



**GUIDELINE FOR PATENTS AND TRADEMARKS
PROSECUTION AND LITIGATION IN LATIN AMERICA**

Foreword



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Welcome to the First Edition of the Latin America IPO Guideline for Patents and Trademarks.

Our inspiration to produce the Guideline stemmed from a perception that while the Region remains a great place to invest, clarifying several unknown aspects of relevant Intellectual Property (IP) laws would be of benefit to the reader.

This Guideline is a compilation of selected aspects of the patent and trademark legislation derived from many countries in the Latin America Region, and it covers key elements of prosecution and litigation of patents and trademarks - topics useful for all fields of industry.

Therefore, the purpose of this First Edition is to serve as a quick reference guide in paramount nuances of IP law within Latin America and to capture important elements so that readers can rely on it to start designing their own IP strategy.

The journey to write this Guideline started a few months ago, with an initial discussion to select the countries and related aspects of law which would be the subject of this edition.

A research process then followed by each author, who diligently sought the most accurate sources of law and best practices. The outcome of the process is this Guideline, carefully drafted in clear and precise language, relying on each author's years of practice in their respective regions and countries.

Foreword

I wish to express my sincere gratitude to everyone who has been instrumental in making this publication a reality.

I want to thank Vanessa P. Rollins (IPO Staff Liaison) for supporting our idea since the beginning, along with Thomas (Tom) McBride (IPO Board Liaison).

Many thanks to Ricardo Nunes and Federico Aulmann, Vice Chair and Secretary of our Committee, for their invaluable help in carrying out this task.

I also thank each of the authors of the various chapters, all great colleagues and qualified professionals, who voluntarily contributed to IPO; I thank Maria Isabel Giacchetti, for her great job in organizing the editorial part.

My most sincere gratitude to my dear son André, who kindly designed the cover of the Guideline, as a courtesy – without being a member of IPO.

I hope you enjoy reading this Guideline.

See you all in the next edition!



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Argentina



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Patents

PROSECUTION

1. Relevant regulations

The relevant treaties and conventions are the Paris Convention, adopted by Argentina Law N° 17,011, and the TRIPs Agreement adopted by Law N° 24.425. Patents and Utility Models are governed by Law N° 24,481 (as amended by Law N° 24,572 and Law N° 25,859) its Regulatory Decree N° 260/96, and the Examination Guidelines Resolution INPI N° 243/03 and Resolution INPI N° 73/13.

It should be noted that Argentina is not a member of the PCT agreement.

2. Patentable subject matter

Inventions of products or process are patentable, provided that they are new, involve an inventive activity and are applicable in industry. According to the Patent Law an invention is considered any creation by man permitting the transformation of any matter or energy for the advantage of mankind.

a. Design and Utility Models

Industrial models and designs are the aesthetic or ornamental aspects of industrial products, with disregard of their functionality or distinctive capacity. Industrial model and design rights can be obtained through a registration procedure, but not with use. In Argentina, industrial models and designs are protected under the following regulations: a) TRIPS Agreement, adopted by Law N° 24.425; 2) Paris Convention on Industrial Property Protection, adopted by Law N° 17,011,; 3) Decree N° 6,673/63, ratified by law N° 16,478.

Utility models can be obtained in Argentina, and are regulated in the Patent Law. Utility models are considered to be any tool, device or object with a new form, being that new form able to provide an improvement in their function. Utility models are required to be new and have industrial applicability, but are not required to have inventive step; and will have a term of 10 years as from the application date in Argentina. Patent application can be converted into Utility model applications, and vice versa.

b. Software patents

Claims comprising an embedded software in a system or in a specific step of a method are usually accepted in Argentina. *Computer-readable medium* claims are not allowed. In the electronic field, *means plus function* claims are not allowable as main claims if there are no prior apparatus or method claims. However, some examiners do not allow these type of claims even if they are secondary claims. Due to section 6.c) of the Argentine Patent Law, "software" per se is not patentable. "Software" per se is protected under the Copyright laws.

c. Pharma patents

i. Markush Claims

Markush claims are accepted in Argentina. AR Patent Office allows claims of chemical compounds defined by their developed

structural formulae, for example, the Markush-type, provided that there is enough support in the Specification of the claimed compounds.

ii. Biological Material deposits

According to Argentina Patent Law, Article 20, the invention shall be clearly and completely described in the application so that a person skilled in the art can perform it, and if related to biological material, a deposit of the biological material is required.

Consequently, the information contained in the Specification of a patent application which refers to microorganisms or which claims such material, must contain enough information or reference to a biological material, so that a person with average skill in the art can reproduce the invention.

There are generally two situations to take into account:

(i) The material is available to the public upon the application filing date, because it is easily available to the person skilled in the art, or because the applicant has provided in the description of the application enough information regarding the material or its availability in a deposit institution; or

(ii) The material is not available to the public upon the application filing date. In this case, the biological material must be clearly and completely described in the application so that a person skilled in the art can perform it. This information shall eventually include information related to the biological material deposit (access number, institution, etc.), information related to the biological system (in the case of biological material which is reproduced in a biological system), and the process to produce the biological material within the biological system. Deposit of biological material in a recognized International Depositary Authority of the Budapest Treaty is accepted by AR PTO. Accession data and name and country of depositary authority should be provided at the time of filing. Copy of the Biological material deposit should be filed within 90 days from filing the application in Argentina.

In either of the cases (i) and (ii), the Patent Office can request the applicant to file additional information related to the origin or technical characteristics of the genetic material which assures that the invention can be reproduced by the person skilled in the art.

iii. Linkage System

There is no Linkage System in Argentina.

3. Determination of Novelty & Inventive step.

Inventions of products or process should be new, have inventive Step and industrial applicability to be patentable in Argentina. Any invention not included in the state of the art shall be considered novel. The term state of the art must be understood as all technical knowledge which becomes public before the filing date of the patent application, or, if applicable, of the recognizing priority, by way of oral or written description, by use, or by any other means of disclosure or information, in the country or abroad.

AR Patent Law defines inventions having Inventive Step as those that are not obvious or evidently deduced from the prior art to a person skilled in the technical field involved in the invention.

Claim drafting recommendations

a. Clarity of claims

The claim set should include one or more claims, and define the invention for which protection is sought for. The first claim should include the relevant features of the invention, and be an independent claim, and all other claims should be subordinated to the first claim. There is no limit to the number of claims in a claim set, but an official fee should be paid for each claim in excess of the 10th

Claims should have support in the Specification as filed originally when the application was filed in Argentina.

Claims should be Characterized to be adapted to AR PTO practice, having a first part in which the prior art features are describe, and a "Characterized" part in which the relevant features of the invention are detailed and for which protection is claimed for.

b. Method and process claims

Methods and process claims are considered patentable in Argentina.

According to AR Patent Law: i) methods for intellectual activities, games or for commercial activities, ii) methods for presenting (showing) information, iii) Surgical methods, therapeutic or diagnose methods applicable to Humans and animals, are not considered inventions and cannot be protected by patents in Argentina.

Biological methods for the reproduction of vegetal, animals, or Humans, and genetic processes related to material capable of producing its own propagation in normal and free conditions are considered inventions but excluded from patentability by AR Patent Law.

These exclusions from patentability should be considered when drafting claims that can include any of the above mentioned and the patent application is intended to be filed in Argentina.

4. Application formalities

To file a patent application in Argentina, the following information and documents are needed:

- Name and information of the applicant,
- Name and information of the inventors,
- Power of Attorney on behalf of the applicant. Signature on behalf of the applicant should be certified by Notary Public, and then legalized with the Apostille. (if POA is not available at the time of filing the application, it can

be filed within 40 working days of filing the application)

- Title of the invention, Specification, abstract, drawing (if available) and one or more claims.

- Priority information: Information of the Country and serial Nr of the priority application claimed (if any). Priority documents should be filed within 90 days of filing the application, with a sworn Spanish translation done by an Argentinean registered translator.

- Assignment of priority rights (if applicable) should be filed within 90 days from filing the application in AR.

SME (small and medium entity) criteria triggering special filing benefits

According to AR patent regulation, SME pay 50 % of the official fees established by AR Patent law.

5. Opposition system

Argentina Patent regulation provides a Pre Granting oppositions system. Any person is entitled to file objections on the patent application and add documentary proof within a period of 60 day following to the AR publication of the patent application. The Examiners shall later evaluate this evidence. The arguments shall consist of allegations of non-fulfilment or insufficient fulfilment of the legal requirements for the grant of a patent.

6. Examiner interviews

Examiner interviews are allowed and they proved to be very helpful for answering office actions.

7. Protection provided by pending applications

Patent rights are only enforceable in Argentina once the patent has been granted by the Patent Office. Therefore, there is no enforceability in Argentina for the applicant between the filing date of the application and the granting date (no provisional protection).

If a third party is infringing the invention during this period, an out-of-court notice should be sent to this party demanding him to cease the manufacture and distribution of the infringing product claiming - additionally- that in the event of failure to reply or the refusal to stop manufacturing, legal actions will be started as soon as the patent is granted by the Patent Office.

8. Patent term and extensions

The patent term is 20 years from the AR filing date. The 20 year term of the Patent is not extendable. The AR patent legislation has not provided for **supplementary** protection certificates (SPCs).

9. Expedited examination

AR PTO follows a chronological order for examination of patent applications set by the date of payment of the examination fee. Therefore the sooner substantive examination is requested and the corresponding fee paid, will lead to speeding up the prosecution of Argentinean patent application.

10. Claim amendments

Patent applicant can voluntarily amend the application (description, claims and drawings) during the first 90 days after filing the AR application. After that, only amendments requested by the AR PTO examiner are allowed (usually related to evident errors in the Specification), or amendments in the claims for answering an office action, of to adapt the claim set to those granted by a foreign PTO in a counterpart application. New subject matter cannot be incorporated at any stage, neither in the Specification nor in the claims.

11. Divisional practice

Voluntary Divisional applications of pending patent applications are allowed in Argentina. Traditionally, divisional applications are filed under the Examiner's request due to the lack of unity objection.

Applicants can file voluntary divisional applications at any time during the

prosecution of the parent case (before granting of parent case), or when the examiner requests in the substantive examination report that a divisional should be filed due to the complexity of the application. In the latter case, divisional applications should be filed within 30 days.

12. Provisional applications

Provisional applications have not been regulated under AR Patent legislation.

LITIGATION

1. Patent infringement

According to Argentina Patent Law, the patent shall confer upon its owner the following exclusive rights:

a) When the subject matter of the patent is a product, the patentee shall be entitled to prevent third parties from manufacturing, using, offering for sale, or importing the product which is subject matter of his patent, without his consent.

b) When the subject matter of the patent is a process, the patentee shall be entitled to prevent third parties from performing any act involving its use, without his consent.

All mentioned activities without the owner prior patent consent can be considered as infringement.

Article 8 of AR patent law envisages that when the subject matter of a patent is a process, the patent owner is entitled to prevent third parties not having his consent from the act of using the process and from the acts of using, offering for sale, selling, or importing for these purposes the product directly obtained by that process.

The plaintiff must prove that the alleged infringing product or process falls within the scope of the patent claims.

The Argentine Patent legislation does not specifically regulates the so-called "contributory infringement". There are not Court precedents with

current patent law in Argentina regarding this specific topic.

Patent infringement actions are usually filed with the Argentine Civil and Commercial Federal courts. However, according to article 75 of Argentina Patent Law, patent infringement can also be prosecuted as a crime before AR criminal courts. No administrative actions are available.

2. Standing

The patent owner is entitled to bring suit either before Civil or Criminal Courts for Patent Infringement. Licensee shall have the right to exercise Infringement actions (only Civil actions) pertaining to the owner of the invention, only if said owner does not exercise them by himself.

3. Judges' level of IP expertise

The Argentine Patent Law provides that the Civil and Commercial Federal courts **are competent to decide on patent infringement cases**. Even though the above-mentioned Civil and Commercial Federal courts are involved in other legal matters, they have knowledge of IP law, and are the only ones which have jurisdiction related to civil remedies in connection with patent infringements.

Argentina Judges are Attorneys at Law, and do not have a technical background in any technical field. They rely on Court appointed experts to provide technical reports on Infringement and validity of patents.

4. Litigation delay

A patent infringement action before Argentina Courts of First Instance can take between three (3) and five (5) years. Procedures before Court of Appeals can take between one (1) and two (2) years.

5. Statute of Limitations and limits on damage claims

Patent infringement actions can be started during the period the patent is in force. Damage claims should be initiated within a term of three (3) years as from the time the infringement.

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

The following preliminary injunctions have been provided by the AR Patent Law:

- a) the seizure of one or more copies of the infringing goods;
- b) the inventory or attachment of the infringing goods and of the machines specially designed for manufacturing them.
- c) the description of the incriminated process to elaborate the relevant product
- d) injunction to prevent the infringement of the granted patent and, in particular, to prevent the entry into the market of the infringing goods; or to preserve relevant evidence with respect to the alleged infringement (similar to those provided in art. 50 of Trips).

The requirements to file the request of the preliminary measures a) ; b) and c) are: 1) evidence of the Letters Patent Deed, 2) the prior deposit of a bond determined by the court.

With respect to the preliminary measures indicated as d) (similar to those measures included in art. 50 of Trips), there are additional requirements provided by the Argentine Patent Law. Such requirements are:

- (1) To prove there is a reasonable likelihood that the patent, should its validity be challenged, shall be declared valid.
- (2) The appointment of an expert *ex officio* by the courts before granting the measure.
- (3) The preliminary injunction will be granted "*inaudita altera parte*" (without hearing the alleged infringer's defense before granting the measure) only in exceptional cases such as when there is a significant risk of evidence being destroyed.

(4) It is also required that the court measures the harm caused to the patent holder and weight it with the potential harm that the alleged infringer might receive in case the measure is wrongly granted.

b. Ex-parte remedies

The preliminary measures a) ; b) and c) mentioned above are granted ex-parte. Temporary Injunctions are not granted ex-parte, but require serving notice to the defendant of the temporary injunction request and Court appointed expert report on the requirements for the injunction.

c. Bonds

Bonds are requested to grant a temporary injunction. Temporary injunctions will only be executed once the patent holder deposit the bond determined by the court.

Alternatively, if a temporary injunction is not issued, then plaintiff can request defendant to post a bond if he has the intention to continue with the exploitation of the products during the prosecution of the infringement action.

d. Revocation procedures

After execution of temporary injunction, defendant can request a revocation to the First instance Judge that ordered it, but since Patent temporary injunction procedure is bilateral, revocation is not usual. Preliminary injunctions determined by the First Federal courts can be appealed with the Second Federal courts which are also entitled for revocation of the procedures.

In patent infringement cases, First Instance Court resolution on the merits of the infringement can be appealed before Federal Appeals Court.

e. Patent invalidity procedures

The Defendant is entitled to assert the invalidity of the patent

before the court that is dealing with the “infringement” action. The Defendant must offer evidence to prove that the relevant invention lacks of novelty, inventive step or industrial application.

If the Defendant restricts to file a counterclaim for invalidity, said fact is not assumed by the Argentine courts as recognition of the patent infringement.

The assertion of invalidity of a patent may derive in:

- A judge’s decision declaring the patent invalid. Therefore, the infringement action would be automatically rejected.
- A judge’s decision confirming that the patent is valid. Then, the infringement action may succeed or not considering the evidence filed and produced by the Plaintiff.

The Argentine courts deal with infringement and validity issues in one trial, unless defendant files a nullity action when the infringement lawsuit prosecution is well advanced and cannot be unified in one action.

7. Discovery - Pre-trial procedures

There is no discovery in Argentina. Although Argentina procedural law does not provide Discovery, pre-trial preliminary measures aimed at preserving evidence, or obtaining documents can be requested to the AR Judge. Mediation is a mandatory pretrial procedure in Argentina, but it is not required for requesting a temporary injunction, but before filing the patent infringement action itself.

8. Evidentiary support

a. Burden of proof

In the event a “product” is a subject matter of the granted patent, the burden of the proof lies on the patent owner. In the event of a “process patent”, article 88 of the Argentine Patent Law provides (according to article 34 of TRIPs) that if the subject matter of a patent is a process for obtaining a product, the judicial authorities

will order to the defendant to prove that the process to obtain an identical product is different from the patented process.

Additionally, Courts are empowered to instruct to the plaintiff to prove that the defendant uses the patented process provided that the defendant proves the following:

- (i) the availability of an identical product in the market,
- (ii) that the relevant product existed at the time of the alleged infringement,
- (iii) that said identical product is obtainable by different means than the patented process.

In the event it is claimed in court that the patent is not valid, then the party who claims invalidity is supposed to file all the evidence to support such request.

b. Expert evidence

Judges supports their decisions mainly on opinions from technical experts appointed by the court and documents obtained from official or private institutions proposed by the parties and authorized by the court. Technical evidence and expert advice are advisable for any party of the procedure to help during the prosecution of the patent infringement or nullity action.

c. Witnesses

Witness’s depositions are not usually proposed as evidence in infringement patent lawsuits. The evidence usually filed in court is: a) Documents related to the technical field involved. B) Reports issued by technical experts. c) Technical tests. D) Questionnaire to be replied by private or official institutions. All the evidence must be offered at the time of filing the suit and responding the legal action.

9. Damages – Litigation costs

Besides the legal actions brought to court with the purpose that a Judge orders the alleged infringer to stop infringing/using the exclusive rights derived from the granted patent, patent owner may claim for the compensation of damages. "Punitive damages" are not provided in Argentina patent regulations.

Before a final decision is issued, the Judge having jurisdiction on the case will demand from the Plaintiff to pay a bond equivalent to 3 % of the amount requested as compensation for damages.

Losing party will have to pay Attorney's fees of the counterparty, and the amount will be set by the Judge in a range between 11% to 20% of the amount of the damages.

10. Appellate practice

The resolutions on the merits from the First Federal Instance courts may be appealed with the Federal Appeals courts.

Once the resolution is served notice, there is a term of five (5) working days to file the appeal. Subsequently, once the party who filed the appeal is notified that the Federal Appeals court received the judicial record, then there is another term of five (5) working days to ground the appeal. The procedure is written.

If Constitutional issues are involved, Federal Appeals courts resolution on the merits may be appealed with the Supreme Court. The term to file the appeal is ten (10) working days.

11. Settlement and alternative dispute resolutions.

Mediation proceedings are a mandatory step in Argentina before filing a lawsuit before AR Courts. Arbitration is a legal tool not regularly used in Argentina for IP matters.

12. Fee shifting

The losing party is obliged to support the attorney fees determined by the Judge: between 11 % and 20 % of the amounts discussed in court. If no amount of money is involved, Judges usually fix the attorney fees

considering the complexity of the matter and the duration of the judicial procedure.

13. Personal liability

There is no personal liability on patent infringements followed against corporations, nor personal liability on adverse resolution on the merits for corporation executives. Individuals that are defendants on patent infringement actions may have to pay the plaintiff's attorneys fees if found responsible on patent infringement.

There is personal liability for patent infringement if found guilty in criminal procedures, and punished with fine and imprisonment between six month to three years.

14. Antitrust issues

According to our experience in Argentina, defendants in Pharma industry may use a patent enforcement action against them to complain before antitrust authorities. Nevertheless, there is no precedent of any Antitrust resolution based on a complaint derived from a patent infringement action.

Trademarks

PROSECUTION

1. Relevant regulations

The Paris Convention adopted by Law N° 17,011 and the TRIPs Agreement adopted by Law N° 24.425 are the relevant conventions governing this Trademark issues in Argentina. Trademarks are governed by Law N° 22,362, and its implementing Decree N° 558/01.

2. Types of trademarks

a. Nominative, figurative, combined and three-dimensional

Article 1st of Law N° 22,362 determines that any sign with distinctive capacity can be registered as trademark, any combination of letters, words, numbers, figures, combination of colors, logotypes, symbols,

distinctive shape of products, packaging, colors applied to a specific part of a product, publicity phrases, among others.

b. Audible, olfactory and taste and others.

Non-traditional trademarks are allowed in Argentina, since Article 1st of Law No. 22,362 states that any sign with distinctive capacity can be registered as trademark. The only issue that has to be dealt with is the representation of the trademark for its publication in the official gazette for eventual third party opposition.

3. Unregisterable marks

The following are not considered trademarks and cannot be registered:

- a) The names, words and signs which constitute the necessary or habitual designation of the product or service to be distinguished, or which are descriptive of their nature, function, qualities or other characteristics.
- b) The names; words; signs and advertising phrases which have become a part of general use before its registry application;
- c) The form given the products;
- d) The natural or inherent colour of the products or a single colour applied on same.

Besides, the following marks cannot be registered:

- a) A trademark which is identical to one already registered or applied for to distinguish the same products or services;
- b) Trademarks similar to others already registered or applied for to distinguish the same products or services;
- c) National or foreign denominations;

d) Trademarks susceptible of inducing an error with regard to the nature, properties, merit, quality, manufacturing techniques, function, origin, price or other characteristics of the products or services to be distinguished;

e) The words, drawings and other signs when it goes against the morality of society;

f) Letters, words, names, insignias, symbols, which the Nation, provinces, municipalities, religious and sanitary organizations use or have to use;

g) Letters, words, names or insignias used by foreign nations and international organisms recognized by the Argentine Government;

h) The pseudonym name or portrait of a person, without his/her consent or the consent of his/her heirs up to the fourth degree inclusive;

i) Advertising phrases which lack originality.

4. Famous and Well-known marks.

Famous and well-known marks are protected according to the Paris Convention and Trips agreement rules. Besides, there are many judicial precedents protecting this type of marks in Argentina

5. Previous user rights

Even though exclusive rights in Argentina on trademarks are achieved through registration, judicial precedents have recognized rights on previous use always provided the possibility to prove legal, continuous and visible use.

6. Geographical indications

Geographical indications are registrable under the conditions provided by Law N° 25,163 (wines and spirits) and Law N° 25,380 (agricultural products and food related Geographical indications).

7. What are the criteria for Distinctiveness and Confusing similarity?

Trademarks must not be visually, phonetically and ideologically similar. Besides, another factors should be considered such as the type of consumer who acquires the pertaining products and services, if the trademarks involved are famous or not, prior coexistence in the market, the inclusion of common ingredients, etc.

8. Application formalities

Whoever wants to obtain the registration of a trademark, has to file an application for each individual class of interest, which will have to include the applicant's name, address, description of the trademark and indication of the products or services to be distinguished, priority country and serial Nr (priority certificate within 90 days), and Power of Attorney (signature notarized and legalized with the Apostille – should be filed within 40 days from application filing in AR)

9. SME (small and medium entity) criteria triggering special filing benefits

There is no SME advantages for filing new trademark applications

10. Protection provided by pending applications

Trademark rights are only enforceable in Argentina once the trademark has been granted by the trademark Office. Therefore, there is no enforceability in Argentina for the applicant between the filing date of the application and the granting date

If a third party is infringing the trademark during this period, an out-of-court notice should be sent to this party demanding him to cease the manufacture and distribution of the infringing product claiming - additionally- that in the event of failure to reply or the refusal to stop manufacturing, legal actions will be started as soon as the trademark is granted by the trademark Office.

The only right derived from a trademark application is the priority right to file a trademark in a third country and claim priority from AR prior application.

11. Prosecution delays

The average prosecution term is of approximately 14 to 18 months from application date. If the trademark application has been opposed against, then the prosecution term will be longer.

12. Opposition system

Argentina Trademark regulation provides a Pre Granting oppositions system. Any person is entitled to file opposition on the trademark application within a period of 30 day following to the AR publication of the trademark application.

After grant, third parties are still entitled to file a nullity action with the Argentine Federal courts.

13. Provisional applications

Provisional applications have not been regulated under AR trademark legislation.

14. Examiner interviews

Examiner interviews are allowed, and are helpful in order to overcome office actions.

15. Domain names

Domain names in Argentina are registered before NIC Argentina, which is the official institution which administrates domain names .ar . Resolution N° 20/2014 established the conditions for domain name registration.

Domain names are registered in Argentina through the AR Registrar webpage, and after paying the official fee. The criteria for domain registration is first come first serve, but there is a procedure established for challenging domain registrations that are trademarks or by any who that holds better right to the name. Domain names term is of one year, renewable.

LITIGATION

1. Trademark Infringement

The use of a trademark in the market which is identical or similar to one already registered to distinguish the same or similar products or services is not legal and constitutes trademark infringement.

Trademark infringement actions are usually filed with the Argentine Civil and Commercial Federal courts. However, according to article 31 of Argentina trademark Law, trademark infringement can also be prosecuted as a crime before AR criminal courts. No administrative actions are available.

2. Standing

The trademark owner is entitled to bring suit. Besides, trademarks are subject to licensing. A contractual licensee shall have the right to exercise legal actions pertaining to the owner of the trademark if the licensee was properly authorized in the contract.

3. Judges' level of IP expertise

The Argentine Trademark Law provides that the Civil and Commercial Federal courts **are competent to decide on trademark infringement cases**. Even though the above-mentioned Civil and Commercial Federal courts are involved in other legal matters, the Judges are fully experienced on this type of lawsuits and they have knowledge of IP law.

4. Litigation delay

A Trademark infringement action before Argentina Courts of First Instance courts can take between two (2) and four (4) years. Procedures before Court of Appeals can take between one (1) and two (2) years.

5. Litigation venue

Argentina Patent and trademark office has no administrative courts. In Argentina, litigation can only be filed and decided by the Judges of the Federal courts.

6. Statute of Limitations and limits on damage claims

Trademark infringement actions can be started during the period the infringing trademark is in the market. If compensation of damages is claimed, there is a term of three (3) years to bring the case to court since the infringement or a term of one (1) year as from the day that the owner of the trademark had knowledge of the fact.

7. Actions and remedies against trademark infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

The trademark owner is entitled to request the following preliminary injunctions: a) the embargo of the objects; b) their inventory and description; c) the seizure of one of the objects in alleged infringement, d) injunction to prevent the infringement of the trademark and, in particular, to prevent the entry into the market of the infringing goods; or to preserve relevant evidence with respect to the alleged infringement (art. 50 of Trips).

b. Ex-parte remedies

Remedies for trademark infringement are ex-parte procedures. Defendant can intervene in the proceedings after the remedy ordered by the court is executed.

c. Bonds

Bonds are requested to grant a temporary injunction or any other remedy against trademark infringement. Remedies will only be executed once the trademark owner deposit the bond determined by the court.

d. Revocation procedures

After execution of temporary injunction or any other remedy, defendant can request a revocation to the First instance Judge that ordered it. Preliminary injunctions determined by the Federal Civil and Commercial First instance courts can be appealed before the Federal Civil and Commercial Appeals courts which are entitled for revocation of the procedures.

e. Trademark Invalidity

The Defendant is entitled to assert the invalidity of the registered trademark before same court prosecuting the infringement action. The Defendant must offer evidence to prove that the relevant trademark does not meet the registration conditions.

The Argentine courts deal with infringement and validity issues in one trial, unless defendant files a nullity action when the infringement lawsuit prosecution is well advanced and cannot be unified in one action.

8. Discovery - Pre-trial procedures

There is no discovery in Argentina. Although Argentina procedural law does not provide Discovery, pre-trial preliminary measures aimed at preserving evidence, or obtaining documents can be requested to the AR Judge. Mediation is a mandatory pretrial procedure in Argentina, but it is not required for requesting a temporary injunction, but before filing the trademark infringement action itself.

9. Evidentiary support?

a. Burden of proof

The burden of proof of infringement lies on the trademark owner alleging infringement

b. Expert evidence

According to the Federal Judges experience to deal with this type of cases, expert evidence to determine the infringement is not common.

c. Witnesses

Infringement trademark cases are not usually decided considering witnesses evidence.

10. Damages – Litigation cost

Besides legal actions are brought to court with the purpose that a Judge instructs the alleged infringer to stop infringing the exclusive rights derived from the registered trademark, trademark owner may claim for the compensation of damages. “Punitive damages” are not provided in our legislation.

Before issue a final decision, the Judge having jurisdiction on the case will demand from the Plaintiff to pay a tax equivalent to 3 % of the amount requested as compensation for damages. Losing party will have to pay Attorney’s fees of the counterparty, and the amount will be set by the Judge in a range between 11% to 20% of the amount of the damages.

11. Personal liability

There is no personal liability on trademark infringements followed against corporations, nor personal liability on adverse resolution on the merits for corporation executives. Individuals that are defendants on Trademark infringement actions may have to pay the plaintiff’s attorneys fees if found responsible on trademark infringement.

There is personal liability for trademark infringement if found guilty in criminal procedures.

12. Fee shifting

The losing party is obliged to support the attorney fees determined by the Judge: between 11 % and 20 % of the amounts discussed in court. If no amount of money is involved, Judges usually fix the attorney fees considering the complexity of the matter and the duration of the judicial procedure.

Appellate procedures

The resolution on the merits from the Federal Civil and Commercial First Instance courts may be appealed with the Federal Civil and Commercial Appeals courts.

Once the decision is officially notified, there is a term of five (5) working days to file the appeal. Subsequently, once the party who filed the appeal is notified that the Appeals court received the judicial record, then there is another term of five (5) working days to ground the appeal. The procedure is written.

If Constitutional issues are involved, Federal Appeals courts resolution on the merits may be appealed with the Supreme Court. The term to file the appeal is ten (10) working days.

13. Settlement and alternative dispute resolutions.

Mediation proceedings are a mandatory step in Argentina before filing a lawsuit before AR Courts. Arbitration is a legal tool not usually used in Argentina for IP matters. Case can be settled at any instance.

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Patents

PROSECUTION

1. Relevant regulations

a. Treaties and Conventions

- PCT;
- TRIPS;
- Paris Convention.

b. Laws

- Statute # 9,279/1996, also known as the Brazilian IP Statute.

c. Examination Guidelines

- Guidelines for Examining Patent Applications;
- Guidelines for Examining Biotech Applications;
- Guidelines for Examining Utility Models;
- *Draft* Guidelines for Examining Computer-implemented Applications.

2. Patentable subject matter

In order to be patentable, an invention must meet the patentability requirements: novelty, inventive step and industrial applicability. The Brazilian IP Statute lists non-eligible subject matter: discoveries, scientific theories, mathematical methods, abstract concepts, business methods, software *per se*, methods of treatment and diagnostic, natural living beings and biological materials, in whole or in part, found in nature or isolated therefrom, and natural biological processes, amongst others. The Brazilian IP Statute also establishes that anything contrary to morals, or contrary to public safety, order or health, are not patentable.

a. Design and Utility Models

Both designs and utility models can be protected. According to the Brazilian IP Statute, an object of practical use, or part thereof, is patentable as a utility model, when it is susceptible of industrial application, presents a new shape or arrangement and involves an

inventive act, that results in a functional improvement in its use or manufacture. A design is an ornamental plastic form of an object or any ornamental arrangement of lines and colors that may be applied to a product, that provides a new and original visual result in its external configuration, and that may serve as a type for industrial manufacture. Design applications are granted by the Brazilian PTO without examination on the merits of the application.

b. Pharma patents

Section 229-C of the Brazilian IP Statute establishes that the granting of patents in connection with pharmaceutical products or processes depends on the prior approval from the Brazilian Food and Drug Agency (ANVISA, in the Portuguese abbreviation).

Markush claims

Markush claims are allowed, but there is normally a huge scrutiny on whether the application complies with the written description / enablement requirements and if the claims are fully supported by the description.

i. Biological Material deposits

In the case of biological material essential for the practical execution of the subject matter of the application, which cannot be properly described and which has not been accessible to the public, the specification will be supplemented by a deposit of the material in an institution authorized by the Brazilian PTO or indicated in an international agreement such as the Budapest Treaty.

ii. Linkage System

The Brazilian Food and Drug Agency (ANVISA, in the Portuguese abbreviation) does not take into consideration patent rights when granting marketing approval for pharmaceutical products. Therefore, a US-style Orange Book system is not available.

c. Software patents

Software *per se*, that is, the lines of code, are not patentable subject matter, and can only be protected via registration, according to Statute #9,609/1998, in a regime similar to the copyright system governing the protection of literary works. Software-implemented inventions, on the other hand, are patentable subject matter.

3. Determination of Novelty & Inventive step

Inventions and utility models are considered to be new when not included in the state of the art. Inventive step is found when, for a person skilled in the art, the invention does not derive in an evident or obvious manner from the state of the art. The state of the art comprises everything made accessible to the public before the date of filing of a patent application, by written or oral description, by use or any other means, in Brazil or abroad, without prejudice to the provisions regarding grace period and priority rights. For the purpose of determining novelty, the whole contents of an application filed in Brazil, but not yet published, will be considered as state of the art from the date of filing, or from the priority claimed, provided that it is published, even though subsequently. This is also applied to an international patent application filed in accordance with a treaty or convention in force in Brazil, provided that there is national processing. There is also a grace period provision establishing that the disclosure of an invention or utility model which occurs during the twelve months preceding the date of filing or priority of the patent

application will not be considered as part of the state of the art, provided such disclosure is made: I. by the inventor; II. by the Brazilian PTO, by means of the official publication of a patent application filed without the consent of the inventor and based on information obtained from him or as a result of his acts; or III. by third parties, based on information received directly or indirectly from the inventor or as the result of his acts.

4. Claim drafting recommendations

c. Clarity of claims

The claims must be based on the specification, characterizing the particularities of the application and defining clearly and precisely the subject matter to be protected. Each claim must define in a clear, precise and in a positive manner, the technical characteristics to be protected thereby, avoiding expressions that result in a lack of definition for the claim. According to the guidelines issued by the Brazilian PTO, it is important that the claims (i) begin with the title or part of the title corresponding to its respective category, containing the expression “characterized by” only once; (ii) define clearly and accurately, in a positive manner, the technical characteristics to be protected thereby; (iii) are fully grounded in the specification; (iv) except when absolutely necessary, makes no references to the specification or the drawings when describing the characteristics of the invention, such as “*as set forth in the specification*” or “*as shown in the drawings*”; (v) when the application contains drawings of its technical characteristics, this must be accompanied by the respective reference indicators in brackets as shown in the drawings, if deemed necessary for a proper understanding thereof, noting that such reference indicators impose no constraints on the claims; (vi) are worded with no bullet point interruptions; (vii)

have no segments explaining the functioning, advantages and simple use of the object, as this will not be accepted.

d. Method and process claims

Certain methods, such as business methods and mathematical methods, for example, as well as natural biological processes, are not patentable subject matter. While methods of treatment and diagnosis are not patentable subject matter, second medical use and Swiss-type claims are allowed.

5. Application formalities

Application formalities to obtain a patent:

- *Petition (with details from the Applicant and the inventors),
- Specification;
- *Title of the invention;
- *One or more claims;
- One or more drawings –if necessary-;
- *Abstract;
- Power of Attorney;
- *Payment of fees;
- Certified copy of the priority application
- Genetic resource access number, if applicable;
- Information on traditional knowledge origin, if applicable;
- Number of biologic deposit certificate, if applicable, and the name of the deposit authority (this information must be included in the specification); and
- Copy of assignment;

*Items marked with an asterisk are requested to obtain a filing date. Remaining items can be filed later.

6. SME (small and medium entity) criteria triggering special filing benefits

The fees charged by the Brazilian PTO are up to 60% lower for natural persons, local small companies, research institutions, NGOs, and government entities. There is a pilot program created by the Brazilian PTO to allow local small companies to request expedited examination.

7. Opposition system

Until the end of the examination, interested third parties are allowed to file documents and arguments with the objective of assisting the Brazilian PTO with the examination of a specific application, that is, third parties can file arguments and documents to sustain a particular application should be rejected. Typically, the Brazilian PTO will take into consideration the arguments and evidence presented by a third party – and any response filed by the applicant – during examination. A post-grant opposition proceeding is also available and can be initiated by the Brazilian PTO or by any interested third party within 6 (six) months counted from the grant of the patent.

8. Examiner interviews

Examiner interviews are allowed and may increase the chances of obtaining patent protection.

9. Protection provided by pending applications

There is no protection provided by pending applications and the enforcement of patent rights is done after the patent is issued by the Brazilian PTO. However, it is possible to request damages for acts of infringement occurred after the date of publication.

10. Patent term and extensions

The patent term for an invention is 20 years counted from the filing date or, in case this benefits the patent owner, 10 years counted from grant. The patent term for utility models is 15 years counted from the filing date or, in case this benefits the patent owner, 7 years counted from grant. This statutory provision is particularly relevant in view of the backlog at the Brazilian PTO. Patent term extensions are not available.

11. Expedited examination

Expedite examination is available for technologies related to the treatment of certain diseases, for green technologies, for the elderly or people suffering from certain physical or mental conditions or suffering from certain serious diseases, in case of national emergency or in view of public interest. There are also pilot programs making expedited examination available for small companies and for applications originally filed in Brazil. Finally, there is also a pilot program implementing the Patent Prosecution Highway agreement between the USPTO and the Brazilian PTO.

12. Claim Amendments

According to the Brazilian PTO, in order to better clarify or define a patent application, the applicant may file a claim amendment up to the request for examination, provided that they are limited to the subject matter initially disclosed in the application.

13. Divisional practice

A patent application may, until the end of examination, be divided into two or more applications, provided that the divisional application makes specific reference to the original application, and does not exceed the matter disclosed in the original application. Divisional applications will have the filing date of the original application and the benefit of the priority of the latter, if any. Each divisional application will be subject to payment of the corresponding fees.

14. Provisional applications

Provisional applications are not available.

LITIGATION

1. Patent Infringement

A patent owner has the right to prevent third parties from manufacturing, using, offering for sale, selling or importing for such purposes without his consent (i) a product that is the subject of a patent; (ii) a process, or product directly obtained by a patented process – with regard to the enforcement of methods or process patents, the defendant has the burden of proving that the product was obtained by a manufacturing process different from the one covered by the patent. The Brazilian IP statute expressly allows the

patent owner to prevent third parties from using means equivalent to the subject matter claimed by the patent.

The following are *not* considered patent infringement: (i) acts practiced by unauthorized third parties privately and without commercial interest, provided they do not harm the economic interests of the patentee; (ii) acts practiced by unauthorized third parties for experimental purposes, related to studies or to scientific or technological research; (iii) the preparation of a medicine according to a medical prescription for individual cases, executed by a qualified professional, as well as the medicine thus prepared; (iv) a product manufactured in accordance with a process or product patent that has been placed on the internal market directly by the patentee or with his consent; (v) third parties who, in the case of patents related to living matter, use, without economic interest, the patented product as the initial source of variation or propagation for obtaining other products; (vi) third parties who, in the case of patents related to living matter, use, place in circulation or commercialize a patented product that has been introduced lawfully onto the market by the patentee or his licensee, provided that the patented product is not used for commercial multiplication or propagation of the living matter in question; and (vii) acts practiced by unauthorized third parties relating to the patented invention carried exclusively to produce information, data and test results to seek market approval in Brazil or abroad, in order to exploit or commercialize the patented product after the patent expires.

a. Types of infringement

- Direct infringement.
- Indirect infringement (both inducement and contributory infringement).

b. Procedural options

A patent owner may file civil or criminal actions to stop or prevent infringement acts. Infringement actions are filed before state trial courts. Certain states have trial courts specialized in dealing with IP cases.

Typically, an infringement action has the following stages:

- Preparation and filing of the complaint and request for preliminary *ex parte* injunctive relief;
- Decision on whether to grant or reject the request for preliminary injunction – an interlocutory appeal can be filed to challenge the decision that granted or rejected the preliminary injunction;
- Service of complaint to the defendant and mandatory settlement hearing;
- Response from the defendant;
- Reply from the plaintiff;
- Expert examination;
- Closing arguments;
- Decision on the merits from the trial court.

After a decision on the merits, the losing party often files an appeal before the appellate court. Even after the appellate court issues a decision on the merits, it is possible to file further appeals before the Superior Court of Justice and/or the Supreme Court.

2. Standing

The patent owner – and, under certain circumstances, the licensee – has standing to file a patent infringement action. Declaratory judgment actions of non-infringement are also available and can be used as a forum-shopping strategy or to prevent the patent owner from taking the initiative and obtaining a preliminary *ex parte* injunction.

lawsuits seeking damages is 3 years. While the Civil Code is a more recent statute, the IP statute is more specific, and courts are still struggling on whether to apply the 3 years or the 5 years statute of limitations for infringement actions and as limit on damage claims.

3. Judges' level of IP expertise

Certain jurisdictions, such as the State of Rio de Janeiro, for example, have business courts specialized in dealing with IP cases and have experience handling patent litigation. Other courts, however, rarely deal with patent infringement actions and most judges have no expertise in patent law – a subject that is not taught in most law schools in the country. Therefore, an important step of litigating in Brazil is educating the judge randomly assigned to handle the case about the basics of patent law, which can be done during in-chambers meetings and in the briefs filed before the judge

4. Litigation delay

There are no official statistics on the duration of patent infringement actions in Brazil, which heavily depends on the jurisdiction, the complexities of each case, and the strategies adopted by the parties. It normally takes from 24 hours to a couple of weeks until the trial court issues a decision on the request for preliminary *ex parte* injunctive relief. However, it typically takes from two to four years until the state trial court is able to issue a decision on the merits. An appellate court typically takes two or three years to decide the merits of the appeal filed by the losing party.

5. Statute of Limitations and Limits on damage claims

This issue is still unsettled in Brazil. The IP Statute, enacted in 1996, specifically regulates the statute of limitations for IP infringement actions: 5 years. However, the Civil Code, a much broader statute enacted in 2002, establishes that the statute of limitations for

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim relief

i. Ex-parte remedies

Preliminary *ex parte* injunctions are widely available and sometimes can be obtained in less than 24 hours after the infringement action is filed, before the defendant is served with the summons. Injunctive relief often consists in search and seizure orders and court decisions ordering the defendant to immediately cease any infringement activity. In order to obtain preliminary *ex parte* injunctive relief, the plaintiff must show likelihood of prevailing on the merits and that the plaintiff may suffer irreparable harm in case injunctive relief is not granted.

ii. Bonds

Posting a bond is not a requirement for obtaining preliminary *ex parte* injunctive relief. However, a judge has a lot of discretion to request the plaintiff to post a bond in case he thinks is necessary to cover any harms eventually caused by the injunction.

iii. Revocation procedures

In case the trial court decides to grant preliminary injunctive relief, the defendant can file an interlocutory appeal requesting the appellate court to immediately stay the effects of the injunction and ultimately revoke the decision issued by the lower court. The defendant can also file a motion for reconsideration before the judge that granted injunctive relief with the objective of convincing the judge to revoke his own decision.

7. Patent Invalidity

a. Standing

The Brazilian PTO or any person with legitimate interest can file an invalidity action.

b. Procedure (bifurcated or before the same court adjudicating infringement)

Brazil has a bifurcated system. Invalidation actions are decided by federal district courts, since such lawsuits must include the Brazilian PTO (a federal agency) as a mandatory co-defendant. Infringement issues are decided by state trial courts. According to the current case law, invalidity cannot be raised as a defense in an infringement action, and must be decided in a separate lawsuit filed in federal courts.

8. Discovery, pre-trial procedures and other requirements

While there is no US-style discovery system, the Federal Rules for Civil Procedure establishes different possibilities for obtaining or preserving evidence, such as search and seizure of infringing products or accounting information from the defendant, for example.

9. Evidentiary support

The parties can produce witness testimony, expert opinions, documental evidence, depositions, site inspections, amongst others.

d. Burden of proof

Typically, the burden of proof normally lies on the plaintiff. With regard to the enforcement of methods or process patents, the defendant has the burden of proving that the product was obtained by a manufacturing process different from the one covered by the patent. Also, in an invalidity lawsuit, if the Brazilian PTO sides with the plaintiff and argues that the patent is indeed invalid, the defendant may have a *de facto* burden of establishing that the patent meets the patentability requirements and is valid.

e. Expert evidence

Expert evidence is extremely important in both infringement and invalidity actions. The parties can submit as many technical opinions as they want. Typically, a court-appointed expert will be requested to answer questions raised by each party and by the judge about the technical aspects of the case.

f. Witnesses

Oral testimonies and depositions are normally less important than written technical opinions and expert examination, but can be used strategically by the parties to prove the allegations made during the litigation.

10. Damages

Damages can be calculated based on (i) lost profits, (ii) profits made by the defendant, or (iii) reasonable royalties, whichever is more favorable for the plaintiff.

11. Appellate practice

The losing party has the right to file an appeal before the appellate court (*de novo* review). Further appeals can be filed before the Superior Court of Justice, in case the lower court decision violates any federal statutes, and before the Supreme Court, in case it violates the Constitution. Certain interlocutory decisions, such as a decision granting or rejecting a request for preliminary injunctive relief, for example, can be challenged by an interlocutory appeal filed before the appellate court.

12. Settlement and alternative dispute resolution

Parties may voluntarily settle infringement cases. Parties can only settle invalidity lawsuits if the Brazilian PTO, which is a mandatory co-defendant, agrees with the settlement. Mediation and arbitration are widely available, but are rarely used in infringement and

invalidity actions. In any lawsuit, a settlement hearing is often a pre-trial mandatory proceeding.

13. Fee shifting

The losing party is normally ordered to pay a certain amount as attorney fees. However, the amount established by the Federal Rules of Civil Procedure and set by the judge are a very small fraction of the amount actually charged by the attorneys representing the prevailing party.

14. Personal liability upon a finding of infringement

No, except in criminal cases.

15. Antitrust issues

While not common, in the past years several sham litigation complaints were filed before the Brazilian Antitrust Authorities by defendants accused of patent infringement, so it is important that the patent owner frames its case in a way to minimize such risk. The Antitrust Authorities have recently issued a decision condemning a US pharmaceutical company to pay several million dollars for alleged sham litigation related to the enforcement of patents and other IP rights. Antitrust complaints were also used as a strategy by defendants accused of infringing patents covering standard-essential technologies in the telecommunications industry.

Trademarks

PROSECUTION

1. Relevant regulations

a. Treaties and Conventions

- TRIPS;
- Paris Convention;
- Nice Classification Agreement;
- Vienna Classification Agreement.

b. Laws

- Statute # 9,279/1996, also known as the Brazilian IP Statute.

c. Examination Guidelines

- Guidelines for Examining Trademark Application, currently under its third review.

2. Types of trademarks

a. Nominative, figurative, combined and three-dimensional

Nominative, figurative, combined and three-dimensional signs can be registered as trademarks. According to the Brazilian IP statute, any visually perceptive distinctive sign, when not prohibited under law, is susceptible of registration as a mark.

b. Audible, olfactory, taste and others

Audible, olfactory, and taste signs cannot be registered as trademarks, since the IP statute only provides for protection of visually perceptive signs.

3. What are the criteria for Distinctiveness and Confusing similarity?

Trademarks must be sufficiently distinct in comparison to others signs. The criteria for analyzing distinctiveness is to compare ideological, phonetic and visual elements, considering the specific class for which it will be registered and prior coexistence in the market.

4. Application formalities

Application formalities include:

- electronic request with information on the applicant and about the mark and the international classification(s) covered by the application;
- power of attorney;
- proof of payment of the official fee.

A trouble free trademark application (without opposition proceedings or rejection decisions) takes approximately two or three years to be analyzed and granted. If pre-grant oppositions are filed or if the application is initially rejected by the Brazilian PTO in its first analyses, a final decision usually takes from 4 to 6 years. Provisional applications are not allowed.

5. Unregisterable marks

The Brazilian IP Statute has a comprehensive list of prohibitions:

I - crests, armorial bearings, medals, flags, emblems, official public distinctions and monuments, be they national, foreign or international, as well as any respective designations, figures or imitations;

II - an isolated letter, digit or date, except when sufficiently distinctive;

III - expressions, figures, drawings or any other sign contrary to morals and good customs or which offend a person's honor or image or are an affront to the liberty of conscience, beliefs, religion or to ideas and sentiments worthy of respect and veneration;

IV - designations or acronyms of a public entity or establishment, when registration is not requested by that public entity or establishment;

V - reproductions or imitations of a characteristic or differentiating element of a title of establishment or the name of an undertaking belonging to a third party, which are likely to cause confusion or association with such distinctive signs;

VI - signs of a generic, necessary, common, usual or simply 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 with respect to its nature, nationality, weight, value, quality and moment of production or of giving a service, except when presented in a sufficiently distinctive manner;

VII - signs or expressions used only as a means of advertising;

VIII - colors and their names, except when arranged or combined in an unusual and distinctive manner;

IX - geographic indications, imitations thereof likely to cause confusion or signs that might falsely suggest a geographic indication;

X - signs that suggest a false indication with respect to origin, source, nature, quality or utility of the product or service to which the mark is directed;

XI - reproductions or imitations of official seals, normally adopted for the guarantee of a standard of any type or nature;

XII - reproductions or imitations of signs that have been registered as a collective or a certification mark by a third party, without prejudice to the provisions of article 154;

XIII - names, prizes or symbols of sporting, artistic, cultural, social, political, economic or technical official or officially recognized events, as well as imitations likely to cause confusion, except when authorized by the competent authority or entity promoting the event;

XIV - reproductions or imitations of titles, bonds, coins and bank notes of the Union, the States, the Federal District, the Territories, the Municipalities or of any country;

XV - personal names or signatures thereof, family or patronymic names and images of third parties, except with the consent of the owner, his heirs or his successors;

XVI - well-known pseudonyms or nicknames and singular or collective artistic names, except with the consent of the owner, his heirs or his successors;

XVII - literary, artistic or scientific works, as well as titles protected by copyright and likely to cause confusion or association, except with the consent of the author or owner;

XVIII - technical terms used in the industry, science or art that is related to the product or service to be distinguished;

XIX - reproductions or imitations, in whole or in part, even with additions, of a mark registered by a third party, to distinguish or certify a product or service that is identical, similar or akin, and which are likely to cause confusion or association with the third party's mark;

XX - duplications of marks of a single proprietor for the same product or service, except when, in the case of marks of the same nature, they are presented in a sufficiently distinctive manner;

XXI - necessary, common or usual shapes of a product or of its packaging, or, furthermore, shapes that cannot be disassociated from a technical effect;

XXII - objects that are protected by industrial design registrations in the name of third parties; and

XXIII - signs that imitate or reproduce, wholly or in part, a mark of which the applicant could obviously not fail to have knowledge in view of his activity, and of which the proprietor is established or domiciled in the national territory or in a country with which Brazil

maintains an agreement or guarantees reciprocity of treatment, if the mark is intended to distinguish a product or service that is identical, similar or akin, and is likely to cause confusion or association with such third party mark.

6. Famous and Well-known marks

Famous and well-known marks are protected according to the Paris Convention and TRIPS Agreement rules. The Brazilian IP Statute establishes that marks registered in Brazil and considered to be famous will be guaranteed special protection, in all fields of activity. The Brazilian IP Statute also establishes that marks that are well-known in their field of activity in the terms of the Paris Convention will enjoy special protection, independently of whether they have been previously filed or registered in Brazil.

7. Previous user rights

The Brazilian IP Statute establishes that any person who in good faith at the date of priority or of the application was using an identical or similar mark for at least 6 (six) months in the country, to distinguish or certify a product or service that is identical, similar or akin, will have preferential right to registration. This right can only be claimed in an opposition proceeding. Therefore, a previous user has a 60-day term from the publication date of a new trademark application to file an opposition based on this article.

8. Geographical Indications

While geographic indications cannot be registered as trademarks, they are protectable under a special title granted by the Brazilian PTO.

9. SME (small and medium entity) criteria triggering special filing benefits

The fees charged by the Brazilian PTO are up to 60% lower for natural persons, local small companies, research institutions, NGOs, and government entities.

10. Opposition system

Both pre-grant and post-grant oppositions procedures are available. After a trademark application is filed, it will be published for opposition purposes. From this publication, interested third parties have 60 days to file pre-grant oppositions. The filing of an oppositions will be published in the official gazette within 6-12 months and the applicant will have 60 days to file a response. Once the trademark registration is granted, interested third parties have 180 days to initiate post-grant opposition proceedings. The trademark owner will be notified to present a response within 60 days. A decision issued by the Brazilian PTO is final and can only be challenged in courts. A post-grant opposition proceeding is also available and can be initiated by the Brazilian PTO or by any interested third party within 6 (six) months counted from the grant of the trademark registration.

11. Examiner interviews

Examiner interviews are allowed and may increase the chances of obtaining registration.

12. Protection provided by pending applications

The Brazilian IP Statute guarantees a certain level of protection arising from pending applications by establishing that the applicant has the right to take care for the integrity and reputation of the mark covered by the application. Unregistered trademarks are also protected based on unfair competition provisions.

13. Domain name registration

Domain names can be easily registered. The entity responsible for regulating domain names is the Brazilian Internet Steering Committee (CGI.br), and the entity in charge of implementing the decisions from CGI is the Brazilian Network Information Center (NIC.br), which has a specific department (Registro.br) in charge of registering domain names in the country. Domain names are registered on a first to file basis.

LITIGATION

1. Trademark Infringement

The Brazilian IP Statute establishes that trademark registration provides the owner with the exclusive right to use the trademark. Therefore, the owner has the right to prevent any unauthorized use of identical or similar marks in the country. Reproducing a registered mark, as well as importing, exporting, selling, offering for sale, hiding or storing products with an equal or similar registered mark may be considered trademark infringement.

a. Types of infringement

- Direct trademark infringement.

- Indirect trademark infringement (inducement or contributory infringement) is not specifically contemplated in the Brazilian IP Statute.

b. Procedural options

A trademark owner may file civil or criminal actions to stop or prevent infringement acts. Infringement actions are filed before state trial courts. Certain states have trial courts specialized in dealing with IP cases.

Typically, an infringement action has the following stages:

- Preparation and filing of the complaint and request for preliminary *ex parte* injunctive relief;
- Decision on whether to grant or reject the request for preliminary injunction – an interlocutory appeal can be filed to challenge the decision that granted or rejected the preliminary injunction;
- Service of complaint to the defendant and mandatory settlement hearing;
- Response from the defendant;
- Reply from the plaintiff;
- Production of evidence stage;
- Closing arguments;
- Decision on the merits from the trial court.

After a decision on the merits, the losing party often files an appeal before the appellate court. Even after the appellate court issues a decision on the merits, it is possible to file further appeals before the Superior Court of Justice and/or the Supreme Court.

2. Standing

The trademark owner – and, under certain circumstances, the licensee – has standing to file a trademark infringement action. Declaratory judgment actions of non-infringement are also available and can be used as a forum-shopping strategy or to prevent the trademark owner from taking the initiative and obtaining a preliminary *ex parte* injunction.

3. Judge’s level of IP expertise

Certain jurisdictions, such as the State of Rio de Janeiro, for example, have business courts specialized in dealing with IP cases and have experience handling trademark litigation. Other courts, however, do not deal as often with trademark infringement actions and most judges have little expertise in trademark law – a subject that is not taught in most law schools in the country. While trademark actions are more common than patent infringement actions, and the judges’ level of expertise in trademark law is usually higher in comparison with their expertise in patent law, often an important step of litigating in Brazil is to educate the judge randomly assigned to handle the case about the basics of trademark law. This can be done during in-chambers meetings and in the briefs filed before the judge

4. Litigation delay

There are no official statistics on the duration of trademark infringement actions in Brazil, which heavily depends on the jurisdiction, the complexities of each case, and the strategies adopted by the parties. It normally takes from 24 hours to a couple of weeks until the trial court issues a decision on the request for preliminary *ex parte* injunctive relief. However, it typically takes from one to three years until the state trial court is able to issue a decision on the merits. An appellate court typically takes from one to three years to decide the merits of the appeal filed by the losing party.

5. Statute of Limitations and Limits on damage claims

This issue is still unsettled in Brazil. The IP Statute, enacted in 1996, specifically regulates the statute of limitations for IP infringement actions: 5 years. However, the Civil Code, a much broader statute enacted in 2002, establishes that the statute of limitations for lawsuits seeking damages is 3 years. While the Civil Code is a more recent statute, the IP statute is more specific, and courts are still struggling on whether to apply the 3 years or the 5 years statute of limitations for infringement actions and as limit on damage claims. The statute of limitations for filing an invalidity lawsuit is 5 years counted from the date registration is granted by the Brazilian PTO.

6. Actions and remedies against trademark infringement

a. Preliminary injunctions and other pre-trial or interim relief

i. Ex-parte remedies

Preliminary *ex parte* injunctions are widely available and sometimes can be obtained in less than 24 hours after the infringement action is filed, before the defendant is served with the summons. Injunctive relief often consists in search and seizure orders and court decisions ordering the defendant to immediately cease any infringement activity. In order to obtain preliminary *ex parte* injunctive relief, the plaintiff must show likelihood of prevailing on the merits and that the plaintiff may suffer irreparable harm in case injunctive relief is not granted.

ii. Bonds

Posting a bond is not a requirement for obtaining preliminary *ex parte* injunctive relief. However, a judge has a lot of discretion to request the plaintiff to post a bond in case he thinks is necessary to cover any harms eventually caused by the injunction.

iii. Revocation procedures

In case the trial court decides to grant preliminary injunctive relief, the defendant can file an interlocutory appeal requesting the appellate court to immediately stay the effects of the injunction and ultimately revoke the decision issued by the lower court. The defendant can also file a motion for reconsideration before the judge that granted injunctive relief with the objective of convincing the judge to revoke his own decision.

7. Trademark Invalidity

a. Standing

The Brazilian PTO or any person with legitimate interest can file an invalidity action.

b. Procedure (bifurcated or before the same court adjudicating infringement)

Brazil has a bifurcated system. Invalidity actions are decided by federal district courts, since such lawsuits must include the Brazilian PTO (a federal agency) as a mandatory co-defendant, and must be filed within 5 years counted from the registration of the trademark by the Brazilian PTO. Infringement issues are decided by state trial courts.

8. Discovery, pre-trial procedures and other requirements

While there is no US-style discovery system, the Federal Rules for Civil Procedure establishes different possibilities for obtaining or preserving evidence, such as search and seizure of infringing products or accounting information from the defendant, for example.

9. Evidentiary support

The parties can produce witness testimony, expert opinions, documental evidence, depositions, site inspections, amongst others.

a. Burden of proof

Typically, the burden of proof lies on the plaintiff. In an invalidity lawsuit, if the Brazilian PTO sides with the plaintiff and argues that the trademark is indeed invalid, the defendant may have a *de facto* burden of establishing that the trademark meets the requirements for registration.

b. Expert evidence

Parties can submit as many expert opinions or surveys as they want. Differently from patent cases, it is not common to have a court-appointed expert answering questions in trademark cases.

c. Witnesses

Oral testimonies and depositions are normally less

important than other types of evidence, but can be used strategically by the parties to prove the allegations made during the litigation.

10. Damages

Damages can be calculated based on (i) lost profits, (ii) profits made by the defendant, or (iii) reasonable royalties, whichever is more favorable for the plaintiff.

11. Appellate practice

The losing party has the right to file an appeal before the appellate court (*de novo* review). Further appeals can be filed before the Superior Court of Justice, in case the lower court decision violates any federal statutes, and before the Supreme Court, in case it violates the Constitution. Certain interlocutory decisions, such as a decision granting or rejecting a request for preliminary injunctive relief, for example, can be challenged by an interlocutory appeal filed before the appellate court.

12. Settlement and alternative dispute resolution

Parties may voluntarily settle infringement cases. Parties can only settle invalidity lawsuits if the Brazilian PTO, which is a mandatory co-defendant, agrees with the settlement. Mediation and arbitration are widely available, but are rarely used in infringement and invalidity actions. In any lawsuit, a settlement hearing is often a pre-trial mandatory proceeding.

13. Fee shifting

The losing party is normally ordered to pay a certain amount as attorney fees. However, the amount established by the Federal Rules of Civil Procedure and set by the judge are a very small fraction of the amount actually charged by the attorneys representing the prevailing party.

14. Personal liability upon a finding of infringement

No, except in criminal cases.

Colombia



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Patents

PROSECUTION

1. Relevant regulations

a. Treaties and Conventions

- PCT (1970)¹, adopted by Law No. 463 of 1998 (4 August)²;
- TRIPS (1994)³, adopted by Law 170 of 1994⁴;
- Paris Convention for the Protection of Industrial Property (1883)⁵, adopted by Law No. 178 of 1994 (28 December)⁶;
- Budapest Treaty on the International Recognition of the Deposit of

¹ <http://www.wipo.int/treaties/en/registration/pct/>

² http://www.wipo.int/wipolex/en/text.jsp?file_id=230579

³ http://www.wipo.int/wipolex/en/other_treaties/details.jsp?group_id=22&treaty_id=231

⁴ <http://www.wipo.int/wipolex/en/details.jsp?id=10133>

⁵ <http://www.wipo.int/treaties/en/ip/paris/>

⁶ <http://www.wipo.int/wipolex/en/details.jsp?id=10129>

Microorganisms for the Purposes of Patent Procedure (1977)⁷ –adopted by Law No. 1515 of 2012⁸–.

b. Laws

- Andean Decision 486 of 2000 (which establishes a Common Industrial Property Regime for all its member countries)⁹;
- Andean Decision 391 of 1996, establishing the Common Regime on Access to Genetic Resources¹⁰.
- Specific regulations (*Circular Única*) from the Superintendence of Industry and Commerce (hereinafter Colombian Patent Office or CPO)¹¹.

c. Examination Guidelines

- Andean Patent Manual¹².
- Examination Guide for Patent and Utility Models from the CPO¹³.

2. Patentable subject matter

Patents are granted for inventions corresponding to products or methods (Article 14 of Decision 486, our IP Law) fulfilling the requirements of novelty, inventive step and industrial applicability.

Non-eligible subject-matter is listed in Articles 15, 20 and 21 of Decision 486, which includes software *per se*, business methods, naturally occurring matter, methods of treatments and second uses.

a. Design and Utility Models

Utility models patents are available in Colombia. Requirements for obtaining utility model protection are less strict than for regular patents as only novelty and industrial applicability must be satisfied. The protection term is also shorter (10 years).

It is important to note that utility model protection is only available for improved devices (methods or compositions of matter cannot be protected through utility models).

Industrial Designs protect ornamental or aesthetic aspects of an article. The protection term for designs is of 10 years. Design applications are not examined. Registration is essentially automatic unless an opposition is filed by a third party or if the examiner detects an evident lack of novelty.

b. Pharma patents

Markush claims

Markush claims are an acceptable claim format in Colombia. As an important note, patent examiners frequently request limiting the scope of Markush formulas to a reasonable generalization of the examples.

i. Biological Material deposits

⁷ <http://www.wipo.int/treaties/en/registration/budapest/>

⁸ <http://www.wipo.int/wipolex/en/details.jsp?id=13497>

⁹ <http://www.wipo.int/wipolex/en/details.jsp?id=9451>

¹⁰ <http://www.wipo.int/wipolex/es/details.jsp?id=9446>

¹¹ <http://www.sic.gov.co/drupal/titulos-circular-unica>

¹² <http://www.comunidadandina.org/public/patentes.pdf>

¹³ http://api.sic.gov.co/Documentos/Guia_Examen_Patentes.pdf

According to the CPO's *Circular Única* and Article 29 of Andean Decision 486, a Deposit of Biological Material is required when the invention relates biological material and the invention cannot be adequately described in order to be understood and reproduced by a skilled person. The deposit must occur on or before the priority date.

Deposits are valid if interested third parties can obtain samples from the deposit authority by the publication of the application.

Deposits should be filed before international authorities recognized under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (1977).

ii. Linkage System

There is no US-style Orange Book linkage system available in Colombia. However, through the Ministry of Health (MoH) recently issued Resolution 3166 of 2015 defining and implementing the Medicaments Data Standard (MDS), as a first step for the development of a National Pharmaceutical Information System (NPIS). This standard creates a Unique Medicines Identifier that will correlate the medicine's common name with its brand and commercial presentation. Additionally, said resolution requires Marketing Authorization (MA) holders, distributors and any other stakeholders of the healthcare system to provide chemical, pharmaceutical, pharmacological, manufacturing, regulatory and commercial information about their medicines. The information that must be disclosed includes patents covering each medicine. All the aforementioned information will be public.

The adoption of the foregoing standard may provide, perhaps unwittingly, a first step toward a more useful and functional linkage system. In practice, this will generate two situations: (i) innovators will be able to list all patents associated with their products; and, (ii) generics in theory will be able to consult this listing.

Although there will be no Orange Book style certification process, innovators will be able to more easily build scenarios where infringements are easier to show and preliminary injunctions easier to obtain.

c. Software patents

Although software as such (understood as lines of code) is non-eligible subject-matter because it is not considered an invention, computer implemented inventions are patentable if they provide a technical contribution, complies with patentability requirements and the invention could be claimed as a product or a process.

3. Determination of Novelty & Inventive step

Novelty and Inventive Step are statutory requirements for granting a patent. An invention is novel when it is not part of the prior art. Prior art includes any public worldwide disclosure (e.g. descriptions, use, offer for sale, etc.) made before the claimed priority date. Solely for the purpose of determining novelty, the prior art includes contents of earlier Colombian pending patent applications, that are eventually published.

The Applicant has a 12 month grace period counted from the priority date against any disclosure attributable to: (i) the inventor or the inventor's assignee; (ii) a competent national office publication of the content of an application filed by the inventor or the inventor's

assignee in contravention of the applicable law; and (iii) a third party who obtained information directly from the inventor or its assignee.

Regarding inventive step, an invention will satisfy this requirements if the examiner cannot show it is obvious or evidently derived from the prior art by a person skilled in the art. Inventive step is usually assessed using the EPO problem-solution approach. In addition, evidence of unexpected or surprising results, as well as secondary indicia of non-obviousness can be used to demonstrate inventive step and may be filed in response to an examination (even if not contained in the specification).

4. Claim drafting recommendations

e. Clarity of claims

It is recommended to avoid functional characteristics and results to be achieved when drafting claims. Article 30 of Decision 486 requires clear and concise claims, entirely supported by the description.

f. Method and process claims

In the case of methods, the key point is to have the inventive steps well defined and characterized. Examiners usually request execution details in the claims (environmental or processing conditions and materials).

5. Application formalities

Application formalities to obtain a patent are listed below:

- *Petition (with details from the Applicant and the inventors),

- *Specification;
- Title of the invention;
- One or more claims;
- *One or more drawings –if necessary-;
- Abstract;
- Power of Attorney;
- *Payment of fees;
- Copy of the applicable GR access contract, when the claimed products or methods have been obtained or developed from genetic resources of the Andean Community (Colombia, Peru, Bolivia or Ecuador);
- Copy of the applicable TK access contract, when the claimed subject-matter was obtained or developed from knowledge; and
- Copy of biologic deposit certificate (if applicable);
- Copy of assignment;
- Status of foreign patent applications for the same subject-matter (if available).

*Items marked with an asterisk are requested to obtain a filing date. Remaining items can be filed later.

A patent application shall only contain one invention or group of closely related inventions. Otherwise, a restriction requirement requesting an election will be made.

Patent prosecution in Colombia currently lasts about 23 months (the CPO is the second fastest office in the world).

Costs for a typical patent process range from USD 2,500 to USD 8,000 (including official and professional fees), according to the complexity of the case and the number of office actions.

6. SME (small and medium entity) criteria triggering special filing benefits

The *Circular Única* of the CPO provides discounts for small and medium entities for filing a new application. Specifically, there is a 25% discount for applications filed by natural persons without financial means, small and medium entities, private or public Colombian Universities recognized by the Ministry of Education and research and development foundations / nonprofit entities. In the case of foreign universities, in co-ownership with the aforementioned entities, these could apply for a 15% discount.

7. Opposition system

Colombia provides a pre-grant opposition system. Interested third parties may file an opposition within 60 days following the publication of the application (extendable for the same term upon request).

The CPO must consider the arguments and evidence provided in an opposition during examination. There is no separate or independent opposition procedure, and thus oppositions do not introduce delay in prosecution exceeding 2-3 months.

Third parties may also file observations providing arguments and evidence to the CPO at any time before final decision, but it is optional to the Office to consider these arguments.

8. Examiner interviews

Examiner interviews are allowed and are easy to obtain (by simply requesting a meeting at the CPO Office). Interviews are highly recommended, as they are useful in a good number of cases to facilitate prosecution and grant.

9. Protection provided by pending applications

There is no protection provided by pending applications. Patent rights in Colombia (and the Andean Community) can only be enforced once the patent has been granted. However, once granted, the patent owner can request damages generated from acts of infringement occurring from the date of publication.

10. Patent term and extensions

The patent term is 20 years from the filing or from the international filing date in the case of PCT National Phase applications.

According to Decree 1873 of 2014, term extensions are available as a compensation to the patent holder for “unreasonable” delays, specifically if prosecution lasted more than 5 years from the filing date or 3 years counted from the examination request date. Pharmaceuticals patents are expressly excluded from receiving extensions.

11. Expedited examination

There are no laws providing accelerated examination, although diligent prosecution could reduce terms significantly. For example, once can request examination as soon as the application is published, exclude non-patentable subject matter before examination and interviewing examiners to discuss options.

Additionally, Patent Prosecution Highway (PPH) programs are available as another option to speed up examination. Colombia has signed PPHs with patent offices worldwide such as the EPO, Japanese, Korean, Spanish and United States Patent Offices and, more recently in the framework of the Pacific Alliance Agreement, with Chile, Mexico and Peru, (particular regulations and implementation for these four last countries has not yet issued).

12. Claim Amendments

Voluntary claim amendments are possible at any time during prosecution, and in any case, before a final decision granting the patent is issued. If the patent is rejected, the claims can further be amended by filing a Reconsideration Action. However, amendments cannot extend the original scope of the invention and must find support in the specification.

13. Divisional practice

The CPO recently issued Resolution 3719 (February 2016), which *inter alia* regulates the filing and prosecution of divisional applications.

Resolution 3719 confirms that divisionals may be filed at any time during prosecution, even after a non-final rejection. Additionally, and perhaps more importantly, parent claim sets must now explicitly carve out the claimed subject matter in the divisional application. However, the claims in the parent and divisional application can be further amended as necessary after filing.

Furthermore, the Specification of the divisional should also be adapted to the scope of the claims upon filing. Although amendments in the Specification of the divisional application could apparently be minor, the Specification should at least reflect to some degree the particular subject-matter that was divided (i.e., removing the subject-matter of the divisional's Specification related to the claims of the parent case).

An important change under Resolution 3719 is that divisional applications from divisionals are not allowed.

14. Provisional applications

Provisional applications are not available under Andean Decision 486.

LITIGATION

1. Patent Infringement

If the patent protects a product, the patent owner can prevent third parties from importing, using, manufacturing, offering for sale or selling the product without consent. In the case of method patents, the patent owner can prevent third parties from using the method or performing the abovementioned acts involving products obtained directly through the protected method.

A patent will be infringed if any of its claims read on an allegedly infringing product or process.

Only literal infringement is contemplated under Andean Decision 486. However, judges are prone to give expansive interpretations of key elements when they feel it is equitable. The doctrine of equivalents has not been recognized in Colombia.

a. Types of infringement

- Direct infringement.
- Indirect infringement (inducement or contributory infringement) is not specifically contemplated. However, Article 238 of Decision 486 allows patent enforcement against individuals who execute acts that present imminence of infringement. Under a broad interpretation of the article, patent holder may pursue an action, indicating that

the inducement presents a high risk of infringement.

b. Procedural options

A patent holder may pursue civil or criminal action to stop or prevent infringement acts.

Civil infringement actions may be filed before civil court judges or before the CPO’s Judicial Division (JD). Currently, Colombia is implementing an expedited oral procedure, which is being implemented gradually in the Civil Circuit Courts and is already implemented in the CPO’s JD. The CPO has become the principal venue to litigate infringements as a civil matter since it has proven to be a very effective and reliable way to enforce patents.

Normally, a civil patent infringement action has the following stages:

- Preliminary injunction request (ex parte);
- Preparation and filing of the complaint;
- Admission and service of complaint to the defendant;
- Reply from the defendant;
- Conciliation hearing, evidence gathering and oral closing arguments;
- Mandatory prejudicial interpretation of applicable Andean law before the Andean Court of Justice (ACJ); and
- Final ruling.

Regarding Criminal actions, the Attorney General's Office specialized criminal law unit for intellectual property affairs pursues them. The procedure is oral in nature, essentially accusatory, and decided by Criminal Courts. Criminal patent infringements actions are rare.

2. Standing

Legal standing is limited to the titleholder. If there are multiple titleholders, the law allows any of them to sue independently unless otherwise agreed. Declaratory judgements: Although very rare, if the patent holder has not yet filed a patent infringement action, a potential infringer could request a civil judge to declare that its conduct does not infringe the patent rights of the titleholder.

3. Judges’ level of IP expertise

<u>Judges’ level of IP expertise</u> (Qualified from 1 to 3, 3 being the maximum)		
<u>Law</u>	<u>Jurisdiction</u>	<u>Score</u>
<i>Civil</i>	Courts	1
	CPO Judicial Division	3
<i>Criminal</i>	Courts	1
	Attorney General's Office	2
<i>Contentious Administrative</i>	First Section, Council of State	2

4. Litigation delay

According to data published by the CPO, in 2014 a patent infringement case litigated before the CPO and in second instance before a Civil Superior Tribunal could take 3 years to obtain a final decision. The estimated time to reach a first instance decision before

the CPO is 5 to 12 months, while a second instance could take 2 years on average. Preliminary injunctions filed before the CPO can be obtained between 6 to 15 days.

5. Statute of Limitations and Limits on damage claims

According to Article 244 of Decision 486, the time limit for seeking a remedy for patent infringement is of 2 years counted from the date the patent holder had knowledge of the infringement or, in any case, 5 years counted from the date the last act of infringement occurred.

For purposes of calculating the statute of limitations date, it is important to note that the CPO JD does not consider acts of infringement to be continuing, and hence the JD will use the first date infringement.

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim relief

i. Ex-parte remedies

As *ex-parte* remedies, preliminary injunctions are the most efficient way to stop infringement. Injunctive relief consists mainly of orders to seize goods, suspension of importation of products or establishments of a bond.

Preliminary injunctions are reviewed and granted without the participation of the defendant. This obviously provides the plaintiff with a great advantage. Plaintiffs need only show good title and evidence of the

infringement, which can be shown using an expert witness' affidavit.

ii. Bonds

A bond must be offered and posted to cover potential damages caused by the injunction. According to the Colombian procedure law, it is necessary to post a bond equivalent to 20% of the estimated total value of the claims requested by the plaintiff.

iii. Revocation procedures

The defendant could request revocation by filing a reconsideration action against the grant of the injunctive relief. The defendant can suspend the effects of the injunction while the appeal is pending by posting a counter-bond.

The Judge in charge may suspend it at any time considering necessity, reasonability and proportionality of the injunction.

7. Patent Invalidity

a. Standing

According to Article 75 of Decision 486, any person can seek the invalidity of a patent. There is no additional requirement.

b. Procedure (bifurcated or before the same court adjudicating infringement)

Colombia has a bifurcated system. Invalidity cannot be used as a defense within an infringement lawsuit. A

separate lawsuit is required to invalidate the patent, specifically an Annulment Action against the CPO and before the Council of State.

The Council of State is the highest court responsible of reviewing the legality of administrative acts. The purpose of an annulment action is to demonstrate that the resolution that granted the patent was issued in violation of the Colombian Constitution, Decision 486 or any procedural or substantive Colombian law.

8. Discovery, pre-trial procedures and other requirements

Colombian law provides mechanisms enabling pre-trial discovery and other pre-trial procedures, like preliminary injunctions seeking to preserve evidence of infringement. Discovery requests include site inspections, document productions, depositions, witness testimonies or expert opinions.

9. Evidentiary support

Colombian law does not place any limits on the types of evidence admissible in civil procedure. Most commonly used evidence are witness testimony, expert opinions provided by parties, expert opinions ordered and provided by Court, site inspections, documents (including e-docs) and requests for its production.

g. Burden of proof

The burden of proof normally lies on the plaintiff. However, for method claims, the burden can be reversed onto the defendant, who must demonstrate that the infringing method is different from the patented one.

Regarding invalidity trials, burden of proof is carried by the part seeking to invalidate the patent.

h. Expert evidence

Expert evidence is critical in any patent suit, be it infringement or invalidity. Parties may submit their own witnesses and the court may appoint its own. It is typical to submit multiple experts.

10. Damages

Article 243 of Decision 486 provides a variety of alternatives to calculate the compensation for damages, including (i) lost profits and actual damages, (ii) unjust enrichment, and (iii) reasonable royalty. “Punitive damages” are not provided for in Colombian legislation.

Damages claim period includes the time between the date in which patent became public and the granting date.

Very few cases get to the damages stage (a preliminary injunction is often enough).

11. Average lawsuit costs

Costs of a lawsuit vary depending on complexity of a case. For infringement cases, it is reasonable to budget during the lifespan of the litigation –estimated to last two-to-four-years- between USD 75,000 and USD 250,000.

Regarding invalidity suits, the costs will vary depending on the complexity of the case and the type of evidence used. On average the costs can range between USD 100,000 and USD 250,000.

12. Appellate practice

The parties may appeal an adverse decision issued by a trial court before a superior court. Infringement cases, by petition of a party, may eventually be selected to be heard by the Supreme Court.

Invalidity suits are single instance procedure and no appeals are available.

The standard of review for all appeals is *de novo*, although due deference is normally given to findings of fact.

13. Settlement and alternative dispute resolution

Parties may voluntarily settle infringement cases at their convenience.

For invalidity cases, there are no settlement or alternative dispute resolutions available as the defendant is the CPO and the applicable law prevents it.

Regarding arbitration, parties could agree to use this ADR mechanism, and even include alternatives to incorporate invalidity issues.

14. Fee shifting

Attorney fees as set by the national bar are available for the winning parties. The successful litigant may recover these attorney fees by simply requesting the judge to order the losing party to pay. However, in practice the amount set by the bar and recognized by the judge does not correspond to the true invoiced fees.

15. Personal liability upon a finding of infringement

There is personal liability for a conviction in criminal infringement actions.

16. Antitrust issues

IP rights are a legitimate exception to free-market rights. Patent rights, however, are not absolute rights and are limited to the scope of the claims as granted. In that sense, for example, making an unduly broad interpretation of the granted claims could be interpreted by the defendant as an abuse of IP rights, providing an alleged infringer with legal standing to seek relief relying on antitrust arguments. From an antitrust perspective, if the patent holder has a dominant position in a relevant market, sham litigation based on its patent rights could be taken as an abuse of dominant position. To the best of our knowledge, neither the courts nor antitrust authorities have issued a decision in this direction.

Trademarks

PROSECUTION

1. Relevant regulations

a. Treaties and Conventions

- Paris Convention for the Protection of Industrial Property (1883)¹⁴, adopted by Law No. 178 of 1994 (28 December)¹⁵.

¹⁴ <http://www.wipo.int/treaties/en/ip/paris/>

¹⁵ <http://www.wipo.int/wipolex/en/details.jsp?id=10129>

- TRIPS Agreement (1994)¹⁶, adopted by Law 170 of 1994¹⁷.
- The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks¹⁸, adopted by Law No. 1455 of 2011¹⁹.
- The Trademark Law Treaty (TLT) of 1994²⁰ (adopted by means of Law No. 1343 of 2009)²¹.
- Madrid Trademark Agreement (1891)²²
- Nice Classification Agreement (1957)²³.
- Vienna Classification Agreement for figurative trademarks (1973)²⁴.
- General Inter-American Convention for Trademark and Commercial Protection (1929)²⁵.

b. Laws

- Andean Community Decisions 486 of 2000²⁶ (which establishes a Common Industrial Property Regime for all its member countries).
- Specific regulations (Circular Única²⁷) from the Superintendence of Industry and Commerce (hereinafter Colombian Trademark Office or CTO).

¹⁶ http://www.wipo.int/wipolex/en/other_treaties/details.jsp?group_id=22&treaty_id=231

¹⁷ <http://www.wipo.int/wipolex/en/details.jsp?id=10133>

¹⁸ http://www.wipo.int/treaties/en/registration/madrid_protocol/

¹⁹ <http://www.wipo.int/wipolex/en/details.jsp?id=11985>

²⁰ <http://www.wipo.int/treaties/en/ip/tlt/>

²¹ <http://www.wipo.int/wipolex/en/details.jsp?id=7841>

²² <http://www.wipo.int/treaties/en/registration/madrid/index.html>

²³ <http://www.wipo.int/classifications/nice/en/>

²⁴ <http://www.wipo.int/classifications/vienna/en/>

²⁵ http://www.wipo.int/wipolex/en/other_treaties/details.jsp?group_id=21&treaty_id=353

²⁶ <http://www.wipo.int/wipolex/en/details.jsp?id=9451>

²⁷ <http://www.sic.gov.co/drupal/titulos-circular-unica>

c. Examination Guidelines

There is no examination guidelines for trademark prosecution in Colombia or the Andean Community. In some cases, the *Circular Única* of the CTO acts as a guide.

2. Types of trademarks

a. Nominative, figurative, combined and three-dimensional

According to Article 134 of Decision 486, the following signs -among others- may constitute a trademark:

- Words or combination of words;
- Pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels, emblems;
- sounds and smells;
- letters and numbers;
- color with borders to generate a specific shape, a combination of colors;
- shape of a product, its packaging and form;
- Any combination of the mentioned signs in any form.

b. Audible, olfactory, taste and others

Decision 486 of 2000 allows the registration of “non-traditional” trademarks, such as sounds, smells and textures. However, the CTO has a very high standard to grant such types of trademarks. In the case of tactile

trademarks, the CTO recently recognized their registerability.

3. What are the criteria for Distinctiveness and Confusing similarity?

Trademarks must have sufficient level of distinction versus others signs. Generally, trademark distinctiveness is evaluated according to ideological, phonetic and visual elements, considering the class in which it will be registered and prior coexistence in the market (among others). Non-famous trademarks are mainly compared according to these considerations.

4. Application formalities

Application formalities include:

- request;
- the reproduction of the mark, in the case of a word mark with graphic elements, shape or color, or a figurative, mixed or three-dimensional mark with or without color;
- International classification(s) covered by the application;
- Power of Attorney;
- proof of payment of the prescribed fee;
- Authorizations required in the cases provided for in Articles 135 and 136, were applicable; and
- if applicable, the certificate of registration in the country of origin issued by the granting authority and,
- if provided by domestic law, the proof of payment of the prescribed fee where the applicant wishes to avail the right provided in the Article 6^{quinquies} of the Paris Convention.

Trademark registration delay ranges between six to nine months, and in case of an opposition, the delay can reach up to 18 months. If a granting decision is appealed, the delay can extend another six months.

Costs for a typical trademark registration process has an average of US\$ 750, markedly increased if oppositions are filed and the grounds of oppositions involve evidence analysis or planning.

5. Unregisterable marks

Unregisterable marks are mentioned in Article 135, 136 and 137 of Decision 486, and are categorized as absolute and relative. Absolute prohibitions refer specifically to trademarks lacking inherent distinctiveness and signs that may mislead consumers. Relative prohibitions refers to: (i) likelihood of confusion with previously registered or applied for trademarks; (ii) trade names; (iv) copyrighted material; (v) geographical indications; and (vi) well-known signs.

6. Famous and Well-known marks

In order for a famous trademark to be protected it must be well-known in Colombia or in any country of the Andean Community. Famous marks are protected against their use and registration irrespective of whether they are registered (Articles 225 and 231 of Decision 486). Demonstrating that a trademark is well-known is complex and may include direct or circumstantial evidence of the knowledge that consumers may have. The only type of evidence admissible during the administrative process is documentary. If we are dealing with a judicial matter, other types of evidence will be admitted such as testimonies.

Ideal evidence should include top of mind and other marketing research studies, client's certificates, accounting evidence, and proof of the amount and scope of advertising campaigns may also be useful. Evidence must refer specifically to the respective trademark

and the period during which the well-known nature of the mark is sought to be proven.

7. Previous user rights

The titleholder of the trademark cannot pursue an action against a third party that had been using the trademark in good faith prior the trademark application date.

8. Geographical Indications

Geographic indications are protectable. Denominations of origin can be registered according to Articles 201 to 223 of Decision 486.

9. SME (small and medium entity) criteria triggering special filing benefits

The *Circular Única* of the CTO provides discounts of 25% on trademark registrations requested by natural persons without financial means, small and medium entities, private or public Colombian Universities recognized by the Ministry of Education and research and development foundations / nonprofit entities if they complete an industrial property course offered by the CTO and accredit their attendance with a certificate.

10. Opposition system

Colombia, –and in general the Andean Community countries, provides a pre-grant opposition system. A third party may file an

opposition within the 30 working days following the publication of the application in the IP Gazette. Grounds may be absolute or relative prohibitions; the opposing party may argue that the requested trademark lacks inherent (eg, the mark is generic, descriptive, deceiving, commonly used) or extrinsic distinctiveness (eg, the trademark is confusingly similar to a previously applied-for or registered mark, a tradename, a copyrighted material or a well-known sign).

Once the opposition is filed, a formal study is made and if it is accepted for prosecution it will be notified to the applicant, which will have 30 working days to file a reply. The reply can include evidence.

The CTO will issue a final decision on the merits of the case, including an analysis of the grounds of the opposition.

11. Examiner interviews

Examiner interviews are allowed and are easy to obtain (by simply requesting a meeting at the CTO Office). Interviews are highly recommended, being persuasive in a good number of cases for obtaining a trademark and in order to facilitate prosecution.

12. Protection provided by pending applications

Pending trademark application provides protection in priority regarding other similar or equal trademarks that could be registered.

It is worth mentioning that unregistered trademarks may be defended using unfair competition arguments.

13. Domain name registration

Domain name registration in Colombia is regulated by Resolution 1455 of 2003, generally adopting Internet Corporation for Assigned Names and Numbers (ICANN) regulations. The entity responsible for

domain name registration in Colombia is .CO Internet S.A.S., assigned by the government to register the domain name requested by an applicant.

The right of use over a domain name will be entitled to the first natural or legal person (domestic or foreign) requesting it, and subsequently registrations of the same domain names will not be accepted. As for domain allocation requests, will be processed according to the order it was received. Special domains (like governments or international entities) can only be registered by public entities to which they belong.

The validity of a domain name registration may not exceed two years, and may be renewed upon application made within the last month of validity of the registration. As for the cancellation of domain registration, it may occur if:

- It is deemed appropriate for technical or service reasons;
- there is non-compliance in fee payments; and
- authorities orders its cancellation.

Dispute settlement is handled by the Uniform Domain Name Dispute Resolution Policy (UDRP) of the ICANN.

Domain name registration provides to its holder the right of exclusive use and enjoyment, but does not transfer any property right over it.

LITIGATION

1. Trademark Infringement

Trademark registration provides the owner with the exclusive right to use and prevent others from using similar marks. A trademark infringement take place if a non-authorized third party imports, uses, manufactures, offers for sale or sells products and/or services with an equal or similar registered mark.

a. Types of infringement

- Direct trademark infringement.
- Indirect trademark infringement (inducement or contributory infringement) is not specifically contemplated in the Colombian IP Law (Andean Decision 486). However, Article 238 of Decision 486 allows trademark enforcement against individuals who executes acts that present imminence of infringement. Under a broad interpretation of the article, the trademark holder may pursue an action, indicating that the inducement present a high risk of infringement.

b. Procedural options

A trademark holder may pursue civil or criminal action to stop or prevent infringement acts.

Civil infringement actions may be filed before civil court judges or before the CTO's Judicial Division (JD). Currently, Colombia is implementing an expedited oral procedure, which is being implemented gradually in the Civil Circuit Courts and is already implemented in the CPO's JD. The CTO has become the principal venue to litigate infringements as a civil matter since it has proven to be a very effective and reliable way to enforce trademarks.

Normally, a civil trademark infringement action has the following stages:

- Preliminary injunction request (ex parte);
- Preparation and filing of the complaint;

- Admission and service of complaint to the defendant;
- Reply from the defendant;
- Conciliation hearing, evidence gathering and oral closing arguments;
- Mandatory prejudicial interpretation of applicable Andean law before the Andean Court of Justice (ACJ); and
- Final ruling.

Regarding Criminal actions, the Attorney General's Office specialized criminal law unit for intellectual property affairs pursues them. The procedure is oral in nature, essentially accusatory, and decided by Criminal Courts. Criminal trademark infringements actions are rare.

2. Standing

In civil infringements, legal standing is only available for the trademark owner or its co-owners (if applicable). In criminal cases, anyone may file a criminal complaint given that trademark infringement is a crime that could be prosecuted by the Attorney General's Office ex officio.

3. Judge's level of IP expertise

<u>Judges' level of IP expertise</u> (Qualified from 1 to 3, 3 being the maximum)		
<u>Law</u>	<u>Jurisdiction</u>	<u>Score</u>
<i>Civil</i>	Courts	1
	CPO Judicial Division	

		3
<i>Criminal</i>	Courts	1
	Attorney General's Office	2
<i>Contentious Administrative</i>	First Section, Council of State	2

4. Litigation delay

According to data published by the CTO, in 2014 a trademark infringement suit litigated before the CTO and in second instance before a Civil Superior Tribunal could take 3 years to obtain a final decision. The estimated time to reach a first instance decision before the CTO is 5 to 12 months, while a second instance could take 2 years on average. Preliminary injunctions filed before the CTO can be obtained between 6 to 15 days.

5. Statute of Limitations and Limits on damage claims

According to Article 244 of Decision 486, the time limit for seeking a remedy for an infringement is of 2 years counted from the date the trademark holder had knowledge of the infringement or, in any case, 5 years counted from the date the last act of infringement occurred.

For purposes of calculating the statute of limitations date, it is important to note that the CTO JD does not consider acts of infringement to be continuing, and hence the JD will use the first date infringement.

6. Actions and remedies against trademark infringement

a. Preliminary injunctions and other pre-trial or interim relief

i. Ex-parte remedies

As *ex-parte* remedies, preliminary injunctions are the most efficient way to stop infringement. Injunctive relief consists mainly of orders to seize goods, suspension of importation of products or establishments of a bond.

Preliminary injunctions are reviewed and granted without the participation of the defendant. This obviously provides the plaintiff with a great advantage. Plaintiffs need only show good title and evidence of the infringement, which can be shown using an expert witness' affidavit.

ii. Bonds

A bond must be offered and posted to cover potential damages caused by the injunction. According to the Colombian procedure law, it is necessary to post a bond equivalent to 20% of the estimated total value of the claims requested by the plaintiff.

iii. Revocation procedures

The defendant could request revocation by filing a reconsideration action against the grant of the injunctive relief. The defendant can suspend the effects of the injunction while the appeal is pending by posting a counter-bond.

The Judge in charge may suspend it at any time considering necessity, reasonability and proportionality of the injunction.

7. Trademark Invalidity

a. Standing

According to Article 172 of Decision 486, any person can seek the invalidity of a trademark. There is no additional requirement.

b. Procedure (bifurcated or before the same court adjudicating infringement)

Colombia has a bifurcated system. Invalidity cannot be used as a defense within an infringement lawsuit. A separate lawsuit is required to invalidate the trademark specifically an Annulment Action against the CTO and before the Council of State.

The Council of State is the highest court responsible of reviewing the legality of administrative acts. The purpose of an annulment action is to demonstrate that the resolution that registered the trademark was issued in violation of the Colombian Constitution, Decision 486 or any procedural or substantive Colombian law.

8. Discovery, pre-trial procedures and other requirements

Colombian law provides mechanisms enabling pre-trial discovery and other pre-trial procedures, like preliminary injunctions seeking to preserve evidence of infringement. Discovery requests include site

inspections, document productions, depositions, witness testimonies or expert opinions.

9. Evidentiary support

Colombian law does not place any limits on the types of evidence admissible in civil procedure. Most commonly used evidence are witness testimony, expert opinions provided by parties, expert opinions ordered and provided by Court, site inspections, documents (including e-docs) and requests for its production.

a. Burden of proof

In infringement lawsuits, the plaintiff has the burden of proof to establish infringement or dilution. The infringement or dilution is demonstrated if the plaintiff proves the infringement use and the likelihood of confusion.

Regarding invalidity trials, burden of proof is carried by the part seeking to invalidate the trademark registration.

b. Expert evidence

Expert evidence is critical in any trademark suit, be it infringement or invalidity. Parties may submit their own witnesses and the court may appoint its own. It is typical to submit multiple experts.

In invalidity lawsuits experts to interpret surveys are relevant, because it is necessary to controvert the position adopted by the CTO by an expert person.

10. Damages

Article 243 of Decision 486 provides a variety of alternatives to calculate the compensation for damages, including (i) lost profits and actual damages, (ii) unjust enrichment, and (iii) reasonable royalty. “Punitive damages” are not provided for in Colombian legislation.

Very few cases get to the damages stage (a preliminary injunction is often enough).

11. Average lawsuit costs

Costs of a lawsuit vary depending on complex of a case and generally are invoiced on an hourly basis. Reasonable budgets in trademark lawsuits are between USD 15,000 to US\$ 60,000 for a 4 years period, including appeals. If a preliminary injunction is successful, the amount could be reduced to USD 10,000 or less spread out over a year.

12. Appellate practice

The parties may appeal an adverse decision issued by a trial court before a superior court. Infringement cases, by petition of a party, may eventually be selected to be heard by the Supreme Court.

Invalidity suits are single instance procedure and no appeals are available.

The standard of review for all appeals is *de novo*, although due deference is normally given to findings of fact.

13. Settlement and alternative dispute resolution

Parties may voluntarily settle infringement cases at their convenience.

For invalidity cases, there are no settlement or alternative dispute resolutions available as the defendant is the CTO and the applicable law prevents it.

Regarding arbitration, parties could agree to use this ADR mechanism, and even include alternatives to incorporate invalidity issues.

14. Fee shifting

Attorney fees as set by the national bar are available for the winning parties. The successful litigant may recover these attorney fees by simply requesting the judge to order the losing party to pay. However, in practice the amount set by the bar and recognized by the judge does not correspond to the true invoiced fees.

15. Personal liability upon a finding of infringement

There is personal liability for a conviction in criminal infringement actions.

Ecuador



Note from the author: Ecuador is currently revising its intellectual property law. The Ecuadorian guidelines are based on the legislation in the approval process. That legislation is expected to replace the current Intellectual Property (IP) law still in force in that country. We will release an updated version upon the publication of our next edition.

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Patents

PROSECUTION

1. Relevant regulations

a. Treaties and Conventions

WIPO

TRIPS

Paris Convention

PCT (Patent Cooperation Treaty)

b. Laws

Organic Code for the Social Knowledge and Innovation Economy of Ecuador (in force in approximately 2 months)

Decision 486 of the Andean Community of Nations CAN, 2001

c. Examination Guidelines

Within six months from the date of publication of the application, and whether or not oppositions have been filed, the applicant must request examination to determine whether the application is patentable. After this deadline, the application shall be considered abandoned. (Art. 44 of Decision 486 of the Cartagena Agreement)

For such examination the Patent Office may request reports from experts or from scientific or technological bodies considered suitable, to issue opinion on novelty, inventive step and industrial application of the invention. Likewise, when appropriate, the Patent Office may inquire for reports of competent national offices of other countries

If during the examination it is found that the application does not meet any of the requirements, the Patent Office will notify the applicant and within a period of sixty days from the notification a response must be filed; this period may be extended once for a period of thirty additional days. If no response is given or if the answers do not elucidate the problems, the patent will be denied. (Art. 45 of Decision 486 of the Cartagena Agreement)

The Patent Office must also use WIPO's Andean Community Countries manual for examination of patents of invention.

2. Patentable subject matter

In Ecuador a patent shall be granted to all invention, being of products or processes, in all fields of technology, if the invention is new, involves an inventive level and is susceptible of industrial application.

Ecuador allows filing national patent applications as well as conventional or PCT applications.

a. Design and Utility Models

The particular appearance of a product that results from any arrangement of lines or combination of colors, or any two-

dimensional or three dimensional outward shape, line, outline, form, texture, or material, without the intended use or purpose of the said product being thereby changed, shall be considered an industrial design.

The utility model is any new form, configuration or arrangement of components of any device, tool, instrument, mechanism or other object or any of its parts, which allows a better or different operation, use or manufacture of the object, incorporating or that endows it with any utility, advantage or technical effect; and any other new creation susceptible of industrial application that does not enjoy sufficient inventive level to allow the grant of a patent.

b. Pharma patents

Ecuador has been granting patents for pharmaceutical processes

i. Markush claims

Art. 30 of the Andean Decision states that a claim shall specify the subject matter for which patent protection is sought. They must be stated clearly and concisely and be fully substantiated by the description. Markush claims are not allowable in Ecuador

ii. Biological Material deposits

Where the invention refers to a product or a process involving biological material and the invention cannot be understood and carried out, as described, by a person skilled in the art, it must be accompanied by a deposit of the said material.

The material shall be deposited by the filing date in the Member Country or, where priority is claimed, the date of application. Deposits with an international authority recognized under the 1977 Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure or any other institution acknowledged by the competent national office as appropriate for this purpose shall be valid. In such cases, the name and address of the depositary institution, the date of deposit, and the number assigned by that institution to the

deposit should be included in the description.

The deposit of biological material shall be valid for granting a patent only if it is carried out in such a way that any interested person may obtain samples of that material by the date of expiration of the period stipulated in article 40, at the latest.

iii. Linkage System

There is no US-style Orange Book linkage system available in Ecuador. However, through the Presidential Decree No. 522 of January 15, 2015 the President modified the way pharmaceuticals have to be labeled, depending on the patent status. If the patent is in force the labeling may contain a trademark, but if the patent has expired the labeling must primarily feature the ICD and the designation "Generic Medicine".

c. Software patents

According to article 104 and 131 of the Organic Code for the Social Knowledge and Innovation Economy of Ecuador, computer programs are protected as intellectual works as Copyright. However, if the computer program or software is part of an industrially applicable invention, then the software will be protected as a part in the patent of invention.

3. Determination of Novelty & Inventive step

An invention is new when it is not in the prior art (technical status). An invention has inventive level if it would not have been obvious, or obviously derived from prior art, to a person skilled in the technical field concerned. An invention is considered that it has industrial application where its subject matter may be produced or used in any productive activity, including services.

4. Claim drafting recommendations

g. Clarity of claims

Claims shall specify the subject matter for which patent protection is

sought. They must be stated clearly and concisely and be fully substantiated by the description.

Claims may be independent or dependent. A claim shall be independent when it defines the subject matter in respect of which protection is sought without referring to any previous claim. A dependent claim, on the other hand, defines the subject matter for which protection is sought by referring to a prior claim. A claim referring to two or more previous claims is considered a multiple dependent claim.

h. Method and process claims

In the case of methods or process, the key point is to have the inventive step well defined and characterized.

5. Application formalities

According to article 280 of the new Ecuadorian Intellectual Property Law, with the application, the applicant must submit the followings documents.

- i. Title or name of the invention with a description of same, a summary of same, one or more claims and the necessary plans and drawings; When the invention refers to biological material, which may not be duly detailed in the description, such material shall be deposited in an institution authorized by IEPI for that purpose;
 - i. The description must be sufficiently clear and complete to allow a capable person on the corresponding technical matter to be able to execute it.
- b) The voucher for payment of the corresponding fees;

6. SME (small and medium entity) criteria triggering special filing benefits

Presently, a discount of 90% apply to all official fees for patent procedures and maintenance for small and medium enterprises (PYMES), universities that are legally recognized in the country,

independent inventors, public institutions, small and medium farmers, businesses of popular and solidarity economy.

7. Opposition system

The opposition procedure is the following:

- a) An extract of the application shall be published in the Gazette of Intellectual Property
- b) Within a 60 days term after the publication, whoever has a legitimate interest can file an opposition against the patentability of the invention.
- c) If an opposition is filed, the National Office shall notify the applicant giving term to respond to the opposition in the following 60 days after the notification.
- d) Within 6 months from the publication in the Gazette of Intellectual Property, the applicant must request before the Patent Office the patentability examination to determine if the invention is patentable.

8. Examiner interviews

Examiner interviews are allowed, but this is only an accustomed practice, because this is not part of the process.

9. Protection provided by pending applications

The patent rights are only enforceable once the patent has been granted by the Patent Office.

10. Patent term and extensions

Patents shall have a term of twenty years counted from the filing date of the corresponding application in the Member Country.

11. Expedited examination

It is not possible to expedite examination. Ecuador is negotiating a Patent Prosecution Highway Treaty with some South American countries. This will be defined in the next year.

12. Claim Amendments

According to article 34 of the Andean Decision 486, the applicant for a patent may, at any time during the registration process, request the modification of the application, but that modification may not involve extending the scope of protection beyond the use indicated in the initial application. The applicant may, likewise, request the correction of any material error.

Claims can also be amended when answering official actions or third parties oppositions.

13. Divisional practice

Applicants may, at any time during the processing, divide their applications into two or more divisional applications, but none of these may have the effect of extending the scope of protection beyond the use indicated in the initial application.

The competent national office may, at any time during the process, ask the applicant to divide the application if it fails to comply with the requirement for the unity of the invention.

Each divisional application shall be entitled to keep the original filing date or, where priority is claimed, the initial date of application. Where multiple or partial priorities are claimed, the applicant or the competent national office shall state what priority date or dates shall be applicable to the subject matters that each of these divisional

applications shall cover.

14. Provisional applications

There is no provisional application under the Ecuadorian Law, however, any inventor who has under development a project of invention and requires experimenting or building any mechanism which obligates him to make public his idea, may apply for **the certificate of protection** conferred directly by the National Industrial Property Bureau, for the term of one year preceding the date of presentation of his patent application. The titleholder of the certificate of protection shall enjoy the right of priority to submit his patent application within the year following the date of concession of the certificate.

LITIGATION

1. Patent Infringement

a. Types of infringement

The patent confers to the owner of a patent the right to exploit the invention exclusively and impede that third parties would perform without his consent any of the following acts:

- a) Manufacture the patented product;
- b) Offer for sale, sell or use the patented, imported, or stored product for any of these purposes;
- c) Employ the patented procedure;
- d) Execute any of the acts indicated in items a) and b) with respect to a product obtained directly thorough the patented procedure;

However, the holder of a patent may not exercise the previous rights in the following cases:

- a) When the use would take place in a private environment, and

on a non-commercial scale;

b) When the use would take place with non-profit ends, an experimental, academic or scientific level;

c) The act contained in the article 5 of the Paris Convention for the Protection of Industrial Property;

d) When the patent protects biological material capable of reproduction, use it as an initial basis for obtaining new viable material, unless such material requires repeated use of the patented entity; or,

c) When it deals with the importation of a patented product, which has been placed into trade in any country, with the consent of the titleholder of a license or of any other person authorized for such purpose.

b. Procedural options

You have administrative and jurisdictional actions. The most effective way for a patent owner to enforce its rights in Ecuador is with the administrative protection of industrial property rights.

2. Standing

The legal standing in Ecuador is limited to the titleholder, but if the patent holder has not yet filed a patent infringement action, a potential infringer could request a negative enforcement action to declare that its conduct does not infringe the patent rights of the titleholder.

3. Court system

In Ecuador you have two ways to enforce the rights granted by a patent. The first one is the Administrative Stage and the second one is the Jurisdictional Stage.

a. Nature of the courts

Administrative Stage: The authority in charge of this stage is the National Director of the Industrial Property of the Intellectual Property Office, and in the appeal by the Intellectual Property Committee.

Jurisdictional Stage: The competent judge is the one of the place where the defendant is located or of the place where the infringement has its effects

b. Judges' level of expertise

Administrative Stage: You should expect a medium-high level of expertise at this stage.

Jurisdictional Stage: You should expect a low level of expertise at this stage.

4. Litigation delay

The estimated time to reach a first instance decision in an administrative stage is 5 to 6 years.

5. Statute of Limitations and Limits on damage claims

According to Article 244 of Decision 486, the time limit for seeking a remedy for patent infringement is of 2 years counted from the date the patent holder had knowledge of the infringement or, in any case, 5 years counted from the date the last act of infringement occurred.

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim relief

In Ecuador, it is possible to obtain preliminary injunctions in two ways: (1) when the demand contents proof on specific and consistent evidence to reasonably presume the actual or imminent violation of intellectual property rights; and, (2) when,

during the inspections is proven, even presumptively the violation of a intellectual property right.

i. Ex-parte remedies

Ex-parte remedies are the most effective and efficient ways to stop infringement.

ii. Bonds

The authority can take an injunctive relief, which include:

- a) The seizing and deposit of merchandise and other objects violating rights on patents, trademarks or other forms of intellectual property.
- b) The temporary closure of the establishment of the alleged offender when it becomes necessary to prevent the continuation of the alleged infringement

iii. Revocation procedures

The Preliminary injunctions may be confirmed or revoked in the final resolution.

7. Patent Invalidity

There is the option to file for reconsideration in order to nullify the registration of a patent. This reconsideration can be filed in the following cases:

- a) If the subject of the patent does not constitute an invention, according with the Ecuadorian Intellectual Property Law.
- b) If the patent was granted for a non patentable invention;
- c) If it was granted in favor of whom is not the inventor;
- d) If a third party in good faith, before the date of presentation of the application for concession of the patent or claimed priority, was in the country manufacturing the product or using the processes for commercial purposes or would have made serious preparations to carry on manufacturing or use for such purposes; and,
- e) If the patent would have been granted with any other violation of

the Law, which substantially had induced to its concession or would have been obtained on the basis of false or erroneous data, information or description.

a. Standing

The legal standing in Ecuador to nullify a patent is limited to everyone who can prove any of the cases described in the previous number.

b. Procedure (bifurcated or before the same court adjudicating infringement)

The procedure may be bifurcated. An infringement process take place before the National Direction of Industrial Property while an Invalidity process take place before the Committee of Intellectual Property.

8. Discovery, pre-trial procedures and other requirements

The Organic Code for the Social Knowledge and Innovation Economy of Ecuador provides pre-trial discovery and procedures, either to preserve evidence of infringement or identify the infringer.

9. Evidentiary support

i. Burden of proof

In Ecuador, in a trial, the person who said something has to prove what he alleged. The exception in patents is for method patents where the burden of proof is reversed onto defendant.

ii. Expert evidence

The expert witnesses can provide reports that help the judges to resolve the case.

These reports are based on the questions or the requests made by the parties involved in the case.

iii. Witnesses

Parties may present their own witnesses and the court may appoint its own.

10. Damages

In order to obtain damages from the losing party you have to initiate an independent civil action.

11. Average lawsuit costs

The professional fees in a first instance decision may be between US15,000.00 to US20,000.00.

12. Appellate practice

Any party should have the right to appeal a resolution, if the party feels that the resolution is not fair or violates a law.

13. Settlement and alternative dispute resolution

The arbitration in IP is not available in Ecuador, however the parties can mediate to settle the case outside the courts.

14. Fee shifting

The national bar sets attorney fees, and those are not set according to the reality.

15. Personal liability upon a finding of infringement

There is no personal liability in patent infringement cases.

16. Antitrust issues

According to the Ecuadorian antitrust law any kind of abuse of an intellectual property right to prevail in the market is considered as unfair competition.

Trademarks

PROSECUTION

1. Relevant regulations

a. Treaties and Conventions

- TRIPS
- Paris Convention
- WIPO
- NICE
- CAN

b. Laws

- Organic Code for the Social Knowledge and Innovation Economy of Ecuador (in force in approximately 2 months)
- Decision 486 of the Andean Community of Nations CAN, 2001

c. Examination Guidelines

There is no examination guidelines for trademark prosecution in Ecuador.

2. Types of trademarks

- a. Nominative, figurative, combined and three-dimensional, the following:
 - 1. The words or combination of words;
 - 2. The images, figures, symbols, graphics, logos, monograms, portraits, labels, emblems and shields;
 - 3. The sounds, smells and tastes;
 - 4. The letters and numbers;
 - 5. A color defined by a shape or a combination of colors;
 - 6. The shape of the product, its packaging or wrappings;
- b. Audible, olfactory, taste and others, the following:
 - 1. The reliefs and textures perceptible by the sense of touch;
 - 2. Animations, gestures and movement sequences;
 - 3. The holograms;
 - 4. Any combination of the signs or means indicated in the preceding paragraphs.

3. What are the criteria for Distinctiveness and Confusing similarity?

A trademark shall be understood to be any sign that serves to distinguish products or services in the market. The distinctiveness of a trademark is evaluated according to ideological, phonetic and visual elements, considering the products that the trademark identifies.

4. Application formalities

The application for registration of a trademark must be submitted to the National Industrial Property Direction, and shall comprise a single international class of products or services and shall contain the

requirements determined in the Regulation.

The application must attached:

- a) The payment voucher of the corresponding fee; and,
- b) Copy of the first application for registration of the trademark presented abroad, when claiming priority.

5. Unregisterable marks

According with the new Ecuadorian Intellectual Property law, in concordance with the Andean Decision, cannot be registered as trademarks signs that are not intrinsically and extrinsically distinctive:

SIGNS THAT ARE NOT INTRINSICALLY DISTINCTIVE

- a) Cannot constitute a trademark according with art. 359 (A sign that can distinguish goods or services.);
- b) Signs that lacks of distinctiveness
- c) Consist of usual forms of the products or their containers, or in featured forms imposed by nature or the function of such product or the service provided;
- d) Consist of forms that would not offer a functional or technical advantage to the pertinent product or service;
- e) Consist exclusively of a sign or indication that may serve in commerce, to qualify or describe some feature of the pertinent product or service, including eulogies of same;
- f) Consist exclusively of a sign or indication that is a generic or technical name of the pertinent product or service;
- g) Consist exclusively in a common or usual designation of the product in common language or commercial usage in the country;
- h) Consist of an isolated color considered, without being limited to a specific shape.
- i) May deceive commercial means or the public about the nature, source, method of manufacturing, features or suitability for use of the pertinent products or services;
- j) Reproduce or imitate a protected denomination of origin, consists of a national or foreign geographic indication susceptible

to induce confusion with respect to the products or services to which it applies, or, that its employment may induce the public to error with respect to its origin, source, qualifications or characteristics of the goods for which the trademarks are used;

k) Content a denomination of origin protected for wines and spirituous beverages

l) Reproduce or imitate the name, coat of arms, flags and other emblems, initials, denominations or abbreviations of denominations of any state or any international organization, which are officially recognized, without a permit from a competent authority of the pertinent state or international organization. However, these signs may be registered when they do not induce confusion about the existence of a relation between such sign and the pertinent state or organization;

m) Reproduce or imitate official signs, seals or perforations for control or guaranty, unless their registration is applied by the competent organization;

n) Reproduce or imitate the name of the state, the local governments or the official names, or the official acronyms and symbols of institutions, organizations and public bodies, or signs that constitute country trademark, unless their registration is requested by the competent authority;

o) Reproduce or imitate signs in accordance with technical standards, unless their registration is requested by the competent national authority for standards and quality of the country;

p) Reproduce coins or bills in legal circulation in the country's territory, or from any other country, security titles and other mercantile documents, stamps, postage stamps, tax stamps, or fiscal revenue stamps in general; and,

q) Consists in the denomination of a protected vegetal species to be obtained in the country or abroad, or of a denomination essentially derived from same; unless the same titleholder makes the application.

r) Signs that are contrary to law, morals, public order or to decency.

s) Signs containing the name of a protected traditional specialty guaranteed.

SIGNS THAT ARE NOT EXTRINSICALLY DISTINCTIVE

a) Are identical or alike in such a way that they may provoke confusion in the consumer, with a trademark already applied for registration or registered by a third party, to protect the same products or services, or products or services whose use may cause confusion or association with such trademark; or may cause damages to its title holder when its distinctive strength or commercial value is diluted, or create an unfair advantage of the trademark or the title holder prestige;

b) Are identical or alike to a protected commercial name in a way that they may cause confusion in the consumer public;

c) Are identical or alike to a commercial logo previously applied for registration or registered by a third party, in a way that may cause confusion in the consumer public;

d) Signs that are identical or similar to a distinctive sign of a third party, provided that under the circumstances their use would result in a likelihood of confusion or association, where the applicant is or has been a representative, a distributor or a person expressly authorized by the owner sign protected in the country or abroad;

e) Constitute a reproduction, imitation, translation, transliteration, or transcription, total or partial, of a sign notoriously known in the country or abroad, independently of the products or services to which it applies, when its use would be susceptible of causing confusion or association with such sign, an unfair advantage of its notoriety, or dilution of its distinctive strength or its commercial value;

f) Consists in a signs that affect the good name or prestige of legal entities or non-profit, or natural people, especially with the name, pseudonym, signature, title, hypocoristic, caricature, image or portrait or a natural person, distinct from the applicant, or that would be identified by the pertinent sector of the public as a person distinct from that one, unless the consent of that person or his heirs would be accredited;

g) Consists in a sign that supposes an infraction to a copyright unless there is the consent of the title holder of such rights; and,

h) Consist of the name of nations, nationalities and indigenous people, Afro-American or local communities, denominations,

words, letters, characters or signs used to distinguish their products, services or methods of processing, or that constitute an expression of their culture or practice or the name of their traditional knowledge, unless the application is filed by the community itself or with its express consent;

i) Consists, includes or reproduces medals, prizes, diplomas or other awards, unless furnished by those who grant them.

6. Famous and Well-known marks

In Ecuador you have famous or notoriously known trademark when it is well known by the pertinent sector of the consumer public in the country or internationally.

Is understood that is a sign of high renown when the public would know it in general in the country or abroad.

7. Previous user rights

In Ecuador the exclusive right to use and promote a trademark is acquired by the registration. The right upon the trademark is not acquired for the use.

8. Geographical Indications

In Ecuador a Geographical Indication is that which identifies a product as original from the territory of a country, a region or locality in that territory, when a determined quality, reputation or other characteristic of the product is basically attributable to its geographic origin, including the natural and human factors. The use of geographical indications, in relation to natural, agricultural, artisan or industrial products, is exclusively reserved to the producers, manufacturers and artisans who have production or manufacturing establishments in the designated locality or region or evoked by said indication or denomination.

9. Opposition system

The opposition procedure is the following:

- a) An extract of the application shall be published in the Gazette of Intellectual Property
- b) Within a 30 days term after the publication, whoever has a legitimate interest can file an opposition against the trademark registration.
- c) If an opposition is filed, the National Office shall notify the applicant giving term to respond to the opposition in the following 30 days after the notification.
- d) After the respond to the opposition the trademark application shall pass to a stage call registrability, in this stage the authority analyzes the arguments of the applicant and the arguments of the opponent.
- e) The authority issues the resolution and grant or denies the registration of the application.

10. Examiner interviews

Examiner interviews are allowed, but this is only an accustomed practice, because this is not part of the process.

11. Protection provided by pending applications

If you have a pending application, you have a priority right over applications that are filed after your application.

12. Domain name registration

The Organic Code for the Social Knowledge and Innovation Economy of Ecuador prohibits registration, trafficking in, or use of a domain name that is identical or confusingly similar to, or dilutive of, another person's mark.

LITIGATION

1. Trademark Infringement

a. Types of infringement

The registration confers to the titular of a trademark registration confers the right to act against any third party who uses it without his consent and, especially performs, with relation to identical or similar products or services for which the trademark has been registered, any one of the following acts:

- a) Using or affixing the mark or identical or similar trademark on products for which the mark is registered; on products related to services for which it is registered; or on containers, wrappers, or packaging of such products;
- b) Delete or modify the mark for commercial purposes after it has been applied or placed on products for which the mark is registered; on products linked to the services for which it is registered; or on containers, wrappers, or packaging of such products;
- c) Manufacturing labels, containers, wrappers, packaging or other materials that reproduce or contain the trademark, and selling or storing such materials;
- d) Use in trade an identical or similar sign to that of the registered trademark, in relation to identical or similar products or services to those for which have been registered, when the use of this sign may cause confusion or produce to its title holder some economic or commercial damage, or cause a dilution of its distinctive strength.
It would be presumed that exists a possibility of confusion when we are dealing with an identical sign to distinguish identical products or services;
- e) Use in commerce a sign identical or similar to a well-known trademark respect of any goods or services, where it would cause to the owner of the registration unjust economic or commercial damage by reason of a dilution of the distinctive force or commercial or advertising value of the trademark, or by reason of taking unfair advantage of the prestige of the

trademark or its owner.

- f) In public use an identical or similar to a well-known mark, even for non-commercial purposes, when that could cause dilution of the distinctive force or commercial or advertising value of the trademark or unfair exploitation of its prestige.

The titleholder of the trademark may impede any and all the acts listed, independently that they are made in digital communication networks or through other known or to be known communication channels.

b. Procedural options

You have administrative and jurisdictional actions. The most effective way for a trademark owner to enforce its rights in Ecuador is with the administrative protection of industrial property rights.

2. Standing

The legal standing in Ecuador is limited to any person who has a legitimate interest, either as a consumer or trademark titleholder, but if the trademark holder has not yet filed a trademark infringement action, a potential infringer could request a negative enforcement action to declare that its conduct does not infringe the trademark rights of the titleholder.

3. Court system

In Ecuador you have two ways to enforce the rights granted by a patent. The first one is the Administrative Stage and the second one is the Jurisdictional Stage.

a. Nature of the courts

Administrative Stage: The authority in charge of this stage is the National Director of the Industrial Property of the Intellectual Property Office, and in the appeal by the Intellectual Property Committee.

Jurisdictional Stage: The competent judge is the one of the place where the defendant is located or of the place where the infringement has its effects

b. Judges' level of expertise

Administrative Stage: You should expect a high level of expertise at this stage.

Jurisdictional Stage: You should expect a medium-low level of expertise at this stage.

4. Litigation delay

The estimated time to reach a first instance decision in an administrative stage is 1 to 2 years.

5. Statute of Limitations and Limits on damage claims

According to Article 244 of Decision 486, the time limit for seeking a remedy for patent infringement is of 2 years counted from the date the patent holder had knowledge of the infringement or, in any case, 5 years counted from the date the last act of infringement occurred.

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim relief

In Ecuador is possible to obtain preliminary injunctions in two ways: (1) When the demand contents proof on specific and consistent evidence to reasonably presume the actual or imminent violation of intellectual property rights; and, (2) when, during the inspections is proven, even presumptively the violation of a intellectual property right.

i. Ex-parte remedies

Ex-parte remedies are the most effective and efficient ways to stop infringement.

ii. Bonds

The authority can take an injunctive relief, which include:

1. The ceasing of violation acts;
2. The withdrawal from commercial channels of all products resulting from the alleged infringement, including containers, packaging, labels, printed or advertising materials or other materials as well as materials and primary means used to commit the alleged offense;
3. The suspension of public communication of protected content in digital media, ordered to the offender or intermediary.
4. The suspension of the services of the web portal for an alleged infringement of intellectual property rights, ordered to the offender or intermediary.
5. The suspension of the import or export of goods, materials or means referred to in the preceding paragraph, it notified immediately to the customs authority;

The temporary closure of the establishment of the alleged offender when it becomes necessary to prevent the continuation of the alleged infringement.

iii. Revocation procedures

The Preliminary injunctions may be confirmed or revoked in the final resolution.

6. Trademark Invalidity

There is the option to file for reconsideration in order to nullify the registration of a trademark. This reconsideration can be filed in the following cases:

- a) When the registry would have been granted on the basis of false data or documents which are essential for its concession;
- b) When the registry would not have been intrinsically distinctive (see the cases cited above).
- c) When the registry would not have been extrinsically distinctive (see the cases cited above), and,
- d) When the registry would have been obtained in bad faith . Cases of bad faith, among others, shall be considered the following:
 - 1. When a representative, distributor or user of the title holder of a trademark registered abroad, would request and obtain the registry of that mark in his name or another confusing mark, without the expressed consent of the title holder of the foreign mark; and,
 - 2. When the registry application would have been submitted or, the registry would have been obtained by whoever develops as habitual activity the registration of trademarks for their commercialization; and
- e) When the registry would have been obtained in violation to the set forth procedure or with any other violation of the Law which substantially have influenced for its granting.

a. Standing

The legal standing in Ecuador to nullify a trademark is limited to everyone who can prove any of the cases described in the previous number.

b. Procedure (bifurcated or before the same court adjudicating infringement)

The procedure may be bifurcated. An infringement process take place before the National Direction of Industrial Property while an Invalidity process take place before the Committee of Intellectual Property.

7. Discovery, pre-trial procedures and other requirements

The Organic Code for the Social Knowledge and Innovation Economy of Ecuador provides pre-trial discovery and procedures, either to preserve evidence of infringement or identify the infringer.

8. Evidentiary support

a. Burden of proof

The Organic Code for the Social Knowledge and Innovation Economy of Ecuador provides pre-trial discovery and procedures, either to preserve evidence of infringement or identify the infringer.

b. Expert evidence

The expert witnesses can provide reports that help the judges to resolve the case. These reports are based on the questions or the requests made by the parties involved in the case.

c. Witnesses

Parties may present their own witnesses and the court may appoint its own.

9. Damages

In order to obtain damages from the losing party you have to initiate an independent civil action.

10. Average lawsuit costs

The professional fees in a first instance decision may be between US4,000.00 to US7,000.00.

11. Appellate practice

Any party should have the right to appeal a resolution, if the party feels that the resolution is not fair or violates a law.

12. Settlement and alternative dispute resolution

The arbitration in IP is not available in Ecuador, however the parties can mediate to settle the case outside the courts.

13. Fee shifting

The national bar sets attorney fees, and those are not set according to the reality.

14. Personal liability upon a finding of infringement

There is personal liability in criminal infringement actions. The sanctions for criminal actions are only criminal fines and no prison is established.

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Patents

PROSECUTION

1. Relevant regulations

The Industrial Property Law (IP Law) enacted in 1991 and its modifications on 1994, the IP Law Regulations, the Paris Convention, The Patent Cooperation Treaty (PCT) and the Patent Prosecution Highway Pilot (PPH) agreements with: the State Intellectual Property Office of the People's Republic of China, the European Patent Office, the Japan Patent Office, the Industrial Property Offices of the Pacific Alliance (Colombia, Chile and Peru), the National Institute of Industrial Property (INPI) of Portugal, the Canadian Intellectual Property Office (CIPO), the Spanish Patent and Trademark Office (OEPM), the United States Patent and Trademark Office, the Korean Intellectual Property Office (KIPO) and the Intellectual Property Office of Singapore (IPOS).

2. Patentable subject matter

According to IP Law, the inventions that are new, involve an inventive step and capable of industrial application are patentable.

a. Design and Utility Models

In Mexico utility models and designs are considered as “new creations” lower level than inventions that can be protected through registrations, thus they are not protected through patents. Utility models comprise only objects that as a result of a modification on its structure present a different function with respect to advantages in terms of its usefulness, and designs protect the ornamental aspects of industrial products, with disregard of their functionality.

b. Software patents

According to the IP Law computer programs are not considered as invention. The figure of Software is protected under the Copyrights laws. It is worth mentioning that they can be patentable as computer-implemented processes.

c. Pharma patents

i. Markush Claims

Markush Claims are patentable in Mexico as long as they are duly supported in the specification and fulfill the patentability requirements (novelty, inventive step and industrial applicability).

ii. Biological Material deposits

Mexico is a party to the Budapest Treaty since 2001; therefore Mexican Patent Office accepts biological deposits in recognized International Depositary Authority (IDA).

Recently, the Collection of Microorganisms of the National Center for Genetic Resources (Colección de Microorganismos del Centro Nacional de Recursos Genéticos CM-CNRG) located in

Guadalajara Mexico acquired the status of IDA under the Budapest Treaty. Accordingly, the CM-CNRG is the first local IDA in Mexico recognized under the Budapest Treaty for the purposes of patent procedure.

The CM-CNRG accepts the following deposits of microorganisms and materials: microalgae, animal viruses, plant viruses, bacteria (non-pathogenic), bacteria (pathogenic), bacteriophages, mammalian embryos and gametes, eukaryotic DNA, hybridomas, fungi (pathogens), fungi (non-pathogenic), human cell cultures, yeasts (non-pathogenic), nematodes, viroids, animal cell cultures, plant cell cultures, mycoplasmas, plasmids (in host), plasmids (without host), protozoa (non-parasitic), DNA of microorganisms, RNA of microorganisms, genomic libraries, microbial consortia.

iii. Linkage System

Linkage regulation was enacted in article 147 BIS of the Mexican Industrial Property Regulations and article 167 BIS of the Health Law Regulations in 2003.

Under the cited provisions, the Mexican Patent Office (IMPI) is bound to publish a specific gazette every six months, listing those patents in force that cover allopathic medicines.

Inter alia, COFEPRIS is bound to observe the patents which are listed in the gazette according to the generic name of the active ingredient, prior to granting marketing authorizations to third parties different to the titleholder, and alternatively request additional information to the applicant. In case of doubt of an eventual violation of patent rights, COFEPRIS can request technical support from IMPI, regarding the scope of patents rights.

The Mexican Linkage Regulation only excludes from the gazette those patents that cover processes of manufacture and formulation of drugs.

Since the date in which the linkage was in force, under a wrong and limited interpretation, IMPI only published patents covering active ingredients *per se*, excluding from the linkage gazette

patents covering pharmaceutical formulations and medical uses.

It is important to mention that the inclusion of formulation patents in the linkage gazette provides a preventive measure to avoid that the Mexican health Authorities would grant marketing authorizations which may fall within the scope of the listed patents.

“Methods and making” patents are not observed in the Linkage system since are excluded by Law. IMPI does not consider “use” patents to be included in the Gazette; however the around 20 “use” patents have been included through Litigation.

3. Determination of Novelty & Inventive step

The IP Law provides legal basis for determining Novelty & Inventive step requirements which are as follows:

Regarding “Novelty”, our law defines as, anything not in the state of the art. "Inventive step" means the creative process the results of which are not obviously deductible from the state of the art by a person skilled in the relevant art.

The state of the art on the filing date of the patent application, or where applicable the recognized priority date, shall be used to determine whether an invention is new and the result of an inventive step. Furthermore, in order to determine whether an invention is new, the state of the art shall be regarded as including all patent applications filed in Mexico prior to the said date and still pending, even if the publication occurs at a later date.

The disclosure of an invention shall not prevent it from continuing to be considered new when, within the 12 months prior to the filing date of the patent application, or where applicable prior to the recognized priority date, the inventor or his successor in title has made the invention known by any means of communication, by putting it into practice or by displaying it at a national or international exhibition. When the corresponding application is filed, the evidentiary documents shall be

included in the manner laid down in the regulations under the IP Law.

Patent applications that are filed in our country before, but published after, the relevant filing date of the claimed inventions may be used for evaluation of novelty, but not for evaluation of inventive step.

In the practice, IMPI when evaluating inventive step, generally follows the patentability criteria of the European Patent Office and secondly the criteria of the United States Patent and Trademark Office. In the absence, though, of a counterpart US or European patent application being prosecuted – on which IMPI could base substantive examination – there has been limited recognition of the prosecution decisions made by the Australian Patent Office, Chinese Patent Office, Japanese Patent Office and the Russian Patent Office.

4. Claim drafting recommendation

i. Clarity of claims

Set of claims should comprise one or more claims which are clear and concise and do not extend beyond the contents of the specification.

The claims should be drafted according to the technical features of the invention.

The first claim, which has to be an independent claim, should relate to the essential feature of a product or process which protection is mainly claimed. If possible, the independent claims should be drafted so that they include two parts, a "preamble" containing the technical features that have already been disclosed by the prior art in order to indicate that they belong to the prior art, and a "characterizing" part containing the subject matter that has not been disclosed and suggested by prior art in order to specify the patentable matter of the invention. It should be noted that further technical features of the invention should be pursued through dependent claims, ensuring that they keep a consistent dependence with the independent or related

dependent claims, in order to specify the further features to be protected.

iii. Method and process claims

In Mexico, methods and process claims are considered patentable subject-matter as long they fulfill the patentability requirements, with exception of: i) essentially biological processes for obtaining, reproducing and propagating plants and animals; ii) methods for carrying out mental processes, playing games or doing business, and mathematical methods; iii) methods of presenting information; and iv) methods of surgical, therapeutic or diagnostic treatment applicable to the human body and to animals.

Regarding therapeutic treatment methods, please note that the patentability thereof can be dependent upon the formulation of the claims. IMPI, for example allows Swiss type claims (Use of Compound/Composition X for the manufacture of a medicament for treating Y), or as purpose-limited product claims (Compound/composition X for use in ...). In this respect, please note that currently there is an absence of criteria and guidelines in IMPI about which medical use claims can be accepted, since some Examiners accept both purpose-limited product claims and Swiss type claims. Taking into consideration that IMPI usually follows EPO's criteria and that it is easier to argue that purpose-limited product claims encompass products, preferably we recommend filing the purpose-limited product claim format. Please note that product claims are easily listed in the patent linkage gazette in order to prevent the violation of the patent through approvals before regulatory agency.

Regarding diagnostic methods, please note that under the practice, IMPI may allow claims directed to ex vivo diagnostic methods.

5. Application formalities

PCT applications:

- Copy of the International application as published, comprising of the specification, claims, abstract and PCT Publication Sheet;
- Formal drawings (if any), as published which formal requirements, however, any legends must be translated into Spanish;
- Copy of any amendments carried out during the International Phase;
- Assignment of Rights from the inventor to applicant as the entitlement of the invention and priority rights is not required; and
- Power of Attorney on behalf of the Applicant.

Regular Paris Convention Applications:

- Copy of the specification, claims and abstract;
- Formal drawings (if any);
- Certified copy of the priority right document (an Apostille is not required); and
- Data sheet which must include the full names, addresses and nationalities of the inventors and Applicant/s and the country, filing the date and serial number of the priority right/s to be claimed;
- Assignment of Rights;
- Power of Attorney.

PPH Program Applications:

In order to request for participation in the PPH Program, please note that the following information must be provided to:

a) A copy of all the Office actions (which are relevant to patentability) from each of the US application(s) containing the allowable/patentable claims that are the basis for the request, along with its Spanish translation.

b) A copy of all claims which were determined to be patentable by the USPTO, along with its Spanish translation. In addition, applicant must submit copies of any Office actions (which are relevant to patentability) from the US application(s) issued after the request for participation in the PPH program at the IMPI (especially where USPTO might have reversed a prior holding of allowability). Submitting such documents may be omitted if available in the USPTO database (Patent Application Information Retrieval, Public PAIR).

c) An information disclosure statement (IDS) listing the documents cited by the USPTO examiner in the USPTO Office action (unless such an IDS has already been filed in the MX application). Applicant must submit copies of all the documents cited in the USPTO Office action including non-patent literature (unless the copies have already been filed in the MX application) Patent documents must be submitted when not available for IMPI in this case the applicant will be required. Therefore, please provide us with a copy of all the non-patent literature documents cited during the US prosecution of each divisional application.

Please take note that other of the requirements in order to be eligible to participate in the PPH program, is that examination of the MX application for which participation in the PPH program is requested has not begun and the corresponding MX publication has already occurred. In this regard, pursuant to the provisions of the Mexican Industrial Property Law, divisional applications are not published and so, as above advised we will only wait for the official communication advising us that the formal requirements have been complied with.

6. SME (small and medium entity) criteria triggering special filing benefits

IMPI applies a 50% discount on fees to universities, independent inventors, educational institutions, investigation institutions and small and medium entities who files an application.

7. Opposition system

In Mexico there is no opposition system *per se*, but in a period of six months, after the publication of the patent application, information related to patentability of an invention can be filed before IMPI by a third party. If filed, the information may be considered at the Examiner's discretion and it will not suspend the application process.

The person filing the information will not be considered a party and will not have access to the application file or immediate legal standing to challenge a granted patent.

8. Examiner interviews

The interviews are not expressly regulated by law. However, usually the examiners are willing to hear the applicants; however these "interviews" are not binding to the examiners.

9. Protection provided by pending applications

Patent rights are enforceable after grating of the patent.

10. Patent term and extensions

The term of a patent is 20 years from the filing date. No extensions of term are available in Mexico.

11. Expedited examination

In order to speed up prosecution of patent application in Mexico, applicants can use the PPH provisions

12. Claim amendments

According to the IP Law, the text or drawings of a granted patent may only be amended by the patent owner in the following circumstances:

- I. To correct any obvious or form errors; and
- II. To limit the scope of the claims.

The authorized changes shall be published in the Official Gazette.

An amendment after allowance is requested in writing to IMPI, briefly explaining the reasons underlying the errors that are being corrected or the limitations being introduced to the claims.

13. Divisional practice

The IP Law establishes that if the application does not meet with the unity of invention requirement, the applicant must divide the application and file simultaneously with the response to that requirement and not at a later stage, the non-elected claims on a divisional application or divisional applications, depending on the subject matter of the invention.

It is worth mentioning, that the actual practice accepts any voluntary divisional application not derived from a substantive examination, before the payment of the final fees within the period established by the law. Nevertheless, after the issuance of the notice of allowance, the application is still considered an application, now that the serial number of

the patent is given after the payment of the final fees.

14. Provisional applications

Provisional applications are not allowed in Mexico.

LITIGATION

1. Patent Infringement

a. Makes, Uses or Sells.

Patentee holds the right to carry the invention by excluding others from making, using or selling. From a legal stand point, a patent holder is entitled to work its own patented invention as long as it does not invade patents pertaining to third parties. Broadly speaking, infringement triggers then when third parties perform any of said activities. Infringement can be imputed to direct infringers only as the Law does not recognize the theory of contributory infringement. In other words, only persons or entities making, using or selling the patented invention can be liable of infringement, but not whoever helps them to perform the infringing activity. The theory of contributory infringement is not recognized as a legal rule or practice under the IP Law. Infringement could anyway be found when there is more than one infringer, held equally liable or responsible for having participated in the infringement activity in a direct form.

The Patented Invention (Product or Process).

Generally speaking, IP Law would find infringement when a third unauthorized party makes, uses or sells a patented product or process. The test of infringement is thus whether the patent claims would cover the product or process that the alleged infringer makes, uses or sells. While conducting an infringement analysis, the competent authority would make claim construction

through claim interpretation (from a legal standpoint) and claim coverage (from a factual standpoint). Infringement can only be literal, which would entail that an accused product or process will require reading upon the scope of the claims. The IP Law does not recognize the doctrine of equivalents. Where the subject matter of a patent is a process for obtaining a product, the defendant has the burden of establishing that the allegedly infringing product was made by a process other than the patented process in one of the following situations happens: (a) the product obtained by the patented process is new; or (b) a substantial likelihood exists that the allegedly infringing product was made by the process and the patent owner has been unable through reasonable efforts to determine the process actually used.

b. Without Authorization or Right.

Authorization to make, use or sell a patented invention is given by patentee principally through a license. A license represents that the beneficiary thereof will not be the subject of infringement. Certain rights on the use of a patented invention may trigger also by virtue of implied licenses. For example, anyone buying a patented product will have the right to repair and resell it. Compulsory licenses are considered by the law as vehicles by which rights to practice a patented invention may accrue to third interested parties, without the need of patentee's authorization. They are however very difficult for third parties to get and as a matter of fact, have never been granted.

c. In accordance to the IP Law infringement will only be produced when it has been committed within the territory of the Republic of Mexico. The IP Law does provide as an exception to the foregoing, that infringement will not be considered if the patented invention has been used in a foreign vessel, aircraft or vehicle in transit in Mexico (the IP Law does not require a reciprocal treatment by the Laws of the foreign country where the vehicle comes from).

The prosecution of an infringement claim before IMPI is rather

simple, and it begins with the filing of a formal written claim. Please bear in mind that IMPI is not a Court of Law but an Administrative Agency that has jurisdiction over patent infringement in first instance.

Once the IMPI admits the claim, it serves notice to the defendant, giving a term to answer of 10 days; the defendant is to answer the claim alleging whatever it is deemed pertinent, and thereafter the IMPI decides on the merits of the case. Both the plaintiff and the defendant must produce supporting evidence at the time of filing the claim or answering it, respectively.

Criminal sanctions in the event of recidivism are also contemplated in the IP law.

2. Standing

Any patentee or licensee (unless expressly forbidden from doing so) has the right to prosecute a suit against a third party infringing his or her rights. A distributor may not bring a suit for infringement.

An accused infringer may counterclaim patent invalidity under formal or technical considerations, upon receiving the infringement suit before the IMPI, but it is not possible to request an additional judicial ruling or declaration.

Amendments to the patent law allow anyone to request the IMPI to initiate officiously the cancellation proceeding against patents.

Simple legal standing, namely the mere business or commercial activity to challenge the validity of patent is under test before the courts.

3. Judges' level of IP expertise

In México, the only venue to enforce a patent is through administrative proceedings filed before (infringement action) IMPI, which is not a Court

of Law, but a Federal administrative entity. IMPI is considered the only authority to solve patent enforcement proceedings in a first instance.

In January 2009, a specialized IP Court at the Federal Court for Administrative Affairs began operating. This Court has jurisdiction to review all cases based on the IPL, the Federal Copyright Act, the Federal Law of Plant Varieties and other IP-related provisions. The last appeal stage is formed by Federal Circuit Court.

4. Litigation delay

The initial stage before the IMPI of a patent infringement action usually takes 18 to 20 months. Once the IMPI issues a decision, the two further stages of appeals before courts lasting no less than three further years are expected.

5. Statute of Limitations and limits on damage claims

There is no statute of limitations, however, there is a two-year limitation period to pursue a civil action for damages; therefore, considering this statutory term to claim, civil law, which applies in a suppletory manner, damages should be taken into consideration when looking at the timing to file infringing actions.

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

These are remedies which under the IP Law can be requested through an administrative action filed before IMPI. The IMPI is quite broad and discretionary as it among others can order an alleged infringer to stop or cease from performing their infringing activities. It can also impose that products are withdrawn from the

marketplace, and conduct seizures. The proceeding is *inaudita altera pars* with no formal hearing as it is rather followed in writing. Patentee, as the party moving for the application of preliminary measures, is required to file an infringement claim within a term of twenty business days after the measures are duly notified to the alleged infringer. Likewise, preliminary injunctions would be confirmed and become a permanent injunction only once the infringement action is resolved. Plaintiff does not have to show likelihood of success in the merits to get the injunctions; however, marking is under the Law a condition to the request of a preliminary injunction and the awarding of monetary damages. The marking obligation can be substituted by an announcement made in publications circulating nationwide claiming ownership of the patent. Plaintiff has to post a bond of a reasonable amount to warrant the possible damages of defendant to obtain the preliminary injunctions. A downside is that the alleged infringer is entitled to the lifting of preliminary measures by placing a counter bond, of the same amount posted by plaintiff plus 40%.

b. Ex-parte remedies

Criminal actions for patent infringement are only available for re-offense cases. In accordance with the provisions of our IP Law, re-offense is found when a party infringes a patent after a final and beyond shadow of appeal decision from IMPI declaring the infringement. This re-offense is considered a felony that can be pursued *ex-officio* or *ex-parte* through the Federal District Attorney Office (PGR). This felony can be punished with up to 6 years of imprisonment and a fine.

Remedies are available to the plaintiff through civil actions. Civil actions are filed once an administrative action has been resolved beyond the shadow of appeal. As a matter of principle, and in accordance with the Civil Procedural Law, the type of monetary relief that can be obtained from the Courts is actual losses and lost profits.

c. Bonds

There are no guidelines established related to bond, usually under the criteria plaintiff lifted bonds defendants.

d. Revocation procedures

1) Invalidity action.

The IP law establishes several grounds on which a patent can be invalidated:

1) When the patent was granted in contravention of the provisions on requirements and conditions for the grant of patents.

2) When the patent was granted in contravention of the provisions of the law in force at the time when granted. Actions based on this cause of invalidity cannot challenge the legal representation of the applicant when prosecuting and obtaining a patent.

3) When the patent application was abandoned while being prosecuted.

4) When the patent granted by error or serious oversight, or when it is granted to someone not entitled to obtain it.

Actions based on causes (1) and (2) may be filed at any time. Actions based under causes (3) and (4) may only be filed within a five years term from the date when the publication of the patent in IP Gazette becomes effective.

Patent invalidity decisions are relatively difficult to obtain. The plaintiff must prove that the invalidity cause occurred. These actions usually require conclusive evidence even though a technical report from the Patent Department may be rendered by request of the Contentious Department, both of IMPI.

e. Patent invalidity procedure

A defendant of a patent infringement action can file an invalidity

action against a patent as a counterclaim, when filing the response to the infringement action. An independent invalidity action can be filed, but if it is not filed along with the brief of response to the infringement action, such action will be separately decided from the infringement.

7. Discovery - pre-trial procedures

This is not applicable to Mexico.

8. Evidentiary support

IMPI may obtain all the evidence deemed as necessary for the verification of facts that may constitute a violation of one or more of the rights protected by this Act or the administrative declaration procedures, thus the plaintiff is entitled to file any kind of evidence available except confessional and testimonial evidence unless they are included with an affidavit, and evidence that is contrary to morality and the law.

The most commonly used evidence to help prove an infringement is the visit of inspection to the premises of the infringer and expert witness testimonies analyzing the infringer device. The visit of inspection is conducted by IMPI inspectors and it usually takes place at the moment of serving notice of the claim and/or the order imposing a preliminary injunction on the defendant.

a. Burden of proof

Under the general principles of Mexican law, the burden of proof lies with the person who brings an action. Thus, a plaintiff in any action is required by law to prove it; who denies is not required to prove, except when such denial implies an affirmation, it is required to prove.

For process patents the burden of proof is shifted to defendant if some requirements are fulfilled.

b. Expert evidence

It is not required by law, but it is advisable in most of the cases to offer the expert evidence, considering that in most cases the inventions/patents involve qualities that could only be duly clarified by an expert.

c. Witnesses

As mentioned above, IMPI has rejected testimonial evidence unless they are included with an affidavit. Affidavits will not be considered a primary source of evidence. Mexican law does not allow live testimony or cross-examination of witnesses.

9. Damages – Litigation costs

The IP Law contemplates a claim for damages and lost profit, although it should be done through a civil law action. Civil actions are filed once an administrative decision is final. As a matter of principle, and in accordance with the Civil Procedural Law, the type of monetary relief that can be obtained from the Courts is actual losses and lost profits. Actual losses means those that plaintiff can actually prove, and lost profits, the gain that plaintiff could have made should infringement not have happened. Damages and/or losses need to be proved through clear and convincing evidence, showing a direct “cause-effect” situation (ie: that the plaintiff lost the opportunity to sell its own patented product as a consequence of the infringing product having been put in commerce).

In addition to the foregoing, the IP Law provides a rule, applicable in all type of patent, trademark and copyright infringement actions, imposing on the Civil Courts the obligation of imposing monetary damages of at least a 40% of the commercial value of the infringing products. This minimum standard provision is known as the 40% rule. Whether the 40% rule is considered as a punitive damage or whether damages need still to be proved is a

question which has remained unanswered, as there is so far no one single case that has been decided on the basis of this provision. Attorney fees are very hard to get, and in any event, would be discretionary to the Judge. The civil laws do recognize the figure of attorney fees, without to expressly state how Judges can make them applicable.

10. Appellate practice

i. A review recourse before IMPI

This is a remedy that must be filed before IMPI within 15 working days from the day after the date of notification of the refusal. The review recourse is resolved by the administrative superior of the person who issued the resolution at IMPI. Review recourse is advisable when the resolution is founded on a clear mistake of IMPI (i.e., a denial based on an alleged lack of a particular document when the document was fact filed).

If the denial is based on substantive matters, review recourse is not advisable as it is likely that the superior court will confirm the refusal resolution. The applicant may file an appeal before the FCA against a decision issued by IMPI under review recourse.

ii. An appeal before the Specialized IP Court within the Federal Court of Administrative Affairs (FCA)

This appeal is decided by an administrative entity (it is not a court of law) that decides whether IMPI correctly applied the IP Law.

Appeals are decided by three administrative magistrates. All arguments must be submitted in writing during the prosecution of the appeal.

In this appeal, the applicant or appellant must prove that the IMPI’s consideration to refuse the application did not comply with the provisions of the IP Law. IMPI will be the counterparty, trying to prove the legality of its refusal.

The parties can make a final appeal before a Federal Circuit Court against the decision of the Specialized IP Court.

The decision of the circuit court is final. If IMPI loses the appeal, it must comply with the resolution within a short period.

business-related tort actions brought against patentees for the use of a patent. Courts generally consider that the use of a state-given right cannot constitute a violation in these areas.

11. Settlement and alternative dispute resolutions.

Is very unusual to settle cases before the decision is reached, because there are very few incentives for both parties to settle, that is because contingency derived from the infringement proceedings requires a final decision and this would be a long period of time, therefore neither plaintiff nor defendant would face the corresponding recovery/contingency of damages as an actual or imminent situation. However, the IP Law foresee this possibility.

12. Fee shifting

Attorney fees, do not apply in the whole administrative proceeding only in Civil actions claim damages, are very hard to get, and in any event, would be discretionary to the Judge. The civil laws do recognize the figure of attorney fees, without to expressly state how Judges can make them applicable. But so far there have been no precedents in Mexico.

13. Personal liability

There is general regulation about it, but so far there have been no precedents in Mexico.

14. Antitrust Issues

There is no precedent in Mexico of antitrust, unfair competition or

Trademarks

PROSECUTION

1. Relevant regulations

The Industrial Property Law enacted in 1991 and its modifications on 1994, the IP Law Regulations, the Paris Convention and the Madrid Protocol Agreement.

2. Types of trademarks

a. Nominative, figurative, combined and three-dimensional.

In accordance with the IP Law, all visible signs can be protected, provided that they are sufficiently distinctive and able to identify

the products or services to which they apply or intended to apply with respect to those in the same class.

b. Audible, olfactory and taste perception.

Audible, olfactory and taste perception cannot be protected in Mexico. This limitation of trademark protection to visible signs was justified in the past by the need of delimiting the granted right making clear the scope of protection to thirds.

3. Unregisterable marks

Olfactory, position, tactile and sound trademarks cannot be protected in México. The limitation as to what cannot be protected as trademarks are the following:

- Marks that are identical or confusingly similar to previously registered mark or marks for which registration is pending or applied to the same or similar products or services;
- Descriptive and generic marks;
- Geographic indications and names of places that are characterized by the manufacture of certain products; and
- Three-dimensional forms of common usage or because said form is imposed by its nature or industrial function.
-

4. Famous and Well-known marks.

A trademark shall be considered well known in Mexico when a given sector of the public or of the country's business circles is aware of the trademark as a result of business activities conducted in Mexico or abroad by a person who makes use of the trademark in connection with his goods or services, or as a result of the promotion or advertising thereof.

A trademark shall be considered famous in Mexico when the majority of consumers are aware of the trademark.

5. Previous user rights

The IP Law establishes that the registration of a trademark shall be invalid when the trademark is identical or confusingly similar to another that has been used in the country or abroad prior to the filing date of the application in respect of the registered trademark and has been applied to the same or similar products or services, provided that the person who asserts the stronger right by virtue of prior use proves uninterrupted use of the mark in the country or abroad prior to the filing date or, where applicable, prior to the date of first declared use by the person who has registered it.

The IP Law also establishes that a registration of a trademark shall not be effective against a third party who in good faith, used the same or a confusingly similar trademark on the national territory for the same or similar products or services, provided that the third party had begun to make uninterrupted use of the trademark prior to the filing date of the application for registration, or the date of the first declared use of the trademark. The third party shall have the right to apply for registration of the trademark within three years following the day on which the registration was published, in which case he shall first apply for and obtain an action for invalidity of said registration.

6. Geographical indications

Geographic indications are not registrable in Mexico.

7. What are the criteria for Distinctiveness and Confusing similarity?

- Marks must not be visually, phonetically and ideologically similar to previously registered marks or marks for which registration is pending, applied to the same or similar products or services.
- Marks should be analyzed as a whole.
-

8. Application formalities

In order to obtain a registration of a trademark it is necessary to file an application with the following information:

- An applicant's full name and street address, including town and country;
- Identification of the trademark;
- Type of Trademark;
- Description of goods or services;
- Use in commerce in Mexico. Intent to use applications are allowed under Mexican law, since use in commerce is not a requirement for obtaining registration. However, if the trademark is already in use in Mexico, it is recommended to provide full date (day, month and year);
- Factory address, business address or commercial establishment (if the mark is use in Mexico); and
- Convention priority; if convention priority is to be claimed, it is required to provide the country of origin, application number, the date of filing and the exact description of good and services.

9. SME (small and medium entity) criteria triggering special filing benefits

There are no particular set of rules for SME benefits for trademark applications

10. Protection provided by pending applications

Pending Trademark applications provides priority rights over future applicants who eventually intend to registrar a similar trademark covering similar goods or services.

11. Prosecution delays

If an application is duly filed, no objections as to inherent registrability are issued and no prior references are no cited by the examiner, registration may be granted, within 5 to 6 months as of the filing date. Otherwise, if formalities, requirements or references/ objections are cited by the examiner, the prosecution of the application may become quite long (between 12 and 18 months) and it may conclude either in the granting of registration, or the refusal thereof.

12. Opposition system

On April 28, 2016, the Mexican Congress approved a long-awaited Decree, whereby some articles of the IP Law were amended and new articles also introduced, pertaining to the implementation of a trademark opposition proceeding in Mexico (hereinafter "the Reform"). The Reform will come into force the August 30th of 2016.

According to the Reform, all new applications filed in Mexico will be published for opposition purposes within the next 10 working days of the

filing date to allow any third party who deems that a published application falls within the absolute or relative grounds of refusal as provided in Articles 4 and 90 of the IP Law to submit a brief of opposition, within a non-extendable one month term of publication of the application. The brief shall be accompanied by all documentation supporting the opposition.

Once the one month term for opposition expires, IMPI will publish within the next 10 working days all oppositions filed. Owners of opposed applications will have a one month term to raise arguments against the alleged grounds of opposition.

It is important to note that the opposition will not suspend prosecution of the applications, as IMPI will continue to conduct its official examination of trademark applications on both absolute and relative grounds in parallel to the opposition proceeding.

It will be optional for IMPI to consider the arguments submitted by the opponent in an opposition, as well as the defensive arguments raised by the applicant. Thus, if the application is refused, IMPI will serve the opponent with a writ informing of such refusal. In turn, if the application matures into registration, IMPI shall serve the opponent with a writ informing of the granted registration.

Finally, despite the outcome of an opposition proceeding, the post-registration grounds for invalidation currently established by the IP Law will remain available.

13. Provisional applications

Provisional applications are not allowed in Mexico.

14. Examiner interviews

The interviews are not expressly regulated by law. However usually, the examiners are willing to hear the applicants; however these “interviews”

are not binding to the examiners.

15. Domain names

Any individual or legal entity can request the registration of the domain name. There is only the need to verify the availability of the name you want to register at the webpage of any of the registrants authorized by the Internet Corporation for Assigned Names and Numbers (ICANN).

If the name is available, you will have to pay the corresponding fees to the registrar and to provide the administrative, technical and contact information for the domain name.

The registrar will keep records of the contact information and submit the technical information to a central directory known as the Registry.

LITIGATION

1. Trademark Infringement

According to IP Law the following shall constitute trademark infringements:

- I. Distributing or placing products on sale or offering services with the indication that they are protected by a registered trademark when they are not;
- II. Using a trademark confusingly similar to another registered trademark to protect products or services identical or similar to those protected by the registered trademark;
- III. Using as trademarks the names, signs, symbols, abbreviations or emblems referred to in Articles 4 and 90, subparagraphs VII, VIII, IX, XII, XIII, XIV and XV of this Law;

IV. Using a combination of distinctive signs, and operating elements and image, to identify products or services identical or confusingly similar to others protected by this Act and, through their use, to induce the public to cause confusion, mistake or deception, to believe or assume the existence of a relationship between the owner of the rights protected and the unauthorized user. Use of such operating elements and image in the manner indicated is unfair competition in terms of Section I of this article.

The prosecution of an infringement claim before IMPI is rather simple, and it begins with the filing of a formal written claim. Please bear in mind that IMPI is not a Court of Law but an Administrative Agency that has jurisdiction over trademark infringement in first instance.

Once the IMPI admits the claim, it serves notice to the defendant, giving a term to answer of 10 days; the defendant is to answer the claim alleging whatever it is deemed pertinent, and thereafter the IMPI decides on the merits of the case. Both the plaintiff and the defendant must produce supporting evidence at the time of filing the claim or answering it, respectively.

Criminal actions are available for trademark falsification/counterfeit.

2. Standing

Either the trademark owner, or the recorded licensee.

3. Judges' level of IP expertise

IMPI is not a Court of law; it is an administrative agency that has jurisdiction over trademark infringement in the first instance.

In January 2009, a specialized IP Court at the Federal Court for Administrative Affairs began operating. This Court has jurisdiction to review all cases based on the IPL, the Federal Copyright Act, the Federal Law of Plant Varieties and other IP-related provisions.

4. Litigation delay

The initial stage before the IMPI of a trademark infringement action usually takes 12 to 18 months. Once the IMPI issues a decision, the two further stages of appeals before courts lasting no less than three further years are expected.

5. Litigation venue

Trademarks can be enforced against an infringer only before the IMPI (administrative procedure).

6. Statute of limitations and limits on damage claims

The IMPI's current criterion is that the time limit for initiate infringement is during the life term of the trademark. Once the trademark has expired, an action may not be brought for events that took place before the end of the life term. A defense of laches has not been tested before the Courts; therefore, legally speaking, a specific time limit exists in the IP Law to bring an infringement action during the life term of the trademark.

However, there is a two-year limitation period to pursue a civil action for damages; therefore, considering this statutory term to claim damages in civil law, which applies in a supplementary manner, should be taken into consideration when looking at the timing to file infringing actions.

It is worth mentioning that, civil actions are filed once an administrative action has been resolved beyond the shadow of appeal.

7. Actions and remedies against trademark infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

These are remedies which under the IP Law can be requested through an administrative action filed before IMPI. IMPI is quite broad and discretionary as it among others can order an alleged infringer to stop or cease from performing their infringing activities. It can also impose that products are withdrawn from the marketplace, and conduct seizures. The proceeding is *inaudita altera pars* with no formal hearing as it is rather followed in writing. Trademark holder, as the party moving for the application of preliminary measures, is required to file an infringement claim within a term of twenty business days after the measures are duly notified to the alleged infringer.

Likewise, preliminary injunctions would be confirmed and become a permanent injunction only once the infringement action is resolved. Plaintiff does not have to show likelihood of success in the merits to get the injunctions; however, marking is under the Law a condition to the request of a preliminary injunction and the awarding of monetary damages. The marking obligation can be substituted by an announcement made in publications circulating nationwide claiming ownership of the trademark.

Plaintiff has to post a bond of a reasonable amount to warrant the possible damages of defendant to obtain the preliminary injunctions. A downside is that the alleged infringer is entitled to the lifting of preliminary measures by placing a counter bond, of the same amount posted by plaintiff plus 40%.

b. Ex-parte remedies

Criminal actions for trademark infringement are only available for re-offense cases. In accordance with the provisions of our IP Law, re-offense is found when a party infringes a trademark after

a final and beyond shadow of appeal decision from IMPI declaring the infringement. This re-offense is considered a felony that can be pursued ex-officio or ex-parte through the Federal District Attorney Office (PGR). This felony can be punished with up to 6 years of imprisonment and a fine.

Remedies are available to the plaintiff through civil actions. Civil actions are filed once an administrative action has been resolved beyond the shadow of appeal. As a matter of principle, and in accordance with the Civil Procedural Law, the type of monetary relief that can be obtained from the Courts is actual losses and lost profits.

c. Bonds

There are no guidelines established related to bond, usually under the criteria plaintiff lifted bonds defendants.

d. Revocation procedures

i. Invalidity action.

The grounds of invalidation established by the IP law are:

1) The trademark is identical or confusingly similar to another one that has been used in Mexico or abroad prior to the date of filing of the application, and it is applied to the same or similar products or services, provided that the party who asserts the greater right for prior use proves the have used the trademark continuously in Mexico or abroad prior to the mentioned filing date or declared use, then the applicable statute of limitations is three years as of the date the Trademark Gazette that published the disputed registration was put into circulation;

2) The registration was granted on the basis of false information mentions in the application. The applicable statute of limitations is five years as of the date the Trademark Gazette that published the disputed

registration was put on circulation;

3) The existence of a senior registration for a trademark identical or similar to that covered by a junior registration, and the goods or services covered thereby are similar or identical in nature. The applicable statute of limitations is five years from the publication date of the Trademark Gazette detailing the disputed registration;

4) Registration is obtained by the agent, representative, user or distributor without the authorization of the owner of the foreign trademark registration. No statute of limitations applies to this action; or

5) A general cause of invalidity is available and it relies on the granting of registration against any provisions of the IP law or the law in force at the time registration was granted. This cause of cancellation has no statute of limitations.

ii. Cancellation actions.

The IP law establishes that if a trademark is not used for three consecutive years on the products or services for which it was registered, the trademark registration will be subject to cancellation for lack of use, unless the holder or the user of a recorder granted license has used it during the three consecutive years immediately prior to the filing date of the cancellation action for the lack of use.

Furthermore, a cancellation action can be brought against a registration when the owner of it has provoked or tolerated a trademark has become a generic term.

e. Trademark Invalidation procedures

A defendant of a trademark infringement action can file an

invalidity action against a trademark as a counterclaim, when filing the response to the infringement action. An independent invalidity action can be filed, but if it is not filed along with the brief of response to the infringement action, such action will be separately decided from the infringement.

8. Discovery - pre-trial

This is not applicable to Mexico.

9. Evidentiary support

IMPI may obtain all the evidence deemed as necessary for the verification of facts that may constitute a violation of one or more of the rights protected by this Act or the administrative declaration procedures, thus the plaintiff is entitled to file any kind of evidence available except confessional and testimonial evidence unless they are included with an affidavit, and evidence that is contrary to morality and the law.

a. Burden of proof

Under the general principles of Mexican law, the burden of proof lies with the person who brings an action. Thus, a plaintiff in any action is required by law to prove it; who denies is not required to prove, except when such denial implies an affirmation, it is required to prove.

b. Expert evidence

It is not required, as for advisable, only in specific cases, when the mark or the related product or services require further clarification in order to overcome IMPI's criteria, on the other hand, please note that IMPI, is considered the qualified authority to determinate the registrability of any mark.

c. Witnesses

As mentioned above, IMPI has rejected testimonial evidence unless they are included with an affidavit. Affidavits will not be considered a primary source of evidence. Mexican law does not allow live testimony or cross-examination of witnesses.

10. Damages – Litigation costs

The IP Law contemplates a claim for damages and lost profit, although it should be done through a civil law action. Civil actions are filed once an administrative decision is final. As a matter of principle, and in accordance with the Civil Procedural Law, the type of monetary relief that can be obtained from the Courts is actual losses and lost profits. Actual losses means those that plaintiff can actually prove, and lost profits, the gain that plaintiff could have made should infringement not have happened. Damages and/or losses need to be proved through clear and convincing evidence, showing a direct “cause-effect” situation (ie: that the plaintiff lost the opportunity to sell its own patented product as a consequence of the infringing product having been put in commerce).

In addition to the foregoing, the IP Law provides a rule, applicable in all type of patent, trademark and copyright infringement actions, imposing on the Civil Courts the obligation of imposing monetary damages of at least a 40% of the commercial value of the infringing products. This minimum standard provision is known as the 40% rule. Whether the 40% rule is considered as a punitive damage or whether damages need still to be proved is a question which has remained unanswered, as there is so far no one single case that has been decided on the basis of this provision. Attorney fees are very hard to get, and in any event, would be discretionary to the Judge. The civil laws do recognize the figure of attorney fees, without to expressly state how Judges can make them applicable.

11. Personal liability

There is general regulation about it, but so far there have been no precedents in Mexico.

12. Fee Shifting

Attorney fees are very hard to get, and in any event, would be discretionary to the Judge. The civil laws do recognize the figure of attorney fees, without to expressly state how Judges can make them applicable. But so far there have been no precedents in Mexico.

Appellate procedures?

i. A review recourse before the IMPI (optional)

The review recourse is resolved by the administrative superior of the person who issued the denial at the IMPI. Review recourse is only advisable when the denial is founded on a clear mistake of the IMPI (e.g., a denial based on an alleged lack of a particular document when the document was un fact filed).

If the denial is based on any of the absolute/relative grounds for refusal established in the IP Law, review recourse is not advisable as it is likely that the superior court will confirm the refusal resolution. The applicant may file an appeal before the FCTA against a decision issued by the IMPI under review recourse.

ii. An appeal before the Specialized IP Court within the Federal Court of Administrative Affairs (FCTA)

This appeal is decided by an administrative entity (it is not a court of law) that decides whether the IMPI correctly applied the IP Law.

Appeals are resolved by three administrative magistrates. All arguments must be submitted in writing during the prosecution of

the appeal.

In this appeal, the applicant or appellant must prove that the IMPI's consideration to refuse the application did not comply with the provisions of the IP Law. The IMPI will be the counterparty, trying to prove the legality of its refusal.

The parties can make a final appeal before a Federal Circuit Court against the decision of the Specialized IP Court.

The decision of the circuit court is final. If the IMPI loses the appeal, it must comply with the resolution within a short period.

13. Settlement and alternative dispute resolutions.

Is very unusual to settle cases before the decision is reached, because there are very few incentives for both parties to settle, that is because contingency derived from the infringement proceedings requires a final decision and this would be a long period of time, therefore neither plaintiff nor defendant would face the corresponding recovery/contingency of damages as an actual or imminent situation.

Paraguay



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Patents

PROSECUTION

1. Relevant regulations

The relevant treaties and conventions are the Paris Convention adopted by Law No. 300/1994 and the TRIPs Agreement adopted by Law No. 444/1994 are the relevant conventions governing this matter. Patents and Utility Models are governed by Law No. 1.630/2000 and its Regulatory Decree No. 14.201/2001.

2. Patentable subject matter

Subject to patent shall be the new inventions of products and procedures implying inventive activity and which shall be subject to industrial application.

a. *Design and Utility Models*

In Paraguay Design protection is governed by law No. 868/1981

and its Regulatory Decree No. 30.007/1982.

Utility models are patentable and governed by the Patent Law No. 1.630/2000 and its Regulatory Decree No. 14.201/2001.

b. Software patents

Claims comprising an embedded software in a system or in a specific step of a method are usually accepted in Paraguay. "Software per se" is excluded from patentability, as they are not considered as inventions, and protected by Copyright laws.

c. Pharma patents

i. Markush Claims

The compounds represented by a Markush formula may be admitted if they meet the requirements for patentability (novelty, inventive step and industrial application), present a sufficient support in the specification of the application, and have properly characterized the representative compounds of the various embodiments.

ii. Biological Material deposits

Where the invention refers to a product or procedure relating to biological material that is not publicly available and cannot be described such that the invention may be performed by a person skilled in the art, the description shall be supplemented by the deposit of such material in a depositary institution recognized by the Office of Industrial Property.

iii. Linkage System

There is no Linkage System in Paraguay.

3. Determination of Novelty & Inventive step

Novelty. An invention shall be considered novel if there is no previous record thereof in the state of the prior art.

The state of the prior art shall encompass all that may have been disclosed or made accessible to the public, anywhere in the world, through tangible publication, oral disclosure, sale or commercialization, use or any other means, prior to the filing date of the patent application in the country, or, as the case may be, before the filing date of the previous patent application, priority of which is being invoked.

To the effects of evaluating the novelty of an invention, also shall be comprised within the state of the prior art the content of a patent application in process before the Industrial Property Office, date of which, or as the case may be, its priority, shall be prior to the application being processed, but only to the extent in which that content shall be included in the prior dated application, when this shall be published.

The state of the prior art shall not comprise that which shall have been disclosed within the year preceding the application filing date in Paraguay or, as the case may be, within the year preceding the date of the application priority of which is being claimed, whenever the said disclosure shall have resulted, directly or indirectly, from acts performed by the inventor himself or his rights holder, or from a contract default or an illegal act performed against any of thereof.

The disclosure resulting from a publication carried out by an industrial property office within the prosecution procedure of a patent, shall not fall within the exception set forth in the previous paragraph, unless the application that is the object of that publication shall have been filed by anyone not having the right to obtain the patent, or that the publication shall have been made by error of this office.

Inventive step. An invention shall be deemed to have invention step if, for a person skilled in the relevant technical matter of the invention, the same shall not be obvious, nor would it have been derived in an evident manner according to the relevant state of the prior art.

4. Claim drafting recommendations

Claims shall be formulated according to the following rules:

A preamble indicating the object of the invention and the required technical characteristics for defining the elements claimed but, that

combined, form part of the state of the prior art.

A characterized area where the elements causing the invention's novelty are quoted, necessary and indispensable for its execution, defining what is sought to be protected.

If required for the clearness and understanding of the invention, the main claim may be followed by one or several dependent claims, referring to the claim upon which they depend, and clearly stating the additional characteristics sought to be protected. Likewise, the same shall be applied when the main claim is followed by one or several claims related to particular ways of executing or performing the invention.

The number of claims shall correspond to the nature of the invention claimed. They shall not contain direct references of the descriptions or drawings, unless otherwise required. They shall be elaborated depending on the invention's technical characteristics.

j. Clarity of claims

The claim set should include one or more claims, and define the invention for which protection is sought for. The first claim should include the relevant features of the invention, and be an independent claim, and all other claims should be subordinated to the first claim. There is no limit to the number of claims in a claim set. Claims should have support in the Specification as filed originally when the application was filed in Paraguay.

Claims should be characterized to be adapted to PY PTO practice, having a first part in which the prior art features are describe, and a "Characterized" part in which the relevant features of the invention are detailed and for which protection is claimed for.

k. Method and process claims

Methods and process claims are considered patentable in Paraguay.

5. Application formalities

Required documents for filing patents and utility models in Paraguay:

- a. Power of Attorney certified by a Notary Public, filed within 60 days after the application filing date.
- b. Complete name and address of the applicant.
- c. Complete name and address of the inventor.
- d. Inventor's assignment certified by a Notary Public. The deadline for filing this document is 90 days from the application filing date.
- e. Certified copy of the priority document and its Spanish translation that must be submitted within 90 days counted as from the application filing date.
- f. Title, Specification, abstract, drawings and claims in Spanish

6. SME (small and medium entity) criteria triggering special filing benefits

There is no SME benefits in Paraguay Patent regulation.

7. Opposition system

There is no opposition system for patent application in Paraguay. However, the patent law admits Pre Granting third parties observations after the publication.

Any interested party may submit to the Industrial Property Office, prior to the availability examination, such founded observations, including information and documents that may be useful to determine the patentability of the invention that is the object of the application. The applicant, once notified thereof, may file objections and comments or documents that may be deemed convenient in regard to the observations.

The filing of observations shall not suspend the proceedings and the application terms. Whoever makes any observation to a patent application shall not become a part in the proceedings.

8. Examiner interviews

Interviews with the examiners are allowed in practice. They are very helpful during prosecution in Paraguay

9. Protection provided by pending applications

Patent rights are only enforceable in Paraguay once the patent has been granted by the Patent Office. Therefore, there is no enforceability in Argentina for the applicant between the filing date of the application and the granting date (no provisional protection).

10. Patent term and extensions

Patents are protected, after grant, for 20 years counted from the application date. Utility Models are protected for 10 years with the same criteria. There is no provision in Paraguayan Patent Law regarding term extensions due to prosecution delays.

11. Expedited examination

There is no regulation regarding expedited examination in Paraguay.

12. Claim Amendments

Patent applicant can amend the application claims if requested by the PY PTO examiner (usually related to evident errors in the Specification), or amendments in the claims for answering an office action, or to adapt the claim set to those granted by a foreign PTO in a counterpart application. New subject matter cannot be incorporated at any stage, neither in the Specification nor in the claims.

The patent applicant may, at any time, request that the Industrial Property Office register amendments of any material error in the record or in the patent. The change or correction shall have legal effect against third parties as from its recording in the Industrial Property Office.

Before publication, patent owner may request that the patent claims be modified in order to reduce or limit their scope.

Upon recordal of the change, correction or modification, the Industrial Property Office shall issue a new granting certificate and, when relevant, the patent document with the modified claims.

13. Divisional practice

Voluntary Divisional applications of pending patent applications are allowed in Paraguay. Traditionally, divisional applications are filed under the Examiner's request due to the lack of unity objection.

Applicants can file voluntary divisional applications at any time during the prosecution of the parent case (before granting of parent case).

14. Provisional applications

Provisional applications have not been regulated in Paraguayan patent Law.

LITIGATION

1. Patent Infringement

The patent grants to the owner exclusive rights for exploitation of the invention and, to that effect, he may:

a) when the object of the patent shall be a product, prevent that third parties, without the patentee consent, and other than the exceptions set forth in this law, may perform acts of: fabrication, use, offer for sale, sale or import thereof for these purposes of the product that is the object of the patent; and,

b) when the object of the patent shall be a procedure, prevent that third parties, without the patentee consent, and other than the exceptions set forth in this law, may perform acts of use of the procedure and the act of use, offer for sale, sale or import for these purposes, of at least the product obtained directly through the said procedure.

All mentioned activities without the prior patent owner consent can be considered as infringing.

Paraguayan patent law does not mention the so-called contributory infringements and there are no judicial precedents regarding this matter.

No criminal or administrative actions are available.

2. Standing

The patent owner is entitled to bring infringement action. In case of a contractual licensed patent, the licensee may be entitled to bring suit.

3. Judges' level of IP expertise

The Civil and Commercial courts are the only competent to decide in patent litigations. The overall IP expertise of the judges is rather low, since there are not a large amount of patent litigation cases and precedents in Paraguay so far.

4. Litigation delay

A patent infringement action before Paraguayan Courts of in First Instance can take between three (3) and six (6) years. Procedure in Second Instance courts can take between one (1) and three (3) years.

5. Statute of Limitations and limits on damage claims

The action for infringement of a patent shall be subject to limitation in two years as from the date that the owner becomes aware of the infringement, or four years since the infringement was last committed, between them the one that expires first

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

In patent infringement actions, the judge, at the request of the plaintiff, may order precautionary measures with the object of preventing greater damages, obtain or keep proof, assure effectiveness of the action, recovery of damages and prevent further infringements. By virtue of a bond, the party affected by the precautionary measures may continue production of the products

The precautionary measures may be requested prior to initiating the infringement action.

Among others, the precautionary measures are:

- a) Immediate cessation of those acts constituting the infringement;
- b) Garnishment or seizure of the products resulting from the infringement and the materials, instruments and means that have served mainly to commit the violation; and,
- c) Suspension of importation or exportation of the products, materials or means referred to in section b).

The competent judicial authority may, at any time in the proceedings, order the defendant to provide the information that he may have regarding the persons who may have participated in the production or marketing of the products or procedures that are the subject of the infringement.

b. Ex-parte remedies

Precautionary measure or injunction can be executed ex-parte, but in such cases defendant shall be promptly notified thereof, immediately after its execution. The affected party may resort to the judge for reconsideration of the said precautionary measure or injunction

c. Bonds

Bonds are requested to grant a precautionary measures or

injunction and will only be executed once the patent holder deposit the bond determined by the court.

d. Revocation procedures

Precautionary measures or injunctions determined by the First Instance courts can be appealed with the Second Instance courts which are entitled for revocation of the procedures.

e. Patent invalidity procedures

The Defendant may file a counterclaim for the invalidity of the patent and offer evidence to prove that the relevant invention lacks of novelty, inventive step or industrial application, and both actions will be decided in the same resolution on the merits.

7. Discovery - pre-trial procedures

There is no discovery in Paraguay. Although Paraguayan procedural law does not provide Discovery, pre-trial preliminary measures aimed at preserving evidence, or obtaining documents can be requested to the PY Judge.

8. Evidentiary support

j. Burden of proof

In civil proceeding, in process patent cases, the Judge may require that the defendant prove that the identical product has not been obtained by use of the patented procedure, without prejudice of the protection of undisclosed information.

k. Expert evidence

Judges supports their decisions mainly on opinions from technical experts appointed by the court and documents obtained from official or private institutions proposed by the parties and authorized by the court. Technical evidence and expert advice are highly advisable for any party of the procedure to help during the prosecution of the patent infringement or nullity action.

I. Witnesses

Witness's depositions are not usually proposed as evidence in infringement patent lawsuits

9. Damages – Litigation costs

Besides the legal actions brought to court with the purpose that a Judge orders the alleged infringer to stop infringing/using the exclusive rights derived from the granted patent, patent owner may claim for the compensation of damages. "Punitive damages" are not provided in Argentina patent regulations.

Losing party will have to pay Attorney's fees of the counterparty, and the amount will be set by the Judge

10. Appellate practice

The resolutions on the merits from the First Federal Instance courts may be appealed with the Federal Appeals courts.

11. Settlement and alternative dispute resolutions.

A settlement can be reached in any stage of the process. Arbitration is not a legal resource used for IP in Paraguay

12. Fee Shifting

The losing party is obliged to support the attorney fees determined by the Judge. Judges usually set the attorney fees considering the complexity of the matter and the duration of the judicial procedure.

13. Personal liability

There is no personal liability on patent infringements followed against corporations, nor personal liability on adverse resolution on the merits for corporation executives. Individuals that are defendants on patent infringement actions may have to pay the plaintiff's attorneys fees if found responsible on patent infringement.

There is personal liability for patent infringement if found guilty in criminal procedures

14. Antitrust Issues

According to our experience in Paraguay, defendants may use a patent enforcement action against them to complain before antitrust authorities. Nevertheless, there is no precedent of any antitrust resolution based on a complaint derived from a patent infringement action

Trademarks

PROSECUTION

1. Relevant regulations

The Paris Convention adopted by Law No. 300/1994 and the TRIPs Agreement adopted by Law No. 444/1994 are the relevant conventions governing this matter. Trademarks are governed by Law No. 1.294/1998

2. Types of trademarks

a. Nominative, figurative, combined and three-dimensional.

Any sign used to distinguish products or services can be registered as Trademark. Trademarks may consist of one or more words, themes, emblems, monograms, stamps, vignettes, embossments; names, fantasy words, letters and numbers with different forms or combinations; combinations and color display, labels, containers and wrappings. Trademarks may also consist of the shape, presentation or conditioning of products or their

containers or wrappings, or of the means or places of sale of the products or corresponding services. This list is merely illustrative.

b. Audible, olfactory and taste perception

Non-traditional trademarks are allowed in Paraguay

3. Unregisterable marks

- i. Trade marks susceptible of inducing an error with regard to the nature, properties, merit, quality, manufacturing techniques, function, origin of the products or services to be distinguished
- ii. National or foreign denominations, Letters, words, names or insignias used by foreign nations and international organisms
- iii. The usual or necessary form of products
- iv. a single colour
- v. The names; words; signs and advertising phrases which have become a part of general use or is used to identify the product before its registry application
- vi. A trademark which is identical or similar to one already registered or applied for to distinguish the same products or services
- vii. The pseudonym name or portrait of a person, without his/her consent or the consent of his/her heirs up to the fourth degree inclusive
- viii. Those that include a geographical indication
- ix. The signs applied for by those who have no right to the sign or knows that the sign belongs to a third party

4. Famous and Well-known marks.

Famous and well-known marks are protected according to the Paris Convention and Trips agreement rules. Article 2°. The following may not be registered as trademarks:

(g) Signs that constitute total or partial reproduction, imitation, translation, transliteration, or transcription of a distinctive, identical or similar sign owned by a third party, notorious in the pertinent consumer sector, regardless the products or services to which the sign is applied, when its use or registration may be susceptible of causing confusion or risk of association with said third party, or shall imply exploitation of the notoriety of the sign or dilution of its distinctive capacity, by whatever way or means had the sign become notorious.

5. Previous user rights

Exclusive rights in Paraguay on trademarks are achieved through registration

6. Geographical indications

Geographical indications are protected by regulation established in Law No. 4923/2012

7. What are the criteria for Distinctiveness and Confusing similarity?

Trademarks must not be visually, phonetically and ideologically similar. Besides, another factors should be considered such as the type of consumer who acquires the pertaining products and services, if the trademarks involved are famous or not, prior coexistence in the market, the inclusion of common ingredients, etc.

8. Application formalities

Whoever wants to obtain the registry of a trademark, has to file an application for each class filed, which will have to include the applicant's name, address, description of the trademark and indication of the products or services to be distinguished, and Power of Attorney (signature should be certified by notary public)

9. SME (small and medium entity) criteria triggering special filing benefits

There is no SME advantages for filing new trademark applications

10. Protection provided by pending applications

Trademark rights are only enforceable in Argentina once the trademark has been granted by the trademark Office. Therefore, there is no enforceability in Argentina for the applicant between the filing date of the application and the granting date

11. Prosecution delays

The average prosecution term is of approximately 12 to 15 months from application date. If the trademark application has been opposed against, then the prosecution term will be longer.

12. Opposition system

Paraguayan Trademark regulation provides a Pre Granting oppositions system. Any person is entitled to file opposition on the trademark application.

13. Provisional applications

Provisional applications have not been regulated under Paraguayan Trademark Law

14. Examiner interviews

Examiner interviews are allowed, and are helpful in order to overcome office actions.

15. Domain names

Domain names in Paraguay can be registered before NIC Paraguay, which is the official institution that administrates domain names. The criteria for domain registration is first come, first served.

LITIGATION

1. Trademark Infringement

The use of a trademark in the market which is identical or similar to one already registered to identify the same or similar products or services is not legal and constitutes trademark infringement.

Trademark infringement actions are usually filed before the Paraguayan Civil and Commercial Court. However, according to Paraguayan trademark Law, trademark infringement can also be prosecuted as a felony before Paraguayan Criminal Courts alongside Prosecutor's claim. No administrative actions are available.

2. Standing

The trademark owner is entitled to bring suit. Licensee might have standing for bringing suit if a provision was included in the license agreement.

3. Judges' level of IP expertise

The Paraguay Trademark Law provides that the Civil and Commercial courts are competent to decide on trademark infringement cases. Even though the above-mentioned Civil and Commercial courts are involved in other legal matters, the Judges are experienced on this type of lawsuits.

4. Litigation delay

A Trademark infringement action before Argentina Courts of First Instance courts can take between two (2) and five (5) years. Prosecution before Second Instance courts (Appeal court): between one (1) and two (2) years.

5. Litigation venue

In Paraguay, litigation can only be filed and decided by the Courts. No administrative procedure available for infringements

6. Statute of Limitations and limits on damage claims

Trademark infringement actions can be started during the period the trademark is being infringed and until two years after the last infringement act.

7. Actions and remedies against trademark infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

In the action filed for infringement of a right, foreseen by the law hereof, the trademark holder may request the judge to order immediate preliminary measures in order to prevent the infringement from taking place, to avoid its consequences, to obtain or preserve evidence, or to ensure the effectiveness of said action or to obtain compensation for damages caused. Said preliminary measures may be requested prior to filing said action, jointly or after it has been filed.

b. Ex-parte remedies

Remedies for trademark infringement are ex-parte procedures. Defendant can intervene in the proceedings after the remedy ordered by the court is executed.

c. Bonds

Bonds are requested to grant a temporary injunction or any other remedy against trademark infringement. Remedies will only be executed once the trademark owner deposit the bond determined by the court

d. Revocation procedures

Preliminary injunctions determined by the First Instance courts can be appealed with the Appeal Courts which are entitled for revocation of the procedures.

e. Trademark Invalidity

The Defendant is entitled to assert the invalidity of the registered trademark before the “infringement” Court. The Defendant must offer evidence to prove that the relevant trademark does not meet the registration conditions.

8. Discovery - Pre-trial procedures

There is no discovery in Paraguay. Although Paraguayan procedural law does not provide Discovery, pre-trial preliminary measures aimed at preserving evidence, or obtaining documents can be requested to the PY Judge.

9. Evidentiary support

a. Burden of proof

The burden of proof of infringement lies on the trademark owner.

b. Expert evidence

According to the Judges experience to deal with this type of cases, expert evidence to determine the infringement is not usual.

c. Witnesses

Infringement trademark cases are not usually decided considering this type of evidence

10. Damages – Litigation cost

Besides legal actions are brought to court with the purpose that a Judge instructs the alleged infringer to stop infringing the exclusive rights derived from the registered trademark, trademark owner may claim for the compensation of damages. “Punitive damages” are not provided in our legislation.

11. Personal liability

There is no personal liability on trademark infringements followed against corporations, nor personal liability on adverse resolution on the merits for corporation executives. Individuals that are defendants on Trademark infringement actions may have to pay the plaintiff’s attorneys fees if found responsible on trademark infringement.

There is personal liability for trademark infringement if found guilty in criminal procedures..

12. Fee Shifting

The losing party is obliged to support the attorney fees determined by the Judge: between 5 % and 20 % of the amounts discussed in court. If no amount of money is involved, Judges usually fix the attorney fees considering the complexity of the matter and the duration of the judicial procedure.

13. Appellate procedures

The resolution on the merits from the First Instance courts may be appealed with the Appeals courts.

14. Settlement and alternative dispute resolutions.

Mediation and Arbitration are legal tools not usually used in Paraguay for IP matters. An infringement case can be settled at any instance

Uruguay



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Patents

PROSECUTION

1. Relevant regulations

The relevant treaties and conventions are the Paris Convention adopted by Law N° 14,910 (19/07/1979) and the TRIPs Agreement adopted by Law N° 16,671 (13/12/1994). Patents and Utility Models are governed by Law N° 17,164 (02/09/1999) (as amended by Law N° 18,172 (31/08/2007) and Law N° 19,149 (31/08/2013)), implementing Decree N° 11/000 (13/01/2000), and the guidelines Criteria for Patentability of Applications for Chemical and Pharmaceutical Patents enacted by resolution DNPI N° 02/2014 (11/11/2014).

It should be noted that URUGUAY is not yet a member of the PCT agreement.

2. Patentable subject matter

Inventions of products or process are patentable, provided that they are new, involve an inventive activity and are applicable in industry. According to the Patent Law an invention is considered any creation by

man permitting the transformation of any matter or energy for the advantage of mankind.

a. Design and Utility Models

Utility Models are patentable in Uruguay, they are considered as all new disposition or conformation obtained or introduced in tools, work instruments, utensils, devises, equipments or other already known objects entailing an improvement in their use or in the result of their function are deemed patentable utility models. They require novelty respect to state of the art, and at least a minimum inventive activity.

Industrial Designs are the aesthetic or ornamental aspects of industrial products, with disregard of their functionality or distinctive capacity. Industrial model and design rights can be obtained with registration, but not with use.

In Uruguay, Industrial Designs and Utility Models are protected under the following regulations: a) TRIPS Agreement, adopted by Law N° 16,671; 2) Paris Convention on Industrial Property Protection, adopted by Law N° 14,910,; 3) Decree N° 11/000 (13/01/2000)

b. Software patents

Computer implemented inventions are patentable in Uruguay, but due to section 6.c) of the Uruguayan Patent Law, "software per se" is not patentable. "Software" is protected under the Copyright laws, specifically under Act N° 9,739 (17/12/1937) and as amended by Law N° 17,616 (17/01/2003).

c. Pharma patents

i. Markush Claims

Markush claims are accepted in Uruguay, UY Patent Office accepts claims of chemical compounds defined by their developed structural formulae, provided that there is enough support in the Specification of the claimed compounds.

ii. Biological Material deposits

Article 3,A) of the implementing Decree N° 11/000 (13/01/2000) sets forth that the invention shall be clearly and completely described in the application so that a person skilled in the art can perform it. If related to biological material, a deposit of the biological material is required to describe completely the invention.

Consequently, the information contained in the Specification of a patent application which refers to microorganisms or which claims such material, must contain enough information so that a person with average skill in the art can reproduce the invention. (Art. 6 and 7, implementing Decree N° 11/000 (13/01/2000)).

There are generally two situations to take into account:

(i) The material is available to the public upon the application filing date, because it is easily available to the person skilled in the art, or because the applicant has provided in the Specification of the application enough information regarding the material or its availability in a deposit institution; or

(ii) The material is not available to the public upon the application filing date. In this case, the biological material must be clearly and completely described in the application so that a person skilled in the art can perform it. This information shall eventually include information related to the biological material deposit (access number, institution, etc.), information related to the biological system (in the case of biological material which is reproduced in a biological system), and the process to produce the biological material within the biological system. Deposit of biological material in a recognized International Depositary Authority of the Budapest Treaty is accepted by UY PTO. Accession data and name and country of depositary authority should be provided at the time of filing. Copy of the Biological material deposit should be filed.

According to the provisions of Art. 25 of Law 17.164, until those institutions authorized for the reception of the biological material

required for the description of the application regarding microorganisms are not appointed, the applicant shall file said material with any of the international depositary authorities recognized by the “Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purpose of Patent Procedure” done at Budapest on April 28, 1977.

iii. **Linkage System**

There is no a Linkage System in Uruguay.

3. **Determination of Novelty & Inventive step**

Inventions of products or process are patentable, provided that they are new, involve an inventive activity and are applicable in industry. Any invention not included in the state of the art shall be considered novel. The term state of the art must be understood as all technical knowledge which becomes public before the filing date of the patent application, or, if applicable, of the recognizing priority, by way of oral or written description, by use, or by any other means of disclosure or information, in the country or abroad.

It shall also be considered as comprised within the state of the art, the content of an application, in prosecution stage in the country, whose date of submitting, or as the case may be, the priority, would be prior to the date of the application that is under examination, provided that said content, shall be included in the former application, when it shall be published.

4. **Claim drafting**

I. Clarity of claims which must be written so that all the technical elements are clearly presented, defining the novelty whose protection is applied for, without the use of vague expressions such as “about” or “effective amount”, or qualifying attributes, or absence of measurement units, or embodiments are not exemplified in Specification

m. Method and process claims which must be written so

that all the technical elements, are clearly presented, defining the novelty whose protection is applied for, stating mechanical or physical-chemical or biological characteristics, as appropriate to the type of invention.

Allowed one or several dependent claims which shall make reference to the claim they depend. Also is allowed one or several dependent claims relative to particular manners of executing the invention.

5. **Application formalities**

With the purpose to obtain a patent in Uruguay, it will be necessary to file with the Uruguayan Patent Office a patent application which must contain:

- the name(s) of the inventor(s) and their citizenships
- the name and information of the applicant,
- Power of Attorney (Authorization-Letter) (notarization and legalization are not necessary)
- Title of the invention, Specification and one or more claims, figures, sequences listing, deposit of microorganism, even if they do not meet the requirements of form laid down in the law.
- Priority information: Information of the Country and serial Nr of the priority application claimed (if any). Priority documents should be filed, with a sworn Spanish translation done by an Uruguayan registered translator.
- Assignment of priority rights (if applicable) should be filed in UY.

6. **SME (small and medium entities)**

According to UY patent regulation, SME pay 50 % of the official fees established by UY Patent law

7. **Opposition system**

Uruguay Patent regulation provides a Pre Granting opposition system. Any person is entitled to file objections on the patent application and add documentary proof within a period of 60 day following to the publication of the patent application. The Examiners shall later evaluate this documentary. The comments shall consist of allegations of non-fulfilment or insufficient fulfilment of the legal requirements for the grant of a patent.

8. Examiner interviews

There is no provision for examiner interview.

9. Protection provided by pending applications

The patent rights are ONLY enforceable in Uruguay once the patent has been granted by the Patent Office. Therefore, there is no enforceability in Uruguay for the invention between the filing date of the application and the granting date (no provisional protection).

10. Patent term and extensions

The patent term is 20 years from the filing date. The Uruguayan patent legislation has not provided for **supplementary** protection certificates (SPCs). The 20 year term given by the Patent Office is unextendible.

11. Expedited examination

Applicant must request expedited examination of the application before UY PTO if the criteria for speeding up the examination are met. The applicant must request an Official Action before the Uruguayan PTO submitting certified (notarized) proofs with that your invention is being infringed, or, for example, that the invention will be used to file as bidder in a public tender. There are few other causes that are accepted by the Uruguayan Patent Office.

12. Claim amendments

Patent applicant can voluntarily amend the application (description, claims and drawings) during the first 30 days after filing. New subject matter can not be incorporated.

Claims can also be amended during the prosecution of the application, provided that the new set of claims has support on the originally filed specification, either to answer an office action or to adapt the claim set to an equivalent patent granted by a foreign PTO.

13. Divisional practice

Divisional patent applications may be applied derived from a parent case. The filing date of the divisional patent application is the same as the parent case and can also claim the same priority(ies) as the parent case.

The Art 15 of implementing Decree N° 11/000 (13/01/2000) provide the possibility for applicants to file divisional applications at anytime during the prosecution of a patent application in Uruguay.

According to this resolution, applicants can file voluntary divisional applications at anytime during the prosecution of the parent case, or when the examiner requests in the substantive examination report that a divisional should be filed due to the complexity of the application. In the latter case, divisional applications should be filed within 90 days as from the date of the corresponding notification.

14. Provisional applications

Provisional applications have not been regulated under Uruguayan Patent legislation.

LITIGATION

1. Patent Infringement

The granted patent confers on its owner the right to prevent third parties from executing the following actions without his/her authorization:

- a) When the subject matter of the patent is a product, the patentee shall be entitled to prevent third parties from manufacturing, using, offering for sale, or importing the product which is subject matter of his patent, without his consent.

b) When the subject matter of the patent is a process, the patentee shall be entitled to prevent third parties from performing any act involving its use, without his consent.

All mentioned activities without the prior patent owner consent can be considered as infringing.

The Uruguayan Patent legislation states that the patent owner may not enforce its rights against any person that use, import or market in any way a patented product, if the same has been lawfully placed in the commerce within the country or abroad, by the patent owner, or by an authorized third party. It shall not be considered as lawfully placed in the market, the products or procedures in breach of the rights of the intellectual property (Part III, Section 4, of the ADPIC Covenant, of the Worldwide Organization of Commerce) (Art. 40, Patent Law 17.164)

Court proceedings:

The Uruguayan Patent legislation states that in the civil suit, when the subject matter of a patent is a process, the judicial authorities shall be entitled to order the defendant, to prove that the process to obtain a product is different from the patented process, if said product is a new one. Civil action aimed to claim damages, shall be started within four (4) years' term, counted as from the date when the titular had the knowledge of the breach.-

The plaintiff must prove that the alleged infringing product or process falls within the scope of the patent claims

The Uruguayan Patent legislation does not specifically regulate the so-called "contributory infringement". There are not judicial precedents with current patent law in Uruguay regarding this topic.

Patent infringement actions are usually filed with the Uruguayan Civil or Criminal courts. However, according to articles 106 and 107 of Uruguay Patent Law, patent infringement can also be prosecuted as a crime before Uruguayan Criminal courts. No administrative actions are available.

2. Standing

The patent owner is entitled to bring suit either before UY Courts for Patent Infringement

3. Judges' level of IP expertise

The Uruguayan Patent Law provides that the Civil and Criminal courts **are to decide on patent infringement cases**. Even though the above-mentioned Civil and Criminal courts are involved in other legal matters, they are the only ones which have jurisdiction related to civil remedies in connection with patent infringements.

There are no specialized judges in Intellectual Property and lack of deep knowledge of IP law due to the few infringement cases prosecuted in Uruguay. Their resolutions are issued with the assistance of Court appointed experts.

4. Litigation delay

A patent infringement action before Uruguayan First Instance courts can take between three (3) and five (5) years. Procedure with Second Instance courts: between one (1) and two (2) years.

5. Statute of Limitations and limits on damage claims

Patent infringement actions can be started during the period the patent is in force. If compensation of damages is claimed, there is a term of two (2) years to bring the case to court as from the time the infringement started.

6. Actions and remedies against patent infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

The following preliminary injunctions have been provided by the Uruguayan Patent Law:

a) the seizure of one or more copies of the infringing goods;

b) the inventory or attachment of the infringing goods and of the machines specially designed for manufacturing them.

c) the Specification of the incriminated process to elaborate the relevant product

d) injunction to prevent the infringement of the granted patent and, in particular, to prevent the entry into the market of the infringing goods; or to preserve relevant evidence with respect to the alleged infringement (similar to those provided in art. 50 of Trips).

The requirements to file the request of the preliminary measures a) ; b) and c) are: 1) evidence of the Letters Patent Deed, 2) the prior deposit of a bond determined by the court.

With respect to the preliminary measures indicated as d) (similar to those measures included in art. 50 of Trips), there are additional requirements provided by the Uruguayan Patent Law. Such requirements are:

(1) To prove there is a reasonable likelihood that the patent, should its validity be challenged, shall be declared valid.

(2) The appointment of an expert *ex officio* by the courts before granting the measure.

(3) The preliminary injunction will be granted "*inaudita altera parte*" (without hearing the alleged infringer's defense before granting the measure) only in exceptional cases such as when there is a significant risk of evidence being destroyed.

(4) It is also required that the court measures the harm caused to the patent holder and weight it with the potential harm that the alleged infringer might receive in case the measure is wrongly granted.

b. Ex-parte remedies

The preliminary measures a) ; b) and c) are granted ex-parte, but is not extendable to the injunction provided in d).

c. Bonds

Bonds are requested to grant a temporary injunction. Temporary injunctions will only be executed once the patent holder deposit the bond determined by the court.

d. Revocation procedures

After execution of temporary injunction, defendant can request a revocation to the First instance Judge that ordered it, or can be appealed with the Appeals courts which are entitled for revocation of the procedures.

e. Patent invalidity procedures

The Defendant is entitled to assert the invalidity of the patent before the court that is dealing with the "infringement" action. The Defendant must offer evidence to prove that the relevant invention lacks of novelty, inventive step or industrial application.

If the Defendant restricts to file a counterclaim for invalidity, said fact is not assumed by the Uruguayan courts as recognition of the patent infringement.

The assertion of invalidity of a patent may derive in:

- A judge's decision declaring the patent invalid. Therefore, the infringement action would be automatically rejected.

- A judge's decision confirming that the patent is valid. Then, the infringement action may succeed or not considering the evidence filed and produced by the Plaintiff.

The Uruguayan courts deal with infringement and validity issues in one trial.

7. Discovery - pre-trial procedures

There is no discovery in Uruguay. Although Uruguayan procedural law does not provide Discovery, pre-trial preliminary measures aimed at preserving evidence, or obtaining documents can be requested to the UY Judge. Mediation is a mandatory pretrial procedure in Uruguay, but it is

not required for requesting a temporary injunction, but before filing the patent infringement action itself.

8. Evidentiary support

m. Burden of proof

For Product patents, then the burden of the proof lies on the patent owner. For process patents article 101 of the Uruguayan Patent Law provides (according to article 34 of TRIPs) that judicial authorities will order to the defendant to prove that the process to obtain an identical product is different from the patented process.

n. Expert evidence

Judges lack of technical background, and rely for their resolutions on Court appointed experts opinions. Technical evidence and expert advice is advisable to help during the prosecution of the patent infringement or nullity action.

o. Witnesses

Witnesses depositions are not usually proposed as evidence in infringement patent lawsuits. The evidence usually filed in court is: a) Documents related to the technical field involved. B) Reports issued by technical experts. c) Technical tests. D) Questionnaire to be replied by private or official institutions. All the evidence must be offered at the time of filing the suit and responding the legal action.

9. Damages – Litigation costs

Legal actions are brought to court with the purpose that a Judge instructs the alleged infringer to stop infringing the exclusive rights derived from the granted patent can include a claim for the compensation of damages. “Punitive damages” are not provided in UY legislation.

10. Appellate practice

The decisions from the First Instance courts may be appealed with the Appeals courts. Once the resolution on the merits is served notice, there is a short term to file the appeal (5 days). The procedure is written.

11. Settlement and alternative dispute resolutions.

Mediation proceedings are mandatory proceedings in Uruguay. Arbitration is a legal tool not usually used in Uruguay for IP matters.

12. Fee Shifting

The losing party is obliged to support the attorney fees determined by the Judge:, which it is a percentage established by the judge on the amounts discussed in court. If no amount of money is involved, Judges usually fix the attorney fees considering the complexity of the matter and the duration of the judicial procedure.

13. Personal liability

There is no personal liability on patent infringements followed against corporations, nor personal liability on adverse resolution on the merits for corporation executives. Individuals that are defendants on patent infringement actions may have to pay the plaintiff’s attorneys fees if found responsible on patent infringement.

There is personal liability for patent infringement if found guilty in criminal procedures.

14. Antitrust issues

According to our experience in Uruguay, defendants may use a patent enforcement action against them to complaint before antitrust authorities.

Trademarks

PROSECUTION

1. Relevant regulations

Uruguayan TM Law No. 17.011 dated September 25, 1998

implementing Decree No. 34/99 dated February 03, 1999

Paris Convention, incorporated into the Uruguayan Law system under Law 14.910 dated July 19, 1979.

Harmonization Protocol of IP Rules of the Mercosur, on Trademarks, Indications of origin, incorporated by Law 17.052 dated December 1998.

Decree (Executive Order) 146/001 dated May 03, 2001.

2. Types of trademarks

- a.** Nominative, figurative, combined and three-dimensional

Any sign with distinctive capacity can be registered as trademark, any combination of letters, words, numbers, figures, combination of colors, logotypes, symbols, distinctive shape of products, publicity phrases, among others.

- b.** Audible, Olfactory and taste and others

Non-traditional trademarks are allowed in Uruguay. But there are no technical means to search, nor manage such Registrations by the UY PTO. The UY TM Office only stores the sound file.

3. Unregisterable marks

The following cannot be registered:

- a.** The name of the State and Local Governments; those national or local government symbols; those coats of arms or distinctive elements identifying them, except regarding themselves, the non-official legal persons, the companies with participation of the State.
- b.** Those signs reproducing or imitating coins, notes or any national or foreign official payment means as well as those official signs of hallmarks indicating control and warranty adopted by the State.
- c.** Those emblems used by the Red Cross and the International Olympic Committee.
- d.** Those appellations of origin and any geographical name not original or distinctive enough regarding the goods or services they apply to, or whose use is likely to create confusion regarding the origin, qualities or characteristic of the goods or services distinguished by the trademark.

e. The shape given to goods or containers when they meet the requirements to be registered as an invention patent or utility model according to the provisions of the corresponding law.

f. Those names of vegetable varieties already registered with the Register of Crops Properties established by Law 16.811 dated February 21, 1997, regarding said varieties in the corresponding class.

g. Those letters or numbers considered individually without any particular shape

h. Monochromatic colors of goods, containers and labels, although combination of colors for containers and labels may be used as trademarks.

i. Those technical commercial or common names used to express qualities or attributes of goods and services.

j. Those names generally used to indicate goods or services nature or the class, type or kind said goods belong to.

k. Those words or combination of words on a foreign language whose translation into Spanish is comprised within the prohibitions stated above.

l. Those drawings of expressions contrary to public order, socially accepted morals or good manners.

m. Those caricatures, portraits, drawings and expressions in connection with ideas, persons or objects worthy of respect and consideration whenever said caricatures, portraits, drawings and expressions may bring them to contempt or disrepute.

4. Famous and Well-known marks.

Famous and well known marks are protected by the Paris Convention, the Trips Agreement and the Art. 5 of the TM Law (please see above).

5. Previous user rights

According to Art 24. Law 17.011 – Those proprietors of unregistered trademarks shall have the right to file an opposition against a trademark application if they are similar or equal to the ones they own.

Even though exclusive rights on trademark are achieved through registration, some judicial precedents have recognized rights on previous use, provided the possibility to prove legal, continuous and visible use.

6. Geographical indications

Indications of source and appellations of origin are deemed protected geographical indications by Art. 73 of UY Trademark Law 17.011

7. What are the criteria for Distinctiveness and Confusing similarity?

Trademarks sought to be registered should be clearly different from those already registered of whose registration is being prosecuted, so as to avoid confusion regarding the same goods or services or regarding concurrent goods or services.

Trademarks must not be visually, phonetically, ideologically, similar, besides another factors should be considered such as the type of consumer who acquires the pertaining products or services, if the trademarks involved are famous or not, prior coexistence in the market, the inclusion of common ingredients, orthographic, figures, colors, and shapes.

The article 22, of the TM Law, specifies that the TM Office shall be entitled to oppose or to dismiss applied registrations violating the provisions of the law, in defense of the consumer's rights.

8. Application formalities

Whoever wants to obtain the registration of a trademark, has to file an application the products of interest (multiclass application accepted in Uruguay), which will have to include the applicant's name, Address,

description of the trademark and indication of the products or services to be distinguished, priority country and serial Nr (priority certificate required), and Power of Attorney (simply signed)

SME (small and medium entity) criteria triggering special filing benefits

There is no SME benefits provided by UY Trademark regulation.

9. Protection provided by pending applications

Trademark rights are only enforceable in Uruguay once the trademark has been granted by the trademark Office. Therefore, there is no enforceability in Uruguay for the applicant between the filing date of the application and the granting date

The only right derived from a trademark application is the priority right to file a trademark in a third country and claim priority from UY prior application

10. Prosecution delays

A trademark application without opposition can take up to 18 months (average) and 36 months (average) with oppositions.

11. Opposition system

Uruguay Trademark regulation provides a Pre Granting oppositions system. Any person is entitled to file opposition on the trademark application within a period of 30 day following to the AR publication of the trademark application.

Provisional applications

Provisional applications have not been regulated under UY trademark legislation.

12. Examiner interviews

There is no provision for examiner interview.

13. Domain names

The domain names can be registered before the National Telephone Company or any authorized representative.

The process is rather fast, taking 48 hours to be registered. The criteria is not formally regulated yet, and it has been source of confusion and many issues, since the only impediment is the existence of the same domain name, and the similarity is not contemplated as an obstacle for registration.

LITIGATION

1. Trademark Infringement

The use of a trademark in the market which is identical or similar to one already registered for the same or similar products or services constitutes trademark infringement in Uruguay. The trademark infringement can be prosecuted before civil or criminal Court.

Criminal provisions provide imprisonment penalties that vary from three months up to six years for Trademark infringement, refilling of original containers with infringing products, knowingly marketing infringed products, etc.

2. Standing

The trademark owner is entitled to bring suit before UY Courts

3. Judges' level of IP expertise

There are no specific IP Courts in Uruguay, and the cases are heard before Civil, Commercial or Criminal Courts.

The judges are not specifically trained on IP, but are rather proficient.

4. Litigation delay

A trademark infringement action takes 3 years average at the minimum and 5 years average at the maximum

5. Litigation venue

In Uruguay there are two separate jurisdictions:

- I. Oppositions and annulments are dealt administratively before the Trademark Office, the Ministry of Industries and the High Administrative Court.
- II. Infringement litigations are prosecuted before Commercial, Civil or Penal Courts.

6. Statute of Limitations and limits on damage claims

Trademark infringement actions can be started during the period the infringing trademark is in the market, but not after four years of the infringement, or one year as from the day that the owner of the trademark had knowledge of the infringement. After that moment neither criminal nor the civil action can be filed. (According to Art 89 – TM Law 17.011)

7. Actions and remedies against trademark infringement

a. Preliminary injunctions and other pre-trial or interim reliefs

The trademark owner is entitled to request preliminary measures and injunctions: a) the embargo of products; b) Court inspection and description of goods; c) the seizure of infringing products, d) injunction to prevent the infringement of the trademark

b. Ex-parte remedies

Remedies for trademark infringement are ex-parte procedures. Defendant can intervene in the proceedings after the remedy ordered by the court is executed.

c. Bonds

Bonds are requested to grant a temporary injunction or any other remedy against trademark infringement. Remedies will only be executed once the trademark owner deposit the bond determined by the court.

d. Revocation procedures

After execution of temporary injunction or any other remedy, defendant can request a revocation to the First instance Judge that ordered it, or can be appealed before the Appeals courts which are entitled for revocation of the procedures.

e. Trademark invalidity

The nullity can be evoked as a defense strategy although it is resolved in a separate Administrative Court (Trademark Office, Ministry of Industry and High Administrative Court), while the infringement action is proceeded at the Courts as mentioned above. Due to the bifurcated procedures, prosecution timelines are different and makes not possible to be resolved at the same time by the invalidity Court and the infringement court.

8. Discovery - Pre-trial procedures

There is no discovery in Uruguay. Although Uruguay procedural law does not provide Discovery, pre-trial preliminary measures aimed at preserving evidence, or obtaining documents can be requested to the UY Judge. Mediation is a mandatory pretrial procedure in Uruguay, but it is not required for requesting a temporary injunction, but before filing the trademark infringement action itself.

Evidentiary support

All the evidences showing that there has been an infringement, such as Registration Certificates, bills, invoices, shipping notes, export vouchers, advertising in general, publicity, witnesses, counterfeited products, whatever means deemed appropriate to demonstrate the point.

a. Burden of proof

The burden of proof of infringement lies on the trademark owner alleging infringement

b. Expert evidence

Expert's report evidence is not a common figure in Uruguay infringement actions.

c. Witnesses

Infringement trademark cases are not usually decided considering witnesses evidence.

9. Damages – Litigation cost

The damages in an infringement case are determined by the Court, taking into consideration the evidence of the lawsuit. There are no punitive damages

10. Personal liability

There is no personal liability on trademark infringements followed against corporations, nor personal liability on adverse resolution on the merits for corporation executives. Individuals that are defendants on Trademark infringement actions may have to pay the plaintiff's attorneys fees if found responsible on trademark infringement.

There is personal liability for trademark infringement if found guilty in criminal procedures..

11. Fee Shifting

The losing party is obliged to pay the attorney fees determined by the Judge. The costs of the proceedings as well as the attorney fees are to be paid by the losing party in the amount determined by the Judge.

12. Appellate procedures

For infringement action the appeal is prosecuted before the Appeals Court, and for Nullity actions the procedure is an administrative procedure and the appeal is prosecuted before Ministry of Industry and Administrative Court.

13. Settlement and alternative dispute resolutions.

The Mediation procedures are a mandatory step in Uruguay. ADR such as arbitration is not an institutionalized resource for IP disputes in Uruguay.

About IPO



Intellectual Property Owners Association (IPO), established in 1972, is a trade association for owners of patents, trademarks, copyrights and trade secrets. IPO serves all intellectual property owners in all industries and all fields of technology.

IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members, including: supporting member interests relating to legislative and international issues; analyzing current IP issues; information and educational services; and disseminating information to the general public on the importance of intellectual property rights.

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