

Ecuador

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1. Legal framework

National

Ecuador's trademark regime is governed by the Intellectual Property Law and its regulation.

The Ecuadorian Intellectual Property Institute (IEPI) is the competent administrative institution to register, maintain and protect all trademark rights matters.

International

As a member of the Andean Community of Nations, Ecuador must apply Andean Community Decision 486 on a Common Industrial Property Regime, which provides that each member country shall concede to the nationals of the other members of the Andean Community, the World Trade Organization and the Paris Convention for the Protection of Industrial Property a treatment no less favourable than that which it grants to its own nationals, except as provided in Articles 3 and 5 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and Article 2 of the Paris Convention.

2. Unregistered marks

Protection

Unregistered trademarks, service marks and slogans do not benefit from any protection. However, trade names, signage and trade dress become protectable following good-faith continuous use in public. The grey areas relating to the rights arising out of the use of unregistered trade names, signage and trade dress concern:

- the length of time for which use is required in order to create rights;
- the priority between such rights (eg, a trade name registered earlier in one country of the Andean Community or an unregistered trade

name used earlier in another Andean Community country); and

- whether Ecuadorian IP law protects an unregistered trademark or service mark from unfair competition.

A trademark registered in one country of the Andean Community has sufficient rights to be used as the basis for an opposition in another country of the Andean Community even where it is not registered in the second country.

Use requirements

Ecuadorian IP law requires continuous good-faith use in commerce or in public of trade names, signage and trade dress to confer any right. Decision 486, which supersedes Ecuadorian law, does not specifically require anything other than public use, but the Andean Tribunal of Justice seems to require at least a continuous, good-faith use for a significant amount of time.

3. Registered trademarks

Ownership

Any national or foreign individual or entity may apply for and own a trademark.

Legally established associations of producers, manufacturers, service providers, organizations or groups of persons may register collective marks to distinguish the products or services of their members.

Scope of protection

Protected: Any sign that serves to distinguish products or services in the marketplace and that is capable of graphic representation may be registered, including, but not limited to, the following:

- denominations;
- letter combinations;

- numbers, and numbers together with other symbols;
- graphics;
- mixed denominations and graphics;
- colour combinations and single colours that have acquired distinctiveness;
- product and packaging shapes;
- three-dimensional shapes;
- textures (the IEPI registered what appears to be the world's first texture mark – the OLD PARR bottle surface texture);
- sounds;
- smells and tastes; and
- formerly non-distinctive signs that have acquired distinctiveness.

Commercial slogans may also be registered, as long as they do not contain references to products or similar marks or expressions that could prejudice the said products or marks.

Not protected: The following signs are not registrable:

- signs that consist of the usual forms of the products or their containers, or of the shapes or characteristics imposed by the natural function of the pertinent product or service;
- signs that give a functional or technical advantage to the product or service to which they apply;
- signs that are exclusively descriptive or laudatory;
- signs that are exclusively generic or of common use in Ecuador for the product or service to which they apply;
- signs that are contrary to law, morality or public order;
- signs that mislead the public as to the nature, source, method of manufacture, characteristics or aptness for use of the products or services to which they apply;
- signs that reproduce or imitate a protected denomination of origin, or consist of a national or foreign geographical indication that may cause confusion in respect of the

products or services to which they apply, or as to the origin, antecedents, qualities or characteristics of the goods for which the signs are used;

- signs that reproduce or imitate the names, coats of arms, flags or other emblems, acronyms, denominations or abbreviations of denominations of any state or officially recognized international organization, without the permission of the competent state authority or pertinent international organization;
- signs that consist of the denomination of a plant breed protected in Ecuador or abroad, or of a denomination essentially derived therefrom, unless the same title holder applies for them; and
- signs that cause confusion, dilution or unjust enrichment with regard to protected marks, including previously locally unregistered famous or well-known marks.

Exceptions: The following signs may be registered if they do not cause confusion as to the existence of a connection between the sign and the pertinent state or organization:

- marks that reproduce or imitate official signs, seals or dies of control or of guarantee, as long as the registration is requested by the competent organization; and
- marks that reproduce coins or bills of legal tender, valuable titles and other commercial documents, seal stamps, government stamps or government financial or tax documents in general of Ecuador or any country.

4. Procedures

Examination

The IEPI first conducts a review of the formal requirements. Applicants must file separate applications for each class, specifying the products or services to be protected. The

following information must be included in each application:

- the applicant's name, address and nationality;
- the name and address of the applicant's representative or attorney;
- a description of the mark;
- an identification of the type and nature of the mark (ie, whether it is a word, label, logo, design or a combination thereof);
- a specification of the products or services for which registration is sought;
- an identification of the priority claimed, if applicable, accompanied by a copy of the first foreign application certificate;
- a graphic reproduction of the mark if it is or contains a device, or any other perception and representation of the mark, if applicable; and
- the certificate of payment of the government filing fee.

Applications for collective trademarks require additional documents.

In the event that the examiner is not satisfied with the application, he will notify the applicant which will have 30 days to correct the irregularities. If the application is not corrected within the designated period, the application will be rejected.

Valid applications are published in the *Intellectual Property Gazette*. Publication opens a 30-working day opposition period. Unopposed applications proceed to a substantive examination. The examiner will state his reasons for either granting or denying registration in a written resolution.

Opposition

Any person with a legitimate interest may present a duly supported opposition within 30 working days of publication of the mark in the *Intellectual Property Gazette*, and request a 30-day extension.

The IEPI shall not process oppositions that:

- are filed beyond the 30-day deadline;
- are based solely on a later-filed application; or
- arise where the applicant, instead of renewing its registration, files a new application for the same mark, and the opposition is based on a trademark with which the applicant's mark has previously coexisted.

The applicant has 30 working days from the notification date to answer to an opposition action through an attorney. Failure to reply is deemed a denial. At the end of the answer period, the IEPI issues a written resolution either upholding or rejecting the opposition.

Removal from register

Cancellation: Any interested person may file a petition for cancellation of a mark when, without justification, the mark has not been used during the three years preceding the date of the cancellation action by its holder or a licensee in at least one of the member countries of the Andean Community or in a country with which Ecuador maintains pertinent agreements.

Nullification: Any interested person may file a petition with the IEPI to nullify a mark that:

- was registered on the basis of false information or documents;
- was not registrable on either relative or absolute grounds;
- was registered in bad faith either by local agents, representatives or distributors of a foreign mark, or by trademark merchants; or
- violated the registration procedure.

Timeframe

Estimated timeframes are as follows:

- An unopposed registration takes eight months;
- Opposition actions take 12 to 15 months;
- Renewal applications take six months;
- Merger records take six months; and
- Change of name records take six months.

Searches

The following official searches are available at the IEPI:

- searches from January 1973;
- identical trademark searches, at a cost of \$4 per denomination (only within a particular sign type – that is, trademarks, service marks, trade names, slogans or applications in process);
- similar trademark searches, at \$4 per denomination (spelling similarity only, beginning with the identical letter, and only within a particular sign type or pending applications);
- searches per classes, at \$4 per hit;
- searches for all classes (\$20 per denomination for the five different sign type searches); and
- searches for trade names and slogans at \$4 per denomination (but only within trade names or within slogans).

Graphic marks are not searchable.

5. Enforcement

Complexity

Administrative proceedings are not particularly complex. Complexity tends to arise in civil and criminal proceedings.

Unregistered rights: The unregistered rights of good-faith users of trade names, trade dress and signage are protected on a par with registered trademarks and service marks. Complexity arises:

- in issues of proof regarding first use or first filing, continuous use, length of use, sufficient use and good-faith use;
- in cases opposing two unregistered but protectable signs, or one registered and one unregistered sign that are used in different countries of the Andean Community or in different geographical regions of the member countries; and

- in the protection of unregistered marks that are notorious in two different member countries of the Andean Community.

Registered rights: Registration confers on the holder the right to prohibit third parties from:

- using an identical or similar sign for identical or similar products or services when the use creates confusion, damage or dilution (presumption of confusion exists only for identical signs used for identical products or services); and
- importing, exporting, selling, offering, warehousing, introducing into commerce or conducting any analogous activity using an identical or similar mark for products or services in circumstances where the consumer could be confused as to the source of the product or service.

Cancellation: Cancellation for non-use in the Andean Community during the three years prior to the action can be used as a counterclaim in administrative infringement, opposition and nullification proceedings. Evidence of use includes:

- invoices;
- inventories; and
- any other evidence that shows the use of the mark.

The burden of proof of use rests on the trademark registration holder.

Nullification: See section 4 above.

Administrative protection: Upon petition by an interested party or acting *ex officio*, the IEPI may take the following measures to avoid and punish violations of IP rights:

- inspection;
- obligatory discovery; or
- sanction.

Upon discovering the criminal activity, the IEPI may send the matter to the criminal court and

the Attorney General's Office. In other cases, a copy of the administrative resolution is sent to the criminal court.

Border measures: Customs administrators and other bodies that control the entry into or departure of merchandise from Ecuador have an obligation to impede the import or export of products that violate IP rights. Accordingly, if, upon a petition of an interested party, they do not impede the import or export of such goods, they will be considered accomplices to the crime that is committed and will face criminal charges in addition to administrative sanction.

After it has stopped infringing goods, Customs must provide a detailed report to the president of the IEPI, who, within five working days, will either confirm or revoke the measure. If the measure is confirmed, the goods will be placed at the disposal of the criminal court.

If Customs does not order any measure against a suspected infringer, the mark owner may file a petition within three days asking the IEPI president to issue a seizure order within the next three days.

National IEPI directors may also order imports and exports to be impounded. They, like Customs, may request the petitioner to pay sufficient bond.

The IEPI will hold a hearing to examine the merchandise seized and decide whether to revoke the measure or remit the case to the criminal court.

Unfair competition action: Unfair competition actions may be initiated to protect, among other things:

- registered and unregistered marks;
- trade names;
- commercial identifiers, including the trade dress of products and establishments;

- the names or likenesses of celebrities or notoriously known fictitious characters;
- manufacturing processes;
- the conveniences of products or services for specific ends;
- the qualities, quantities or other characteristics of products or services;
- the geographical origin of products or services; and
- the conditions in which products or services are offered or provided.

Unfair competition can also be claimed against an advertisement that imitates, disrespects or denigrates a competitor, or its products or services, and in cases of unprovable comparative advertising.

Without prejudice to other legal actions that may be applicable, any individual or legal entity so harmed may take the actions provided in the Unfair Competition Law, including preventative and injunctive measures.

Monetary compensation: Compensation for damages includes losses suffered and loss of future earnings caused by the infringement. The amount of earnings not obtained will be calculated, taking into account, among other things, the following criteria:

- future earnings;
- the infringer's undeserved earnings;
- the price or royalties that the infringer would have had to pay for a licence; and
- reasonable costs and expenses, including professional fees.

The IEPI and the mark owner will each receive one-third of the damages collected, while the remainder will be allocated to:

- the budget of the judicial system;
- the Solidarity Fund; and
- the promotion of science and technology, through the IEPI.

6. Ownership changes – legalization requirements

Foreign documents relating to the assignment of rights or licences need to be certified or notarized and carry an apostille. Assignments of rights or licences between Ecuadorian nationals or companies must be notarized.

7. Areas of overlap with related rights

There is a certain degree of overlap between trademark rights and other rights. For instance, copyright can be used to protect device marks that have artistic merit. Industrial designs can become trademarks. Drawings, logos and isotypes can be protected by trademark law and copyright law. Packaging and product shapes can be protected as industrial designs and as trademarks.

8. Online issues

Decision 486 protects trademark owners against the use of identical or similar signs. Protection extends to domain names that consist of, in whole or in part and without the rightful owners' consent, marks that are famous or well known in a member country of the Andean Community.

Conflicts between distinctive signs and domain names can be resolved by arbitration under the Uniform Domain Name Dispute Resolution Policy or before the ordinary courts.

Article 292 of the Intellectual Property Law provides that the parties that control the Internet are jointly liable for the violation of rights carried out by means of digital communications networks.

