



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. (Art 27.2 ley 17.011).

Article 5 6) of the Uruguayan Trademark Law No. 17.011 prohibits the registration of signs that reproduce, imitate, totally or partially a well-known trademark or its translation (even when said trademark is not registered in Uruguay).

Moreover, Article 5 7) of Uruguayan Trademark Law No. 17.011 prohibits the registration of trademarks that presume the intention to incur in unfair competition.

Also, the MERCOSUR Protocol on Harmonization of Intellectual Property Norms in MERCOSUR in the Field of Trademarks, Indications of Source & Appellations of Origin (hereinafter the "MERCOSUR PROTOCOL") incorporated into the Uruguayan System by Law 17.052 provides that: "*The Party States shall reject applications for registration of trademarks that have been proven to infringe upon rights of third parties, and the Party States shall invalidate the registration of trademarks applied for in bad faith that have been proven to infringe upon rights of third parties.*"

Furthermore, it is possible to file an Annulment Action in case of trademark registrations granted in breach of the above-mentioned provisions.

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

The application or registration as described under question 1 encompasses the cases of Bad Faith, with the caveat that not all cases of breach of the provisions may be considered as a case of bad faith.

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

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.

No

Please Explain

Although the knowledge of Party A of an identical or similar mark in the same or other jurisdictions is a key element, the specific circumstances of each case will be taken into account.

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, the degree of similarity between the marks may weigh in the determination of whether Party A knows or should have known of Party B's trademark. The more similarity between the marks, the higher are the chances that the Courts or the PTO finds that Party A knows or should have known of Party B's trademark. Moreover, in previous cases involving a local registrant that had registered a trademark which is identical to a foreign well-known mark, Uruguayan Courts ruled that said scenario is a presumption of the fact that the local registrant was aware of the other party's trademark. Therefore, the more similar the trademarks, the higher the chances of succeeding in a court action based on bad faith grounds.

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

Yes

Please Explain

Yes. The degree of similarity between the goods/services is relevant to the analysis because of two factors: Firstly, it shows that, dealing in a similar line of business, Party A should know or reasonably should have known of Party B and its trademarks. Secondly, it also shows an intent from Party A to misappropriate the well-known trademark so as to apply to similar goods and services, thus free-riding on Party B's trademark goodwill.

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 provisions in Uruguayan Law.

Law N° 19.149 amended Uruguayan Trademark Law No. 17.011 and introduced a mandatory use requirement for trademarks. Such use must be public and effective. However, no provisions of the Uruguayan Trademark Law 17.011 specifically address the hypothesis of the re-filing of trademark applications circumvent the applicable genuine use requirements (providing specific grounds for its refusal or cancellation).

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

As per Uruguayan Trademark Law No. 17011, as amended by Law No. 19.149, use of trademarks is now mandatory in Uruguay. Such use must be public and effective. However, the trademark use provisions do not require applicants to prove intent to use at the moment of filing a trademark application, nor when renewing a trademark registration.

Notwithstanding, the new regulations allow parties holding a specific legal standing (direct, personal and legitimate interest) to file an action with the Uruguayan Patent and Trademark Office requesting the cancellation of a registered mark on the grounds of non-use, in the following cases: (a) when the mark has not been used by its owner, licensee, or an authorized person within the first five years following the granting of the registration; and (b) when the use of the mark has been interrupted for five consecutive years. The Uruguayan PTO cannot file an ex-officio action to request the Cancellation of a trademark based on grounds of non-use.

If a Cancellation Claim is filed, the burden of proof corresponds to the trademark owner. However, Uruguayan Trademark Law only requires to show use of the trademark for just one product or service of the categories of products covered by the trademark, because the Trademark Law exempts the trademark owner of evidencing use for other products or services, even if they are not similar.

In light of the above, if a trademark owner files a trademark application and does not intend to use it for any of the goods or services included in the application, the same will not be rejected ex-officio by PTO because of failure of intent to use, but may be subject to a Non-Use Cancellation Action by a third party. In turn, if the trademark owner only intends to use the trademark for only part of the claimed goods or services, and effectively does so, it would be shielded from a Cancellation Action.

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...

It does not have a particular name in Uruguayan Trademark Law, it may not be specifically denoted as a bad faith mark, and may be called a defensive mark.

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. General hypothesis of conducts that amounts to bad faith under Uruguayan Law are addressed hereinabove, with the caveat that, since the concept of bad faith is not defined in our jurisdiction, exceptionally there may other conducts which amount to trademark bad faith.

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.

Yes

Please Explain

This possibility is already considered in Uruguayan Law.

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.

6.d 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.

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.

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. In general terms, Uruguayan Trademark Law provides trademark owners adequate tools to deal with cases of bad faith trademarks.

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

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

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 may not allow sufficient flexibility to tackle future conducts involving trademarks that amount to bad faith.

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

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

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?

No, the specific circumstances of each case should be taken into account before reaching a decision and determining which of the factors has the most weigh in that particular case.

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

Yes, because if the marks are identical or quasi-identical, then it is more likely that Party A knew or would have reason to be aware of Party B's trademark.

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

Yes

Please Explain

While the degree of similarity between the good/services should be relevant as evidence of an intent of misappropriating a well-known trademark to free ride on its goodwill, the fact that the goods/services are dissimilar should not preclude per se a finding of bad faith or intent to misappropriate. For example, Party A could want to use the trademark for different goods or services, but still want to take advantage in bad faith of the fame of Party B's trademark to attract customers, or may also wish to tarnish in bad faith the reputation of Party B's trademark by using it with regards to certain dissimilar goods/services.

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.

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.

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

- 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.

None

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.