



Study Question

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Bad faith trademarks

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I. Current law and practice

Bad faith - prior third party use or filing

1 Does your Group's current law provide for an action against the application or registration for a trademark in a jurisdiction by a party (Party A), if that trademark or a similar sign is already used in one or more jurisdictions by another party (Party B), but is not registered in the jurisdiction where Party A has filed the trademark?

If yes, please answer questions 2) – 7). If no, please go to question 8).

Yes

Please Explain

Yes. Article 173, Law n. 9.279/1996 provides that the National Institute of Industrial Property – INPI or any person with legitimate interest can move a nullity action against the registration for a trademark if the plaintiff is the previous holder of that trademark in other jurisdictions.

Such action may be filed with two different grounds, depending whether the trademark is protected by Art. 6 *bis* of the Paris Convention or whether the applicant "could obviously not to have knowledge [of the trademark] in view of his activity". Please find below the articles of the Industrial Property Law which refer to these two scenarios:

Article 124. - The following are not registrable as marks:(...)

XXIII. - signs that imitate or reproduce, wholly or in part, a mark of which the applicant could obviously not to have knowledge in view of his activity, and the owner of which is established or domiciled in the Brazilian territory or in a country with which Brazil has an agreement or offers reciprocal of treatment, if the mark is intended to distinguish a product or service that is identical, similar or related to, and is likely to cause confusion or misleading association with, such third-party mark.

(...)

Article 126. - Marks that are well-known in their field of activity in the terms of article 6 *bis* (I) of the Paris Convention for the Protection of Industrial Property will enjoy special protection, irrespective of its previous filing or registration in Brazil.

Paragraph 1. - The protection dealt with in this article is also applicable to service marks.

Paragraph 2. - INPI may reject *ex officio* an application for registration of marks that wholly or partially reproduce or imitate a well-known mark.

2 Is the application or registration as described under question 1) above denoted as "bad faith"? If not, what is it called?

Yes

Please Explain

There are two possibilities. Article 124, XXIII, of the Industrial Property Law, prevents the registration of a trademark that the applicant "could obviously not to have knowledge [of the trademark] in view of his activity". There is no need to evidence bad faith. On the other hand, Art. 126 refers to Art. 6 *bis* of the Paris Convention, where bad faith is mentioned as a requirement to its applicability.

3 Are the following factors relevant for proving an application or registration as described under question 1) in your jurisdiction?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- the degree of legal protection enjoyed by Party B

Please Explain

4 Is any one or more of the above factors sufficient on their own, or will the assessment instead always take the specific circumstances of the case into account? If one or more of those factors are sufficient on their own, please identify those factors.

Yes

Please Explain

The fact that Party A knows or should reasonably be aware of use of a previously registered identical or similar sign abroad or in the same jurisdiction, for identical goods and services, is generally sufficient to claim that an application should not be granted. In this case, as mentioned above, the "bad faith" does not need to be evidenced.

5 Which of the following factors are relevant to establishing whether there was or should have been knowledge as described under question 3) above?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

6 Is the degree of similarity between the signs relevant? Please explain why in either case.

Yes

Please Explain

Yes. It is possible to affirm that the degree of similarity makes it easier to evidence that the trademark in question was registered in bad faith or that the applicant could obviously not have knowledge about it. Differences between the trademarks may facilitate a defence, under the argument that there would be no confusion in the market.

7 Is the degree of similarity between the goods/services relevant? Please explain why in either case.

Yes

Please Explain

Yes, for the same reason indicated in the response above.

Repeat filings

8 Can the filing of a trademark in your Group's jurisdiction by a trademark owner for a trademark identical or similar to a trademark it already owns in that jurisdiction be refused or cancelled on the ground that the previous trademark fails to meet applicable genuine use requirements?

If yes, please answer questions 9) -11). If no, please go to question 12).

No

Please Explain

No.

9 Is the application or registration as described under question 8) above denoted as "bad faith"? If not, what is it called?

10 Which of the following factors are relevant when assessing whether a trademark as described under question 8) should be refused or cancelled?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

11 Are the answers to questions 8) -10) above different if the previous trademark is no longer in force? Please explain.

Defensive marks

12 Is it permissible under your Group's current law to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, is there a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)?

If yes, please answer question 13). If no, please go to question 14).

Yes

Please Explain

Yes. The only analysis made by Industrial Property Office, at the time of the application, is whether the activities of the applicant are compatible with the classes in which the application was filed. There is no analysis of the *intent*. On the other hand, after the registration if granted, the holder has 5 years to start its use under penalty of forfeiture. If the use is restricted to a class, the holder may face forfeiture in the others.

13 Is the application or registration as described under question 12) above denoted as "bad faith"? If not, what is it called?

No

It is called...

No. There is no specific expression for this in Brazil.

Other

14 Does any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith ¹⁶ under your Group's current law? If so, what conduct and how is it denoted, ie as "bad faith" or something else?

¹⁶ Including fraud within the context of this Study Question, as explained on p. 1 at paragraph 5.

No. The only reference to bad faith is related to Art. 6 bis of the Paris Convention.

Type of proceedings

15 In which proceedings can the grounds, insofar as they are available under your Group's current law, described in your response to questions 1), 8), 12) and 14) above be invoked in your jurisdiction?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select either of the last two boxes, please describe further.

- ex officio by the trademark/IP office

Please Explain

- opposition proceedings (before the trademark/IP office)

Please Explain

- a cancellation action (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith application

Please Explain

- court proceedings concerning a bad faith registration

Please Explain

II. Policy considerations and proposals for improvements of your current law

6.a Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against the application or registration of a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.b Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the refiling of a trademark by a trademark owner as described above under question 8) above

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.c Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the filing of a trademark by a trademark owner without an intent to use such for part or all of the goods/services claimed as described above under question 12) above.

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.d Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against other conduct as described in your response to question 14) above.

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

17 Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

No.

Proposals for harmonisation

18 Does your Group consider that harmonisation in any or all of the four areas described in question 16) above is desirable?

If yes, please respond to the following questions without regard to your Group's current law.

Even if no, please address the following questions to the extent your Group considers your Group's current law could be improved.

Yes

Please Explain

Yes, a harmonization of the above-mentioned areas could facilitate the identification of bad faith situations.

19 Does your Group consider there should be a harmonised definition of bad faith?

Please tick or fill in only the applicable box. If you have different reasons for selecting "no" or "yes" to those identified, please explain.

No; identifying circumstances that can be relevant in assessing whether the types of conduct identified above under question 16) are allowed can be helpful, but a definition as such does not allow sufficient flexibility

Please Explain

Bad faith - third party use or filing

20 Should it be possible to take action against the application or registration for a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark?

If yes, please answer questions 21) – 25). If no, please go to question 26).

Yes

Please Explain

YES, according to Article 129, Brazilian Law nº 9.279/96 – “The property in a mark is acquired by a validly granted registration, in accordance with the provisions of this law, the owner being guaranteed exclusive use thereof throughout the national territory, without prejudice to the provisions of articles 147 and 148 with respect to collective and certification marks. §1 - Any person who in good faith at the date of priority or of the application was using an identical or similar mark for at least 6 (six) months in the country, to distinguish or certify a product or service that is identical, similar or akin, will have preferential right to registration.”

21 Which of the following should be relevant factors for proving an application or registration as described under question 20)?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- the degree of legal protection enjoyed by Party B's sign and the sign used by party A

Please Explain

22 Should any one or more of the above factors be sufficient on their own, or should the assessment instead always take the specific circumstances of the case into account? If one or more factors should be sufficient on their own, which should they be?

The assessment should take the specific circumstances of the case into account.

23 Which of the following should be relevant when establishing whether there was or should have been knowledge as described above under question 21) above?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

24 Should the degree of similarity between the signs be relevant? Please explain why or why not.

Yes

Please Explain

The degree of similarity should be relevant, as same allows to better evidence the conflict between marks, demonstrating the applicant's bad faith and intention to confuse the public or lead them to error or undue association. If the marks are different, it facilitates the argument that the applicant did not previously have knowledge.

25 Should the degree of similarity between the goods/services be relevant? Please explain why or why not.

Yes

Please Explain

The Brazilian Industrial Property Law follows the Principle of Speciality, by which similar marks identifying different goods/services in different classes may peacefully coexist. Hence, the degree of similarity between goods/services is and should be indeed quite relevant, since similar marks identifying similar goods/services intended to related target audiences are much more likely to be confused by the public than marks that cover distinct goods/services and are, except for resembling each other, essentially unrelated.

Repeat filings

26 Should it be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns in your Group's jurisdiction on the grounds that it fails to meet applicable genuine use requirements?

If yes, please answer questions 27) – 28). If no, please go to question 29).

No

Please Explain

27 Which of the following factors should be relevant when assessing whether a trademark as described under question 26) above should be refused or cancelled?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

28 Should the answers to questions 26) - 27) above be different if the previous trademark is no longer in force? if so, how?

Defensive marks

29 Should it be permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, should there be a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)? Please explain.

The trademark owner have 5 years after its grant to start its use, under penalty of forfeiture. If the use is restricted to some goods or service, the holder may face forfeiture of the others.

Article 143 - A registration will become forfeit, on the request of any person with a legitimate interest, if, after 5 (five) years from its grant, on the date of such request: I - use of the mark in Brazil has not been initiated; or II - use of the mark has been interrupted for more than 5 (five) consecutive years or if, within that time, the mark has been used in a modified form that implies alteration in its original distinctive character, as found on the certificate of registration. § 1 - The mark will not become forfeit if the registrant justifies the lack of use for legitimate reasons. § 2 - The registrant will be notified to reply within a period of 60 (sixty) days, the onus falling on him to prove the use of the mark or justify its lack of use for legitimate reasons. Article 144 - Use of the mark must include products or services mentioned on the certificate, under penalty

of partial forfeiture of the registration with respect to those products or services not similar or akin to those for which use of the mark has been proved. Article 145 - No recognition will be given to requests for forfeiture if use of the mark has been proved or if its lack of use has been justified in an earlier procedure requested less than 5 (five) years previously.

Other

30 Should any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith ¹⁷? If yes, please explain.

¹⁷ Including fraud within the context of this Study Question, as explained on p. 1 under paragraph 5 above.

No.

Type of proceedings

31 In which proceedings should it be possible to invoke the grounds described in your response to questions 20), 26), 29) and 30) above, inasfar as they should be grounds for action in your view?

Please tick or fill in all boxes. If you select either of the last two boxes, please describe further

- ex officio by the trademark/IP office

Please Explain

- opposition proceedings (before the trademark/IP office)

Please Explain

- a cancellation action (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith application

Please Explain

- court proceedings concerning a bad faith registration

Please Explain

Other

32 Please comment on any additional issues concerning bad faith (or equivalent concepts) in the context of trademark law you consider relevant to this Study Question.

Please indicate which industry sector views are included in part "III. Proposals of harmonization" on this form:

Please enter the name of your nominee for Study Committee representative for this Question (see Rule 12.8, Regulations of AIPPI). Study Committee leadership is chosen from amongst the nominated Study Committee representatives. Thus, persons not nominated as a Study Committee representative cannot be in the Study Committee leadership.

José Mauro Decoussau Machado