




Intellectual
Property
Office



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Advogados

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Introduction

In Brazil, Intellectual Property Rights (“IPRs”) can be generally classified in three main groups: Industrial Property, Copyright and Related Rights and sui generis IPRs.

Industrial Property includes patents, trade marks, industrial designs, geographical indications and non-patentable knowledge (e.g., know-how, trade secrets). It is regulated mainly by Federal Law No. 9.279/96 (the Intellectual Property Law, or by the Portuguese acronym, “LPI”)

The **Brazilian Industrial Property Institute** (the “INPI”) is the Brazilian Patent and Trade mark Office and is an autonomous federal agency under the Ministry of Development, Industry and Commerce. The INPI is responsible for implementing rules regulating industrial property, as well as for granting and registering patents (i.e., inventions and utility models), industrial designs, trade marks, geographical indications, software and at times technology transfer contracts.

Copyright protection is granted for texts of literary, scientific or artistic works, musical compositions, audiovisual works, drawings, paintings, and photographic works. It is regulated mainly by Federal Law No. 9.610/98 (the “Copyright Law”). **Neighbouring or related rights** are also regulated by the Copyright Law and it generally protects the rights of: (i) interpreters and executors (e.g., actors, musicians, singers, dancers or artists in general); (ii) producers of phonograms and sound recordings concerning these recordings; and (iii) broadcasting companies in their programming.

Whilst **software** receives specific protection, i.e., software protection is provided by Federal Law No. 9.609/98 (the “Software Law”), the Copyright Law is complementarily applicable to the matter.

Sui generis IPRs include **plant variety protection**, which is regulated by Federal Law No. 9.456/97, and the protection for the **layout of an integrated circuit**, which is regulated by Federal Law No. 11.484/07.

Patent

Legal Framework

Law No. 9.279/96, IP law (LPI).

Patent Types

LPI establishes two types of patents: patents of invention (the “PI”) and utility model (the “UM”).

A PI is granted when an invention is novel, involves an inventive step and is capable of industrial application. To comply with the novelty requirement, the invention must be new to the world’s body of technical knowledge. An invention involves an inventive step when it is not obvious to a person of ordinary skill in the relevant area. Industrial applicability is satisfied when the invention can be manufactured or incorporated into practice in the respective industry.

An UM can be referred to as ‘minor patent’ and its rules are similar to those for PI, although the hurdle is lower for UM. It may be granted when the object has an industrial use, presents a new shape or layout and involves an inventive act that results in functional improvement in terms of use or manufacture.

LPI operates under the ‘first to file’ principle, i.e., if two people apply for a patent on an identical invention, the first one to file the application will be awarded the patent.

How To Protect

Patent applications are filed with the INPI by paper or online application.

Patent applications filed before INPI must contain the claims, a complete description of the invention with a drawing (if applicable) and evidence of compliance with all legal requirements. INPI will then proceed with a preliminary formal review and a filing certificate will be issued. This application will be kept confidential for 18 months, after which it will be officially published. The inventor has 36 months to request a technical examination of the patent application. If no such request is made, the application will be dismissed. The letter patent will be issued after granting of the patent application.

Since 2001, pharmaceutical patent applications are subject to a dual-assessment process, whereby the National Health Surveillance Office (“ANVISA”), i.e., the Brazilian Medicines and Healthcare products Regulatory Authority, will assess the patentability criteria, in addition to the assessment completed by the INPI. On April 10, 2013, ANVISA Directorate’s Resolution no. 21/2013 amended the writing of articles concerning ANVISA’s prior approval for patent applications related to pharmaceutical products and processes.

Currently, the applicant must request the INPI for the examination of the patent application for pharmaceutical products and processes. Following a non-technical, documentation-focused assessment, the INPI will forward the files of the patent application to ANVISA, which will analyze whether the application contradicts the public health, through decisions based on technical opinions issued by the qualified division of ANVISA.

Length of protection

A patent gives the owner a monopoly right over the product or process and also allows it to license the patent for others to make and sell, in return for the payment of royalties. The protection afforded by a PI is valid for a period of twenty (20) years for PI and fifteen (15) years for UM, but never less than ten (10) years from granting.

Trade marks

Legal Framework

Law No. 9.279/96, IP law (LPI).

Trade mark Types

Most trade mark rights derive from registration in Brazil. As a general rule, a trade mark is awarded to the first party that applies for the registration. Yet, a bona fide user of an unregistered trade mark may claim priority rights over a competing trade mark application, provided there is evidence confirming the use of said unregistered trade mark in Brazil for at least six (6) months before the date in which the competing application was filed. Brazilians or foreigners can apply for trade mark registration at INPI.

Any visually perceptible distinctive sign, when not prohibited under law, may be registered as a trade mark. Brazilian Law does not grant protection to the so-called non-traditional trade mark, such as sound and aroma trade marks.

Private legal entities may only request registration of a trade mark relating to the activity that they effectively and licitly exercise directly or through undertakings that they control directly or indirectly. The INPI uses the Nice International Classification System in order to classify trade marks.

Classification based on content

Trade marks can be classified based on their content.

- Product or service trade mark: those one which are used to distinguish products or services from another that is identical, similar, or alike, but of different origin.
- Collective trade mark: those one that are used to identify products or services provided by members of a certain entity.
- Certification trade mark: those one that are used to attest the conformity of a product or service with certain technical standards or specifications, particularly regarding its quality, nature, material and/or methodology.

Classification based on presentation

Trade marks can be classified based on their presentation.

- Word trade mark: exclusively composed by letters and/or numbers.
- Figurative trade mark: exclusively composed by a design, image, figure or any stylized form of letter and number alone.
- Combined trade mark: composed by a combination of verbal and figurative elements.
- Three-dimensional trade mark: although the law does not define it, can be described as a physical object with distinctive appearance. It consists on the configuration or physical conformation of product or packaging, whose form has distinctive capability in itself and is dissociated from any technical effect.

Famous trade mark (alto renome)

As a rule, under LPI, a trade mark is protected only in that market segment for which the registration was granted by INPI. An exception to this principle, called principle of specialty, is the famous trade mark.

Under LPI, a famous trade mark is that whose distinctive products or services lead it to surpass its original range of trade mark protection. That is, in view of its recognition by a large portion of the consumer public, quality,

prestige, repute and capability of attracting consumer by its mere presence, such trade mark has a special protection in all fields of activity, rather than only in that field for which the trade mark registration was granted.

The INPI issued Normative Act nº 107/2013, which governs the proceedings concerning how and under what conditions the INPI would recognize the status of famous for trade marks.

Well-Known trade mark

The well-known trade mark within its branch of activity pursuant to Article 6bis (I) of the Paris Convention for Protection of Industrial Property enjoys special protection, regardless of whether it has already been filed or registered in Brazil.

How To Protect

The application for registration of a trade mark and any documents attached must be presented in Portuguese and, whenever there is a document in a foreign language, a translation must be presented at the time of filing the application or within 60 days. A foreign applicant must maintain a qualified attorney, resident in Brazil, with authority to represent the applicant administratively and judicially.

After publication in the Official Gazette, there is a period of 60 days in which any interested person may file opposition. In such case, the applications' owner has a period of 60 days to submit an answer to the opposition.

Based on the papers filed by each party, the INPI comes up with a decision regarding the grant of the pending trade mark. INPI has autonomy on its decisions and they must not be necessarily linked to the grounds on the opposition.

As of the publication of the decision of acceptance of the application, a sixty (60)-day term will be opened for the applicant to file the receipt of payment of the official fee for the issuance of the Certificate of Registration and for the first ten (10)-year term of protection of the registration.

An appeal may be filed against the decision of rejection of the application for registration, in a term of sixty (60) days as of the date of publication thereof.

In addition, administrative nullity proceedings may be requested by the INPI or by a legitimately interested party within one hundred eighty (180) days as of the date of granting of the application.

There are absolute and relative grounds for refusals of registrations. Both are examined ex officio. Based on absolute grounds, the INPI does not grant registration to trade marks that: do not consist of signs graphically represented; are devoid of any distinctive character; contain or consist of a false or true designation of origin or a geographical indication; are contrary to accepted principles of morality or against the freedom of religion or conscience; contain official symbols, such as national flags and monuments; are of such a nature as to deceive the public, for instance, as to the nature, quality or geographical origin of the good or service; are signs or expression used only as a means of advertising; are not related to the activity performed directly or indirectly by the applicant. Based on relative grounds, the INPI does not grant registration to trade marks that: contain or imitate any previous rights or trade marks of a third part; are identical trade marks, even in cases where both are related to the same owner; are usual, common or ordinary shapes of the product or its packaging, or shapes that cannot be separated from a technical effect.

Length of protection

The registration of a trade mark shall remain in force for a period of ten (10) years from the date of granting of the registration, and such period may be extended for equal and successive periods, upon payment of the correspondent fees.

The renewal shall be requested during the last year of the term of the registration, or, exceptionally, during the following 6 (six) months after the expiration.

Industrial Designs

Legal Framework

Law No. 9.279/96, IP law (LPI).

Definition

The Industrial Design (the “ID”) consists in any ornamental shape of an object, or the ornamental combination of outlines and colours applicable to a product, which result in a new visual effect.

The ID can be constituted of three-dimensional structures, such as the component form or two-dimensional structures such as templates, lines or colours. It is important to mention the aesthetic essence of your protection, do not thereby protecting any technical features of the device in which it is applied.

How To Protect

The protection of the ID is provided by registration with the INPI. Granting an industrial design, unlike patent regulation, is not subject to prior examination by the INPI regarding its merit. Registration is immediately published and granted by the INPI if the application complies with all legal requirements, as follows:

Novelty. One ID is considered new when is not understood in the state of the art, which consists in the period of time in which everything that was made is informed to the public before the filing date in Brazil or abroad, or by using any means. However, LPI sets forth a “grace period”, which consists of a security to the inventor and states that there will be no harm if the information about the ID have been disclosed to the public in the twelve months preceding the filing either by the inventor or by third parties.

Originality. ID is regarded as original when it results in a distinctive visual configuration relative to other objects (or patterns) already known.

Capable of industrial manufacturing. The claimed object should be able to be reproduced industrially. In other words, it must be reproducible in scale, providing identical copies. It follows from the definition that natural elements (e.g., shells) and artwork cannot be eligible for protection by ID because the object will never be reproducible in scale, due to the particularities presented by each element.

An application for an ID registration must contain a form, specification and claims, if applicable, drawings and/or photographs, the field of application of the object and evidence of payment of the filing fee.

Once an application is filed, it will be published automatically and registration granted simultaneously, and the respective certificate will be issued at once. At the applicant’s request, the application may be kept secret for a period of 180 days from the filing date, after which it will be processed.

If legal requirements are not met, an official action shall be issued, to which a response should be filed within 60 days. The penalty for failing to do so is a withdrawal of the application.

Administrative nullity proceedings may be instituted ex officio or at the request of any person having a legitimate interest within five years from the grant of registration. It will suspend the effects of the grant of a registration if presented or published within 60 days of the grant.

The registrant will be notified that he or she has 60 days from the date of the publication to respond. Subsequently, the INPI will issue an opinion, to which the registrant and the applicant shall respond within 60 days. Even if no responses are presented, the process will be ruled upon by the president of the INPI, thereby completing the administrative process.

Length of protection

The registration is valid for a period of ten (10) years as of the filing date, and can be extended for three consecutive five-year periods.

Geographical Indications

Legal Framework

Law No. 9.279/96, IP law (LPI).

Types of Geographical Indications

A geographical indication (the “GI”) is constituted by an indication of source or an appellation of origin.

Indication of source is considered to be the geographical name of a country, city, region or locality of its territory, which has become known as a centre of extraction, production or manufacture of a determined product or for providing a determined service.

Appellation of origin is considered to be the geographical name of a country, city, region or locality of its territory, which designates a product or service, the qualities or characteristics of which are exclusively or essentially due to the geographical environment, including natural and human factors.

How To Protect

A GI application must be accompanied by instruments proving the legitimacy of the applicant, norms regulating of use of the GI by holders, official documents delimiting the geographical area, the description and characteristics of the product or service and proof of existence of a structure for controlling the standards of production by authorized producers.

After the application is filed, the INPI proceeds to a formal examination of the documents. If they are in order, the INPI publishes the application in the Official Gazette; otherwise, the applicants have 60 days to comply with the requirement(s) made by the INPI.

Following publication of the application, third parties have 60 days to file opposition, and the applicants have 60 days to respond. The INPI issues a decision regarding the application. If granted, applicants have 60 days to pay the required fee; in case of rejection, they have the same time period to appeal. The final decision is issued by the President of the INPI.

Trade Secret

Legal Framework

TRIPS Agreement and Law No. 9.279/96, IP law (LPI).

Definition

Applicable for cases in which a given technology does not meet the minimum requirements of patentability or the owners prefer to keep the technology confidential and protect it by secrecy.

Every part of information that gives a competitive advantage to its holder may be classified as a “trade secret”. Brazilian courts have acknowledged as trade secrets, for example, supplier lists, client lists, distributor lists, marketing strategies, consumers’ profiles, among others.

Information that at the time of the disclosure or use is already of public knowledge or obvious to a person skilled in the art is not considered a trade secret and may be used without restrictions.

How To Protect

Trade secrets are protected under Brazilian law regardless of any formality or registration and the term of protection is unlimited, lasting as long as the confidentiality. Protection to such information may be perpetual if its holder manages to keep it from being disclosed to third parties.

Although Brazilian law does not establish any specific requirements for the protection of trade secrets, Brazilian courts usually apply the list of article 39.2, of the TRIPS Agreement: (a) the information must be secret; (b) the information must be valuable; and (c) the holder must take reasonable precautions to keep the information secret.

The most usual forms of violation of trade secrets are included in the LPI as acts of unfair competition, establishing civil and criminal penalties for the discloser of the information.

Plant Variety Protection

Legal Framework

Law No. 9,456 of 1997 (the “PVP Law”).

Definition

According to PVP Law, plant variety consists in a variety of any plant genus or species that is clearly distinguishable from other known plant varieties by a minimum margin of descriptors and by its own denomination, is homogenous and stable in its descriptors throughout successive generations and belongs to a species useful in farming and forestry, being described in a publicly available and accessible specialized publication, including the component lines of hybrids.

Only a new plant variety or an essentially derived variety of any genus or species is eligible for protection. New plant variety, according to PVP Law, means a variety that has not been offered for sale in Brazil for more than 12 months prior to the date of the application for protection and, with due regard to the period for commercialization in Brazil, has not been offered for sale in other countries, with the breeder’s authorization, for more than six years for tree and vine species and for more than four years for other species.

How To Protect

The application for protection of a new plant variety shall be formalized in a request signed by the natural or legal person who has bred the plant variety or his agent and endorsed by the competent agency. Such application shall include at least the requirements established in Article 14 of the PVP Law.

Every plant variety shall have a denomination that identifies it, serves as its generic designation and conforms to the following criteria for the purposes of protection: (a) it must be unique, and not expressed in the form of numerals only; (ii) it must consist of a designation that is different from that of a pre-existing plant variety; and (iii) it must not mislead as to the essential characteristics or origin of the variety.

The application for protection shall be published within 60 calendar days of the filing thereof. On publication of the application for protection, there shall begin a period of 90 days for the submission of any appeals, the applicant being informed thereof.

The plant variety protection certificate shall be issued immediately after the time limit for appeal or, where an appeal has been filed, on the official publication of the ruling thereon.

Length of Protection

The protection of the plant variety shall be effective for a period of fifteen (15) years from the date of grant of the Provisional Certificate of Protection, except for vines and fruit, forest and ornamental trees, including in each case the rootstock thereof, for which the term shall be eighteen (18) years.

Copyright

Legal Framework

The Copyright Law, Law No. 9,610 of 1998.

Scope of Protection

Copyright protects in Brazil all intellectual works that are creations of the mind, whatever their mode of expression or affixation in any kind of media, physical or virtual. Only concrete expressions are protectable and not ideas. It includes artistic, literary and scientific expressions, text, music, works of art such as paintings and sculptures, as well as technological works, for example, computer programs and electronic databases.

There are two types of rights conferred by the copyright system: (a) patrimonial rights, which provide to the holder the right to obtain financial return from the use and exploitation of the work and (b) moral rights, which accentuate the existing personal link between the author and the work. Different from patrimonial rights, moral rights shall not be transferred to third parties.

How To Protect

Registration is optional for purposes of protection. Assuming that the work is original, it will be afforded copyright protection irrespective of registration.

National and foreign authors and owners may register their works with the public bodies defined by local norms. The main registration authority is the Copyright Office of the National Library.

Although not mandatory, copyright registration is still recommend as a way to evidence authorship, especially for foreign authors and owners. And in case of assignment or licensing to local companies, the respective agreement may be entered as a marginal note to the registration certificate, giving the opportunity to third parties to become aware of the contents of the agreement.

Length of Protection

As a general rule, the Copyright Law sets the duration of economic rights for a period of 70 years counted from 1 January of the year following the author's death.

Related Rights (Direitos Conexos)

Related rights provide protection to the following people or organizations: (a) Interpreters and executors (actors, musicians, singers, dancers or artists in general), because of their performances; (b) Producers of Phonograms and sound recordings (by CDs cassette tapes, for example) concerning these recordings; and (c) Broadcasting companies in their TV programming and radio.

Copyright and related rights protect different people. While copyright protects authors of works, Related Rights, protect those that bind to the work without having created.

Software

Legal Framework

Law No. 9,609 (the “Software Law”) and Copyright Law.

Scope of Protection

It is protected under the scope of software an organized set of instructions in natural or codified language embedded in physical media of any nature to be necessarily used in automated machines to handle data, devices, peripheral instruments or equipment, based on digital or analogous techniques to make them operate in a specific manner and for specific purposes.

How To Protect

Registration is optional for purposes of protection. Assuming that the software is original, it will be afforded copyright protection irrespective of registration.

Likewise copyright, registration of software is not mandatory. Tough, it is still recommend as a way to evidence authorship. The INPI is the responsible authority for registration of software.

Length of Protection

The effective period for software protection is fifty (50) years after its creation.

Layout of Integrated Circuit

Legal Framework

Law No. 11,484 of 2007.

Scope of Protection

Integrated Circuit shall mean a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are intended to perform an electronic function.

How To Protect

All applications are filed with and analyzed by the INPI. They must contain: (i) the description of the topography and its function; (ii) drawings or photographs of the integrated circuit; (iii) a declaration of previous exploitation, if needed; (iv) receipt of payment of the filing fee.

Once the application is filed and all the formal requirements are complied with, the INPI automatically publishes it and simultaneously grants the registration.

Applicants may request at the time of filing that the application is kept secret for a period of six months, after which it is processed.

Length of Protection

The protection is granted for ten (10) years from the date of filing or the first holding, whichever occurred first.

Infringement and Remedies

Actions against the infringement of all types of IP may be brought under Brazil's Penal Code and specific IP legislation, with the possibility of higher penalties for infringers including imprisonment and fines.

There are two main levels at which IP rights may be enforced in Brazil:

- a. Civil action - there are no specialist courts exclusively dealing with IP-related cases. The ordinary civil courts deal with cases as appropriate. Laws relating to trade name registration and protection are contained within the Civil Code. All other areas of IP have their own specific legislation.
- b. Criminal prosecution - actions against the infringement of all types of IP may be brought under Brazil's Penal Code and specific IP legislation, with (in theory, at least) higher penalties for infringers including imprisonment and fines. A criminal complaint must be preceded by a search and seizure action, which aims to collect evidence rather than halt the infringement.

Specialist federal courts in Rio de Janeiro are available to hear actions, such as cancellations, coming from proceedings at the national office. Specialized state courts are available in infringement actions in both Rio de Janeiro (first instance only) and Sao Paulo (second instance only).

Actions by Customs also play an important part in IP enforcement in Brazil. Customs can monitor and seek seizure ex officio infringing products on import or export.

IP License Agreements

INPI, through its General Coordination of Contracts, Directorate of Contracts, Geographical Indications and Registrations, is the competent authority for the analysis and registration of IP licensing, technology transfer and franchising agreements.

The law that created INPI established that the agency would have the mandate of regulating industrial property and technology transfer. The Industrial Property Code, Law nr. 5.772/71, established that those agreements that implied the transfer of technology were the subject of registration by INPI. The LPI confirmed such mandate of the INPI.

INPI assessment and approval of technology transfer, and IP licensing agreement is mandatory for the purposes of (i) authorizing remittance of royalties to foreign licensor, grantor of IP rights recognized in Brazil; (ii) trigger tax deductibility by the Brazilian party of amounts paid in connection with IP license, acquisition; and (iii) entitle the Brazilian party to enforce licensed, granted IP rights. Either the licensee or the licensor may file the request for INPI's assessment, annotation of the IP agreement.

INPI deems as technology transfer all transactions aimed at licensing of registered trade marks and/or patents, supply and/or transfer of non-patented proprietary technological knowledge (e.g., know how, trade secrets and technical specifications) and the supply and vending of technical and scientific assistance are considered as technology transfers.

The certificate of registration is valid throughout the validity of the registered right or for five (5) years, in case of non-patented, proprietary technological knowledge. The INPI does not annotate agreements, thus not issue certificate of registration, for the license of non-patented, proprietary technological knowledge. The agency understands that such agreements regulate the acquisition of the knowledge by the Brazilian party, rather than a license to use, i.e., upon expiration of the five (5) years agreement, the Brazilian party will own the non-patented, proprietary technological knowledge.

Payments made by a Brazilian company to a related company outside of Brazil are limited to a percentage of the net sales price of products licensed through the agreement. This rate varies according to the field of activity in

which the agreement is inserted, but the highest rate is 5%. The rates are the same used for the allowance of tax deduction of expenses based on royalty payment.

Although Brazilian law does not establish any limitation on payments made between unrelated parties, INPI usually requests a reduction of the contractual remuneration if it considers that the amount exceeds usual market standards¹.

As the royalties may only be remitted outside of Brazil after the registration of the agreement, INPI only allows retroactive payments from the date of the application (of a trade mark) to register the agreement. Payments related to the period before filing dates (of a trade mark application) cannot occur.

In relation to any improvement or new technology developed by the Brazilian party during the term of the agreement, INPI considers that the rights on said improvements, innovations or new technology will be owned by the Brazilian party. Clauses to the contrary may be challenged by INPI. In addition, INPI may also challenge clauses establishing that improvements developed by the licensor may only be used by the Brazilian company upon the execution of a new agreement with a specific remuneration.

¹ A recent court decision affirmed that the INPI does not have legitimate powers to act this way, but the lawsuit is still under discussion on an appeal presented to the higher courts.



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