitations thereof.
- Signs that are reproductions or imitations of official seals normally used to guarantee a standard of any type or nature.
- Signs that are reproductions or imitations of titles, bonds, coins or bank notes.
- Signs contrary to morality and decency or which offend the honour or image of a person or which offend freedom of conscience belief, religious cult or ideas and feelings worthy of respect and veneration.
- Signs inducing false indication regarding the origin, source, nature, quality or usefulness of the product or service to which the mark is applied.

### 3.2 What are the ways to overcome an absolute grounds objection?

Bearing in mind that such prohibitions aim at protecting the morality and public order, there is no possibility to overcome any rejection based on them.

### 3.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

According to the Brazilian industrial property law, any decision rendered by the BPTO can be challenged through an appeal. However, in cases where the rejection was based on absolute prohibitions, the appeal will be rejected and the first decision will be maintained, except if the rejection was mistakenly grounded on one of the above-mentioned prohibitions.

### 3.4 What is the route of appeal?

According to the Brazilian law, it is possible to file just one appeal against any rejection, which is decided by the BPTO's President (with the assistance of the BPTO's General Coordination of Appeals and Administrative Annulment Procedures). The decision of an appeal against the rejection of a trademark application is final and puts an end to the administrative sphere; this is the reason why said decision may only be contested through courts.

## 4 Relative Grounds for Refusal

### 4.1 What are the relative grounds for refusal of registration?

Under Brazilian law, the relative grounds for trade mark rejection are generally related to a third party's prior rights. In this sense, Section 124, of Law #9,279, establishes that the following signs are not registrable due to the violation of a third party's prior rights:

- reproductions or imitations of the title of an establishment or trade name belonging to another party, likely to mislead or cause confusion with such distinctive signs;
- geographical indications, or imitations of such indications likely to mislead;
- reproductions or imitations of signs registered as a collective or certification marks by another party;
- names, prizes or symbols of official or officially recognised events or imitations likely to cause confusion (except when authorised by the competent authority or entity promoting the event);
- personal names or signatures, family names and images of third parties, as well as widely known pseudonyms or nicknames, singular or collective artistic names;
- literary, artistic or scientific work, as well as titles protected by copyrights and likely to mislead or cause confusion;
- reproductions or imitations, in whole or in part, of a mark registered by another party, to distinguish or certify similar products or services, as long as there is risk to cause confusion or association;
- objects that are protected by industrial design registration owned by third parties;
- signs that imitate or reproduce, in the whole or in part, a mark which the applicant could not fail to have knowledge of, in view of his activities, provided that there is risk to cause confusion or association with the mark of such other person.

It is important to note that the Brazilian IP law also does not allow granting applications for trade marks composed by terms (i.e. technical and generic terms) that must remain available to all the competitors to use them freely.

Furthermore, well-known trade marks unduly filed can be opposed on the basis of Section 126, of Law #9,279/96, which sets forth protection for well-known trade marks, regardless of their previous registration, as well as Article *6bis*, of the Paris Convention.

A prior trade mark user in good faith, who has not proceeded with the registration of its mark, can also oppose an application, as long as he/she files his/her trade mark within the opposition period (Section 129, §1st, Law #9,269/96).

### 4.2 Are there ways to overcome a relative grounds objection?

Yes. In fact, there are several ways to overcome a relative grounds objection. For refusal based on third party's prior rights, the most common arguments which can be raised are that: the signs at stake

identify different product or services; they are different when analysed in their entirety; and the term that they have in common also forms the part of other registered trade marks, etc. Additionally, it is possible, in principle, to present letters of consent or a coexistence agreement, although the BPTO's policies concerning the acceptance of such documents are not clear up to the present date.

For allegations that the trade mark is generic or common, the applicant can try to demonstrate through evidences that such sign acquired a secondary meaning or the same is not generic, but actually suggestive. Note, however, that it is still not clear whether the BPTO is accepting allegations of secondary meaning.

Furthermore, in order to overcome allegations that the trade mark was filed in bad-faith, the applicant can evidence that the use of his/her trade mark started before the filing of the Opponent's first application.

### 4.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

Please refer to question 3.3.

### 4.4 What is the route of appeal?

Please refer to question 3.4.

## 5 Opposition

### 5.1 On what grounds can a trade mark be opposed?

An opposition can be filed by any interested party and based on absolute and relative refusal grounds set forth in Section 124, of Law #9,279/96, as well as in the Paris Convention. For instance, the application filed in bad-faith can be opposed by the legitimate owner, provided that the latter presents enough evidences demonstrating the bad-faith of the applicant.

It is important to note that allegations of dilution and unfair free riding are not likely to be accepted by the BPTO, which tend to analyse conflict between trade marks, assessing whether there is actual risk of confusion among consumers and if the products or services in question are identical or similar (except in case of high repute trade marks).

Furthermore, according to Section 129, §1st, of Law #9,279/96, the party who was using a trade mark for at least six months before the filing of the sign by another person can file an opposition and claim protection for his/her prior mark, as long as he/she also files an application for this same trade mark.

### 5.2 Who can oppose the registration of a Brazilian trade mark?

Although there is no statutory rule establishing who would be entitled to oppose a trade mark application, any party would be, in principle, authorised to file an opposition against any trade mark, bearing in mind that a rejection can also be made *ex officio* by the BPTO. The formal requirements usually verified by the examiner are whether the opposition was filed within the sixty-day term and a power of attorney was attached to it.

On the occasion when the examiner is assessing whether the trade mark can be registered, he/she must consider the opposition and also indicate in his/her decision if the opposition is funded or not, and, under penalty of such decision, be declared void.

### 5.3 What is the procedure for opposition?

After the publication of the trade mark application for opposition purposes, a sixty-day term is opened for any interested party to file an opposition. The notice of the filing of the opposition(s) is published in the Official Gazette, opening another sixty-day term for the applicant to file its reply, which is not mandatory. Regardless of a reply being lodged, the examiner renders one decision analysing the grounds of the opposition and any other statutory prohibition related to the registrability of the trade mark at stake (searches are also performed in order to verify if this similar or identical trade mark has already been registered by another party). Once rendered, such decision is published in the Official Gazette.

## 6 Registration

### 6.1 What happens when a trade mark is granted registration?

When a trade mark application is granted, such notice is published in the Official Gazette, opening a sixty-day term for the applicant to pay the final taxes, which comprise of the official fees for issuing the corresponding certificate of registration as well as for maintaining the trademark registration in force for a ten-year period. If the final fees are paid, the INPI will publish, in the Official Gazette, the notice of the issuance. In case the applicant fails to pay the final fees within the sixty-day term, he/she can pay the extraordinary fees, which are higher than the regular ones, during the grace period (i.e. thirty days after the regular sixty-day term).

### 6.2 From which date following application do an applicant's trade mark rights commence?

In the Brazilian legal framework, the exclusive rights over a trade mark are only acquired through the issuance of the trade mark registration. In the meantime, the applicant just has a mere expectation of obtaining the right to ownership of the trade mark. However, as per Section 130, of Law #9,279/96, the owner of an application has the right: a) to assign it; b) to licence its use; and c) to ensure its material integrity or reputation. With regard to item "C", the applicant has the right to protect its trade mark from dilution as well as its reputation.

In this sense, any infringement of a non-registered trade mark can only be refrained based on the rules against unfair competition. Among other requirements, the plaintiff must demonstrate that there is actually a risk of confusion among the consumers.

### 6.3 What is the term of a trade mark?

According to Section 133, of Law #9,279/96, a trade mark registration lasts for ten years.

### 6.4 How is a trade mark renewed?

During the last year of the trade mark registration validity (starting after the ninth anniversary of the registration issuance), its owner can file a renewal application, through which the applicant evidences the payment of the renewal fees and requests the renewal for another ten-year term. The renewal fees are slightly higher than the final taxes for the issuance of the registration. In case the registration owner fails to proceed with said payment, it is possible

to pay the renewal fees during the grace period, which lasts for six months after the expiration of the regular term. The grace period fees are also higher than the regular ones, but the registration owner does not need to justify why he/she failed to request the renewal within the regular term. Once the official fees are duly paid and the renewal application is filed, the BPTO will publish the registration renewal in the Official Gazette.

## 7 Registrable Transactions

### 7.1 Can an individual register the assignment of a trade mark?

Yes, it is mandatory to present an assignment document, which must be signed by both the legal representatives of the assignor and the assignee, having their signatures duly notarised and completed with the names, nationalities, addresses and signatures of two witnesses.

### 7.2 Are there different types of assignment?

No, there are not. As a matter of fact, it must be stressed that, according to Section 135 of the IP Act, all identical or similar trademarks related to an identical, similar or relative product or service must be assigned at the same time, to a sole assignee, under penalty of having the registrations cancelled and the applications not assigned dismissed.

### 7.3 Can an individual register the licensing of a trade mark?

Yes. Although the BPTO may accept, in principle, a certified copy of the licence, it is advisable that the original version of this document be lodged. In any event, the original licence (before a copy is made) must always be duly notarised and legalised before a Brazilian consulate.

### 7.4 Are there different types of licence?

Yes, the Brazilian IP Law allows exclusive and non-exclusive licences, as well as sublicences.

### 7.5 Can a trade mark licensee sue for infringement?

Yes, as long as such possibility is included in the licensing agreement and the same is duly registered before the BPTO. In fact, Section 139, Sole Paragraph, of Law #9,279/96, determines that the "owner may afford the licensee full powers to take action to defend the mark".

### 7.6 Are quality control clauses necessary in a licence?

Although advisable, such clause is not mandatory for purposes of license registration.

### 7.7 Can an individual register a security interest under a trade mark?

Yes. Indeed, a security interest can be recorded against trademark registrations or applications, according to Section 136, II, of Law #9,279/96. In order to record a security interest, the following documents must be presented before the BPTO: (a) either the



original or a certified copy of a standard security interest agreement; and (b) a Power of Attorney simply signed by the legal representative of the owner of the trademark.

### 7.8 Are there different types of security interest?

All types of security interests which are agreed by the parties of contracts are valid and enforceable, and may be recorded with the BPTO.

## 8 Revocation

### 8.1 What are the grounds for revocation of a trade mark?

In Brazil, a registration can be revoked: a) by renunciation, either in full or partial, of the products or services to which the mark applies; b) when its owner fails to maintain a representative in Brazil with powers to receive summons (Section 217, Law #2,279/96); or c) through the forfeiture procedure (also known as administrative cancellation action), if after five years from issuance, on the date of the forfeiture request:

- the use of the mark in Brazil has not begun; or
- the use of the mark has been interrupted for more than 5 (five) consecutive years, or if, within the same period, the mark has been used in a modified form that involves alteration of its original distinctive character in accordance with the registration certificate.

It is important to note that the trade mark must be used not only without considerable modification, but also to cover the same products and services which it was applied for, under penalty of being partially revoked (exclusion of part of the specification list).

### 8.2 What is the procedure for revocation of a trade mark?

After five years from its issuance, any registration is vulnerable of being attacked through the forfeiture proceeding. If such request is filed, the BPTO will publish, in the Official Gazette, a notice informing its owner about it. Such publication opens a sixty-day term for the owner to file its reply, whereby he/she must evidence that the trade mark in question has been used (for the last five years from the date when the forfeiture request was filed) or justify the failure to use it for any legitimate reason. This response is mandatory and if the registration owner fails to lodge it, the registration will be revoked. After the sixty-day term to file the reply, the examiner will analyse whether the trade mark at stake has actually been used or for which reasons it has not been used. A decision is rendered, either granting or rejecting the forfeiture request, and published in the Official Gazette, opening another sixty-day term for the parties to eventually file the appeals. If any appeal is filed, a decision will be rendered by the BPTO's President.

### 8.3 Who can commence revocation proceedings?

As per Section 144, of Law #9,279/96, any party with "*legitimate interest*" can start the forfeiture proceeding. This legitimate interest is usually demonstrated when the party has filed a trade mark similar to the one which will be attacked by the forfeiture proceeding.

### 8.4 What grounds of defence can be raised to a revocation action?

The Brazilian IP Law allows just two grounds of defence. One is to

demonstrate that the trade mark has been used as it was granted (especially for composite and figurative trade marks) and to cover the same products or services indicated in the certificate of registration. Note that the use of a trade mark must be consistent and continued, but the examiner will always take into consideration the nature of the products or services at stake. For instance, it is not expected that the quantity of airplanes sold be the same as toothbrushes, for the purposes of a forfeiture proceeding.

On the other hand, the registration owner can justify presenting legitimate reasons for the non-use, such as: the trade of the product covered by the registration becoming forbidden in the country; the registration owner is awaiting an Official Agency to authorise the trade and production of his/her products (very common for medicines); and the registration owner becoming bankrupt, etc.

Several documents can be used to evidence the use of trade marks, but the BPTO preferably accepts invoices bearing the issuance date, the trade mark reproduced exactly as it was granted and the description of products sold or services rendered.

It is important to highlight that a trade mark used with modifications is likely to have its corresponding registration revoked, except if the changes performed were not enough to affect the distinctive elements of the sign.

### 8.5 What is the route of appeal from a decision of revocation?

Please refer to question 3.4.

## 9 Invalidity

### 9.1 What are the grounds for invalidity of a trade mark?

The invalidity can be based on either absolute or relative grounds. When the trade mark is filed in bad-faith, the claimant can request the well-known trade mark protection (Section 126, of Law #9,279/96 and Article 6bis, of the Paris Convention). It is also possible to declare void a registration acquired in bad-faith based on Section 124, item XXIII, of the Brazilian Industrial Property Act, which establishes that signs that the applicant would not fail to know about, in view of its activities, are not registrable.

### 9.2 What is the procedure for invalidation of a trade mark?

In the Brazilian law, the administrative procedure for invalidation of a trade mark registration is called an Administrative Annulment Request. After the issuance date, a one hundred and eighty-day term opens for any interested party (and also the BPTO) to start said procedure. Once the administrative annulment request is filed, the same is published in the Official Gazette for replying purposes (not mandatory). Regardless of a reply being filed, the BPTO's President (with assistance from the BPTO's General Coordination of Appeals and Administrative Annulment Procedures) will analyse whether the registration must be declared void, in light of the arguments raised by the claimant, and the corresponding decision is published in the Official Gazette. This publication concludes the administrative proceeding and the BPTO's decision can only be challenged before the Brazilian Federal Courts.

In this sense, a nullity action can be filed aiming at declaring a trade mark registration void. Such lawsuit must be filed within five years from the issuance date, except for cases involving well-known trade marks registered in bad-faith, as per Article 6bis, of the Paris Convention.

### 9.3 Who can commence invalidation proceedings?

There is no statutory restriction concerning who would be the legitimate party to start the procedure in question. Usually, the annulment request is filed by any party who owns a similar trade mark. Note that the BPTO can also start the proceeding *ex officio* by itself. This may happen when the examiner oversees a prior trade mark or any cause of non-registrability, while rendering the first administrative instance decision.

### 9.4 What grounds of defence can be raised to an invalidation action?

It is possible to raise the same argumentation that can be used in the replies to an opposition and administrative annulment procedure (please refer to question 4.2), such as the trade marks in questions are different, they embrace different products and services, etc. With respect to bad-faith allegations, they can be reputed by demonstrating the prior use of a trade mark or company name, when such term is a family name, among other arguments.

### 9.5 What is the route of appeal from a decision of invalidity?

It is not possible to file any appeal from the decision related to the administrative annulment procedure.

## 10 Trade Mark Enforcement

### 10.1 How and before what tribunals can a trade mark be enforced against an infringer?

As Brazil has state and federal jurisdictions, it is important to stress that trade mark infringement lawsuits fall within state jurisdiction, while nullity lawsuits should be presented before federal courts (federal jurisdiction). In general, the lawsuit must be brought before the court of the place where the defendant has its main business or where the infringement happened.

### 10.2 What are the pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

A lawsuit starts with the plaintiff filling its initial brief before court. Then, lawsuit dockets are sent to a judge's office and he/she will analyse whether the brief complies with the formal requirements of the Brazilian Procedure Law. If it meets such requirements, the judge will determine the defendant to be summoned and, when this occurs, the defendant will have a fifteen-day term to lodge its reply. Depending on which arguments are raised by the defendant, the judge will open a ten-day term to the plaintiff to present its arguments against the defendant's response. At this stage, the judge will establish which are the controversial points of the lawsuit and analyse the need of the production of evidences (besides the ones already presented by each party together with their brief), which may include the nomination of a court expert to render his/her legal opinion. If an expert is nominated, the parties will be summoned to present their questions and to nominate their assistant expert. Once the technical opinion is rendered, the parties are once again summoned to comment on the contents of the technical opinion. A hearing can be scheduled in order for the judge to personally clarify any doubts concerning the technical opinion or to hear a witness. After that, the judge can set a date for the parties to lodge their final arguments and, then, he/she will render the merits decision. The

trial can take from six months to two years, depending on the complexity of the case and whether any of the parties challenge the nomination of the court expert.

### 10.3 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

Both sorts of injunctions are available. With regards to a preliminary injunction, it can be granted by the judge whenever there is a) the likelihood of success of the complaint, and b) the need for an urgent decision. The judge must also weigh the hardship caused by the decision granting the injunction, as opposed to the hardship caused by not granting it. The plaintiff can be demanded to post a bond or a fiduciary guarantee, in case the judge deems it necessary.

Concerning final injunctions, they are generally granted when the judge confirms in the merits decision that the trade mark infringement actually occurred. Therefore, an eventual appeal will not be able to suspend the effects of the merits decision.

### 10.4 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

Brazil follows the civil law system, which is the reason why there is no discovery proceeding under the Brazilian Procedure Law. However, it is possible to request before the judge the search and seizure of counterfeit products and documents, which can be used as evidence for the lawsuit.

### 10.5 Are submissions or evidence presented in writing or orally and is there any potential for cross-examination of witnesses?

The Brazilian Procedure Code foresees several sorts of evidences, including documents, technical reports prepared by a court expert, statements made by witnesses, etc. In this respect, witnesses are generally summoned to make his/her statement during a hearing, an occasion when not only the judge but also the parties may question him/her. However, it must be highlighted that the witness can also make his/her statement by correspondence.

### 10.6 Can infringement proceedings be stayed pending resolution of validity in another court or the Intellectual Property Office?

An infringement proceeding can be kept in abeyance, as long as the resolution of validity action will actually intervene in the result of the infringement lawsuit and the validity lawsuit was filed before start the infringement procedure. The pending validity decision of the BPTO may suspend the infringement proceeding, but it is not mandatory, since the Civil Procedure Code expressly establishes that only judicial actions can suspend another action.

Any of the parties (or even jointly) can request the suspension of proceedings and the judge can determine it *ex officio*.

### 10.7 After what period is a claim for trade mark infringement time-barred?

As a general rule, the infringement actions must be filed within five years from the date of the violation, under penalty of the lawsuit being declared extinct.

### 10.8 Are there criminal liabilities for trade mark infringement?

A trade mark infringement is committed by anyone who:

- Reproduces a registered mark wholly or in part, without the authorisation of the trade mark owner.
- Imitates a registered mark in a manner that could cause confusion with another mark.
- Alters the registered mark of a third party already applied to a product placed on the market.

It is also a crime to import, export, sell, offer or exhibit for sale, hide or maintain in stock either:

- a product branded with an illicitly, wholly or partially, reproduced or imitated mark of a third party; or
- a product from his industry or commerce, held in a vessel, container or package carrying a legitimate mark of a third party.

These crimes are both punishable with imprisonment (varying from three months to one year for the first crime and from one to three months for the second ones) and/or the payment of a fine.

The terms of imprisonment shall be increased by between one third to half if the person is or was a representative, proxy, agent, partner or employee of the owner or its licensee; or if the altered, reproduced or imitated mark is famous, well known, or a certification or collective mark. The fines shall range between a minimum of 10 (ten) and a maximum of 360 (three hundred and sixty) daily-fines, which may be increased or reduced, by up to 10 times, taking into consideration the personal situation of the agent and the size of the advantage obtained, independent from the preceding rule.

### 10.9 If so, who can pursue a criminal prosecution?

A criminal prosecution against someone who committed a crime against trade mark registration can be pursued by its owner or the licensee, when the Trade Mark License Agreement is recorded with the BPTO. It is important to stress that only the crimes which involve the reproduction of coat of arms, badges and other official symbols can be prosecuted directly by the state.

### 10.10 What, if any, are the provisions for unauthorised threats of trade mark infringement?

There are no provisions for unauthorised threats of trade mark infringement. The Brazilian IP Act only sets out penalties for anyone who falsely alleges to be the owner either of a pending patent application or a (granted) patent, or of a filed or registered industrial design.

## 11 Defences to Infringement

### 11.1 What grounds of defence can be raised by way of non-infringement to a claim of trade mark infringement?

It is possible to raise the exceptions foreseen in Section 132, Law #9,279, which determines that there are no trade mark infringements in the following cases:

- traders or distributors using their own distinctive signs, together with the mark of the product, for the purposes of promotion and marketing;
- manufacturers of accessories using the mark to indicate the use of the product, provided they comply with the principles of fair competition;

- mention of the mark in speeches, scientific or literary works or in any other publication, provided it is done without any commercial connotation and in no way prejudices its distinctive character.

### 11.2 What grounds of defence can be raised in addition to non-infringement?

The use of trade mark in comparative advertising is accepted by the Brazilian judges and scholars, as long as the message transmitted is objective and does not cause any damage to the trade mark's reputation.

Furthermore, the laches doctrine may also be raised, but it must be evidenced that, although the plaintiff already knew about the infringement, he/she waited too long before taking any measures in order to cease the infringement (for instance, aiming at increasing the amount of money to be paid as damages).

## 12 Relief

### 12.1 What remedies are available for trade mark infringement?

The main remedies available are damages, recovery of part of the costs of the lawsuit, search and seizure of counterfeited products, and preliminary and final injunctions.

### 12.2 Are costs recoverable from the losing party and if so what proportion of the actual expense can be recovered?

Yes, the losing party is generally obliged to pay the winning party the costs associated with the filing or answering of the lawsuit. However, such figure, in most cases, has a much more symbolic value than actually being able to recover the party's costs with the action.

## 13 Appeal

### 13.1 What is the right of appeal from a first instance judgment and is it only on a point of law?

The Brazilian Procedure Law adopts the double degree of jurisdiction, which is the reason why any party can, in the most of cases, appeal the first instance decision, except in cases where the merits decision was rendered in accordance with judicial consolidated precedents from the Superior and Supreme Courts. Such appeal will be decided by one of the different boards of a State Court of Appeals (in case of an infringement action). It is important to be noted that, as a general rule, any aspect of the merits decision can be challenged before the Court of Appeals, but the appellant cannot raise new arguments which have not been brought to light before the merits decision (see the exceptions discussed in question 13.2).

After a decision is rendered by the State Court of Appeals, only appeals involving interpretation of law or constitutional matters can be filed before the Superior Court of Justice and the Supreme Court, respectively.

### 13.2 In what circumstances can new evidence be added at the appeal stage?

As per Section 517 of the Procedure Law, new evidences can be added at the appeal stage, as long as they refer to new facts, which

were not alleged before due to *force majeure* (“superior force”). The jurists understand that the following circumstances may be considered *force majeure*:

- new facts, which happened after the merits decision date;
- ignorance of the new fact by the party, due to serious and objective reasons;
- objective obstacles to the party communicating the fact to his/her lawyer; and
- objective obstacles to the lawyer communicating the fact to the trial judge.

## 14 Border Control Measures

### 14.1 What is the mechanism for seizing or preventing the importation of infringing goods or services and if so how quickly are such measures resolved?

This matter is regulated by the Paris Convention, especially Article 10*ter*, and the TRIPS Agreement, Article 41(1) and others, as well as Decree #6.759/09 (the Customs Regulation), Section 605 *et seq.*

The procedure varies according to each Customs Authority. As a general rule, possible counterfeited products (bearing either the imitation or reproduction of a registered trade mark) can be seized due to a general warning or a specific request made by the trade mark owner or *ex officio* by the Customs Authority itself. If these goods are seized, the Customs Authority informs the right holder about the seizure, opening a ten working-day term to present a technical report concerning the authenticity of such products. Then, another ten working-day term is opened to the owner of the seized goods to present its response to the technical report. If the Customs Authority understands that such goods are, in fact, counterfeited, it may proceed with the final seizure of such products and apply the penalty of forfeiture.

It is important to stress that part of the Customs Authorities understand that the trade mark owner must request the final seizure of counterfeited products before the courts. However, the Brazilian Superior Court of Justice has already rendered a decision in which they understood that the Customs Authorities have powers to proceed with the final seizure of these products.

## 15 Other Related Rights

### 15.1 To what extent are unregistered trade mark rights enforceable in Brazil?

As asserted above (please refer to question 6.2), the exclusive rights over a trade mark can only be raised through the issuance of the registration. As a matter of fact, unregistered trade marks are protected in Brazil through the rules against unfair competition, which imposes both civil and criminal penalties. In fact, Section 195, item III, of Law #9,279/96, establishes that an act of unfair competition is committed by anyone who uses fraudulent means to divert the customers of another party, for his own profit or another party’s profit.

Bearing this in mind, the protection of an unregistered trade mark will only be possible if there is an actual competition relationship between the involved parties. The length and geographical extent of such protection will always depend upon the extension of the prior trade mark user’s activities. For instance, if its activities are limited to just a neighbourhood, the protection of its unregistered trade mark will be limited to that neighbourhood.

### 15.2 To what extent does a company name offer protection from use by a third party?

The extension of protection of a company name in Brazil is a very controversial issue, bearing in mind that the Brazilian Civil Code establishes that said protection is limited to the territory of the States where the company filed its bylaws, except if it requested that the special protection extending its protection to the entire Brazilian territory. However, such special protection has not been regulated by any further act. In order to obtain this national protection, the company must seek protection before the Trade Board from each Brazilian State. On the other hand, Article 8 of the Paris Convention does not set out any limitation for the protection of company names. Therefore, at least for the foreign companies, such protection covers the entire territory.

It is important to be noted that the moment when the protection of company name starts is also a controversial issue in Brazil. This is because, while some jurists understand that it starts with the filing of company’s bylaws before the Board of Trade, others argue that such protection starts when the company commences its activities, regardless of the registration before any Board of Trade.

### 15.3 Are there any other rights that confer IP protection, for instance book title and film title rights?

According to the Brazilian legal framework, the concept of a trade mark is very restrictive. In fact, it is limited to the signs that identify products and/or services in the commerce or industry. So, marks are within the scope of industrial property rights. Some other signs which perform the function of identifying the commercial and industrial activities can also be protected through unfair competition law, such as trade names, domain names, titles of establishment, etc., which are within the scope of intellectual property rights.

Although books and films can be considered as products, they are expressly protected by the Brazilian Copyright Act. This is because the books and films are considered creations of the human spirit (the main concept of copyrightable works), regardless of its commercial nature. The protection of books and films may be extended to their titles, provided that they are original and not liable to be confused with those of works of the same nature, disclosed earlier by another author.

## 16 Domain Names

### 16.1 Who can own a domain name?

In Brazil, both legal and natural persons can own a domain name registration, provided that they have the number of the National Register of Legal Entities, which is issued by the Brazilian Internal Revenue Service. A local presence requirement is applicable to foreigners. For this reason, they usually have their domain names registered by a local representative.

### 16.2 How is a domain name registered?

The registration of a domain name in Brazil is reasonably simple. Once a domain name is requested for registration and the Registrar’s fees are paid, the applicant receives the confirmation of the domain name registration; the procedure usually takes around five minutes.



### 16.3 What protection does a domain name afford *per se*?

The nature of the protection of a domain name in Brazil is still an open issue among the Brazilian scholars and judges. However, there are some jurists that understand that the domain name has a similar protection as a title of establishment, since it is used to identify the activities of a company in the same way as a title of establishment, especially in cases of virtual stores. Therefore, imitations and reproductions of a domain name can mislead the consumers, which is the reason why, in these cases, the rules against unfair competition can be applied. In this sense, the legitimate domain name owner can file a lawsuit seeking the cease of such infringement and the assignment of the infringing domain name to its name. An injunction relief aiming at immediately ceasing such violation can be also requested. Considering that any violation committed on the Internet has a diffuse nature, such action can be brought before the Court of any State. A Domain Name Dispute Resolution Procedure (SACI-Adm) entered into force in Brazil on October 1, 2010 and is applicable to all “.br” domain names registered as from that date. The WIPO-Center is one of the accredited Arbitration Centers for SACI-Adm Proceedings.

## 17 Current Developments

### 17.1 What have been the significant developments in relation to trade marks in the last year?

At the end of 2010, the BPTO enacted new Guidelines for Trade Mark Application Examination. However, the matters related to the acceptance of coexistence agreements and letters of consents, as well as arguments of secondary meaning, remain unclear.

On 6 May 2011, the Brazilian Ministry of Justice created the National Trade Mark Owners Directory (DNTM, in Portuguese), a new body that aims at building a database of trade mark owners, who are likely to suffer counterfeiting, and to improve the communication between the several government bodies responsible for border measures. Up to the present moment, the DNTM has not started its activities yet.

### 17.2 Are there any significant developments expected in the next year?

In the following months, the World Cup Act will be enacted by the Brazilian Congress. Among other provisions, it establishes that FIFA will not have to pay any official fees in order to protect its industrial property rights before the BPTO. FIFA's trade mark applications will also have priority over the other parties' applications. Furthermore, the BPTO will declare some of the FIFA's trade mark as of high repute.

### 17.3 Are there any general practice or enforcement trends that have become apparent in Brazil over the last year or so?

During the last years, the number of Brazilian Geographic Indications registered before the BPTO have been increasing. Such trend is likely to keep growing in the next years, due to the increasing awareness of Brazilian local communities about the necessity of protection of their intellectual property rights.



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One of the successors of Momsen, Leonardos & Cia (ML&Cia), Kasznar Leonardos started operations in May 2012. It was created from the restructuring of ML&Cia and named after the senior partners Elisabeth Kasznar Fekete and Filipe and Gabriel Leonardos.

Composed by seven out of nine ML&Cia's senior partners and by 170 - or 80% of - ML&Cia's employees, Kasznar Leonardos inherits over 90 years of experience in the provision of Intellectual Property services to the world's largest companies.

Headquartered in Rio de Janeiro (RJ), Kasznar Leonardos has an office in São Paulo (SP), besides correspondents in all Brazilian states. The firm acts specifically in the areas of patents, trademarks and domain names, industrial designs, copyrights, geographical indications, computer and software rights, unfair competition, trade secrets and confidential data, litigation and dispute resolution, anti-trust and competition law, publicity law, anti-counterfeiting, technology transfer, franchising and licensing, and protection of plant varieties.