# Brazil

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**Legal framework**

In Brazil, trademarks are governed by the Law on Industrial Property (9,279/1996). The protection of Olympic symbols and terms is provided for in the Pelé Law (9,615/1998) and, in regard to the 2016 Olympic Games in Rio de Janeiro, the Olympic Act (12,035/2009) confers additional protection on the symbols and expressions associated with the games. The Olympic Act will remain in force until December 31 2016.

Brazil is a party to the following international treaties:

- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

**Unregistered marks**

As general rule, the Law on Industrial Property states that ownership of a mark is acquired through a granted registration, following which the rights holder has the right to exclusive use of the trademark throughout the national territory. However, the law also provides protection for the owners of trademarks that have not yet been registered with the Brazilian Patent and Trademark Office (BPTO). An example is the right of prior use, which establishes that any person who, at the date of priority or filing date of the application, has been using in good faith an identical or similar mark for at least six months to distinguish or certify an identical or similar product or service has a preferential right to registration.

Another example is trademarks that are well known in their field of activity, as per Article 6*bis*(1) of the Paris Convention. Well-known trademarks are given special protection independent of whether they have been previously filed or registered in Brazil. The BPTO has powers to reject *ex officio* a trademark application that wholly or partially reproduces or imitates a well-known trademark.

On the other hand, in the event of the owner of a well-known trademark filing an opposition or administrative nullity action based on its well-known trademark, it has 60 days from filing of the opposition or administrative nullity action in which to file an application for the registration in Brazil of its well-known mark.

The law also establishes that signs that imitate or reproduce a third-party mark are not registrable as trademarks if the sign is intended to distinguish a product or service that is identical or similar to that covered by the existing mark and is likely to cause confusion or association with such mark. As a consequence, the law enables the owner of a mark that has not yet been filed or registered in Brazil to challenge third parties which attempt to register similar or identical trademarks. Similar to the situation mentioned above, the rights holder has 60 days in which to file an application for registration of its mark in Brazil, starting from the filing date of the opposition or administrative nullity action.

## Registered marks

The Law on Industrial Property states that a natural or legal person subject to either a public or private law regime may register a mark. Business entities that are subject to private law regimes may apply to register a mark covering only activities that they effectively and lawfully carry out either directly or through companies that they control either directly or indirectly. Similarly, natural persons may apply to register only marks that cover their professional activities.

## Required documents

A trademark application must include:

- a power of attorney, duly executed and signed by the applicant's authorised representative (it need not be notarised or legalised). If the power of attorney is not lodged at the time of filing, it can be submitted to the BPTO within 60 days of the filing date;
- in the case of a priority claim, a certified copy of the priority application comprising all goods and/or services to be filed in Brazil. If this is not lodged at the time of filing, it can be submitted to the BPTO within four months of the filing date; and
- in the case of composite or device marks, a clear sample of the mark so that copies can be made in accordance with BPTO filing requirements.

## Registration requirements

The law establishes that any distinctive, visually perceptible sign may be registered as a trademark, provided that it fulfils the legal requirements.

The visual representation requirement excludes from the scope of protection non-traditional trademarks (eg, olfactory, sound and gustatory marks). However, the protection of three-dimensional signs – which are considered non-traditional trademarks – has been admitted in Brazil since the enactment of the Industrial Property Law in 1997.

Article 124 of the law gives examples of unregistrable signs, including:

- signs of a generic, necessary, common, usual or merely descriptive character (when related to the product or service to be distinguished) or those commonly used to designate a characteristic of the product or service, except when the sign is presented in a sufficiently distinctive manner;
- signs or expressions used only as a means of advertising;
- colours and their names, except when arranged or combined in an unusual and distinctive manner; and
- names, prizes or symbols of sporting, artistic, cultural, social, political, economic or technical official or officially recognised events, as well as imitations likely to cause confusion, except when authorised by the competent authority or entity promoting the event.

## Procedures

### Examination and opposition

Once the application has been filed, it is published and interested parties can file an

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opposition within 60 days. If an opposition is filed, the applicant will be notified to respond within 60 days. After the term for opposition and counterarguments has expired, the examination is conducted and potential conflicts with senior trademarks are considered. During the examination period, official actions or requests may be issued and must be responded to within 60 days.

If an applicant fails to respond to an official requirement, the application will be shelved. However, if a response is filed, the examination will continue, even if the requirement has not been satisfied or if the applicant's response was to lodge a formal challenge to the official action or request.

In the absence of opposition, the examiner will consider the results of the availability search. If conflicts with prior registrations are found, the examiner will reject the application. If a possible conflicting registration which could be cited as grounds for rejection is under forfeiture or subject to court proceedings or orders, the examiner will stay the junior application pending a final decision on the respective case. The same applies to possible conflicting senior applications that are still under examination.

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

### Registration

The trademark registration is effective for 10 years from grant and may be renewed for equal and successive periods. The renewal request must be made during the last year of the registration term and must be accompanied by proof of payment of the respective fee. If a renewal request has not been made by the end of the registration term, the registrant may make such request within the following six months on payment of an additional fee.

### Removal from register

The registrant must initiate the use of its trademark within five years of grant, failing which the registration may, at the request of any person with a legitimate interest, be declared extinct. Moreover, if use of the mark has been interrupted for more than five consecutive years or if, within that time, the mark has been used in a modified form that implies alteration of its original distinctive character as found on the certificate of registration, the registration may, at the request of a third party, be deemed extinct.

The use of the mark must include all products or services mentioned on the certificate under penalty of partial forfeiture of the registration with respect to the unused products or services.

Once the registration is published in the *Official Gazette*, a 180-day term commences in which any person with a legitimate interest may file an administrative nullity action. An administrative nullity action may also be commenced *ex officio* by the BPTO, and the registrant will have 60 days to respond. Once the term for counterarguments has expired, even if no response has been presented, the issue will be decided by the BPTO president. This decision brings the administrative stage to a close.

A registration may be subject to a declaration of administrative nullity if it was granted in conflict with the law. To succeed in an administrative nullity action, a third party must demonstrate that:

- there is a lack of compliance with one of the BPTO's legal formalities;
- the trademark registration infringes Article 124 of the Law on Industrial Property;
- the sign does not meet the essential requirements of a trademark; or
- the registrant's commercial or professional activities are inconsistent with the products or services claimed in the filing petition.

Any person with a legitimate interest or the BPTO may file a judicial nullity action against a registration or a judicial nullity action again the administrative act that annulled a registration.

### Timeframe

On average, in straightforward cases it takes two-and-a-half years from initial filing until grant of a registration.

### Searches

The following trademark office searches are available:

- identical trademark search;
- similar trademark search;
- search per class; and
- search of device marks.

## Enforcement

### Administrative proceedings

The Industrial Property Law sets out two administrative mechanisms for a rights holder to enforce its rights: opposition and administrative nullity action (see above).

### Civil and criminal proceedings

In addition, the rights holder can enforce its rights through criminal and civil proceedings, as provided for in Articles 189 and 190 (crimes against marks) and Articles 207 to 210 (civil measures) of the law.

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

A criminal action requires the filing of a criminal complaint; although if the crime is committed against armorial bearings, crests or official public distinctions, a criminal action will be commenced by the Public Prosecution Service. In addition to preliminary criminal search and seizure measures, the rights holder may request seizure of a falsified, altered or imitated mark at its place of preparation before its unlawful use, or the destruction of packaging or products bearing the false mark before they are distributed.

### Jurisdiction

Nullity actions against trademark registrations and against administrative acts upholding a rejection decision or annul a trademark registration, are submitted to the Rio de Janeiro Federal Court (the BPTO is a party to all such actions and thus they must be filed in the federal courts).

The first instance of the Rio de Janeiro Federal Court has four courts specialising in intellectual property. At appeal level, the Regional Federal Court of the Second Region, with jurisdiction over the states of Rio de Janeiro and Espírito Santo, has two specialist IP panels.

Infringement actions must be filed before state courts as the BPTO does not participate in such proceedings. No specialist state courts handle trademark infringement cases.

### Remedies

Civil remedies include an order for immediate cessation of the infringing act (the plaintiff may request the imposition of a daily penalty for failure to comply with a preliminary injunction or with a first-instance decision) and compensation for unauthorised use of the trademark.

In a lawsuit seeking cessation of the infringing act and a damages award, the judge may grant an *ex parte* preliminary injunction in order to avoid irreparable loss or harm that would be difficult to repair. In such circumstances, the court may require a petitioner to post a bond

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or a fiduciary guarantee. In addition, in cases of blatant reproduction or imitation of a registered mark, the judge may order the seizure of all merchandise, products, packaging, labels and other materials that bear the counterfeit or imitated mark.

Criminal remedies include preliminary criminal search and seizure measures, imprisonment and fines.

### Damages

The law applies three criteria when calculating damages:

- the benefits that would have been gained by the injured party had the infringement not occurred;
- the benefits obtained by the infringing party; or
- the remuneration that the infringing party would have paid to the rights holder for a licence to use the protected rights legally.

Since 2003 the Superior Court of Justice has held that proof of the infringement of a trademark right is sufficient in itself to give rise to a right to damages, independent of any evidence of actual harm caused to the injured party.

### Time limit for action against third-party registration

Any person with a legitimate interest or the BPTO may file a judicial nullity action against a trademark registration. A judicial nullity action is statute barred following the expiry of five years from the date of publication of the granting decision.

### Timeframe for enforcement action

Once a civil trademark infringement action has been filed, the defendant is notified to respond within 15 days. The plaintiff may respond to the defendant’s answer within 10 days. There are usually two hearings at first instance: a conciliatory or preliminary hearing, in which the parties try to settle the case amicably; and an evidentiary hearing, in which the expert and technical assistants may be cross-examined if their findings disagree (the relevant questions having been filed and responded to in writing before the hearing). Depositions are taken from the parties and the listed witnesses are heard. This second hearing occurs only in cases where there is a need for evidence to be produced.

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

### Ownership changes and rights transfers

#### Assignment

Applications and registrations may be assigned on condition that the legal requirements for requesting registration are met by the assignee. The assignment of a trademark application or registration covers only the trademark; no goodwill and other business assets need be assigned in order for an assignment to be valid.

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

A trademark assignment application must include:

- a power of attorney executed and signed by an authorised officer of the assignee (this need not be notarised or legalised); and

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- an assignment document to be executed and signed by the authorised officers of the assignor and assignee, with all signatures notarised before a notary public. This document must also include the signature and details of the identity of two witnesses (no notarisation is required for the witnesses' signatures).

The assignment of a trademark application or registration takes effect between the contracting parties from the moment it is executed and signed by the assignor and assignee. However, in order to be effective against third parties, the assignment must be registered at the BPTO. The assignment is effective against third parties from the date of publication in the *Official Gazette*.

### Licensing

A licence agreement takes effect between the contracting parties from the moment it is executed. However, a trademark licence agreement must be recorded with the BPTO in order to be effective against third parties. It will be effective against third parties from the date of publication in the *Official Gazette*.

Registration of the licence agreement with the BPTO is also important if royalties are agreed to, in that it is only after such registration that royalties can be remitted abroad and the licence fees become tax deductible.

The remittance of payments from trademark licences will be accepted only after grant of a respective trademark registration by the BPTO. Retroactive payments before the grant of the registration are not allowed.

Registration with the BPTO is not required to constitute proof of use.

### Related rights

Trademark rights may overlap with copyright and industrial design rights. A logo or a device trademark can also be protected by copyright, provided that it is an original work within the terms of the Copyright Law. The particular form (design) of a product or its finishing or packaging may be protected under the provisions covering three-dimensional trademarks, industrial designs and copyright, provided that the requirements for each form of protection are met.

### Online issues

Since October 2010 Brazil has had an administrative conflict management system, SACI-Adm, for domain names using the country-code top-level domain '.br'.

According to the SACI-Adm Regulations, a rights holder may oppose a domain name on the grounds that there is a previously filed or registered trademark before the BPTO; or that the opposing party owns a trademark that, although not filed or registered with the BPTO, is considered to be well known in its field of activity within the terms of the Industrial Property Law. The decision rendered in the SACI-Adm procedure will determine either cancellation of the domain name or its transfer to the rights holder.

The Brazilian courts have not yet specifically addressed the question of whether the use of a third party's trademark in keyword advertising constitutes infringement. However, the judiciary has already issued rulings indicating that such use may constitute an act of unfair competition when it is likely to confuse or re-direct consumers. In such a case, rights holders can invoke the regulations for protection against unfair competition. WTR

| **Examination/registration** | | |
|---|---|---|
| **Representative requires a power of attorney when filing? Legalised/notarised?** | **Examination for relative grounds for refusal based on earlier rights?** | **Non-traditional marks registrable?** |
| Yes/No | Yes | 3D trademarks |

| **Unregistered rights** | |
|---|---|
| **Protection for unregistered rights?** | **Specific/increased protection for well-known marks?** |
| Yes | Yes |

| **Opposition** |
|---|
| **Can a registration be removed for non-use? Term and start date?** |
| Yes: 60 days from publication date. |

| **Removal from register** | | |
|---|---|---|
| **Can a registration be removed for non-use? Term and start date?** | **Are proceedings available to remove a mark that has become generic?** | **Are proceedings available to remove a mark that was incorrectly registered?** |
| Yes: five years after grant if certain conditions fulfilled. | Yes: administrative nullity action or court action may be filed. | Yes: administrative nullity action or court action may be filed. |

| **Enforcement** | | |
|---|---|---|
| **Specialist IP/trademark court?** | **Punitive damages available?** | **Interim injunctions available? Time limit?** |
| Specialist courts for nullity actions available, but not for infringement cases. | No | Yes: an application for injunction may be requested in plaintiff's complaint. |

| **Ownership changes** |
|---|
| **Mandatory registration for assignment/licensing documents?** |
| Yes: licence or assignment must be recorded with BPTO to be enforced against third parties. |

| **Online issues** | |
|---|---|
| **National anti-cybersquatting provisions?** | **National alternative dispute resolution policy (DRP) for local ccTLD available?** |
| No | Yes: SACI-Adm. |

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