

AIPPI – QUESTION Q 168

USE OF A MARK “AS A MARK” AS A LEGAL REQUIREMENT IN RESPECT OF ACQUISITION, MAINTENANCE AND INFRINGEMENT OF RIGHTS

BRAZIL

1. Is there any requirement for use of a mark “as a mark” for the purposes of:

1.1 acquiring a mark (if rights may be acquired by use according to national law)?

1.1 Use is not a requirement for purpose of acquisition of rights. Exclusive rights in a mark derive from registration at the Brazilian Patent & Trademark Office.

Even though the mere use of an unregistered trademark does not entitle the user to the exclusive rights and to the various legal remedies available for the owner of a registration, **bona fide** users enjoy the following rights:

- a) the right of preference to obtain a registration. Such preference applies whenever the mark has been in use for at least 6 (six) months prior to the filing date of a third party’s application for the same or similar mark, in an identical, similar or related class of activity;
- b) the right to invoke the rules on unfair competition so as to prevent competitors from using the mark , provided that such competitors are not vested with any registration for the disputed mark.

As an exception, Brazilian law specifically provides that sports entities shall enjoy exclusive rights in their marks without the need of a registration.

1.2 maintaining of a trade mark registration (e.g. against an application for cancellation on grounds of non-use) ?;

1.2 Yes, the use of the registered mark is required in order to maintain the registration in force and avoid cancellation based on non-use upon request of third parties.

Case law and some decisions of the Brazilian Patent & Trademark Office consider that the mark is duly used if it corresponds to the trade name of the registration owner. In this situation, use as a trade name is accepted as evidence of use as a mark. If the mark is printed on invoices issued by the owner, it is also taken as enough evidence of the use as a mark.

In principle, the mark must be used as registered. Significant changes in the distinctiveness of the mark are not accepted as valid use. However, it does not mean that changes are not accepted at all. For instance, the modernization of the mark "HYARA" to "IARA" was accepted (in Portuguese, such words have the same sound).

1.3 establishing infringement ?

1.3 No. To establish the infringement, the owner of the mark does not need to show that it uses the mark. The exhibition of the mark registration is sufficient to support his rights. However, the lack of use might be used as defense or in a cancellation lawsuit.

If the mark is used by a third party in a purely descriptive way, such use is not considered infringement. No one, even the owner of the registration, can prevent third parties from using descriptive words as long as not registered as a trademark without limitations.

However, infringement can exist even when the mark is not used "as a mark", but it is used, for instance, as a trade name or a domain name.

2. Is there any definition of what is use "as a mark" either in statute or case-law ?

2. Section 123 of Brazilian IP Law does not contain detailed provisions on the manner of use . It just contains general definitions having regard to the type of mark concerned. We quote section 123 of the law:

Section 123. Under this law, it is considered:

- a) a product or service mark: the one used to distinguish a product or service from other identical, similar or related, with a different origin;
- b) a certification mark: the one used to affirm that a certain product or service is in conformity with some technical rules or specifications, especially regarding quality, nature, components and applied technology;
- c) a collective mark: the one used to identify products or services of the members of a certain entity".

3. Is there any difference in the assessment of use "as a mark" between the acquisition, maintenance and infringement of rights ?

3. Yes, the use of the mark is not required for the acquisition of rights, but necessary for the maintenance of rights. The use of the mark by the infringer is also necessary to support an infringement action.

As mentioned in topic 1.2, for the purpose of maintenance of rights, some changes in the use of the registered mark are acceptable, whenever they are made by the owner. However, if such changes are made by a third party, they will be considered infringement of rights.

4. Is any of the following considered to be use “as a mark”:

4.1 use on the Internet, as a metatag, in linking or framing;

- 4.1 There exists no legal rule and no case law has so far developed on this issue. Doctrine is not unanimous regarding “metatag”, “linking” and “framing”, although links might be understood as a non-commercial citation, accepted by law. The analysis is made case by case.

Case law strongly considers that marks and domain names may conflict. The use as a domain name is understood as the use as a mark. If the distinctive formative element of the domain name is identical to or similar with a registered mark, the owner of the trade mark registration enjoys better rights.

Some commentators however sustain that such rule is not absolute: whenever the mark is not highly reputed and is not well-known, some identity, similarity or link in the activities is needed to establish infringement. Otherwise, the domain name owner could apply for a mark registration, which would not conflict with the non-competitor’s registered mark. Thus, no conflict would appear between the domain name and the non-competitor’s registered mark.

4.2 use by fan clubs or supporters;

- 4.2 Section 132 of Brazilian IP law establishes some exceptions, in which the trademark owner cannot prevent third parties from using its registered mark. Due to their nature of exception, the cases described in such section do not accept analogy. Fan clubs or supporters are not expressly mentioned in section 123.

4.3 parody;

- 4.3 The analysis must be made case by case. Parodies are contemplated by copyright law (section 47). Section 132 of Brazilian IP Law rules in its item IV that the trademark owner cannot bar the use of his trademark in speech,

scientific or literary works or any other publication, provided that there is no commercial connotation or harm to the trademark distinctiveness.

However, the trademark owner is entitled to protect the reputation of his registered trademark. Thus, if the parody is offensive, such aspect might be understood as a harm to the trademark distinctiveness, entitling the owner to legal remedies.

4.4 comparative advertising

4.4 Yes, the citation of a third party's mark in a comparative advertising is considered use as a mark. As mentioned in AIPPI's introduction guidelines for question Q 168, comparative advertising is still a controversial issue. Since such issue was already focused in AIPPI's question Q 140, the Brazilian group understands that Q 168 only intended to discuss whether comparative advertising is considered use as a mark.

5. If, under the Group's national regime, use as a mark is confined to the traditional indications of origin or identity, are unconventional uses nevertheless objectionable under trade mark or other laws (e.g. unfair competition or trade practice laws).

5. Brazil protects trademarks not only because of their traditional functions, but also because of their publicity power to build goodwill. Thus, unconventional use of the trademark (for dissimilar goods and services, for instance) is objectionable, as it will be explained in topic 6 below.

6. If use "as a mark" in the traditional sense is required to establish infringement, are "well-known", "famous", "notorious" or "reputed" marks used on dissimilar goods and services protected ?

6. Section 125 of Brazilian IP law establishes that reputed marks are protected in all classes of products and services. Thus, the protection encompasses even dissimilar goods and services, not produced or provided by the owner of the reputed trademark.

As a member of the Paris Convention and TRIPs (whose rules can be directly invoked by nationals or foreigners in Brazil), Brazil protects well-known trademarks, even for dissimilar goods and services, whenever there is a risk of association (section 16.3 of TRIPs).

Section 130 of Brazilian IP Law also enables the owner to protect the material integrity and reputation of his trademark, which can be applied whenever the trademark is used for a dissimilar but offensive good or service (for instance, the trademark of a fragrance used to identify a non-competitor's insecticide).

As well as stating the laws of their respective countries, the Groups are also invited, in respect of each of the questions above, to:

- **make any proposals for harmonisation;; and**
- **offer any observations of interest on the topic above.**

We have so far not worked out any concrete proposal for harmonisation. However, we take the view that it is desirable to have international rules on links, metatags and frames.

José Antonio B.L. Faria Correa
President
ABPI – Brazilian Intellectual Property Association

Esther M. Flesch
General Reporter
ABPI - Brazilian Intellectual Property Association

Lélio D. Schmidt
Assistant Reporter
ABPI - Brazilian Intellectual Property Association

Luis Fernando Ribeiro Matos Jr.
Chairperson – Trademark Committee - ABPI

Hélio Fabbri Jr.
Vice Chairperson – Trademark Committee – ABPI