# Venezuela

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**Legal framework**

Until recently, the Venezuelan IP legislation was based on a series of Andean Community decisions, including:

- Decision 345 on new plant varieties;
- Decision 391 on access to genetic resources;
- Decision 351 on copyright and neighbouring rights; and
- Decision 486 on industrial property.

However, in April 2006 Venezuela left the Andean Community. On September 17 2008 the Venezuelan Patent and Trademark Office (SAPI) decided that the relevant trademark and patent legislation would be the Industrial Property Law 1956. This has caused ambiguity regarding the applicable legislation, since the Constitutional Chamber of the Supreme Court of Justice has not excluded the application of the Andean Community legislation, which was incorporated into Venezuela's legal system in accordance with the 1999 Constitution.

Venezuela is now a member of the Mercado Común del Sur (MERCOSUR), along with Argentina, Brasil, Paraguay (still in process of reincorporation) and Uruguay. The main implication of this development for IP matters is the discussions on the applicability of the Protocol on Harmonisation of IP Norms in MERCOSUR for Trademarks, Indications of Source and Appellations of Origin Although already approved, the protocol has been ratified by only two of the member states (Paraguay and Uruguay). Venezuela has not yet made any official statement confirming the applicability of the protocol.

### Unregistered marks

Exclusive trademark rights are granted only by registration in Venezuela according to the Industrial Property Law. However, the owners of unregistered trademarks may be able to prevent the registration of marks by filing an opposition to the application based on their unregistered trademarks. In addition, SAPI may deny an application based on the existence of a prior similar application.

Use is not required either to file or grant a trademark, as most civil law-based trademark systems are drafted on a first-to-file basis and not on the rights of a user. However, use may be required in two cases:

- when a non-use cancellation action is filed; and
- in case of opposition based on a stronger right – this procedure, set out in the Industrial Property Law, allows for the filing of an opposition on a prior use basis. Once the opposition has been filed before SAPI, it is transferred to the court to decide which party has the earlier use of the trademark in Venezuela and thus has the right to the trademark.

## Registered marks

### Ownership

There are no restrictions as to who may file a trademark application. National and foreign individuals and legal entities may file applications. In addition, an application may be filed by joint applicants. For filing purposes, the following information must be included for each applicant:

- name and address;
- nationality and, if the applicant is a legal entity, place of incorporation; and
- name and address of the applicant's legal representative, if it has one (required when the applicant is a foreign individual or corporation).

The representative requires a power of attorney, duly signed by the applicant and notarised and certified by apostille or legalised by the Venezuelan consulate, as the case may be, as well as a compulsory search.

### Scope of protection

Distinctive words and signs and combinations thereof that are capable of being graphically reproduced can be registered as trademarks, including numbers and numerals. Trade names and commercial slogans may also be registered.

### Not protected

The most common rejections of trademarks are as follows:

- The mark for which registration is sought is similar to a prior trademark application or registration;
- The mark for which registration is sought is descriptive, generic or both;
- The mark for which registration is sought is deceptive (ie, with respect to its place of origin); and
- The mark for which registration is sought comprises a colour, as colours cannot be claimed as a trademark.

## Procedures

### Examination

An application is first examined to check that it complies with the requirements for obtaining a filing date. If it does, the application is given a filing date and will be examined for compliance with the other formal requirements. If defects are found, the applicant will be notified and must remedy them within 30 working days of notification; otherwise the application will be considered abandoned. This term may be extended for three months if the examiner considers it necessary.

### Publication

If the request fulfils the requirements, the registrar will order its publication at the expense of the interested party in a daily newspaper. Thereafter, the application is published by SAPI in the Industrial Property Bulletin for opposition purposes.

If an application is denied either *ex parte* or *ex officio*, the applicant can file two administrative appeals: a reconsideration petition before SAPI and a second appeal before the minister of light industry and trade. Thereafter, a final appeal against a given denial may be filed before the Supreme Tribunal of Justice within six months of the issue of the minister's decision.

### Opposition

After publication of the trademark in the *Official*

*Bulletin*, any person can oppose registration based on any of the grounds for rejection set out in the law or based on a stronger right (in which case the case is remitted to a civil court for review and decision). The applicant will be informed of the opposition through a notification published in the *Industrial Property Bulletin* and has 15 working days from publication to reply to the opposition. If no reply to the opposition is filed, the application will be deemed to be abandoned. The examiner will then publish its decision in the *Official Bulletin*. There is then a set period for parties to file a reconsideration petition; if no such petition is filed, the decision is final.

### Registration

If an application has passed the formal and substantive examination and no opposition has been filed, a notice of grant will be published in the *Official Bulletin*. A trademark right is established on registration of such right and payment of the registration fee.

### Removal from register

**Cancellation actions:** Any interested party can file a cancellation action for non-use against a trademark once two years have passed from the registration date. If use by a licensee is to be submitted, such licensee must be duly recorded as such in order for its use to inure in favour of the licensor and trademark owner. The party initiating the cancellation action must prove that the mark is not in use in Venezuela.

**Revocation:** It is not possible to revoke a trademark based on non-use, as the law does not require that the mark be used in order to maintain its validity or to renew a registration.

### Timeframe

From filing, the time taken to register a trademark is around eight months for an unopposed registration and at least four years when opposition procedures are involved.

No certificates of renewal, merger or change of name are issued.

### Searches

Searches are compulsory in order to file new applications. Searches can be carried out as to ownership, trademark per class or designs.

### Enforcement

### Civil remedies

The enforcement of trademark rights can be sought through both criminal and civil jurisdictions. Border enforcement mechanisms are also available. The most common way to proceed is through the civil jurisdiction, as it entails less liability for the plaintiff. In order to succeed in civil proceedings, it is better if a valid trademark registration exists.

In Venezuela, there are no specialised courts for trademark infringement. Nevertheless, IP infringement cases are tried by the first instance courts for civil and mercantile matters, which have jurisdiction to decide such cases. These courts may issue a wide range of injunctions to safeguard legal rights, provided that irreparable harm can be proved.

A trademark infringement action cannot be filed before the administrative jurisdiction, as SAPI must limit its activities to prosecution tasks including filing, prosecution, oppositions, renewals, cancellations and nullity trademark actions, among others, but not including infringement claims.

Precautionary measures may also be requested, which allow the plaintiff to stop the infringement immediately, preventing the defendant from using the trademark until a final decision has been issued.

In order for the court to order precautionary measures, the plaintiff must demonstrate that there is a real risk and that the final decision may not be enforced. This situation must be adequately proved. The plaintiff must prove its claim and the fact that continuance of the infringement could cause serious damage. If the judge considers that the situation is adequately proved, he or she can order such preventive measures accordingly.

The merits of the claim are not directly linked to the ordering of measures by the court. If the judge decides not to order measures, this does not mean that the plaintiff cannot obtain a favourable final decision. Nonetheless, for the duration of the process, the other party can continue to use the contested IP right.

### Unfair competition

Unfair competition acts in IP matters are those performed in the business field that are contrary to honest practices – that is, those that

conflict with cultural norms and are therefore prohibited by commercial practice. Such acts constitute dishonest and reprehensible behaviour against any businessperson.

In addition, case law divides unfair competition acts into three categories:

- misleading acts;
- denigrating acts; and
- disorganisation acts.

Misleading acts are designed to profit from consumer confusion by imitating the name of the product of a competitor with a stronger reputation.

Venezuelan legislation has not developed the concept of unfair competition; rather, this has been developed by case law. In this sense, for a misleading act to be considered illegal, the following characteristics must be present:

- It must be an act of competition. This means that the principal aim of the infringer's act must be to compete directly with the product commercialised by the target company;
- It must be an unfair act which abuses rights and uses means that are contrary to moral and commercial norms as a competition method;
- It must cause damage to the target mark owner; and
- It must confuse consumers when choosing a product.

## Criminal action

Trademark enforcement is regulated by the Criminal Act and the Criminal Procedure Act. The procedure must be initiated by the owner of the infringed trademark. The investigation is conducted by the District Attorney's Office and the competent police department. If the infringer cannot submit evidence of authorisation from the mark owner to use the mark (eg, an assignment of rights, a subsidiary licence or a distribution or sales agreement), the office may seize the infringing products.

The public prosecutor will initiate an investigation in order to obtain enough evidence to prosecute the alleged infringer before the criminal courts.

## Procedure before SENIAT

The National Integrated Customs and Tax Administration (SENIAT) has a division responsible for the enforcement of IP rights during the import and transit of goods through Venezuelan Customs.

SENIAT Administrative Decision SNAT/2005/0915 stipulates that SENIAT is empowered to conduct raids on a nationwide basis in order to seize preventively imported products that may infringe IP rights.

According to the administrative decision, such action can also be taken if illegal use of a trademark is committed through imported products.

SENIAT will intervene when imported goods that may violate or infringe IP rights are found:

- in the immediate control area;
- in free trade zones or bonded warehouses; or
- in areas where control has already been carried out.

The procedure begins with a request for immediate inspection and preventive retention of the infringing goods presented to SENIAT by the mark owner, accompanied by valid reasons to suspect that goods infringing IP rights may be imported or may transit through the national territory.

Once such a request has been received, SENIAT officers will go to the place where the infringing goods are and request the infringer to present its authorisation from the mark owner to use the mark. If the infringer fails to provide such authorisation, SENIAT may seize the infringing goods. SENIAT should notify the infringer and the rights holder immediately of the seizure of such goods. Following notification, the parties have 10 business days to bring any appropriate legal action.

## Timeframe

At trial level, infringement proceedings take at least 18 to 24 months, as several preliminary appeals may be filed during trial and before the final decision is issued. Once a decision is rendered at trial level, an appeal can be filed before a second instance court, which may remand the case if it finds that the trial court did not apply the law properly. A decision at second instance may also take between 18 and 24 months to issue. Finally, the second instance decision can be appealed before the Supreme Tribunal of Justice, which may also remand the case if it finds that there has been a flaw in the application of the law.

## Ownership changes and rights transfers

### Assignment

Assignments must be recorded in order to have validity against third parties, which is critical in cases where actions such as cancellations and nullity actions are taken against a registered trademark. If the assignment is not recorded, it will be valid only *inter partes* and its effects will not extend to third parties.

In order to record an assignment there must be a written document executed by the parties. If a party executed the document abroad (outside Venezuela), such signature must be notarised and legalised by either apostille or a Venezuelan consulate. If the document is drafted in any language other than Spanish, it must be translated by a sworn public translator in Venezuela.

### Licence

Licence agreements should be executed and legalised, as in the case of assignments. In addition, should a Venezuelan company be involved, the licence agreement must first be recorded with the Superintendence of Foreign Investment before its recordal with the Trademark Office.

## Related rights

There are many areas where IP rights overlap. For this reason, trademark holders should seek dual protection for the protection and defence of their IP rights.

A design or logo may be protected:

- as a trademark, as either a two-dimensional or three-dimensional design;
- as a copyrighted work, if it is an original and creative expression of the intellect; or
- as an industrial design.

Obtaining dual protection in Venezuela is not only useful, but also offers the mark owner a wide range of legal actions through which to defend its IP rights.

## Online issues

The domain registration process in Venezuela is managed by the Network Information Centre of Venezuela and is subject to the Uniform Dispute Resolution Policy of the Internet Corporation for Assigned Names and Numbers (ICANN). Although the ICANN dispute resolution measures are available, the Venezuelan national registry sets down its own requirements.

Registration grants exclusive legal use of the relevant trademark. In this regard, according to Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), the holder of a registered trademark has the exclusive right to use it, while Article 30 of the Industrial Property Act establishes that such right will last for 15 years from the date of registration.

Therefore, third parties cannot use the same or a similar mark without the authorisation of the mark owner. This prohibition includes activities such as the manufacture, import, export and sale of products identified with the mark or of products that may cause confusion among consumers.

The use of a registered trademark without authorisation constitutes a violation of IP rights pursuant to:

- the Industrial Property Act;
- Annex IC of TRIPs;
- the Paris Convention; and
- the Criminal Code.

Although no specific provisions protect mark owners against unauthorised use in domain names, websites, hyperlinks, online advertising or metatags, these general provisions apply not only to traditional commercial use of the mark, but also to any use made on the Internet. Infringement actions may be brought where a mark is used online as a domain name or as a trademark. 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 ✓ | Yes ✓ | Slogans ✓ |

| Unregistered rights | |
|---|---|
| **Protection for unregistered rights?** | **Specific/increased protection for well-known marks?** |
| No ✗ | No ✗ |

| Opposition |
|---|
| **Can a registration be removed for non-use? Term and start date?** |
| Yes: 30 days. ✓ |

| 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: two years' non-use from registration. ✓ | Yes ✓ | Yes ✓ |

| Enforcement | | |
|---|---|---|
| **Specialist IP/trademark court?** | **Punitive damages available?** | **Interim injunctions available? Time limit?** |
| No ✓ | Yes ✓ | Yes/No ✓/✗ |

| Ownership changes |
|---|
| **Mandatory registration for assignment/licensing documents?** |
| Yes ✓ |

| Online issues | |
|---|---|
| **National anti-cybersquatting provisions?** | **National alternative dispute resolution policy (DRP) for local ccTLD available?** |
| Yes ✓ | Yes ✓ |

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