

## INDUSTRIAL DESIGN PROTECTION IN BRAZIL

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### A. PREFACE

Progress on effective protection of intellectual property rights indicate that the Brazilian government has taken significant steps both administratively and legislatively to bring Brazil much closer to generally accepted world standards in the protection and enforcement of intellectual property law . The enactment of the New Industrial Property Law on May 14, 1996, confirms this trend. The New Industrial Property Law was published on May 15, 1996 and came into force on May 15, 1997.

### B. LAW NO. 9,279 OF MAY 14, 1996

The new Industrial Property Code, Law No. 9,279 of May 14, 1996, entered into force on May 15, 1997. It comprises a special chapter on industrial designs, bringing very important changes to the previous legislation.

The major change is that authors of industrial designs will no longer have to file patent applications, as the new law determines that industrial designs will be protected by registration, thus reducing the bureaucracy required when requesting a patent.

Brazilian law protects these intellectual works, granting authors a temporary privilege and ensuring the right to use, benefit and dispose of their work, as well as the right to exclusively exploit their work commercially and industrially. Industrial designs are now protected by the grant of a registration. The National Institute of Industrial Property, the Brazilian Patent and Trademark Office, (the "BPTO") is the competent agency to issue same.

### C. REGISTRABLE INDUSTRIAL DESIGNS

Industrial designs are creations intended to produce visual effects which, aside from distinguishing them from industrial inventions, make them more attractive to the human eye. They are distinguished basically by ornamental and superfluous features, as well as by necessary industrial characteristics, i.e., the design must be open to industrial reproduction and exploitation

and not solely considered a simple work of art.

According to Brazilian law, an industrial design is defined as any ornamental plastic form of an object or any ornamental arrangement of lines and colours which may be applied to a product, providing a new and original visual result in its external configuration, and that may serve as a type for industrial manufacture.

#### **D. LEGAL REQUIREMENTS**

##### **1. Novelty**

An industrial design is considered new when it is not comprised by the state of the art. The state of the art comprises everything made accessible to the public before the filing date of the application, in Brazil or abroad, by use or any other means. Applications claiming priority based on a previous application in a country that maintains an agreement with Brazil will not be considered as being comprised by the state of the art.

##### **2. Originality**

An industrial design is considered original when it results in a distinctive visual configuration in relation to prior objects. An industrial design shall also be considered original when, although formed by known elements, it embodies an original combination of colours, lines or forms.

#### **E. NONREGISTRABLE INDUSTRIAL DESIGNS**

An industrial design is not registrable for:

- (1) that which is contrary to morals and good customs, or which offends the honour or image of people, or is contrary to the liberty of conscience, belief, religious cults or ideas and feelings worthy of respect and veneration; and
- (2) the necessary common or ordinary shape of an object or, further, that which is determined essentially by technical or functional considerations.

#### **F. FILING AN INDUSTRIAL DESIGN APPLICATION**

An application for an industrial design registration may be filed by the author, his or her successors, by the assignee, or by whomever the law or an employment contract determines to be the owner. When created jointly by two or more persons, all or any one of such persons may apply for registration. The author will be named and qualified, but he or she may request his or

her authorship not be divulged.

If two or more authors have independently devised the same industrial design, the right to obtain a registration will be given to whomever proves the earliest filing, regardless of the dates of invention or creation.

Notwithstanding, a person who in good faith, prior to the date of filing or prior to the priority of an application for registration, exploits the subject matter in Brazil, he or she will be guaranteed the right to continue exploitation in the same manner and conditions, without bearing the onus of proof.

An application for an industrial design 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.

The application for an industrial design must refer to a single object, a plurality of up to 20 variations being permitted, provided that they are destined for the same purpose and maintain among them the same predominant, distinctive characteristic.

If claiming priority under the International Convention, a complete, certified and non legalized copy of the basic application must be filed within 90 days from the filing date and be accompanied by a Portuguese translation.

#### **G. PROSECUTION OF AN APPLICATION**

According to the new law, once an application for an industrial design 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.

The registration will be valid for a ten year term from the date of filing and is renewable for three successive periods of five years.

An application for renewal must be submitted during the last year of the registration term, followed by proof of payment of the respective fee. If an application for renewal has not been requested prior to the end of the registration term, the registrant may file such request within 180 days, upon payment of an additional fee.

The Certificate of Registration gives the owner the right to prevent third parties from the manufacture, use, offer for sale, sale or importat for any purposes without the owner's consent.

The right conferred by this registration can be assigned, by transfer or lease, together with the business or enterprise or part thereof, having direct relation to the exploitation of the object of registration.

A registrant of an industrial design may, at any time during the term of the registration, file a request for an examination concerning novelty and originality. The BPTO shall issue an opinion, and if it concludes that at least one of the requirements are absent, the said opinion may serve as a ground for an *ex officio* nullity proceeding.

#### **H. NULLITY OF REGISTRATION**

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. The legitimate interest may be a confusingly similar trademark registration or a previously issued patent for the industrial design or model.

Administrative nullity proceedings, instituted *ex officio* or by request, 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 BPTO 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 BPTO, thereby completing the administrative process. A nullity proceeding will continue even when a registration becomes extinct.

During the term of a registration, a nullity action can be filed at any time by the BPTO or by any legitimately interested party. A nullity action is filed with the Federal Court. The BPTO, when not a plaintiff, participates in the action.

The judge may, as a preventive or incidental measure, suspend the registration, provided that the relevant procedural requirements are met.

The defendant will have 60 days to reply, and once a decision on a nullity action becomes *res judicata*, the BPTO shall publish a notice to inform third parties.

#### **I. EXTINCTION OF REGISTRATION**

An industrial design registration will become extinct in the following circumstances: upon the expiry of the term of protection; upon a waiver by the registrant, without prejudice to the rights

of third parties; upon nonpayment of the renewal and quinquennial fee; and, in case of a foreign owner, the absence of a duly qualified attorney resident in Brazil with powers to represent him or her administratively and judicially, including the ability to receive summons.

## **J. INDUSTRIAL DESIGN INFRINGEMENT**

### **1. Crimes Against Industrial Designs**

Manufacturing, without the authorization of the registrant, a product that incorporates a registered industrial design or a substantial imitation thereof that may lead to error or confusion, is considered a crime against industrial designs and punishable by detention for a period of three months to a year or by fine.

A crime is committed against an industrial design registration by anyone who:

- (1) exports, sells, exhibits or offers for sale, maintains in stock, hides or receives for economic purposes, an object that illicitly incorporates a registered industrial design or a substantial imitation thereof that may lead to error or confusion; or
- (2) imports a product that incorporates an industrial design registered in this country, or a substantial imitation thereof that may lead to error or confusion, for economic purposes, and which was not placed on the external market directly by the registrant or with his or her consent.

## **K. LEGAL REMEDIES**

Considering that industrial design infringement is a criminal offense and a civil tort, the owner of a registration may apply for injunctive relief in both the criminal and civil courts.

### **1. Criminal Actions**

Under criminal law, the owner of a registration may file a criminal complaint based on industrial design infringement. The criminal action may only be instituted by the owner of the registration. A licensee cannot institute such action since he or she has no proprietary rights in the design.

A criminal complaint must necessarily be preceded by a search and seizure order, whereby the so called vestiges of the crime or *corpus delicti* are assembled and placed before two court experts who identify the evidence and prepare an official report of their findings. The purpose of this

procedure is to collect irrefutable evidence that the infringement is taking place.

The penalty for infringement is up to one year of imprisonment and/or fines, which may be increased by one third to one half if the infringing party was a representative, proxy, agent, partner or employee of the registrant or his or her licensee.

The police may be requested to effect raids to seize the infringing goods and customs officials may be incited by the court to seize imports of counterfeit products.

## 2. Civil Actions

Usually, the competent court that reviews such actions is the state court of the defendant's domicile, and in the case of more than one defendant living in different states, the plaintiff may choose one of these state courts as he or she desires. In some cases, the plaintiff may choose the state court where the infringing act is taking place.

Jury trials are not available for civil actions. Such cases will be decided by one judge at the state court level, and by a three Judge panel at the Court of Appeals.

The plaintiff may request a temporary or permanent injunction against the infringer. The judge may grant preliminary relief on an *ex parte* basis. The granting of a preliminary injunction will depend on the likelihood of prevailing on the merits and on the risks of irreparable harm. Permanent injunctions are only obtained upon a final decision on the merits.

In contrast to the old system, a civil claim may now combine a combination of injunctive and compensatory relief.

The new law also sets forth new criteria for the assessment of damages, namely: loss of profits, unjust enrichment or reasonable royalties, whichever is highest.

### **L. ALTERNATIVE PROTECTION AVAILABLE FOR INDUSTRIAL DESIGNS**

In addition to obtaining a registration from the BPTO to protect an industrial design, it is still possible to obtain protection through trademark registration and copyright.

The new Industrial Property Law also implemented major changes regarding trademark protection, stating that any visually perceptible, distinctive sign, when not prohibited under law, shall be capable of registration as a trademark.

However, the necessary, common or usual shape of a product or its packaging or shapes that cannot be disassociated from a technical effect, cannot be registered as a trademark.

This leads to the conclusion that it is possible to secure registration of trademarks found in the

form of the product or in the packaging, provided they are distinctive and have no technical effect.

According to the old law, it was not possible to obtain trademark registrations for designs already patented. In this regard, the sole prohibition contained in the new law refers to objects that are protected by industrial design registrations in the name of third parties, which leaves open the possibility of obtaining both kinds of registrations for the same design.

The major advantage of a trademark registration is that it can be renewed forever. However, a trademark will be subject to a strict preliminary examination prior to the grant of the registration and may be subject to cancellation actions for nonuse after registration or renewal.

Brazil is also a member of the Bern Convention which grants copyright protection regardless of the type of registration and according to Law No. 9.610 of February 19, 1998, protection is granted for the life of the author plus 70 years counted as of January 1st of the subsequent year of the author's death for designs, paintings, prints, sculptures and lithography.

Thus, considering that a design fulfills all of the requirements for obtaining a trademark and an industrial design registration, as well as copyright protection, it is possible to obtain three kinds of protection for one design simultaneously.

