

Trademarks

Contributing editors

Claus Eckhartt and Christine Fluhme



2018



GETTING THE
DEAL THROUGH 

Trademarks 2018

Contributing editors

Claus Eckhardt and Christine Fluhme
Bardehle Pagenberg Partnerschaft mbB

Publisher
Gideon Robertson
gideon.roberton@lbresearch.com

Subscriptions
Sophie Pallier
subscriptions@gettingthedealthrough.com

Senior business development managers
Alan Lee
alan.lee@gettingthedealthrough.com

Adam Sargent
adam.sargent@gettingthedealthrough.com

Dan White
dan.white@gettingthedealthrough.com



Published by
Law Business Research Ltd
87 Lancaster Road
London, W11 1QQ, UK
Tel: +44 20 3708 4199
Fax: +44 20 7229 6910

© Law Business Research Ltd 2017
No photocopying without a CLA licence.
First published 2005
Fourteenth edition
ISSN 1745-4638

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between August and September 2017. Be advised that this is a developing area.

Printed and distributed by
Encompass Print Solutions
Tel: 0844 2480 112



CONTENTS

Angola	7	Korea	93
Márcia Gonçalves Raul César Ferreira (Herd) SA		Yoon Bae Kim Kims and Lees	
Australia	11	Kyrgyzstan	98
Marie Wong Wrays		Omurgul Balpanova and Aisulu Chubarova ARTE Law Firm	
Austria	19	Macao	102
Peter Israiloff Barger, Piso & Partner		Márcia Gonçalves Raul César Ferreira (Herd) SA	
Brazil	25	Malaysia	106
Philippe Bhering and Jiuliano Maurer Bhering Advogados		Jin Nee Wong Wong Jin Nee & Teo	
Cape Verde	32	Malta	111
Márcia Gonçalves Raul César Ferreira (Herd) SA		Henri Mizzi, Sharon Xuereb and Terence Cassar Camilleri Preziosi Advocates	
Chile	36	Mexico	116
Francisco Silva and Luis Felipe Opazo Silva		Marcela Bolland Uthhoff, Gomez Vega & Uthhoff SC	
Colombia	41	Mozambique	121
Juan Guillermo Moure, Juan Felipe Acosta, Isabella Herrera, Maria Alejandra Pava and Bibiana Agudelo OlarteMoure		Márcia Gonçalves Raul César Ferreira (Herd) SA	
Ecuador	46	Nigeria	125
María Rosa Fabara Vera Fabara & Compañía Abogados		Fred Onuobia, Solomon Ezike and Blessing Akunebu G Elias & Co	
France	52	Pakistan	129
Catherine Mateu Armengaud Guerlain		Ali Kabir Shah and Hanya Haroon Ali & Associates	
Germany	58	Peru	135
Claus Eckhardt and Christine Fluhme Bardehle Pagenberg Partnerschaft mbB		María del Carmen Arana Courrejolles Estudio Colmenares & Asociados	
Guatemala	64	Portugal	142
Marco Antonio Palacios and Hilda Monterroso Palacios & Asociados/Sercomi		Patricia Rodrigues Raul César Ferreira (Herd) SA	
Honduras	70	Russia	146
Ricardo Anibal Mejía Bufete Mejía & Asociados		Vladimir Trey and Evgeny Alexandrov Goroditsky & Partners	
India	76	São Tomé and Príncipe	153
Swati Sharma and Safir R Anand Anand and Anand		Márcia Gonçalves Raul César Ferreira (Herd) SA	
Italy	82	Saudi Arabia	157
Adriano Vanzetti and Giulio E Sironi Vanzetti e Associati		Mohammad Jomoa and Asif Iqbal Kadasa & Partners	
Japan	88	Serbia	163
Masayuki Yamanouchi, Ai Nagaoka and Satoko Yokogawa Anderson Mōri & Tomotsune		Bogdan Ivanišević and Marko Popović BDK Advokati	
		Singapore	168
		Kiran Dharsan Seiter Seiter IP Consultants LLP	

South Africa	175	Turkey	195
Debbie Marriott, Eugene Honey and Reinhardt Biermann Adams & Adams		Ahmet Akguloglu ATG Law Firm	
Switzerland	181	United Kingdom	201
Jürg Simon and the Lenz & Staehelin IP team Lenz & Staehelin		Robert Guthrie and Becky Crawford Osborne Clarke LLP	
Taiwan	186	United States	207
Victor SC Lee, Crystal J Chen, Nick JC Lan, Yiling Liu and Iris LC Lin Tsai, Lee & Chen		Anthony F Lo Cicero and Max Vern Amster, Rothstein & Ebenstein LLP	
Tanzania	191	Venezuela	213
Patrick Sanga and Haika-Belinda John Macha Vemma Consult Attorneys		María Milagros Nebreda Hoet Peláez Castillo & Duque	

Peru

María del Carmen Arana Courrejolles

Estudio Colmenares & Asociados

1 Ownership of marks

Who may apply?

Any individual or legal entity, public or private, Peruvian or foreign, may apply for a trademark with the National Institute for the Defence of Competition and Intellectual Property Protection (INDECOPI). An application in the name of more than one person is possible. If the applicant has no domicile in Peru, a Peruvian representative must be appointed.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

According to the Peruvian Trademark Law (Andean Decision 486), a trademark is a distinctive sign capable of graphic representation, so that both are essential requirements for its registration.

In accordance with current legislation (articles 134 and 135 of Decision 486) and Andean Prejudicial Interpretation (Process 032-IP-2014, page 23) the distinctiveness is the capacity of a sign to individualise, identify and differentiate in the market the goods or services, making possible the consumer to request them. It is the essential characteristic that all signs should meet in order to be registered as a trademark.

The distinctiveness refers to the fact that a trademark cannot be confused with the goods or services it distinguishes, indicate its qualities or be confusingly similar to another registered trademark in the same field. In Peruvian legislation the registration of evocative trademarks is allowed because such trademarks have sufficient distinctiveness.

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

- words or combinations of words;
- pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels, and emblems;
- sounds and smells;
- letters and numbers;
- a colour with borders to generate a specific shape, or a combination of colours;
- the shape of a product, its packaging or wrappings; and
- any combination of the signs or means indicated in the items above.

In Peru, the following non-traditional trademarks can be protected: olfactory, tactile and taste marks, despite not being expressly mentioned, but since the legislation contains a declarative enumeration of the signs that can constitute marks, such signs could be registered. Sounds and smells are expressly mentioned as being able to constitute trademarks. Three-dimensional trademarks are also protected.

Likewise, the legislation permits the registering of evocative signs as trademarks.

Signs that are constituted by a prefix of common use or usual particles may be also registered as trademarks provided that the other element grants it sufficient distinctiveness.

Signs in other languages that are unknown to the Peruvian consumer may also be registered as trademarks.

Article 50, paragraph (b) of Legislative Decree 1075 (domestic law), states the requirement of graphic representation for the non-perceptible

marks. In the case of sound marks, graphic representation is required by submitting, in the case of a melody, the stave representing it and when dealing with other sounds, the spectrogram.

Signs that are included in the absolute and relative prohibitions related to third-party rights cannot be registered as trademarks.

Absolute prohibitions are included in article 135 of Decision 486 and are referred to as words of the language that do not fulfil the distinctive function as they mention the goods or services or a characteristic or quality thereof. That is, it is not possible to register as trademark a term of the language that is generic (name of the good), descriptive (mentioning any characteristic of the sign), or usual (in the common business language).

Paragraph (b) mentions the prohibition concerning lack of inherent distinctiveness and paragraphs (i) and (j) signs that may mislead consumers.

Signs cannot be registered as trademarks when they contain a protected appellation of origin for wines and spirits paragraph (k) or consist of a national or foreign geographical reference that is liable to create confusion in respect of its application to products or services paragraph (l).

Likewise, signs reproducing or imitating heraldic elements such as coats of arms, flags and emblems, and official signs and stamps used for the purposes of government control and guarantee and the coats of arms, flags and other emblems, initials or designations of any international organisation, without the permission of the competent authority of the state or international organisation concerned may not be registered as trademarks (paragraph (m)).

Further, signs reproducing or imitating signs denoting conformity with technical standards may not be registered as trademarks unless such signs are applied for with the national body responsible for standards and quality requirements in member countries (paragraph (n)).

Signs reproducing, imitating or including the indication of a plant species protected in an Andean country or any other country when the application to goods or services relating to such species or its use is likely to cause confusion or a mistaken association with that variety, may also not be registered as trademarks (paragraph (o)).

Signs that are contrary to law, morality, public order or good manners may not be registered as trademarks (paragraph (p)).

Relative prohibitions to third-party rights are included in article 136 such as signs that are identical or similar to a trademark filed for registration or registered earlier by a third party, a protected trade name, label or emblem, a registered advertising slogan when use of such signs are likely to lead to confusion or mistaken association.

Signs that are similar or identical to a distinctive sign belonging to a third party may not be registered as trademarks when the applicant has been or is a representative or distributor of the owner of the protected sign and where use of the mark would result in a likelihood of confusion or mistaken association.

Likewise, signs affecting the identity or prestige of legal entities (non-profit or not, or natural persons other than the applicant or identifiable by the general public as being such a different person), particularly with regard to a given name, family name, signature, title, nickname, pseudonym, image, portrait or caricature without consent from that person or, if deceased, the declared heirs of that person, may also not be registered as trademarks.

Further, signs that may violate the intellectual property right or copyright of a third party without consent of that party, signs consisting of the name of indigenous, African American, or local communities not filed by the community itself or without its express consent and signs consisting of a total or partial reproduction, imitation, translation, transliteration or transcription of a well-known sign belonging to a third party may not be registered as trademarks.

Article 137 states that the Trademark Office Authorities may refuse the registration of a trademark when there is sufficient reason to believe that the registration was applied for to engender an act of unfair competition.

3 Common law trademarks

Can trademark rights be established without registration?

Trademark rights cannot be acquired without registration (with the exception of well-known marks). Notwithstanding, it is possible to protect non-registered signs by other means such as unfair competition.

4 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Normal prosecution of a trademark usually takes between six and nine months. The time would increase (by about three more months) in cases where any requirements by the Trademark Office Authorities arise (adaptation, precision of exclusion of some of the originally filed goods or services) or when formal papers are missing (power of attorney, priority document, etc).

If an opposition is filed the processing takes at least 10 more months before the first administrative instance and if the case is kept in abeyance at the request of the interested party or ex officio until a related case is resolved, it will take about nine further months at the appeal stage (second administrative instance) depending on the complexity of the case and because pursuant to the law the Trademark Office Authorities have a term of 180 days to conduct administrative proceedings (article 24 of Legislative Decree 1075).

Costs for obtaining a registration of a trademark without opposition total about US\$700 including official fees and service fees.

A power of attorney is required to file a trademark application. The document only needs to be signed by an authorised officer of the applicant mentioning his or her full name and capacity. Notwithstanding, a signed power could not be used in the case of entering an infringement action or a lawsuit (before the judiciary), in which case, a power of attorney document, duly notarised and apostilled, would be necessary.

5 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Although Peru is not a party to the Nice Agreement, the Andean Community (Bolivia, Colombia, Ecuador and Peru) has adopted and applies the Nice Classification of Goods and Services for the purposes of the registration of marks.

Peru adhered to the Trademarks Law Treaty on 6 August 2009, which came into force on 6 November 2009, wherein the multi-class system is stated. Legislative Decree No. 1075 (domestic law) in force from 1 February 2009, adopted the multi-class application figure. In this sense multi-class applications are available for a single application containing goods or services, or both, belonging to more than one class and said application shall give rise to a single registration. Notwithstanding, if during the processing of the application only some of the classes are granted and the remainder ones are rejected, the applicant can divide its application in order to obtain the registration certificate for those granted classes instead of awaiting the outcome of the rejected classes that are in the appeal stage. No savings are available since the same official fees are applicable to all the classes involved.

6 Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

After expiry of a 30 day-term counted from the following working day of publication in the INDECOPI Electronic Gazette (article 6.2 of Supreme Decree No. 071-2017-PCM), and if no objections have been filed, the Commission of Distinctive Signs (non-contentious case areas) will proceed to perform the examination of registrability and would cite those registered trademarks that in its opinion are confusingly similar to the sign applied for and that would engender risk of confusion in the market for consumers.

In cases where objections have been filed, the Commission of Distinctive Signs (contentious case areas) will assess both the arguments of the objector and the response of the applicants and will issue an opinion on the objection's merits and will grant or refuse registration of the trademark and inform the parties of its decision. It may be the case that the objection is declared groundless and that the application is denied ex officio based on the examination performed by the Trademark Office Authorities in their database.

7 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

No use of a trademark or service mark has to be claimed before registration is granted so no proof of use needs to be submitted during the processing of the application. Likewise, for maintaining or renewing a registration no proof of use is required.

In accordance with article 4 of the Paris Convention it is possible to claim priority of foreign registrations and the corresponding applications should be filed within a six-month period.

Also in accordance with article 9 of Decision 486 the first application for the registration of a trademark that is validly filed in any other Andean country shall confer on the applicant or the applicant's assignee the right of priority in filing for the registration of the same trademark in Peru.

The registration of a trademark is vulnerable to cancellation action for non-use by third parties after a three-year term following its granting. Therefore it is advisable to use the mark prior to finishing said period in order to defeat a third-party challenge based on grounds of non-use.

8 Appealing a denied application

Is there an appeal process if the application is denied?

After the issuance of an adverse decision (denial of the application) the applicant would have a term of 15 working days to challenge the decision and in said case the applicant would have two alternatives to challenge the adverse decision issued from the Trademark Office Authorities:

- to file a reconsideration brief (based on new documentary proof), which is processed before the same first administrative instance; and
- to lodge an appeal before the same authority that issued the decision by submitting new documents, with a different interpretation of the proof submitted or with purely legal questions. After the appeal is processed, the first instance authorities will submit the appeal to the second administrative instance.

The final resolution to be issued by the second administrative instance exhausts the administrative channel and could only be impugned before the judiciary via a lawsuit within a three-month term counted from the date on which the loser part has been notified of the adverse resolution.

9 Third-party opposition

Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Applications are published for opposition purposes and any third party may oppose the application within a 30-day term following the publication date. The opposition may be grounded on a Peruvian-granted registration or an earlier application by alleging the absolute and relative prohibitions stated in articles 135 and 136 (lack of distinctiveness or risk of confusion with regard to third-party rights).

In accordance with article 146: 'Within 30 days following such publication, any person having a legitimate interest may, one time only, file a valid objection that could result in invalidation of the trademark registration.'

The competent national office may, at the request of a party and once only, grant an additional 30-day period in which to provide valid reasons for opposing registration of the trademark.

Reckless objections may be sanctioned if provided for by domestic legislation.

No objections based on such trademarks as may have existed at the same time as that being applied for, may be lodged against the application within six months following expiry of the grace period referred to in article 153.

Further, according to article 147 of Decision 486, an Andean opposition may be filed based on a trademark registration granted in a member country of the Andean community (Bolivia, Colombia, Ecuador) and to meet the Andean opposition requirements, it is necessary to apply in Peru for the registration of a trademark, identical to the mark that is the basis of the opposition, otherwise the opposition would not be processed.

Moreover, an opposition may be filed based on article 7 of the General Inter-American Convention for Trademark and Commercial Protection if the opponent is a contracting state or domiciled foreign national who owns a manufacturing or commercial establishment in any of the contracting states. The conditions for the application of the Convention are to prove that the person who is using such mark, or applying to register or deposit it, had knowledge of the existence and continuous use in any of the contracting states of the mark on which opposition is based upon goods of the same class. The opposer may claim for him or herself the preferential right to use such mark in the country where the opposition is made or priority to register or deposit it in such country, upon compliance with the requirements established by domestic legislation in such country and by this Convention.

The applicant should respond to the opposition within a term of 30 working days after being notified of the opposition brief. At the request of the opponent the Trademark Office Authorities will grant an additional 30-day period to ground the opposition and in the same manner the applicant may request a single period of 30 additional days in which to provide valid reasons for the refutation.

Furthermore based on article 137 of Decision 486 an opposition may be filed alleging bad-faith arguments.

In accordance with article 136, paragraph (h) of Decision 486 an opposition may be based on a well-known trademark.

Further, during the opposition proceeding the applicant may institute, as means of defence, a cancellation action for non-use against the mark that is the basis of the opposition.

Moreover, pursuant to article 169 when the owner of a trademark has caused or allowed that its trademark to become a common or generic sign to identify or denote one or several of the goods or services for which it was registered, the authority shall order, ex officio or at the request of an interested party, the cancellation of the trademark or the limitation of its scope.

In this regard, a trademark shall be considered to have become a common or generic sign if, in commercial circles and for the public, it has lost its distinctive character as an indication of the corporate source of the product or service to which it is applied.

10 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A trademark registration is granted for a term of 10 years from its grant date and is renewed for successive 10-year periods. To maintain the registration it is only necessary to apply for renewal six months prior to its expiration date or six months after the expiration date (grace period). In accordance with current regulations and practice no proof of use is required to renew the registration.

11 The benefits of registration

What are the benefits of registration?

The benefits of obtaining a trademark registration are to gain the right to its exclusive use, to grant licences, to record assignments, to file oppositions to third-party applications, to reach coexistence agreements, to include the mark as an intangible asset of its owner, to institute infringement actions against non-authorised use of the mark, to accede to border measures, to give it as a pledge or security, to celebrate transactional agreements, to enter complaints or criminal actions, etc.

12 Licences

May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

Since the licence is a private consensual agreement between the parties its validity is not subject to official recordal. However, as licences and other acts affecting industrial property rights shall only take effect in respect of third parties as from its recordal, it would be advisable to record the licence to the purposes of proving use or taking legal actions in the name of the owner based on the registered mark.

13 Assignment

What can be assigned?

Trademarks can be assigned with or without goodwill for all goods and services covered. However, if the change of ownership does not involve all the goods or services listed in the registration of the owner, a separate registration shall be created in respect of the goods or services for which there has been a change in ownership. The assignment can be made with or without the firm to which it belongs and made in writing. The Trademark Office Authorities can refuse the recordal if the assignment could lead to the risk of confusion.

14 Assignment documentation

What documents are required for assignment and what form must they take?

A signed power of attorney and a deed of assignment are required from the assignee and duly executed by both the assignor and assignee. In accordance with current practice notarisation and legalisation are not required.

15 Validity of assignment

Must the assignment be recorded for purposes of its validity?

The ownership change must be recorded to take effect in respect of third parties. Failure to register shall render the assignment invalid in respect of such third parties.

16 Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised in Peru and the document should be executed by both parties, notarised and legalised by apostille. Security interests must be recorded in the Trade Mark Office records for purposes of validity and enforceability.

17 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

In Peru's legislation marking is optional. However, use of the denomination 'registered mark' or symbols such as MR, ® or equivalent, together with signs that are not registered, are prohibited and subject to sanctions (fines).

The benefits of using the above-mentioned identification are to warn possible infringers to abstain from non-authorised use as the mark is duly protected.

There are no risks for not using such words or symbols since it would be possible to take any legal measures based on the protected right.

18 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Border measures are available in Peru through the Customs Authority. The Customs Authority is an autonomous body of control and sanctions within its own Customs Law. With regard to counterfeit trademarks, they are responsible for warning and verifying if the exported and imported goods infringe any intellectual property rights. To this end, they request INDECOPI to verify the registration and validity of the marks that are subject of presumed infringement.

INDECOPI is the official body that grants the registration of a trademark, unlike the Customs Authority which records a trademark already registered for border measure purposes, that is, the Customs Authority only owns a list of records in order to warn the owner of a registered trademark on the entry of goods including their packaging bearing an identical or confusingly similar sign to the validly registered trademark without authorisation so that such goods would infringe the rights granted to the owner of the trademark by the legislation of the import country. In said occasion the owner of the registered trademark may request the Customs Authority to suspend the customs operation and immobilise the goods and should supply the necessary information and a sufficiently detailed and precise description of the goods subject of the alleged infringement so they can be identified.

Any party initiating or intending to initiate an action for infringement may request the Trademark Office Authorities to order immediate provisional measures for the purpose of preventing an infringement from occurring, avoiding its consequences, obtaining or preserving evidence, or ensuring the effectiveness of the action or compensation for damage.

Pursuant to article 238 of Decision 486 infringement actions may be entered in the administrative channel (before the Commission of Distinctive Signs of INDECOPI) against any persons infringing rights of a trademark owner or against any persons performing acts that are extremely likely to result in the infringement of that right. In the case of the co-owner of a right, any one of the co-owners may bring action for infringement without the need for consent from the other party.

Article 155 establishes the grounds that may be invoked in an infringement action, which are:

- (a) *using or affixing the trademark or a similar or identical distinguishing sign to products in respect of which the trademark is registered; to products connected with the services for which the trademark is registered; or to the packages, wrappings, packing, or outfittings of those products;*
- (b) *removing or changing the trademark, once it has been placed on or affixed to the products in respect of which the trademark is registered, for commercial purposes; to products connected with the services for which it is registered; or to the packages, wrappings, packing, or outfitting of those products;*
- (c) *manufacturing labels, packages, wrappings, packing, or such other materials as may reproduce or contain the trademark, and selling or storing such materials;*

- (d) *using, in the course of trade, identical or similar signs to the trademark for goods or services, where such use would result in a likelihood of confusion or mistaken association with the registration owner. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed;*
- (e) *using in the course of trade identical or similar signs to a well-known trademark with respect to any goods or services, where such use, by weakening the distinctive force or the value of that trademark for commercial or advertising purposes or by taking unfair advantage of the prestige of the trademark or of its owner, could unjustly damage the registration owner's economic or commercial interests;*
- (f) *making public use of identical or similar signs to a well-known trademark, even for purposes that are non-commercial, where such use could weaken the distinctive force or value of that trademark for commercial or advertising purposes or take unfair advantage of its prestige.*

Proof of the infringement, such as a sample of the infringing product and voucher for its purchase, should be submitted in support of the alleged infringement.

Civil actions may be entered before specialised courts to obtain compensation for damage after obtaining a final favourable decision in an infringement proceeding and the following criteria shall be used, among others, to calculate the amount of compensation to be paid for damage:

- the consequential damage and lost profits suffered by the rights holder as a result of the infringement;
- the amount of profit obtained by the infringer as a result of the acts of infringement; or
- based on the commercial value of the infringed right and such contractual licences as may have already been granted, the price the infringer would have paid for a contractual licence.

Criminal actions are may be instituted before the court or the Public Prosecutor against persons committing industrial property offences such as trademark counterfeiting and the objective is that such persons are sanctioned with penalties or punished with imprisonment.

19 Procedural format and timing

What is the format of the infringement proceeding?

The stages of an infringement proceeding in the administrative channel are:

- formal denouncement in written with proofs of the infringing act;
- inspection visit at the premises of the infringer in order to verify the denounced infringing acts;
- minutes of the inspection;
- reply of the defendant;
- conciliation hearing of the parties;
- resolution;
- appeal (within a 15-day term by the losing party);
- reply to the appeal (by the winning party); and
- final administrative resolution issued by the administrative court (second instance).

Discovery is allowed and the Trademark Office Authorities may require from the parties the submission of documentation or exhibition of goods.

Technical reports from experts may be requested by the Trademark Office Authorities to verify the technical features of the original goods compared with the counterfeit goods.

At first instance the decision is issued by a professional commission made up of three members and a director.

At second instance (administrative court) the decision is issued by four members and one president.

The infringement proceeding is summary and brief. It typically lasts nine months in the first instance and seven months in the second instance. It is possible to state that in administrative proceedings reconsideration briefs are not available, only appeals.

Criminal enforcement mechanism is also available and the plaintiff may initiate a criminal action before the District's Attorney office

that will require a technical report from the Commission of Distinctive Signs. Thereafter the public prosecutor will assess the denouncement and the filed proofs to determine the facts with the support of the police. Then the police's statement will be assessed by the public prosecutor who will decide to formalise the denouncement before the Criminal Court. After the denouncement has been formalised, the case will be taken over by a judge and the plaintiff should constitute a civil party.

As to the destiny of the seized goods either in administrative proceedings or criminal denouncements, the Trademark Office Authorities may order their destruction or donation.

20 Burden of proof

What is the burden of proof to establish infringement or dilution?

To establish that an infringement occurs, the following actions should be taken:

- The infringing act or fact should be proven by enclosing as a proof, a sample of the infringing product bearing the infringing trademark, as well as a copy of the invoice or ticket of sales wherein the infringing sign can be clearly seen.
- In accordance with article 136, paragraph (h) of Decision 486 to establish that dilution occurs, the following should be proven:
 - that the trademark is well known, to which end it is necessary to submit documents evidencing a wide broadcast and extensive knowledge by the public consumer (advertising and invoices), market studies, balances, sponsor, etc, in accordance with the criteria set forth in article 228 of Decision 486; and
 - it is necessary to prove the act or fact that puts the well-known trademark at risk of dilution, proving that the trademark is unique in the market and that it distinguishes only one sector of products or services and that there is no other equal or similar trademark, either in the same sector or another one; and
 - that it is a unique trademark and strongly distinctive.

Once the above has been proven, the infringing sign or the sign that engenders risk of dilution with the registered or well-known trademark is examined.

21 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The remedy for an alleged trademark infringement must be brought by the trademark owner or by the licensee, if a licence agreement is recorded and the terms of the licence authorise it to take said legal action.

A criminal complaint may be only brought by the trademark owner before the court.

22 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

No infringement action is possible against activities that take place outside the country of registration considering that, in accordance with current legislation, the rights are territorial.

23 Discovery

What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

As above, it is not possible to take legal action against third parties outside the country.

24 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

A typical time frame for an infringement or dilution proceeding would be nine months before the Commission of Distinctive Signs (first administrative instance). In the case that the decision is appealed before the second instance a final resolution could be expected within a seven-month term. Typically the final decision is not impugned before the judiciary. If the cautionary measure (preliminary injunction) is accepted by the Trade Mark Office, it will be kept until the issuance of a resolution, which may be appealed. If the final decision declares the infringement action well founded, the preliminary injunction will be final and the plaintiff will decide whether the immobilised goods should be destroyed or donated.

25 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Costs associated with an infringement or dilution action before the two administrative instances range from US\$2,000 to US\$3,000.

26 Appeals

What avenues of appeal are available?

A decision issued by the first administrative instance can be only appealed within a peremptory term of 15 days counted from the notification date. Reconsideration briefs are not available in these kinds of administrative proceedings.

After the issuance of a second resolution by the administrative court no further appeals are available. Only a lawsuit before the judiciary would be possible, but defendants typically do not resort to the judicial power.

27 Defences

What defences are available to a charge of infringement or dilution, or any related action?

Articles 157 (good-faith use) and 158 (exhaustion of rights) of Decision 486 would be available against a charge of infringement or dilution.

Articles 157 and 158 state the following.

Article 157

Provided that it is done in good faith and does not constitute use as a trademark, third parties may, without the consent of the owner of the registered trademark, make use in the market of their own names, addresses, or pseudonyms, a geographical name, or any other precise indication concerning the kind, quality, amount, purpose, value, place of origin or time of production of their goods or of the rendering of their services, or other characteristics thereof, provided that such use is confined to identification or information purposes only and is not likely to create confusion over the source of the goods or services.

Trademark registration shall not confer on the owner the right to prevent a third party, where proceeding in good faith, from using the trademark to announce – even in advertising using brand comparisons – offer for sale, or advertise the existence or availability of lawfully trademarked goods or services, or from advertising the compatibility or suitability of spare parts or accessories that may be used with goods bearing the registered trademark, provided that such use is confined to the purpose of informing the public and is unlikely to lead to confusion over the corporate origin or the goods or services concerned.

In the process 415-IP-2015 of 23 June 2016 referring to the limitation on the exclusive use of the registered trademark, it is interpreted that article 157 allows that third parties, without the consent of the owner of a registered trademark, may perform certain acts in the market with regard to the use of said mark provided that the following use conditions are fulfilled:

Update and trends

Supreme Decree No. 071-2017-PCM, published on 29 June 2017, implemented the electronic publishing mode for the INDECOPI Official Gazette, for the application of trademark registrations and other elements of industrial property, in order to eliminate bureaucratic barriers to the promotion of competitiveness.

Pursuant to article 5 of this decree, the Electronic Gazette of INDECOPI is published on a daily basis and is available free, permanently, via the INDECOPI website (www.indecopi.gob.pe).

With regard to trademark applications, it will no longer be necessary to request the publishing order, since applications fulfilling the formal requirements are assessed by the Administrative Authority who issues a decision that is published in the Gazette the following day. In the case of a formal objection, the applicant is notified to reply within 15 working days.

Supreme Decree No. 086-2017-PCM published on 28 August 2017 exempts for one year the collection of fees for the application and registration of collective marks of associations, producers and agricultural and indigenous communities located in emergency zones affected by climate phenomena, in order to boost their economic development.

- That the use is done in good faith, that is, lack of knowledge of the previous trademark or that the reference to the another's trademark is fair in terms of: the legitimate interests of the owner, the general interest of the consumers and the proper functioning of the. Use cannot take advantage of the registered trademark neither causing dilution of the well-known trademark nor other uses but for identification or information purposes.
- That the use is not performed as a trademark. It cannot be used as a distinctive sign and should be limited to make reference to the characteristics of the product or service and not engendering risk of confusion with the registered trademark. Use cannot be lead the public into error over the actual origin of the goods or services (due diligence).
- That the use is exclusively confined to identification or information purposes of any characteristic of the goods or services, to respect commercial good faith, uses and honest practices.
- That the use does not lead the public into error over the corporate origin of the goods or services. Use should not be done as a distinctive sign nor causing the impression that such goods or services provide from enterprises that are economically linked.

It should be noted that the above-mentioned conditions must be submitted concurrently.

Article 158

Trademark registration shall not confer on the owner the rights to prevent third parties from engaging in trade in a product protected by registration once the owner of the registered trademark or another party with the consent of or economic ties to that owner has introduced that product into the trade of any country, in particular where any such products, packaging or packing as may have been in direct contact with the product concerned have not undergone any change, alteration or deterioration.

For the purposes mentioned in the preceding paragraph, two persons shall be considered to have economic ties when one of the persons is able to exercise a decisive influence over the other, either directly or indirectly, with respect to use of the trademark right or when a third party is able to exert that influence over both persons.

28 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

Remedies when an infringement action or dilution is successful

One or more of the measures established in article 241 of Decision 486 can be applied, such as cessation of infringing acts, removal from commercial channels of the infringing products or the materials and means whereby the infringing products are manufactured, confiscation and destruction of infringing products, permanent or temporary

closure of the premises where the products bearing the infringing mark are manufactured or marketed, a fine and publication of the resolution declaring it to be well founded, the infringement action, costs and expenses.

Remedies when a dilution action is successful

Cessation of the advertising causing the dilution, destruction of the product or products that contribute to dilution, as well as a fine.

Existing criminal remedies

In accordance with articles 222 and 223 of the Criminal Code the offences against industrial property related to trademarks are sanctioned by imprisonment for not less than two years or greater than five years, fines, disqualification to do business and destruction of the seized goods.

29 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

ADR techniques are available in Peru either in administrative proceedings or civil actions.

Commonly, amicable agreements can be negotiated between the parties as a result of conciliation hearings, and if the parties reach a private agreement in the presence of the authorities, the administrative process will be concluded and the parties are obliged to fulfil the terms of the agreement. Generally the parties to an infringement proceeding do not resort to arbitration.

The benefits of these kinds of agreements are to shorten the process since the authorities would no longer need to issue a decision, to reach a solution satisfying both parties, and to reduce the costs involved for the parties.

There are no risks in resorting to ADR techniques.

30 Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

In the Peruvian system, article 224 of Decision 486 on well-known trademarks offers a special protection to the well-known trademark in any member country of the Andean Community that goes beyond the territoriality, speciality and registration principles.

Current legislation in Peru (Andean Decision 486) grants special protection to a foreign trademark that is recognised as well known in Peru or any other Andean country (Bolivia, Colombia, Ecuador) by the pertinent sector against non-authorised use of the mark or risk of dilution.

The jurisprudence of the Tribunal of the Court of Justice of the Andean Community develops the criteria set forth in article 228 of Decision 486 to determine when a trademark is well known.

In this sense, for a trademark to be considered as well known, it should fulfil at least one of the following criteria, pursuant to the generally accepted doctrinal criteria:

- being widely advertised, ensuring the mark is recognised by a high percentage of the population;
- enjoying extensive use and acceptance by consumers;
- holding significance in the trade or industrial field in which the mark belongs; and
- merely mentioning it should provoke in the public a direct association with the product or service that it identifies.

These criteria have been mentioned by the Justice Court of the Andean Community in the following proceedings: Proceeding 09-IP-2002 published in the Official Gazette No. 777 on 7 March 2003; Proceeding 6-IP-2005 published in the Official Gazette No. 1185 on 12 April 2005; and Proceeding 128-IP-2007 published in Official Gazette No. 1588 on 20 February 2008.

In Proceedings 126-IP-2008 dated 13 March 2009 and 30-IP-2014 dated 10 September 2014, in the fifth conclusion, the connection of two criteria are highlighted: the diffusion among the related public consumers to which the sign is referred and the intensive use within

the concerned sector. It is noted that the person claiming that the trademark is well-known should evidence this quality within the concerned sector and not within the general public consumers.

In Proceedings 470-IP-2015 published in Official Gazette No. XXX of 8 June 2015, on page 15 it states that the special protection granted to the well-known trademark is extended, in case of risk of confusion for similarity with a sign pending of registration, independently of the territory or the class for which the mark was registered, in order to avoid an unfair advantage of the reputation of the well-known trademark and prevent the damage that the similar sign could cause to its distinctiveness or reputation (see Proceedings 107-IP- 2015, page 5).

Article 230 of Decision 486 considers as relevant sectors of reference, the determination of the well-known quality of a distinctive sign, among others, not only with potential consumers but actual consumers and also people who are involved with goods or services, either before, during or after their sale.

Peruvian trademark legislation and jurisprudence has set forth that the well-known trademark is exposed to different risks: risk of confusion (direct or indirect), association, dilution or illegal use.

In Proceeding 66-IP-2015, dated 29 April 2015, the Andean Court of Justice reiterated that the risk of confusion is the possibility that when the consumer purchases a product he or she may think that he or she is acquiring another product (direct confusion), or he or she may think that the product has a business origin other than the one it actually has (indirect confusion).

The risk of association is the possibility that the consumer, although being able to differentiate between the trademarks in conflict as well as the business origin of the product, thinks, when purchasing it that the manufacturer of said product and other company have an economic relationship or business connection. (These definitions are found in Proceeding 70-IP-2008, dated 2 July 2008 and other further proceedings.)

The risk of dilution is the possibility that the use of other identical or similar signs causes weakness in the highly distinctive capacity that the well-known sign has gained in the market, even if it is used for dissimilar products that do not have any degree of competitive connection with those protected by the well-known sign (Proceeding 117-IP-2014, dated 1 October 2014 wherein articles 117, 224, 225, 226 and 228 are interpreted).

The risk of illegal use is the possibility that a competitor takes unfair advantage of the prestige of the well-known sign, even when the action is carried out on goods or services that do not have any degree of competitive connection with those protected by the well-known sign (Proceeding 66-IP-2015, dated 29 April 2015).

In the administrative precedent of mandatory compliance of INDECOPI, Resolution 2951-2009/TPI-INDECOPI, dated 9 November 2009, highlighted that the person claiming the 'well-known' quality should evidence the said situation of the trademark in order to enjoy the protection as a well-known trademark. On the other hand, it is also set forth the special protection of the well-known trademark against the risk of dilution that diminishes distinctiveness of the trademark and weakens the relationship between trademark and product. A well-known trademark enjoys special protection and is an exception to the speciality principle as well as to the territoriality principle, because its registration is not necessary.

As per the precedent, the burden of proof is with the party that alleges the notoriety of the mark, which will be the first interested in submitting the evidence to convince the Trademark Office Authorities regarding the invoked notoriety. To that end, the parties may submit any proof admitted in the administrative proceeding, such as commercial invoices for sales, advertising, even by virtual media, results of public consumer opinion polls or in business circles, registration certificates of the mark in foreign countries, inventories, market research, documents evidencing the amounts invested in the advertising and promotion of the mark. In addition to the above-mentioned traditional probatory means, other types of circumstantial notoriety proof are recognised that arise from the development of international commerce and from modern means of transport, communications and promotion in the global market, such as advertising related to tourism (magazines distributed in flight by air carriers), volume of requests from persons interested in obtaining a franchise or licence of the mark in a determined territory, existence of manufacturing activities, purchase or storage by the owner of the mark in the territory wherein protection is sought, residual effects of advertising (understood to be what remains in the mind of the consumer after having received an advertising message) projected from one territory to another, international coverage of sport events and entertainment in which there is advertising content, etc.

In accordance with current practice, the documents evidencing notoriety can be filed as single copies without any notarisation or legalisation.

With regard to the impediments related to third-party rights, article 136, paragraph (h) of Decision 486 prohibits the registration as trademark of a sign that consists of a total or partial reproduction, imitation, translation, transliteration, or transcription of a well-known sign belonging to a third party without regard to the type of product or service to which it shall be applied, the use of which would lead to a likelihood of confusion or mistaken association with that party; taking unfair advantage of the prestige of the sign; or weakening its distinctive force or its use for commercial or advertising purposes.



Estudio Colmenares & Asociados
Lima - Perú

María del Carmen Arana Courrejolles

mcarana@colmenares.com.pe

Bolognesi 125, 9th Floor
Miraflores
Lima 18
Peru

Tel: +51 1 446 5793 / 4466 457
Fax: +51 1 445 0347 / 444 4102
www.colmenares.com.pe

Getting the Deal Through

Acquisition Finance
Advertising & Marketing
Agribusiness
Air Transport
Anti-Corruption Regulation
Anti-Money Laundering
Arbitration
Asset Recovery
Automotive
Aviation Finance & Leasing
Banking Regulation
Cartel Regulation
Class Actions
Commercial Contracts
Construction
Copyright
Corporate Governance
Corporate Immigration
Cybersecurity
Data Protection & Privacy
Debt Capital Markets
Dispute Resolution
Distribution & Agency
Domains & Domain Names
Dominance
e-Commerce
Electricity Regulation
Energy Disputes
Enforcement of Foreign Judgments
Environment & Climate Regulation

Equity Derivatives
Executive Compensation & Employee Benefits
Financial Services Litigation
Fintech
Foreign Investment Review
Franchise
Fund Management
Gas Regulation
Government Investigations
Healthcare Enforcement & Litigation
High-Yield Debt
Initial Public Offerings
Insurance & Reinsurance
Insurance Litigation
Intellectual Property & Antitrust
Investment Treaty Arbitration
Islamic Finance & Markets
Labour & Employment
Legal Privilege & Professional Secrecy
Licensing
Life Sciences
Loans & Secured Financing
Mediation
Merger Control
Mergers & Acquisitions
Mining
Oil Regulation
Outsourcing
Patents
Pensions & Retirement Plans

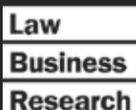
Pharmaceutical Antitrust
Ports & Terminals
Private Antitrust Litigation
Private Banking & Wealth Management
Private Client
Private Equity
Product Liability
Product Recall
Project Finance
Public-Private Partnerships
Public Procurement
Real Estate
Renewable Energy
Restructuring & Insolvency
Right of Publicity
Securities Finance
Securities Litigation
Shareholder Activism & Engagement
Ship Finance
Shipbuilding
Shipping
State Aid
Structured Finance & Securitisation
Tax Controversy
Tax on Inbound Investment
Telecoms & Media
Trade & Customs
Trademarks
Transfer Pricing
Vertical Agreements

Also available digitally



Online

www.gettingthedealthrough.com



Trademarks
ISSN 1745-4638



Official Partner of the Latin American
Corporate Counsel Association



Strategic Research Sponsor of the
ABA Section of International Law