



Study Question

Submission date: June 9, 2017

Sarah MATHESON, Reporter General
Jonathan P. OSHA and Anne Marie VERSCHUUR, Deputy Reporters General
Yusuke INUI, Ari LAAKKONEN and Ralph NACK, Assistants to the Reporter General

Bad faith trademarks

Responsible Reporter: Anne Marie VERSCHUUR

National/Regional Group	Ecuador
Contributors name(s)	Johana Aguirre and Maria Cecilia Romoleroux
e-Mail contact	maria@corralrosales.com

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).

No

Please Explain

Use gives no rights unless notoriety is involved. Ecuador is a first to file jurisdiction

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

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.

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.

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.

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

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

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

Use evidence is not required unless a cancellation action for lack of use is brought by a third interested party.

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).

No

Please Explain

An intent to use claim is not required.

A mark becomes vulnerable to a cancellation action for lack of use (total or partial) if it has not been used by its registered owner (for all the protected goods/services in case of the partial cancellation) within the past 3 years in at least one of the Andean Countries (Colombia, Ecuador, Peru and Bolivia). The burden of proof of use of the mark falls on the owner of the registration. A positive resolution in a cancellation action grants the plaintiff preemptive rights to register the cancelled mark and this action may be also brought as a defense in an opposition proceeding.

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

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.

Acts of bad faith would be considered when the applicant is or has been a representative, distributor or a person who had a commercial relationship with client. General law provisions on bath faith apply.

Type of proceedings

15 In which proceedings can the grounds, inasfar 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

This action could be brought ex officio or at the request of a third party. The statue of limitations is 5 years as from granting date.

- opposition proceedings (before the trademark/IP office)

Please Explain

An opposition against a trademark can be brought using bad faith grounds.

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

Please Explain

This action could be brought ex officio or at the request of a third party. The statute of limitations is 5 years as from granting date.

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.

Yes

Please Explain

Ecuador needs to improve on trademark protection as recently protection has diminished through the adoption of a new IP Law that restricts protection and enforcement rights.

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.

Yes

Please Explain

Ecuador needs to work on many improvements on trademark protection. We recommend implementing a task force reviewing the current law and issuing recommendations to improve protection.

In view of the loss of rights recently experienced through the new law, giving extraterritorial protection to trademark owners maybe will not be the first item to discuss in the agenda

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

Not applicable, as intent to use is not a requirement

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.

Yes

Please Explain

Bad faith is always complicated to evidence, so maybe the Law could give the parameters in which the general bad faith provisions could be evidenced.

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

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

Harmonization is always helpful, as it not only allows trademark owners to have a single policy regarding protection, but also helps authorities in addressing the issue.

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.

Yes; such would increase the level of legal certainty

Please Explain

In countries where instability is present harmonizing concepts is always the best course of action.

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).

No

Please Explain

Trademark rights are territorial; however if bad faith could be evidenced an action could be brought to take down the application/registration. Prior use is not enough to evidence bad faith.

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.

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?

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.

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

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

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

Use is not a requirement to file or renew a mark.

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.

Intent to use is not a requirement to file a mark.

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.

Bad faith grounds should be as ample as possible; however determined allowing practitioners to have certainty of the applicable grounds. Authorities will also have the rules clear not having room to "interpretations".

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, insofar 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

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.