

# LA OPINIÓN

- INTELLECTUAL PROPERTY
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## The New Brazilian Guidelines for Trademark Analysis

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After many years of expectations from trademark owners and industrial property agents, the BPTO has finally issued, on December 2010, the new Guidelines for Trademark Analysis. The document is a reference to examiners and contains the current understanding from the BPTO regarding all relevant trademark issues.

The prior similar document dated 1997 and immediately followed the enactment of IP Law No. 9279. At that time, the guidelines were named "Provisional" but only after 13 years the final document is finally available.

The purpose of the present article is to discuss a few items that have been updated or

inserted in the Guidelines and which will strongly influence trademark owners' rights.

a) Three dimensional trademarks – As of the enactment of Law No. 9279/96, registration of three dimensional trademarks became possible in Brazil. However, as such registrations were not properly dealt with by the "Provisional" Guidelines, decisions which followed their prosecution were quite inconsistent.

The new Guidelines made it clear that three dimensional trademarks may contain word expressions or designs (one of the examples brought by the Guidelines is the label of a Toblerone bar). However, the text



**B**y bearing in mind the peculiarities in trademark and patent prosecution that every country has, we consider it essential to convey, through our publication, everything that must be taken into account when applying for and/or prosecuting and/or defending intellectual property rights in Latin America and particularly in those countries in which we are directly present.

Our professionals from the Mexican and Brazilian offices provide us with interesting articles, for example, about the guidelines recently published by the Brazilian Trademark Office for analyzing trademarks which the applicants must take into account.

With respect to trademarks, it is also interesting to learn the Mexican designation of origin system and its regulation as well as the exception to filing the power of attorney together with the trademark application in certain cases.

Since patents take up a prominent place in our activity, our experts in Brazil and Mexico provide us with the peculiarities of the pharmaceutical patenting system in Brazil and some technical patent examination aspects in Mexico.

stresses that the simple fact of containing a word expression or design is not enough to provide distinctiveness to a certain three dimensional mark. Also, the mark should not have a technical effect.

**b) Prohibition of registration of slogans as trademarks** – The law states that signs used only as means of advertising are not registrable as trademarks. The interpretation of this rule has been highly controversial as there were no standards as to what was considered as a sign used for means of advertising only.

The new document provides further guidance in this regard. According to the Guidelines, this rule should be narrowly applied so that only expressions which are clearly seen as having advertising purposes should be rejected.

The Guidelines have also created a quick test to verify if the expression is in fact registrable as a trademark:

- Is the expression used to recommend the covered product or service?
- Is it an adjective or expression used to highlight the product when compared to its competitors'?
- Is it a sentence or expression with an aim to call the consumers' attention?

If any of the above questions is positively answered, the application

should be rejected.

Regrettably, this quick test is still quite unclear. As an example, as far as the third question of the test is concerned, all trademarks wish to call consumers' attention (that is one of the roles of a trademark). In fact, a trademark aims not only the identification of the owner's products or services, but also its differentiation from potential competitors'.

**c) Protection against bad faith applications** – The new Guidelines provide further instructions as to the rule which forbids registration of signs that infringe a mark which the applicant could obviously not fail to have knowledge of in view of his field of activity.

This clarification is very important, as it is recognized by the Courts. The Brazilian PTO now clearly states that this rule applies to marks which are not necessarily well-known in its segment (as the well-known marks are already subject to special protection afforded by article 6bis). The goal here is exclusively to challenge the bad faith of those who become aware of a competitor's mark and try to take advantage of the fact that such mark is not yet registered in Brazil.

Once again, a few conditions are necessary for this special protection to be applied:

- The infringed mark must be protected in a country with which



Brazil has an agreement or that guarantees reciprocity of treatment;

- The owner of the infringed mark must present relevant evidence of the fact that the infringer could not be unaware of his mark (for instance: business relationship inside or outside Brazil, international activities of the infringer, visits to the infringed company's premises, etc.);

- The owner of the infringed mark

must file its own application in Brazil within 60 days from the opposition or administrative nullity request filed against the infringer.

Further instructions as to the admissibility and types of disclaimers as well as on the tests to be performed to assess whether marks are conflicting, are also present in the Guidelines.

While there are still many points to

be further clarified in the Brazilian PTO's understanding on the national IP Law, it is clear that the new Guidelines are an improvement which hopefully will lead to better synchronization of the PTO's understandings with more consistent decisions.

**Maria Pía Carvalho**

[mpcguerra@herreroasociados.com.br](mailto:mpcguerra@herreroasociados.com.br)

**PATENTS**

Authority



## How to speed up the technical examination of patent applications in Mexico

In this day and age where information flows in real time from one place to another and is available with a simple click of a computer or mobile, patent offices such as the Mexican Industrial Property Institute (IMPI) have been making the most of the availability of information generated by other offices in the world or, indeed, agreements have been entered into for exchanging such information as the result of technical patentability examinations.

Taking into account that 96% of patent applications in Mexico are filed by non-domestic residents, when it comes to carrying out the examination as to the substance, the IMPI tries to collect the findings of other offices in the world and use them as the basis for the examination of substance, and if the result of the foreign office satisfies the Mexican office's patentability requirements and criteria, then a request is made, in a first office action, for the claims sheet of the Mexican application to be adapted with reference to the claims granted in the equivalent foreign patent.

Now then, the main requirement in order for the foreign office's findings

to be taken as the basis is for such examination to have been carried out by an examining authority recognised by the PCT, which has traditionally been the case of the United States Patent and Trade Mark Office (USPTO) where even claims approved in the allowance notice are accepted by the IMPI, and a similar thing applies to the European Patent Office (EPO), where the IMPI requests that the "druckexemplar" claims be adopted. Other patents more or less recurrently accepted are those of the Spanish Patent and Trade Mark Office (OEPM).

For inventions in the Electric, Electronic or Communications area, the IMPI actually accepts the findings of the examination of substance of the Australian (AU), Russian (RU), Korean (KR), or Chinese (CN) offices.

In any event, there is no need to wait for the Mexican patent office to issue an office action of this

kind to make the claims sheet conform to any that may have already been approved in an equivalent patent application because, even if the applicant has had an application allowed that has not yet been found by the IMPI, a voluntary amendment may be submitted with the claims that the applicant would wish to have evaluated based on such allowed foreign application.

In this





patentability examination, filing of a voluntary amendment can result in the application automatically receiving an allowance notice.

Lastly, needless to say it should

importantly be noted that the claims must be suitable and comply with Mexican Law and Practice, for instance processing method claims (allowed in the United States of America) are not accepted in Mexico

and must be eliminated, and that is why it is always recommendable for the same to be first reviewed by our local agents.

**Eric Alavez**  
ealavez@herrero.mx

## TRADE MARKS

Authority



# Regulatory Boards: Bodies disseminating and protecting Mexican Designations of origin

Designations of origin are a kind of subtype of Geographical Indications. Mexican laws do not provide for the latter and in the case of designations of origin, domestic laws touch upon them only summarily.

In terms of article 156 of the Industrial Property Act (LPI), a designation of origin is defined as the name of a geographical region of the country serving to designate a product originating therein, the quality or features of which are exclusively due to the geographical environment to be found therein, the owner of the designation being the country in which the geographical area is located.

Designations of origin in Mexico acquire legal status through a Declaration issued by the IMPI. The Mexican State licenses third parties to use them

declaration, act of its own accord or upon request by a party, and in the latter case the party entitled to do so shall submit an application with that Institute in order for the Institute to carry out the relevant analysis. However, in this connection the LPI very clearly provides that only the following parties are entitled to submit such an application:

- I.- Natural or legal persons engaging directly in the extraction, production or manufacture of the product or products that are to be protected with the designation of origin;
- II.- Manufacturers or producers chambers or associations; and

III.- Federal government and Federation entity government agencies or entities.

After the relevant application is duly filed, the authority will review the same to find whether or not a link exists between the designation, the product and the territory. If such a link is established, then a Declaration is issued relative to the Designation of Origin, which shall belong to the Mexican State, who will license third parties to use it in relation to any and all products proving satisfaction of quality standards and that they effectively originate in the geographi-

cal area protected by the relevant declaration.

It was noted above that Mexico holds 13 designations of origin. However, despite the dissemination and protection efforts made by the IMPI, just three of those designations of origin have been disseminated worldwide. That is the case of Tequila, Mezcal and Café de Veracruz.

Let us for instance look at Tequila. The history of tequila as a spirit obtained by distilling the sap taken from the heart of Agave tequilana weber blue variety in the Mexican lowlands dates back to Colonial times, but it was not until 1943 when business people from the Jalisco area began to take action to protect the term 'Tequila'. Formally, the application for a designation of origin was first filed with the now defunct Office of the Industry and Trade Secretary on 27<sup>th</sup> September 1973, and the application was allowed and published on 9<sup>th</sup> December 1974 in the Official Journal of the Federation.

Nowadays, almost 40 years after the first application for a Designation of Origin, Tequila is associated directly with Mexico, and the use of such designation in a product is synonymous with prestige.

What was the key driver for this success? Although the designation Tequila has actually existed for

Since designations were first incorporated into our laws, Mexico has come to have 13 designations of origin: Tequila, Mezcal, Olinalá, Talavera, Bacanora, Ámbar de Chiapas, Café de Veracruz, Sotol, Café de Chiapas, Charanda, Mango Ataulfo del Soconusco de Chiapas, Chile Habanero de la Península de Yucatán and Vainilla de Papantla.

In order for designations of origin to acquire legal status, the Mexican State issues a Declaration through the relevant authority, in our case the Mexican Industrial Property Institute (IMPI). The IMPI may, in issuing such

almost two centuries, the active involvement of the Tequila industry was of the essence for disseminating and protecting that designation of origin.

The Tequila Regulatory Board was set up as a Civil Association, and meets from 1993, its main mission being to verify and certify compliance with the Official Standard for Tequila, and to promote the quality, culture and prestige of "the national drink par excellence".

This Board has actually succeeded, through lobbying and national and international promotions, in carrying out a dissemination and protection

effort that no other Mexican designation of origin has achieved.

In the case of Mezcal and Café de Veracruz, a common element may be found: the existence of a Regulatory Board, whereas the 10 other designations of origin have had no Regulatory Boards formally set up.

Insofar as Mezcal is concerned, a Regulatory Board overseeing the quality of Mezcal, the Consejo Mexicano Regulador de la Calidad del Mezcal, A.C., was set up on 12<sup>th</sup> December 1997 as a non-profit private sector body watching compliance with the Official Mexican Standard NOM-070-SCFI-1994

Spirits-Mezcal-Specifications.

Café de Veracruz has the Café de Veracruz, A.C. Regulatory Board which was set up in 2001 as a non-profit Civil Association whose mission it is to enforce and monitor the Official Mexican Standard: NOM-149-SCFI-2001.

That is how the active involvement of parties with a legal interest in the issue of a Declaration has become one of the key drivers for disseminating and protecting a Designation of Origin.

**Jimena CHI**  
*jchi@herrero.mx*

**TRADE MARKS**

Authority



## Power of attorney and formalities thereof for the registration of distinctive signs in Mexico

In accordance with the Mexican Industrial Property Act, a power of attorney conferred by foreign holders on Mexican Firms to apply for the registration of distinctive signs can be a simple power of attorney, which must be signed by an officer of the corporate applicant and accurately specify the date and name of the document empowering that officer to confer the power of attorney.

Now then, the Official Journal of the Federation dated 28<sup>th</sup> June 2010

published an amendment to the Industrial Property Act eliminating the obligation to produce a power of attorney in order to file applications for the registration of trade marks, slogans and trade names. That amendment entered into force on 28<sup>th</sup> September 2010.

Specifically, the amended text is that of article 181 of the Industrial Property Act, which now reads that it is no longer a requirement for the power of attorney executed by the corporate applicant to be enclosed

with the application for registration of a trade mark.

Therefore, at present, the application form for the registration of trade marks, slogans and trade names includes a sworn statement to the effect that the attorney is empowered to act for and on behalf of the trade mark proprietor. It should importantly be borne in mind that, insofar as contentious-administrative proceedings instituted with the IMPI are concerned, the obligation to produce a power of attorney has not





been eliminated and the formalities to be complied with by powers conferred by the trade mark proprietors on attorneys remain unchanged, i.e., the power must be notarised in the case of Mexican natural or legal persons; and, in the case of foreign natural or legal persons, the power of attorney must be notarised and legalised by means of an Apostille or by the Mexican consulate.

In principle, the amendment looks attractive or beneficial, yet it will always be necessary for there to be a power of attorney because the Act provides that if a different attorney or agent acts in subsequent stages following filing of the trade mark application, then the attorney's power to act for and on

behalf of the registered trade mark proprietor must be established.

The fact is that all that the amendment to the Act has changed is when the power of attorney must be produced to the authority, and therefore it is still essential to confer a power of attorney to prove attorneys' or agents' powers.

Indeed, it continues to be Mexican practice to request the holders of trade mark registrations to confer powers because the total absence of a power of attorney within trade mark registration proceedings could compromise their validity, and there have actually been discussions at different levels that some applicants are likely in the

short term to start to contest or object to the authority of an attorney different from whoever started the process to take part in any administrative proceedings.

The amendment actually provides that if an attorney is involved other than the attorney who filed the application while a trade mark application is being processed, then even if he or she belongs in the same Law Firm, he or she must prove the power to act as such.

In this connection, the conclusion is that asking the holders of trade mark registrations to confer powers is still essential in order to uphold and enforce their interests.

**Luz Maria Olivo**  
*lmolivo@herrero.mx*

Filing the power of attorney with the trademark application is no longer a requirement in most cases

## PATENTS

Authority



# Patenting of pharmaceutical products and processes in Brazil

Until 1996 chemical-pharmaceutical products and medicines, and their production processes were considered non-patentable subject matter in Brazil. The promulgation of Law 9,279/96 (Industrial Property Law – IP Law), which incorporated resolutions encompassed in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), overturned such prohibition.

Law No. 10,196/96 incorporated in the Brazilian IP Law (Law 9,279/96) the provisions of Article 229-C which states that the grant of patents for pharmaceutical products and processes shall depend on prior consent from the National Agency of Sanitary Surveillance (ANVISA). This means that, besides the issues related to public health, the Agency started to opine in other areas thus directly interfering in the grant of

pharmaceutical products.

The Brazilian Patent and Trademark Office (INPI) considered such change as an "intervention" in its work. ANVISA's analysis, called previous consent, is carried out after the whole patent prosecution in INPI and, in most cases, such analysis leads to written opinions and requirements in the same manner the ones issued by BPTO. Apart from ANVISA's normative power limits, it is clear that both agencies are conducting similar works. Such role duplicity only contributes to an even longer backlog in the patent prosecution in Brazil.

During the last years, 1,596 patent applications were allowed by INPI. From these patent applications only 1,161 received ANVISA's previous consent and, consequently, were

granted. As for the remaining 145 patent applications, the ANVISA's previous consent was not issued. In some cases, INPI even took their opinion back and rejected some patent applications. However, in some cases, in which INPI has disagreed with ANVISA's opinion, the patent applications were not granted neither rejected. Therefore, the prosecution of such patent applications is paralyzed in INPI's administrative sphere waiting for a definition.

The way AVISA's interference in the granting of patent applications is being carried out is causing a lot of discussion. In this sense the Federal General Prosecutors (PGF), on October 16, 2009, through the written opinion No. 210/PGF/AE/2009, stated the legal opinion about the provisions of

Article 229-C of the IP Law. According to the written opinion, the institutional attributions of INPI and ANVISA are specific and suitable. Therefore, there is no way to be confused or even overlapping. The PGF concluded that it is not the ANVISA'S attribution, at the time of examining the previous consent, the analysis of the patentability requirements (novelty, inventive activity and industrial applicability), since this would be the unique and own INPI's attribution according the Law No. 5,648/70. Moreover, it is clear in the referred written opinion that the ANVISA should act, considering the prior consent, within the limits of their competence, i.e. preventing the production and marketing of products and services that are potentially harmful to public health.

After the ANVISA's request for the reconsideration of the written opinion No. 210/PGF/AE/2009, the PGF issue on January 07, 2011, the

written opinion No. 337/PGF which restates the specificities of the role of each institution in regards the grant of patents for pharmaceutical products and processes. Specifically, the PGF's opinion restricts the ANVISA's action in this process, since it can only provide subsidies during the prosecution of a patent application, in which the INPI may consider or not. Therefore, the INPI will be definitively the responsible for the analysis of the patentability requirements, being its responsibility the decision to grant or not the pharmaceuticals patents.

Such decision should facilitate the conclusion process of the patent applications paralyzed in INPI's administrative sphere due to this undefined roles. Additionally, it should contribute to one of the priority INPI's projects, announced on January 13, 2011, in which the INPI promised to solve the backlog until 2015, reaching the goal of

granting patents with high quality in a period of four years.

**Alex Gonçalves**

[agoncalves@herreroasociados.com.br](mailto:agoncalves@herreroasociados.com.br)

## CHANGES IN THE IMPLEMENTING REGULATIONS AFFECTING COMPOSITE MARKS AND PRODUCTION OF THE PRIORITY DOCUMENT

A DECREE was published on 10<sup>th</sup> June in the Official Journal of the Federation amending several provisions of the Implementing Regulations of the Industrial Property Act. That decree entered into force on 13<sup>th</sup> June 2011, and amends articles 56 and 60 of the above-mentioned Act:

**"ARTICLE 56.-** [...] Word marks or slogans may only consist of letters or words made up using the Roman alphabet, western Arabic numerals and such diacritics as may assist in properly reading the same. The applicant shall be deemed to reserve the use in any letter font or size."

**"ARTICLE 60.-** In order for the priority referred to in article 117 of the Act to be recognised, the applicant for registration of the trade mark shall satisfy the following requirements:

**I.-** Specifying in the application the number, if known, of the application for trade mark registration filed in the country of origin, where the date of filing

of such application is claimed as the priority date, and  
**II.-** Producing proof of payment of the relevant fee."

The following would be the implications of such an amendment:

- In relation to article 56, under this new provision, where a word mark is filed containing a character other than letters of the Roman alphabet, western Arabic numerals, or diacritics assisting in properly reading the same, then they must be filed as composite marks.

- In relation to article 60, under this new provision, the need to file a certified copy of the priority document is eliminated where that is claimed in the relevant trade mark application, because in order for such priority to be recognised only the following will be necessary: that the application be filed within 6 months after the first application was filed, that it is claimed in the application and that the relevant fees are paid.

Lastly, applications filed from the effective date of this amendment shall be subject to the new rules, whereas applications filed before the effective date of this decree shall be subject to the provisions then in force.

**&HERRERO  
ASOCIADOS**



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## MADRID

Alcalá, 35. 28014  
Tel: (34) 91 522 74 20  
Fax: (34) 91 522 62 49  
info@herrero.es

## LISBON (PORTUGAL)

Avda. Liberdade, 69 - 3º A.  
1250-148 Lisbon  
Tel: (351) 21 324 63 40.  
Fax: (351) 21 324 63 49.  
info.portugal@herrero.pt

## MEXICO D.F. (MEXICO)

Insurgentes Sur 1722 despacho 701. Col. Florida 01030 Mexico D.F.  
Tel/Fax: (52) 555661 1744.  
info@herrero.mx

## RIO DE JANEIRO (BRAZIL)

Av. Rio Branco, 45 - Sala 1305.  
20090-003 Rio de Janeiro - RJ  
Tel: (55 21) 2516-0763.  
Fax: (55 21) 2516-0374  
mpcguerra@herreroassociados.com.br

[www.herrero.es](http://www.herrero.es) • [www.herrero.pt](http://www.herrero.pt) • [www.herrero.mx](http://www.herrero.mx) • [www.herreroassociados.com.br](http://www.herreroassociados.com.br)

