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Editor's welcome



Originally formed for investment opportunities in 2006, the cohesion between Brazil, Russia, India, and China, with South Africa joining in 2010, has expanded into a geopolitical bloc advantageous to the nations involved as a result of the multilateral policies that promote mutual success. As of January 2024, the BRICS intergovernmental organization now includes Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates.

Considered the foremost geopolitical rival to the G7 bloc (comprising Canada, France, Germany, Italy, Japan, the UK, and the US) of leading advanced economies, encompassing 45%

of the world's population, the BRICS countries are certainly an influential force, and their influence on the development of IP will be no different.

CTC Legal Media brings you the BRICS Annual 2024 to update you on IP-specific updates and implications from the BRICS nations. Delving into key developments, we bring you an introduction to China's IP transformation; advice for Russian utility models; non-use cancellation actions under new Brazilian IP Law; a guide to protection in Africa; a review of patent instruction at the EAPO; an exploration of the pitfalls in patent amendments; the position of Argentina; an update on IPRs in the UAE; the impact of joining BRICS for Egypt; and an evaluation of trade secret protection in Brazil.

With the growing influence of the BRICS nations, it will be vital to stay up to date on rules, requirements, and case law tendencies.

Enjoy the issue.

Faye Waterford
Faye Waterford, Editor



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Mission statement

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In the fast lane: an introduction to China's intellectual property transformation

Already the IP powerhouse of the BRICS bloc, China now has an ambitious goal of global IP leadership. Flora Fang of Rouse and Robert Zang of Lusheng look at how the country is developing its IP landscape to achieve this vision.

China is a hub of innovation and opportunity, with an IP ecosystem that has developed at an astonishing pace over the past 30 years. Rouse has been in China since 1993. Over the decades we've witnessed China's IP legislation and practice transforming to world-class sophistication. Now China is the IP powerhouse of the BRICS partnership, and the country is stating its ambitions for IP leadership in the wider world too.

China is currently ramping up efforts to ensure that IP protection is a central part of its new development strategy. Following the approval of its 14th Five Year Plan in 2021, the Chinese government also released a 15-year plan for developing the country into an Intellectual Property leader. According to the plan, by 2025 China aims to have improved the value of its patent-intensive industries to 13% of GDP and its copyright industries to 7.5% of GDP. The country expects flows of IP royalties to reach CNY 350 billion, while targeting the development of 12 high-value inventions per 10,000 citizens. These changes will be driven by measures to improve IP protection and the competitiveness of brands.

By 2035, China aims for its IP competitiveness to be among the best in the world. The country's IP system is then set to be a complete framework for multi-level participation and international cooperation in the global governance of IP. To support the speed of this development, China has amended and enacted a number of IP-protection laws in trademarks, patents, competition, eCommerce, trade secrets, and more. With these new laws – and more on the horizon – IP protection in China has improved significantly in recent years.

China improves trademark protection from registration to enforcement

For a long period, the key focus of China's trademark authorities was to tackle the bad-faith trademark squatters that have traditionally plagued the country's



Flora Fang



Robert Zang

trademark registration system. While challenges persist, the China National Intellectual Property Administration (CNIPA) has made significant progress in its efforts to crack down on these bad-faith filings.

Based on statistics from CNIPA annual reports, the overall supporting rate of registry enforcement actions has increased year by year. For example, the supporting rate of opposition increased from 40.8% in 2018 to 56.9% in 2022. The supporting rate of invalidation has consistently been above 70% over the past four years, with a peak of 75% in 2022.

The CNIPA has also had success in rejecting bad-faith trademark applications. Just over two million trademarks were registered in 2023 – a drop of more than 45% compared to a year earlier. This drop was the result of a reduction in applications filed by both bad faith and legitimate applicants. Bad faith applicants are severely discouraged by the government's restriction measures, while legitimate applicants see less need to file a large number of defensive applications.

Market enforcement in China has also improved significantly. Administrative enforcement actions via local government authorities are typically considered the most cost-effective approach for resolving market infringements. These authorities have traditionally been most inclined to act when cases are straightforward, but in recent years officers have started taking on more difficult cases too.

Market supervision departments across the country have witnessed a rise in the number of trademark infringement cases investigated, from 31,900 in 2019 to 37,500 in 2022. At the same time, the overall value of these cases has nearly tripled within a three-year span, reaching an impressive CNY 1.4 billion in 2022. Such figures highlight the growing magnitude of these cases and underline the Chinese government's attitude to fighting IP infringement.

Civil litigation remains the main tool to crack down on complex infringement and claim damages. To bring IP-infringement cases to trial, China has estab-



lished four IP Courts, one IP Chamber in the Supreme People's Court (SPC), and 27 specialized IP Chambers in local courts.

The nationwide number of newly filed first-instance Intellectual Property civil cases rose by almost 55% between 2018 and 2021. The peak was reached in 2021 when more than 550,000 cases were recorded. Notably, two to three times higher damages are now being granted to brand owners than in earlier times. Punitive damages of up to five times the compensation against bad faith infringers have also been widely applied by local courts.

The vicious suits raised by bad faith parties to attack legitimate brand owners are now hard to win, as courts will examine how trademark rights were acquired. This trend has upset bad faith filers from pirating other parties' trademarks or from trying to sue legitimate brand owners.

The positive impact of eCommerce enforcement

There has also been a shift in the approach taken by China's popular eCommerce platforms, which play a vitally important role in IP protection in China. In earlier days, these online platforms often viewed complaints about counterfeits as a threat to their sales. But they've now recognized the increased risk of assuming joint liabilities for infringement if they do not take down fake goods.

Some of the more sophisticated platforms have also established comprehensive IP-rights protection systems. These 'Notice and Takedown' solutions enable brand owners to file online complaints directly with the platform in question. Such solutions are often the main channel for online complaints.

Pursuant to the requirements of China's eCommerce Law and Civil Code, all online platforms should have a 'Notice and Takedown' channel to deal with online complaints. This makes online enforcement the quickest of all enforcement solutions for removing on-

“It should be noted that if a mark is deemed as misleading in China, it's very difficult to overturn the decision. The success rate is less than 20%”

line infringements. The typical timeframe is between three and 15 working days.

A brand owner can simply notify a platform with preliminary evidence against a seller's infringement. The platform then communicates the complaint to the seller for clarification. Failure to provide a reasonable explanation or a counterargument to the infringement claim most likely results in the platform taking down the products to avoid the joint liability of infringement.

How to avoid absolute-grounds refusal during trademark registration

Despite much progress in developing its frameworks for IP protection, challenges remain with registering trademarks in China. Standards have in fact become much stricter in recent years.

The CNIPA commonly refuses trademark applications on absolute grounds based on two primary reasons: lack of distinctiveness and misleading issues. There has also been an increase in refusals based on the potential negative social impact of a trademark. Together these refusals seem to be an effective attempt at slimming China's overcrowded trademark register, which already has more than 44 million marks. The mark *Kim's Kitchen* was rejected due to the fact that the brand owner also provided other services beyond restaurants, such as running day-care establishments. In another example, the trademark for *Teas of the World* was rejected for using the slogan: *The finest teas of the world*. Again, this was deemed to be misleading to Chinese consumers.

It should be noted that if a mark is deemed as misleading in China, it's very difficult to overturn the decision. The success rate is less than 20%.

The same refusal risk is present for any marks containing words with a sexual or immoral connotation. The *MLGB* streetwear brand was not allowed to register, for example, as the name coincides with the initials of a commonly used four-letter vulgar term in the Chinese language.



As local counsel, Rouse typically assesses the risk of rejection and advises our clients accordingly before they file an application. If there is a risk, it may be better to not file the application at all. This is because a rejection creates a public record. Local enforcement authorities may then use this data against the use of a mark that has been rejected on absolute grounds.

Patent examinations aligned with international standards

One of China's key strategic goals is the promotion of innovation as a means of ensuring sustainable economic development. In this context, the country amended its patent law in June 2021 and joined the Hague Agreement Concerning the International Registration of Industrial Designs in May 2022. The aim is to provide more comprehensive protection in alignment with international practices.

China introduced partial design and prolonged the protection duration of a design patent from 10 years to 15 years in order to align with the Hague Agreement. This alignment also provides increased protection scope and a longer duration for patent owners.

In addition, China has introduced an 'open license' system. With this, a patentee makes a statement to the CNIPA that anyone wishing to implement the patented subject matter can obtain a license to do so by paying the prescribed license fee. This system will encourage technology transfer and the use of patented technology to the benefit of both patentees and potential licensees.

A copyright-protection system that keeps pace with the times

China's copyright industry has also recently flourished and achieved significant results. The year 2021 marked the 30th anniversary of the implementation of the Copyright Law of the People's Republic of China. This newly amended Copyright Law – which came into force on 1 June 2021 – aims to solve the outstanding problems in practice, improve the definition of works and the means of enforcement, and better balance the interests in the dissemination of works. It also aligns China with the international conventions, laws, and regulations to which the country has acceded.

It has now become a basic consensus in China to strengthen IP protection and increase the cost of infringement. The country's newly amended Copyright Law has raised the maximum statutory damage from CNY 500,000 to CNY 5 million, setting a minimum statutory damage of CNY 500. The mechanism of punitive damages has also been introduced in response to the need for greater IP protection.

In order to build a convenient and user-friendly copyright public-service system – and to promote the modernization of the copyright-governance system – the China Copyright Protection Centre implemented online copyright registration on 10 May 2022. Appli-

“**The country's newly amended Copyright Law has raised the maximum statutory damage from CNY 500,000 to CNY 5 million, setting a minimum statutory damage of CNY 500**”

cants no longer need to submit hard copies of registration application materials to the Centre. Instead, they can complete the whole registration process online – greatly improving efficiency.

In 2022, the total number of copyright registrations in China was 6.4 million – a year-on-year increase of 1.4%. Among them, the number of registered works was 4.5 million, and the number of computer-software copyright registrations was 1.8 million.

The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled entered into force in China on 5 May 2022. The implementation of the treaty in China has better safeguarded the rights and interests of the vast number of people in the country who have print disabilities. It also creates conditions for China to provide accessible format versions to people abroad. This is of great significance in promoting the international dissemination of China's outstanding works.

With all these changes, it's clear that China is transforming its IP landscape to create an environment conducive to technology transfer and where brands can thrive. Businesses are urged to increase their confidence in China's IP protection measures, as the country has plans in place to keep building on the strong progress it has already made.

The key to IP success in China lies in collaborating with local experts who understand the nuances of the ever-evolving landscape. By creating a strategy for protection and enforcement in China, businesses can secure their place in this IP powerhouse of BRICS and beyond.

Résumés

Flora Fang is a Senior Manager at Rouse's office in China. Flora has been practicing IP laws for over 17 years. She advises on a wide range of IP issues, in both contentious and non-contentious matters, including filing applications, oppositions, cancellations, reviews, availability searches and clearance opinions, renewals, infringement opinions, and overall IP protection strategies for both domestic and foreign companies. In particular, she has handled the IP portfolios of a range of US (and EU) MNCs in the technology, pharmaceuticals, life sciences, FMCG, and retail industries.

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Lujiazui, Shanghai



Particularities of Russian utility model applications

Elena L. Davydova, Deputy General Director and Chief of Ineureka's IP Protection Department, explains the advantages and disadvantages of filing for patent utility model protection for both Russian and foreign applicants with clarifications of what is and is not permissible.

For the last few years, there has been growing interest in patenting utility models in Russia among our foreign clients. It is not surprising since the process of obtaining a utility model patent and a patent for a utility model itself have a variety of advantages. Nevertheless, there are a lot of pitfalls that should be taken into account by the applicants who are thinking about filing applications for utility models with the Rospatent. In this article, I will assess the advantages and disadvantages of Russian utility models and the particularities of their preparation and examination to make the decision process of whether to apply for a utility model or to prefer an invention application easier for foreign applicants.

Needless to mention the official fees for filing and substantive examination of utility models are much cheaper than the official fees for inventions, and examination of utility models is faster and simpler than the examination of applications for inventions (these matters will be regarded further) but there are some important points that should be taken into account by applicants prior to filing utility model applications with the Rospatent.

First of all, a potential applicant should be aware that in Russia only a single device/apparatus/machine can be protected as a utility model, neither a method nor a system nor a substance is accepted to be an object matter of a Russian utility model.

In order to make it clearer for potential applicants what can specifically be protected as a utility model in Russia for, it is helpful to review some quotations from the Russian regulatory documents. According to item 35 of the Rospatent's 'Requirements to Document a Utility Model Application' (hereinafter the Requirements) "[...] devices are considered to be products that do not have component parts (details) or consist of two or more parts which are interconnected by assembly operations and being in functional and structural unity (assembly units)". Whether the functional and structural unity is confirmed or not is determined during examination and based on the content of the description of a utility model. Within that, mention of such elements as a body, and providing the information that the rest

“A potential applicant should be aware that in Russia only a single device/apparatus/machine can be protected as a utility model”



of the elements are fixed inside the body or at least inserted into it, contribute to the recognition of the disclosed technical solution to be a single device. On the other hand, providing information that some elements communicate with other elements via WiFi, cloud, remote communication channels, or the like causes the claimed solution not to be considered as a single device. Consequently, again in accordance with the requirements (item 36 (1)) "...the following features are used to characterize devices:

- Presence of one detail, its shape, structural concept;
- Presence of several parts (details, components, assemblies, blocks) connected to each other by assembly operations, including screwing, joining, riveting, welding, soldering, pressure testing, expansion, gluing, and stitching that ensure construction unity and implementation of a general functional purpose of the device (functional unity);
- Constructive implementation of the device parts (details, components, assemblies, blocks), characterized by the presence and functional purpose of the device parts, their mutual arrangement;

- Parameters and other characteristics of device parts (details, components, assemblies, blocks) and their interconnections;
- Material from which parts of the device and/or the device as a whole are made;
- Physics medium that performs the function of a part of the device [...].

Thus, there can be only one object matter claimed in the scope of a utility model application. In other words, the Claims of a utility model must contain the only independent claim (the number of dependent claims is not limited), which is not allowed to include any alternatives. This is because, according to item 41 of Rospatent's 'Rules for Drafting, Filing, and Examination of Utility Models Documents', if the independent claim of a utility model contains alternative features, it means there is more than one technical solution in the independent claim of a utility model. It should be kept in mind here that the set of features of the independent claim should ensure the novelty of the technical solution and the achievement of the claimed technical result. It might be that, despite

the presence of alternative features in the scope of the independent claim, they do not contribute to the novelty of the utility model and/or do not affect the claimed technical result. In such a case, these features can be brought in dependent claims including alternative ones. When alternative features provide novelty, only one feature from a set of alternative features can be left in the application, the rest of the alternative features can be protected by divisional applications.

Obvious alternatives are also undesirable to be included in dependent claims but, in case of receiving an Office Action, such a dependent claim can be divided into several dependent claims, because the presence of several dependent claims that are alternative to each other is not prohibited in the Claims of a utility model. Another subtlety is that, at the moment of filing applications, each additional claim over the 10th claim in the Claims of a utility model results in an additional official fee, while an increase in the number of claims of the Claims when responding to the Office Action does not require payment of additional fees. Thus, the problem of alternatives in dependent claims is solved quite easily.

One more important point, which should be taken into account by a potential applicant that is going to file a utility model in Russia, is that according to the Requirements, (item 35 (4)) "[...] while disclosing the essence of a utility model, one technical result provided by the utility model or technical results associated by a cause-effect relationship should be indicated". Therefore, if the relevant section of the description of a utility model (which normally follows the wording of the essence of the utility model) contains an indication of several technical results that are not associated with a cause-effect relationship, the examiner will issue an Office Action demanding to specify the technical result(s) and amend the corresponding section of the description by removing the technical results not associated with a cause-effect relationship.

At the same time, it is obvious that a situation might arise when an examiner reveals a known technical solution that disproves the novelty of the utility model claimed in the independent claim of the Claims and even disproves the novelty of some dependent claims. It might be that the technical result claimed in the pending application is also achieved by a technical solution disclosed in the opposed document, then the examiner's arguments can be overcome by including in the independent claim those features of dependent claims or those features mentioned only in the description that are not known from the document opposed by the examiner, but the matter of the technical result will arise again. Indication of a new technical result that was not mentioned in the description



Elena L. Davydova

is prohibited. However, if the section of description disclosing examples of implementation of the utility model contains mentions of the positive impact of sets of features contained in dependent claims, then these mentions can be used to indicate the amended technical result.

Having regarded the above pitfalls of drafting and examination of utility model applications it is time to move to comparing them with invention applications and indicating their advantages and disadvantages.

Firstly, it should be noted that the substantive examination of utility model applications is carried out only with respect to such criteria of patentability as industrial applicability and novelty, while the substantive examination of invention applications is carried out with respect to industrial applicability, novelty, and inventive step. As a result, the time frame of the substantive examination of utility models is much shorter and the examination itself is simpler. For the last couple of years, our clients have received Decisions on grant in just two-three months after filing their applications in smooth cases.

Secondly, the official fees for filing and examination of utility model applications are substantively less than the same for invention applications. In order to make them easily seen in detail, I have prepared the following table (see Table 1) where all the relevant official fees have been put together (please note that the fees are given considering the discount of 30% for electronic interaction with the Rospatent).

The official fees for registration and granting a patent are the same for both utility models and inventions, but annuities for utility models should be paid beginning from the first year counted from the application filing date and are normally paid along with the grant fees when annuities for inventions should be paid beginning from the third year, and their payments can be postponed till the end of the second year in the majority of cases. This is a disadvantage of utility models but since the amount of the annuity for the first year as well as for the second year is not big (800 RUB which is equal to 8 EUR according to the current exchange rate), I believe that it is not a serious problem for applicants. Beginning from the third year the annuities for utility models are the same as for inventions.

In addition, it is worth mentioning that utility model applications can be filed in Russia with claiming priority

“Whether the functional and structural unity is confirmed or not is determined during examination and based on the content of the description of a utility model”

Table 1

	Official fees (RUB)	
	For filing an application	For substantive examination
Utility Models	980 + 490 for each claim over the 10th	1750
Inventions	2310 + 490 for each claim over the 10th	8750 + 6440 for each independent claim over the 1st

Résumés

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under the Patent Cooperation Treaty (PCT) as well as under the Paris Convention. When a utility model is filed under the Paris Convention, the Rospatent demands a certified copy of the priority document to be provided in paper form, but a paper copy of the priority document can be filed later after filing an application at no charge.

In view of the above, if an applicant has an application containing just one independent claim (no matter how many dependent claims) where the object matter is a device, apparatus, or machine, it may be better to file such an application as a utility model, not as an invention, despite the validity period of utility model patents is shorter (only 10 years) if compare with the validity period of invention patents, that is 20 years.

The short validity period of utility model patents, of course, is another disadvantage. Nevertheless, utility model patents can be effective instruments used in litigation cases for the protection of your clients' intellectual properties in Russia. One of our clients has recently received compensation in the amount of more than one million rubles paid by an infringer of our client's utility model patent.

Even in the case where a patent holder finds evidence of patent infringement after the utility model patent expires but the patent infringement has been made during the time of the patent validity, the patent holder still has the right to initiate a court trial against an alleged infringer and to claim compensation.

In conclusion, and in order to sum up all the above, I would like to note that it is obvious that, despite having a lot of particularities, patenting utility models in Russia looks quite attractive and has certain advantages for Russian as well as for foreign applicants.



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Welcome to the territory of law

Since the establishment in 2001 INEUREKA became a serious player on the Russian market of IP services. In the Russian Federation, in CIS and other countries of the former USSR we render the whole complex of IPR protection for clients from all over the world. In recent years the company took the front position on the Russian renewal market.

We organize seminars and round-table discussions for our clients aiming to provide them with most updated information on the Russian IP Legislation.

We also handle court and administrative proceedings before the courts and Customs authorities.



An overview of non-use cancellation actions under Industrial Property Law 9,279/97

Igor Simoes and Georgia Chicoski of Simoes IP Law Firm provide a comprehensive overview of Brazilian Industrial Property Law, exploring nuances, legitimate justifications, and recent legal updates.

Trademark cancellation stands as a vital legal process, ensuring the integrity of Brazil's industrial property landscape. Non-use cancellation is a mechanism designed to emphasize active trademark use. Guided by specific articles within Industrial Property Law 9,279 (IPL), Brazil's approach to trademark cancellation is multifaceted and continually evolving. This comprehensive overview delves into the intricacies of Brazilian IPL, exploring the nuances of non-use cancellation actions, legitimate justifications for non-use, recent legal updates, and recent case law. Understanding these complexities is essential for trademark owners navigating Brazil's intellectual property landscape, ensuring their trademarks retain legal standing and competitive edge in the market.



Georgia Chicoski



Igor Simoes

Brazilian IP law on trademark cancellation

Trademark cancellation refers to the legal process through which a trademark registration can be ordered invalidated. In Brazil, trademark cancellation finds its legal base in Articles 142-146 of IPL. The initial steps of trademark cancellation actions fall under the competence of the administrative sphere, overseen by the Brazilian Patent and Trademark Office (BPTO). In a second instance, it may be taken to the courts. This process is essential to maintain the integrity of the trademark system, ensuring that registered marks are used in compliance with the law.

Non-use cancellation actions

In Brazil, the legal framework ruling trademark protection incorporates provisions for the cancellation of trademark registrations due to non-use, emphasizing the importance of actively utilizing trademarks to maintain their legal validity.

In legal terms, a trademark may be subject to a cancellation action only after a minimum of five years

from grant. By means of Article 143, the Brazilian IP Law delineates the specific circumstances that constitute non-use as follows: the trademark owner has not started to use the mark within Brazilian territory; there has been an interruption in the use of the mark for a continuous period exceeding five years; in the preceding five years, the mark has been utilized in a modified form that deviates from its registered representation or the scope of goods and services for which it was originally registered.

As assured by law, any person with legitimate interest is allowed to request a cancellation by non-use. The action is carried upon assessment of the admissibility requirements for considering the petition, along with the evaluation of the legitimate interest. Once a non-use cancellation action is filed within the BPTO, and provided it meets the admissibility requirements, the owner is notified about the action and is granted a 60-day period to submit a response and arguments in defense of the trademark's validity.

The burden falls on the owner to either prove substantial use of the mark in connection with the specified goods or services or, if applicable, provide compelling justifications for the non-use.

Technical Note No. 03/2022 – updates on the non-use cancellation action procedure

The BPTO recently introduced significant updates to the non-use cancellation action procedures through Technical Note No. 03/2022. The technical note delineates the meticulous evaluation criteria used in the process.

According to the document, the first step of the analysis involves the consideration of admissibility requirements for petition acceptance, coupled with an in-depth assessment of the requester's legitimacy. In



this regard, legitimacy may rely on prior rights or the anticipation of rights, notably, existing registration or pending application for a similar trademark intending to identify related products. The same applies to the registration or application for a geographical indication, a highly renowned mark, or an industrial design reproduced by the trademark facing potential cancellation. In addition, personality rights and copyright are also incorporated into this scope.

Moreover, the aforementioned note streamlines the procedures by providing clear directives on the evaluation of evidence presented during non-use cancellation actions. The updated guidelines emphasize the significance of accurate documentation. This includes proof of the trademark's consistent and unaltered use over the specified period. Additionally, the BPTO now demands a meticulous examination of the trademark's utilization history, ensuring that it aligns precisely with the specifications outlined within the original registration certificate. Failure to meet these stringent requirements may lead to the declaration of cancellation, underscoring the importance of comprehensive and precise record-keeping for trademark holders in Brazil.

Investigation of effective use

The inquiry into the trademark's usage extends over a five-year period preceding the action for cancellation. Any kind of evidence admitted in law may be presented, such as invoices, advertising material, and business proposals. For such documents to be admissible, they must be issued by the registered owner or licensee,

with proof of proper licensing or authorization for use. Furthermore, it is imperative that the trademark featured in the documents provided as evidence of use is unaltered, preserving its original distinctive character as delineated in the official registration certificate. Any modifications that could potentially compromise the trademark's distinctive features, as stated in the registration documentation, may lead to invalidation of the presented evidence.

To sustain effective usage, it must align with the primary purpose of trademarks, which is ensuring consumers can readily identify the origin of a good or service, by providing distinction between those of other origins. Substantiation requires the use to be both public and effective, involving identification in commercial activities. For that matter, private or internal usage within a company does not qualify as effective use. Furthermore, the trademark must be applied to goods or services currently available to consumers or circulating in the market, excluding mere preparatory activities like label printing or packaging development from the scope of commercial use.

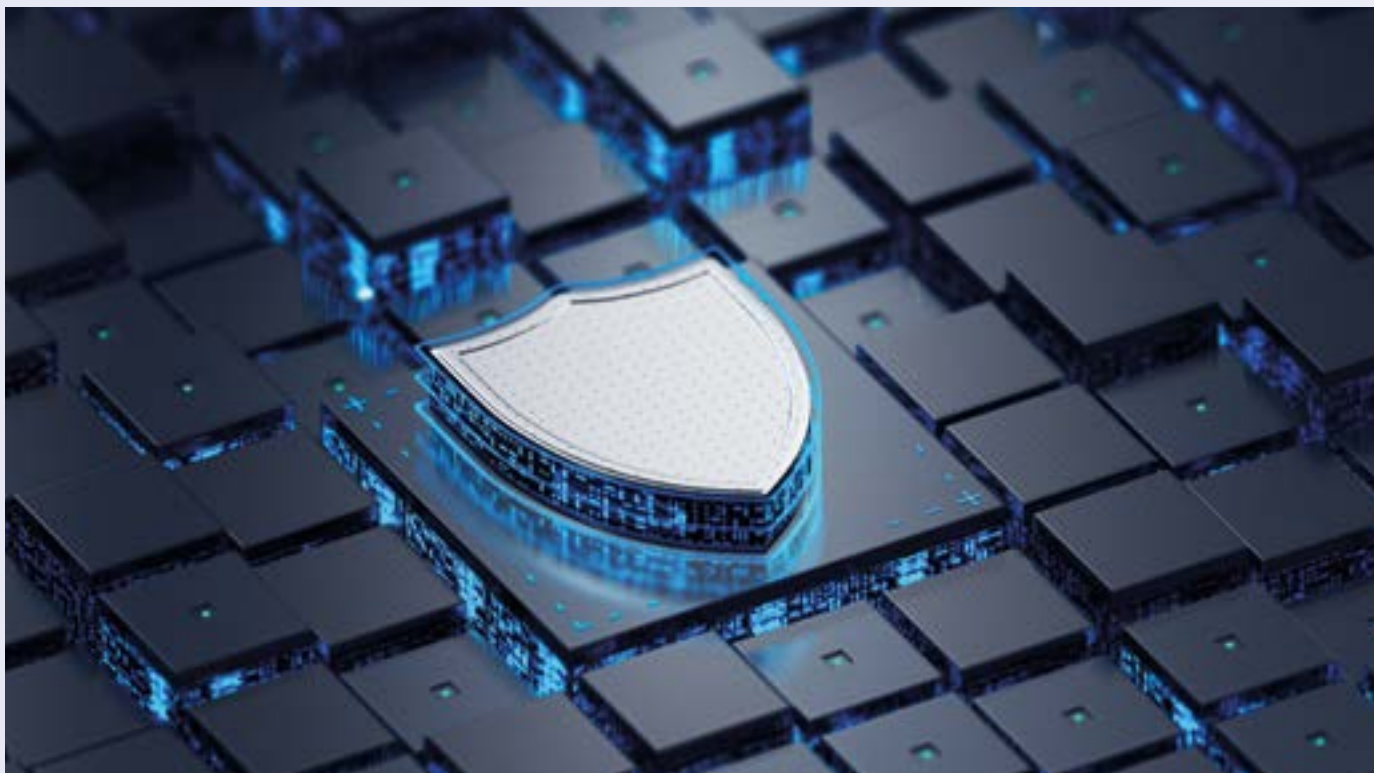
Investigation of legitimate reasons

In light of the provisions established by the technical note, legitimate reasons for non-use are those characterized by situations of force majeure and conditions beyond the owner's control. Scenarios such as business restructuring and brand repositioning, or economic, financial, and commercial difficulties associated with periods of economic recession, do not qualify as legitimate grounds for the lack of trademark use. According to the BPTO, these factors do not excuse the absence of active use of the registered trademark.

It becomes imperative for trademark owners facing non-use cancellation actions to provide substantial evidence that goes beyond these circumstances, demonstrating genuine efforts to employ the trademark in the market despite the challenges encountered. According to the BPTO's understandings, the scope of legitimate reasons for non-use may encompass a range of factors, including regulatory impediments hindering mark use, import/export restrictions relevant to the product bearing the trademark, or pending administrative and judicial nullity actions. Notably, this provision is especially pertinent in the pharmaceuticals field, where regulatory constraints may prevent immediate trademark use.

The action can be averted given that credible reasons for the non-use of the trademark during at least half of the investigation period are substantiated. Otherwise, if legitimate reasons for non-use cover less than half of the examined duration, the trademark owner must furnish compelling evidence of reasonable endeavors to reintroduce or initiate the use of the mark. Such evidence may encompass agreements with distributors, and promotional materials linked to product and service introductions, among other pertinent documents.

“
As assured by law, any person with legitimate interest is allowed to request a cancellation by non-use
”



“**Decisions issued by the BPTO to fully, partially, or deny the cancellation action are always subject to appeal**”

In the case of jointly owned trademarks, the burden falls on every co-owner to prove that the stated reasons justify the non-utilization.

The case law

The assessment of non-use cancellation involves a careful examination of the documents and arguments presented by the holder of the trademark registration. Following a comprehensive examination, a trademark can be either fully or partially canceled or, alternatively, the action can be rejected, depending on the evidence provided by the owner.

Partial cancellation is declared when usage for the investigated period is unverified, or non-use is inadequately justified for specific goods or services. In such instances, only those particular items within the specification are canceled, preserving the registration's validity for other designated goods or services.

Decisions issued by the BPTO with respect to cancellation requests are subject to appeal to a second instance at the BPTO or by the judiciary. Of course, depending on the phase the request is being discussed, the best approach is to be planned. This meticulous process ensures that trademark cancellation decisions are made with precision, considering the evidence presented for each aspect of the registered mark.

Prevention from non-use cancellation

When registering a trademark in the Brazilian market, the intended use holds significant importance. Many companies initially file for a design or composite mark, only to later modify it or change the logo colors. How-

ever, if owners cease to use their trademark as precisely stated in their registration, especially concerning composite marks with specific color combinations, the registration becomes vulnerable to cancellation due to non-use.

To mitigate this risk, it is advisable, when possible, to register a word mark, like a company or product name, instead of solely a design or composite mark. Word marks are generally more stable over time, even after rebranding. The BPTO Examiners also accept various presentations of a word mark as evidence of use. Applicants can freely alter the font, style, color, and other aspects of their word mark while still adhering to the requirements set by the BPTO. This approach ensures greater flexibility for companies to adapt their branding to new market tendencies while maintaining the integrity of their trademark registration.

Case law on non-use cancellation action

The Superior Court of Justice (STJ) in Brazil acts as the highest court for non-constitutional cases, ensuring consistent interpretation of federal laws nationwide and providing fundamental principles for various legal matters. Despite the presence of robust legislation and a dedicated entity like the BPTO, in exceptional circumstances, issues related to industrial property rights find their way to the STJ. Evidently, the STJ's rulings stand as pillars of legal precedent, directing the application and enforcement of Industrial Property Law 9,279 in Brazil.

In November 2022, The Third Chamber of the Superior Court of Justice (STJ), unanimously, annulled three

registrations related to the PERMABOND trademark, understanding that the owner acted in bad faith by requesting the expiration of the trademark and then registering it for his own benefit.

The case involved Permabond LLC, a foreign company, filing a lawsuit against the owner and his Brazilian company, Permabond Adesivos Ltda. The owner had initially requested the expiration of the trademark and then promptly registered it for personal gain. The foreign company claimed that the owner had previously worked for its company, which would demonstrate that the registration of the expired trademark by the former employee constituted customer diversion and unfair competition.

The STJ's decision hinged on the fact that Permabond LLC was the original owner of the trademark in Brazil until 2006. However, they failed to utilize it in the country and did not seek an extension of the registration within the legal timeframe, leading to its expiration. The former employee, having prior knowledge of this trademark, attempted to exploit the idea commercially by registering it for his own use. The STJ judged it as a clear act of bad faith, given a high likelihood that the PERMABOND trademark in Brazil could be easily confused or associated with the same mark used internationally.

As stated by Minister Ricardo Villas Bôas Cueva, such actions violated Article 124, items V and XXIII, of the Industrial Property Law and Article 10bis of the Paris Convention. Cueva further emphasizes that the law not only protects highly reputable trademarks, but also guards against the registration of trademarks that imitate distinguishing elements of other businesses, even if they lack immediate renown in the local market.

As evidenced in the aforementioned case and by many other examples from the recent legal scenario, non-use cancellation action is a widely applied strategy to cancel prior registrations that may be hindering the registration of a new trademark. However, the outcome of the ruling underscored the importance of legal protection in place to safeguard industrial property rights and maintain fair competition within the business landscape.

Despite a robust industrial property law, judicial decisions often prevail, overruling the provisions established by the IPL and the standard processes within BPTO. In this regard, specialized IP assistance plays a fundamental role in supporting owners through legal procedures. Intellectual Property agents are well versed with the IP laws in the national and international framework, having expertise in anticipating risks and in elaborating effective strategies. Guided by professional legal advice, owners have more chances to succeed in safeguarding their trademarks' integrity in the market.

Upon the BPTO's issuance of Technical Note No. 03/2022, the non-use cancellation action

procedures saw a significant enhancement in the depth of analysis conducted upon evidence of use. Trademark holders must be acutely aware of these changes, as adhering to the updated guidelines is paramount for safeguarding trademarks in the evolving legal landscape of Brazilian industrial property law.

This nuanced approach motivates trademark owners to maintain genuine and consistent use of their marks, while also protecting their rights by recognizing legitimate circumstances that may impede such use. The non-use cancellation action in Brazil serves as an essential mechanism to uphold the integrity and functionality of the trademark system, promoting a healthy and competitive marketplace. Much has still to come in the analysis of non-use cancellation actions in Brazil and the BPTO's decisions or rules must be updated, bearing in mind that the case law and the courts will always be an important source of information.

“**Word marks are generally more stable over time, even after rebranding**”

Résumés

Igor Simoes, Managing Partner

With over 25 years' experience, Igor is the managing partner of Simoes IP Law Firm, having graduated in Chemical Engineering from Fluminense Federal University (UFF) and in Law from Candido Mendes University. He is also an Industrial Property Agent, registered before the Brazilian Patent and Trademark Office (BPTO) since 2001.

Igor has knowledge in all areas of Intellectual Property, demonstrating extensive experience in litigation before Brazilian State and Federal Courts, as well as in all administrative petitions before the BRPTO. His practice also involves prior art searches, and technical and legal consultancy in IP, focusing on patents, industrial designs, trademarks and copyrights, and software.

Georgia Chicosci, Patent Specialist

With a Bachelor's Degree in Chemical Engineering from Fluminense Federal University (UFF), Georgia worked at one of the largest companies in the Brazilian water supply sector. At Simoes, she began her journey as an intern in the technical sector and today is an associate.

With courses focused on Intellectual Property and Software registration, Georgia works in the analysis and preparation of technical responses to client's requests, and in the administrative procedures of patents and trademark cases before the BRPTO.

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A guide to protecting your IP in Africa

Bastiaan Koster, Partner at Von Seidels, provides a breakdown for filing in Africa, including specific advice for the BRICS nation South Africa, to assist companies in achieving their commercial goals in the continent, which is expected to experience a significant growth spurt

When asked about looking at Africa as a potential market in their intellectual property strategy, many foreign IP rights owners reply that Africa is big, complex, and somewhat of an unknown entity, and they find it challenging to decide where to file and what approach to use.

Africa is huge, it has a land area of 30.3 million sq km (11.7 million sq mi). This is the land area of the United States, China, India, Japan, Mexico, and many European nations, combined.

The African continent has a population of over 1.4 billion people which is growing at an average of 2.5% a year and it has 58 countries including surrounding islands.

The political situations in some African countries are not always stable, and in some poverty is a problem.

But there is a flip side to this coin.

The United Nations predicts that Africa's population will grow to 2.5 billion by 2050. There are 313 million people in Africa who are middle-class according to the African Development Bank (AfDB). Africa therefore has the fastest growing middle-class population in the world.

It is a continent with abundant resources and farming opportunities. Experts predict Africa will become the breadbasket of the world. A number of countries in Africa are among those with the fastest economic growth rates in the world.

All of this will result in increasing the buying power of consumers in Africa. The continent therefore becomes a very attractive foreign investment opportunity and potential market for goods and services, notwithstanding some of the challenges.

For foreign businesses wanting to embrace Africa, outlined below are some of the commercial realities and practical considerations for filing IP rights in Africa.

Key countries and insights

South Africa has a well-developed legal system where intellectual property rights can be and are often enforced. IP litigation in many other African countries does not happen that frequently.

The enforcement angle has the potential to become



Bastiaan Koster

a negative factor for foreign companies exploiting the potential of South Africa and Africa. A better approach may be to look at it from a commercial perspective. In this regard the following insights are relevant about South Africa and the rest of Africa.

South Africa has been labelled the most advanced and diversified economy in Africa. While this may still be true there are various important factors about other African countries that must be considered including the size of their economy, how fast they are growing and their key industries.

The table 1 below shows some key facts on the 10 largest economies in Africa.

In the latest predictions by the International Monetary Fund (IMF), South Africa is set to overtake Nigeria in 2024 and reclaim its position as Africa's largest economy with a Gross Domestic Product (GDP) of \$401 billion. Nigeria is expected to be Africa's second largest economy with \$395 billion GDP and Egypt third largest with \$358 billion GDP.

Africa is the world's fastest growing continent. Its 10 fastest growing economies can be seen in table 2.

But what do foreign IP owners do with these facts and figures?

The real commercial question is therefore not necessarily what is going on in Africa right now, but what is likely to develop over the short and medium term.

The protection of intellectual property in Africa should be considered slightly differently from a trademark perspective and a patent perspective.

Let's look at trademarks first

There is huge potential in the increasing buying power of Africa for consumer goods. And consumer brand owners interested in selling goods and services to Africa's 1.4 billion consumers will have to compete in that market. It therefore makes sense for brand owners who are doing business in Africa or who intend on selling their products in Africa in the future to look at trademark protection. A logical guideline will be to look at the countries with larger economies by GDP per capita and larger populations.



What are the underlying principles for patents?

As mentioned earlier in this article, except in South Africa and a few other African countries, patent enforcement is not a regular occurrence in Africa. But patent and IP enforcement is becoming more effective with many African countries seeing intellectual property rights as valuable and assets that must be protected and enforced.

There are also other issues which are relevant when it comes to obtaining a patent in South Africa and Africa. South Africa and many other African countries have strict exchange control requirements. For the foreign parent company with a patent in an African country relying on royalty streams to flow from the African country to their home country, registered patents can be particularly useful to convince authorities that royalties are justified and can be levied at higher levels.

Often in South Africa and African countries, companies use a tender process to select service providers. If a potential supplier's technology, or components of a new process and technology, are protected by patents it can assist the supplier in being awarded a tender or contract.

Competition laws (anti-trust laws) are, generally speaking, well-developed in South Africa and many African countries. Again, owning a patent can assist in dealing with questions from the authorities on anti-competitive arrangements.

The main question then is where to start

Start in the countries in which the company is currently doing business, wants to do business, or will sell

“The real commercial question is therefore not necessarily what is going on in Africa right now, but what is likely to develop over the short and medium term”



products in the future. But what if the company does not know these answers yet?

Many international companies wishing to expand into Africa start by filing patents or trademarks in South Africa as it is generally considered to be the gateway to Africa due to its geographic advantages and logistics infrastructure. The filing costs are also

reasonable and the enforcement of patents and trademarks are effective.

Equally important are two regional IP systems in Africa which companies are often not aware of. The first is the African Regional Intellectual Property Organisation (ARIPO - www.aripo.org) which covers 21 countries, most of which are traditional English-speaking countries. The second is the Organisation Africaine de la Propriété Intellectuelle (OAPI - www.oapi.int) which covers 17 countries in Western Central Africa, many of the traditional French-speaking countries. These two regional IP systems immediately cover 38 of Africa's 58 countries and islands.

Then consider the larger economies which are not part of the regional systems. These are South Africa, Nigeria, Egypt, and Ethiopia, and there are others.

The two regional systems and a few key countries can provide the required 'anchor protection' companies need. For example, obtaining a patent in South Africa, Nigeria, ARIPO and OAPI covers approximately 70% of the economic relevance of Africa.

Understanding the commercial realities and population of African countries goes a long way towards putting together an IP filing policy for Africa. However, the 58 countries and surrounding islands of Africa each have their own idiosyncrasies and practicalities. Obtaining input from an adviser who understands both the IP and the commercial realities in Africa will assist in putting an IP filing strategy in place for Africa that will serve the commercial aspirations of companies who want to be part of this continent's expected growth spurt.

Table 2

Country	Growth rate	GDP (US\$)	Population	Industries
Rwanda	6.2%	13 billion	14 million	Cement, agricultural products, small-scale beverages, soap, furniture, shoes, plastic goods, textiles, cigarettes
Ivory Coast	6.2%	79 billion	28 million	Foodstuffs, beverages; wood products, oil refining, gold mining, truck and bus assembly, textiles, fertilizer, building materials, electricity
Benin	5.5%	19 billion	13 million	Textiles, food processing, construction materials, cement
Uganda	5.4%	52 billion	48 million	Sugar processing, brewing, tobacco, cotton textiles; cement, steel production
Tanzania	5.2%	84 billion	67 million	Agricultural processing (sugar, beer, cigarettes, sisal twine); mining (diamonds, gold, and iron), salt, soda ash; cement, oil refining, shoes, apparel, wood products, fertilizer
Kenya	5.0%	112 billion	55 million	Agriculture, transportation, services, manufacturing, construction, telecommunications, tourism, retail
Togo	4.6%	9 billion	9 million	Phosphate mining, agricultural processing, cement, handicrafts, textiles, beverages
Senegal	4.1%	31 billion	17 million	Agricultural and fish processing, phosphate mining, fertilizer production, petroleum refining, zircon, and gold mining, construction materials, ship construction and repair
Madagascar	4.0%	15 billion	30 million	Meat processing, seafood, soap, beer, leather, sugar, textiles, glassware, cement, automobile assembly plant, paper, petroleum, tourism, mining
Algeria	3.8%	224 billion	45 million	Petroleum, natural gas, light industries, mining, electrical, petrochemical, food processing

Sources: African Development Bank (AfDB), IMF, UN, CIA (2023)

Résumés

Bastiaan Koster is a partner, patent attorney and trademark practitioner at African intellectual property law firm, Von Seidels. He has extensive experience in South African and international IP matters including IP registration, strategy and commercialization to gain a competitive edge. He consults with a wide range of clients on the strategic management of their IP portfolios.

Bastiaan has a deep understanding of current global IP issues through his

long-standing involvement in IP associations and committees. He is a regular speaker on the IP landscape and opportunities in Africa, at international IP conferences and regional summits including BRICS.

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EAPO: additions and amendments

Eurasian Patent Office: additions and amendments to the Patent Instruction

Dr Tatiana Vakhnina and Dr Alexey Vakhnin of Vakhnina and Partners provide guidance on the three key changes affecting Eurasian applications for inventions and Eurasian applications for industrial designs.

A brief introduction to the Eurasian patent and its advantages

The "Single Window" principle is, of course, the main advantage: it is possible to file a single application in Russian with the assistance of one Eurasian Patent Attorney in order to cover the countries of the entire region.

Secondly, the Eurasian procedure is very flexible: a Eurasian patent is valid once granted in all Member States; however, it is possible to maintain the patent only in countries of business interest to the Applicant.

Some offices of EAPO Member States are unable to employ a large staff of examiners in highly specialized fields. For example, the EAPO and the Kyrgyzpatent signed an Agreement on cooperation in the field of information search and examination of patent applications in October 2023. Pursuant to this Agreement, the EAPO will conduct patent searches and prepare international search reports in the fields of technology defined by the parties. Such cooperation is a step towards the formation of a common Eurasian information and examination space.

The EAPO employs the best and most professional examiners from all Member States to ensure the highest quality of the examination and international searches. The EAPO has been functioning as an International Searching Authority since June 1, 2022, which confirms the quality of work.

The EAPO is constantly working on the improvement of examination quality and the implementation of best practices.

Summary of additions to patent procedures

The main innovations introduced to EAPO procedures relate to:

- Providing digital 3D models with the Eurasian applications documents;
- Changes to the deadlines for filing objections and appeals;
- Optimization of procedures for receiving patents for inventions and industrial designs.

“
Such cooperation is a step towards the formation of a common Eurasian information and examination space”

We are glad to provide more information on each innovation below. If you have any questions or inquiries on IP matters in EAPO, Russia, Armenia, and other Eurasian countries, Patent and Trademark Attorneys of Vakhnina and Partners will be pleased to assist you.

3D models

It is now possible to include 3D models of the claimed objects in a Eurasian patent application. The innova-





tion concerns both inventions and industrial designs.

This innovation is considered the most significant change to the Patent Instruction. Applicants now have the option to file digital 3D models in relation to Eurasian applications for inventions and Eurasian applications for industrial designs.

The use of 3D models in relation to inventions and industrial designs is an important step for modern digital technologies in patent practice. This innovation will allow the applicants to use the advantages of 3D visualization for additional explanation of the essence of claimed inventions and further visual presentation of the appearance of products.

The decision to begin accepting 3D models of the claimed objects by the EAPO for Eurasian patents for inventions or industrial design filings was made at the 41st meeting of the Administrative Council of the EAPO in September 2022.

The President of the EAPO, Dr Grigory Ivliev, has commented on the innovation:

"This innovation will greatly simplify the process of filing a Eurasian application and obtaining a Eurasian patent for the applicants. Applicants will have more opportunities to demonstrate the claimed objects, and this would facilitate the process of examination and preparation of a decision for the EAPO examiners. Consequently, the time of prosecution of a patent will be reduced which will result in speeding up market entry. This is specifically important in relation to industrial designs, appearance of products. This innovation becomes even more called for since the demand for granting of a Eurasian patent for industrial designs active in the territory of EAPO member states has doubled in a year."

Increase of the time limits for filing of appeals and objections

The time limits for filing an objection against granting of a Eurasian patent for an invention in accordance with rule 53 (1) of the Patent Instruction and an appeal against invalidation of a Eurasian patent for an industrial design in accordance with rule 116 (2) of the Patent Instruction are extended.

The deadline for filing such objections will be nine months from the date of publication of information on granting of a Eurasian patent for an invention or a Eurasian patent for an industrial design, respectively.

Amendments to the grant procedure of a Eurasian patent

The additions and clarifications made to Part I, "Inventions", of the Patent



Dr Tatiana Vakhnina



Dr Alexey Vakhnin

Instruction relate to the procedures for receiving a Eurasian invention patent and are intended to optimize the entire prosecution process.

The changes to the procedure of grant now allow introduction amendments in the claims until the notification of grant allowance is issued and forwarded to the applicant.

Industrial Designs

The additions made to Part II, "Industrial Designs", of the Patent Instruction expand the list of checks carried out in relation to the claimed industrial design at the substantive examination stage. The changes expand the methods to exclude elements of the appearance of the product for which the applicant does not claim legal protection.

In addition, there is now no need for the applicant to provide a paper copy of the previous application if such application is available to the EAPO through the WIPO Digital Access Service for Patent Documents (WIPO DAS).

Patent and Trademark Attorneys of Vakhnina and Partners will be pleased to assist you and your clients, if you have any questions or inquiries on IP matters in EAPO, Russia, Armenia, and other Eurasian countries. Our specialists in Moscow (Russia, ip@vakhnina.com) and Yerevan (Armenia, office@vakhnina.am) offices are ready to provide more information on your request.

Résumés

Dr Tatiana Vakhnina is a Senior Partner and founder of Vakhnina and Partners, Eurasian Patent Attorney, Patent and Trademark Attorney of the Russian Federation with extensive experience in IP since the 1970s. Tatiana is an Honorary Advocate of the Russian Federation and an active member of a number of Russian and International IP Organizations and the professional community of Patent Attorneys in Russia.

Dr Alexey Vakhnin is a Co-founder, Partner, and Managing Director of Vakhnina and Partners. He is a Eurasian Patent Attorney, Patent and Trademark Attorney of the Russian Federation, with extensive experience in IP since the 1990s. Alexey is a Council member of the Assembly of Eurasian Patent Attorneys, Vice-President of the Russian group

of AIPPI, and member of FICPI, AIPPI, LES Russia/LESI, PTMG, ECTA, INTA, etc. With a PhD in Medicine (Biochemistry and Immunology) in patent matters Alexey specializes in Medicine, Biotechnology, Biochemistry, Pharmacology, and Pharmaceuticals.

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Exploring the pitfalls of patent amendments



Celinna Wang, Bing Han, Qin Su, and Xiaohui Chu of China Pat delve into the scope of original disclosures to provide guidance on best practices for patent amendments in China.

Navigating the pathways of patent applications can be daunting. While novelty and inventive step of a patent usually dominate the spotlight, there is a lurking detail that often slips through the cracks but can make or break your application: “going beyond the scope of the original disclosure.”

This article will analyze the matter of “going beyond the scope of the original disclosure” from various perspectives, including the legislative intent and the timing of amendments. We will also illustrate the practice determination standards with actual cases to offer you a reliable guide to champion future patent prosecution and invalidation procedures.

The patent system seeks a balance between patentees and the public, aiming to encourage innovation and provide inventors with their due monopoly, but never at the cost of public interest. While the Patent Law of the People’s Republic of China (hereinafter referred to as Patent Law) does permit amendments, it wraps them in strict constraints. This is the legislative intent behind the legal provisions on the restriction of amendments.

The patent realm operates on a quid pro quo principle: “protection in return for disclosure.” If applicants were allowed to include content not disclosed before the application date, or the priority date, if any, it would enable protection for subject matters without disclosure on the legitimate date, which would unfairly tip the scales

“Whether making voluntary or reactive changes, the golden rule remains: never go beyond the original scope”

against the public interest. Therefore, according to Article 33 of the Patent Law and Paragraph 1 of Article 43 of the Rules for the Implementation of the Patent Law of the People’s Republic of China (hereinafter referred to as Implementation Rules), applicants may amend their patent application documents, provided that amendments to the invention and utility model patent application documents do not go beyond the scope of disclosure in the original description and claims.

The Guidelines for Patent Examination further clarify this by detailing two acceptable amendment categories: one is the content disclosed in the words of the original description and claims, and the other is content that can be directly and unambiguously determined based on the content disclosed in the terms of the original description and claims, as well as the drawings attached to the description. During both the substantive examination and the reexamination of patent applications and the examination of the invalidation process, “going beyond the scope of the original disclosure” is one of the first objects of examination and forms the basis for determining the text to be examined, holding a position of vital importance.

Multiple amendments are permitted during the patent prosecution and invalidation procedures to allow applicants or patentees to refine their applications or patent documents. These amendments can be made voluntarily, where applicants anticipate and address



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potential issues, or in response, where amendments respond to official notifications. Regardless of the approach, certain key timings and contexts guide them:

Article 28 and Article 41 of the Patent Cooperation Treaty (PCT):

Amendment timing: upon entering the national phase in China under the PCT.

Amendment type: amendments can be made to the claims, descriptions, and drawings.

Rule 51(1) of the Implementation Rules:

Amendment timing: when requesting substantive examination or within three months of receiving the relevant notification from the China National Intellectual Property Association (CNIPA).

Amendment type: amendments can be made to the claims, descriptions, and drawings.

Rule 43(1) of the Implementation Rules:

Amendment timing: when submitting a divisional application.

Amendment type: amendments can be made to the claims, descriptions, and drawings.

Rule 51(3) of the Implementation Rules:

Amendment timing: responding to the Office Action.

Amendment type: amendments can be made in response to the objections raised in the Office Action.

Rule 69(1) of the Implementation Rules:

Amendment timing: during the invalidation process.

Amendment type: amendments can be made solely to the claims.

Whether making voluntary or reactive changes, the golden rule remains: never go beyond the original scope. In the following sections, we will use specific cases as examples to analyze the criteria for grasping the legal provisions related to this rule in actual practice.

Case 1: patent amendments and their implications

This case involves a method for detecting fluid (e.g., hydraulic and diesel fuel) injection in patients, with the primary objective being to facilitate the timely identification of potentially harmful fluids injected into the human body and prevent treatment delays.

Claim 1 of the patent:

A method for detecting fluid injection in a patient, the method including the steps of: providing a fluid storage tank; providing fluid for use in machinery and adding said fluid to the fluid storage tank; providing a fluorescent dye and adding the fluorescent dye to the fluid such that the fluid fluoresces in the presence of blue light or ultraviolet light; and possible fluid injection occurring in a patient.

The examiner objected to this claim on the grounds

that the "method for detecting fluid injection in patients" is applied to living human or animal bodies, including *ex vivo* samples, and directly informs whether a fluid injection has occurred in the patient. This method directly reflects the diagnosis of the disease or the health condition of the patient. As such, it appeared to fall within the purview of diagnostic methods stipulated in Article 25, Paragraph 1, Item 3 of the Patent Law, rendering it ineligible for patent protection.

In response to the Office Action, the applicant strategically revised the claim. They removed the term "patient" and coined it "a method for detecting hydraulic fluid at a potential fluid injection location." They also limited the scope of the fluorescent dye, specifying it for patient injection, paving the way for the patent's grant.

During the subsequent patent invalidation procedure, representing the petitioner, we emphasized that removing the term "patient" from the subject matter of Claim 1 expanded its protection scope. Additionally, since the original Claim 1 did not specify that the fluorescent dye was "suitable for injection into patients," such an amendment does not comply with Article 33 of the Patent Law.

On the flip side, the CNIPA maintained that although the designation "for patients" had been deleted from the subject matter in the claim, the amendment was constrained by adding "a fluorescent dye suitable for patients" to the specified fluid rather than any fluorescent dye. Thus, considering the totality of the technical features defined in Claim 1, the CNIPA concluded that the amendment did not extend beyond the original scope of the claim.

We then filed an appeal before the Beijing Intellectual Property Court, and a disagreement arose between the CNIPA and the court over the applicant's amendments.

The Beijing Intellectual Property Court weighed in, contending that by omitting "patient," the method's applicability broadened. Even with the amendment specifying the "fluorescent dye suitable for injection into patients," we argued that the limitation pertains to the characteristics of the fluorescent dye itself, not to the entities into which it is to be injected. This specification of the dye's suitability for injection into patients restricts its properties rather than its application, allowing for its potential use in contexts other than human patients. Ultimately, the first-instance judge ruled in our favor.

This case exemplifies the complexity of patent amendments, where applicants make revisions in response to an examiner's objection, a reactive measure that may lead to further scrutiny. It highlights that even if amendments are accepted and the patent is granted, challenges can still arise in the invalidation phase, as evidenced by this case where the substantive examination accepted the changes. Still, the administrative litigation phase determined the amendments exceeded the original scope. It is a cautionary tale that even with additional limitations set on other features, the resultant scope of protection may not align with the original disclosure.

Here is a nugget of wisdom for future applicants:

tackle such amendments with care. Even a strategic restriction of other features may not equate to the scope initially recorded. And sometimes, instead of making hasty amendments based on examination remarks, a well-framed argument might do the trick.

Case 2: merging embodiments in divisional patent applications

The second case relates to a divisional application, of which the parent application recites four separate embodiments regarding cell reselection in the description. When filing the divisional application, the first and the fourth embodiments in the description were combined into a new independent claim. The first embodiment involves setting a timer for the priority of cell reselection, which expires when the timer does; the fourth pertains to reselection to a CSG cell with extended coverage. The divisional application passed the examination and was allowed.

When we, representing the invalidation petitioner against this patent, went through the history documents, it became evident that the two embodiments address different technical aspects within cell reselection. The consolidated claim within the granted patent makes this clear: cell reselection priority is utilized to execute reselection to the hybrid CSG cell, provided that the timer has not yet expired and the hybrid CSG cell indicator includes an identifier corresponding to the CSG cell ID.

During the invalidation proceedings, the CNIPA inferred that the steps following the condition where the timer has not yet expired, as mentioned in the description, pertain solely to the cell reselection priority and do not encompass the coverage extension CSG cell. Additionally, the claims depict a clear sequence of operations not present in the original parent application documents. Consequently, CNIPA sided with our viewpoint.

In this case, although the first and the fourth embodiments are formally documented in the original parent application, the applicant's amendment merges the two. The technical features influence each other, diverging substantially from a basic superimposition of embodiments, thereby evolving into a brand-new tech mix. Notably, such amendments do not find favor in the current patent examination practices in China. When drafting a divisional patent application, applicants should duly consider the feasibility of merging embodiments and provide extensive elaboration on the embodiments, ensuring flexibility for potential amendments.

The takeaway:

Through the above two cases, we can discern that, during both the substantive examination and the reexamination of patent applications and the examination of the invalidation process.

of patents in China, the examination standard for "going beyond the scope of the original disclosure" is quite strict, with a high demand for the criteria of "directly and unambiguously determinable." When amending application documents, especially the claims, it is essential not only to consider the technical meaning of each technical feature before and after the amendment but also to comprehensively assess the impact of the amendment on the overall embodiment. Any amendments that result in a new embodiment may not expect a warm reception.

At its core, the documentation of the original text is crucial. Although it is challenging to contemplate every possible mode of the amendment during the initial drafting, deploying embodiments as outreach-ing as possible is still advisable to support subsequent possible amendments to the greatest extent.

“Any amendments that result in a new embodiment may not expect a warm reception”

Résumés

Celinna Wang

Celinna is the head of the litigation team at China PAT Intellectual Property Office, boasting 20 years of experience in the intellectual property domain. She has handled numerous patent infringement and invalidation cases, demonstrating proficiency in devising comprehensive strategies for right validation and enforcement. Celinna has extensive experience in court confrontation, particularly in safeguarding the scope of Standard Essential Patents (SEPs) in the communication field. Additionally, she possesses substantial expertise in handling invalidation and infringement litigations related to industrial design patents.

Bing Han

With 16 years of experience in the intellec-

tual property field, Bing holds extensive expertise in handling infringement litigations and patent invalidation cases in the technical areas of communication, electronics, and semiconductors. He has previously led technological assessments and critical evidence collection in the communication sector. As a former semiconductor examiner at the China National Intellectual Property Administration, he brings in-depth experience in patent searches.

Qin Su

Qin has amassed 16 years of experience in the intellectual property field, specializing in patent invalidation cases concerning SEPs within the communication domain. Leveraging her background as a former examiner at the China National Intellectual Property

Administration in the field of communication networks, she brings comprehensive expertise in patent searches.

Xiaohui Chu

Xiaohui, with her 12 years of experience in the intellectual property sector, has an impressive track record of managing invalidation cases for SEPs in optoelectronics and communication fields.

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Argentina, BRICS, and IP

Argentina, BRICS, and IP: present status

Santiago R. O'Connor, Managing Partner at O'Connor & Power, introduces the invitation for six new members to join the BRICS nations including his own, Argentina, and discusses the potential benefits of joining the bloc from an IP perspective.

The BRICS group is an alliance that emerges from five of the world's leading emerging economies: Brazil, Russia, India, China, and South Africa. Founded in 2006, its main goal is to promote economic and political cooperation among its members and challenge the dominance of Western economies in global financial institutions.

The history of the BRICS dates back to the first decade of the 21st century when these countries began to collaborate on economic and political issues. Its geopolitical impact has been considerable, accounting for more than 40% of the world's population and a significant percentage of global GDP.

At present, the BRICS group – originally Brazil, Russia, India, China, and South Africa – is going through a prominent political moment. At the recent summit in South Africa, the group formalized its invitation to six new members: Argentina, Saudi Arabia, Egypt, the United Arab Emirates, Ethiopia, and Iran.

The relevance of the BRICS in the global economy is undeniable. It accounts for 24% of global GDP, 16% of exports, and 15% of global imports of goods and services.

In addition, the five member countries of the bloc represent 30% of Argentina's export destinations.

Expanding the bloc from five to 11 members will create a group of impressive economic size.

An 11-member BRICS would take the bloc's share of the world's population from 41% to 46% in 2024, its share of global GDP measured in US dollars adjusted by purchasing power parity (PPP) from 33% to 38%, and its share of global goods exports from 20% to 23%. By contrast, the G7—comprising the US, Canada, France, Germany, Italy, Japan, and the UK—would still account for just 10% of the world's population, 29% of global GDP measured in PPP-adjusted US dollars and 29% of global goods exports.

Argentina's entry into the BRICS group of emerging economies was announced by President Alberto Fernández on August 24, 2023.



Santiago R. O'Connor

This decision marks a milestone in Argentina's foreign policy and opens a new scenario in which the country will be the protagonist of a common destiny in a block of great relevance.

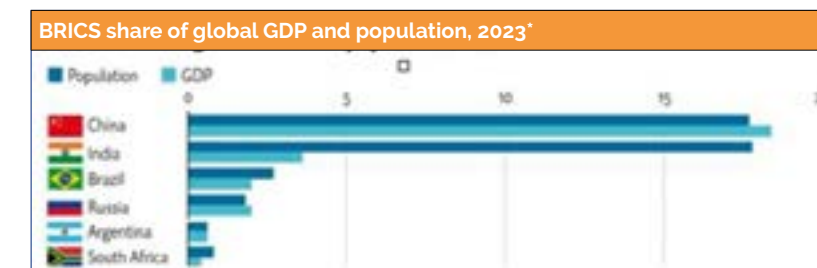
The most important data to understand the importance of this bloc can be assumed from the following topics:

- It is a geopolitical and financial reference.
- It currently represents 24% of global GDP.
- It accounts for 16% of world exports and 15% of world imports of goods and services.
- **The five countries that currently make up the BRICS account for 30% of Argentina's exports.**
- According to the FAO (Food and Agriculture Organization of the United Nations), the BRICS are the countries that are poised to lead the eradication of world hunger and poverty by 2030.

Figure 1

COUNTRY	GDP	POPULATION
ARGENTINA	641 million euros	45.8 million
BRAZIL	1.94 billion euros	216.4 million
RUSSIAN FEDERATION	2.06 billion euros	144.4 million
CHINA	19.3 billion euros	1.425 billion
INDIA	3.73 billion euros	1.428 billion
SOUTH AFRICA	399 million euros	60.4 million

Figure 2



Source: *EIU forecasts

In view of the above, it is important to analyze the main aspects of IP protection in each of the BRICS countries in order to determine how the protection of industrial and intellectual property matters shall be taken care of, particularly to effectively protect the intangible as-sets of foreign investors in this new bloc.

In connection with IP International Treaties, and fo-cusing on Argentina, it is advisable to review which International agreements are in force in each of these countries, and which are not, in order to assess best practices for protecting trademarks, patents, copy-right, industrial, and designs in a globalized world, and commerce, as not all of the countries are aligned (see table, right).

Argentina has an old and enhancing history in the ratification and effective use of international treaties, such as the Paris Convention, TRIPS, and the Berne Convention, and a large tradition in the handling of anti-counterfeiting policies through the federal courts, as well as the respect of notorious and fa-mous trademarks.

However, there is a long debt in the process of ratifi-cation of one of the most important treaties, the Patent Cooperation Treaty (PCT) which has already been rati-fied by many Latin American countries, such as Brazil, Mexico, Chile, Colombia, Barbados, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Honduras, Nicaragua, Panama, and El Salvador.

Thus, it is urgent that the next government that shall take power in Argentina after the presidential election that shall take place next November 19, 2023, moves forward in the approval through Congress of the PCT.

The access by Argentina to the PCT shall give the country an important legal instrument not only for foreign investors to protect their patents in a more expedited and swift manner, but also for Argentine entrepreneurs and developers to expand their crea-tions worldwide.

Argentina's internal laws, which have ratified the above-listed international treaties, are the following:

Berne Convention (Law N° 25.140); Treaty of Mar-rakesh (Law N°27.061); Treaty of Nairobi (Law N° 23.207); Paris Convention (Law N° 17.011); Convention for the protection of producers of phonograms (Law N° 19.963); Rome Convention (Law N° 23.921); WIPO cop-yright treaty (WCT) (Law N° 25.140); WIPO performanc-es and phonograms treaty (Law N° 25.140) Agreement on Trade-Related Aspects of Intellectual Property

Figure 3

	China	India	Brazil	Russia	Argentina	South Africa
GDP (US\$ bn)	19.374	3.737	2.081	2.063	641	399
Population (m)	1425.7	1428.6	216.4	144.4	45.8	60.4
GDP per head (US\$)	13.589	2.616	9.616	14.287	13.996	6.606

Source: EIU



“Expanding the bloc from five to 11 members will create a group of impressive economic size”

(TRIPS) (Law N° 24.425); Inter-American Convention on the Copyright of Literary, Scientific, and Artistic Fields (Law N° 14.186); American International Convention on Literary and Artistic Property (Law N° 13.585); Monte-video Treaty on Literary and Artistic Property (Law N° Ley 3.192).

The invitation for Argentina to join the BRICS is the start of a large and complicated process, and time and political developments shall determine if the same shall be a wise move in the IP scenario of Argentina in a fast-changing and challenging world.

Javier Milei is as from December 10, 2023 the new President in Argentina.

On December 22, 2023 the Argentine Government decided not to enter the BRICS according to the fol-lowing letter:

MR. PRESIDENT,

I am pleased to write to you regarding the invitation to the Argentine Republic to join the BRICS Group decided at the Johannesburg Summit last August.

As you are aware, the foreign policy approach of the government over which I have presided over for a few days differs in many respects from that of the previous government. In this sense, some decisions taken by the previous administration will be reviewed. Among them is the creation of a specialized unit for the country's active participation in BRICS, as indicat-ed by former President Alberto Fernández in his letter of September 4.

In this regard, I would like to inform you that in this instance it is not considered appropriate for the Argen-tine Republic to join the BRICS as a full member as of January 1, 2024.

Notwithstanding this, I would like to stress my Gov-ernment's commitment to intensifying bilateral ties with your country, in particular increasing trade and invest-ment flows.

As I look forward to meeting with you, I take this op-portunity to reiterate to you the assurances of my high-est consideration.

Résumés

Santiago R. O'Connor is Managing Partner at O'Connor & Power in Buenos Aires, Argentina. With 40 years of experience in IP practice, he is an active member of INTA, ASIPI, ECTA, MARQUES, PTMG, and other local and international IP associations.

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TREATY	RATIFIED BY
BEIJING TREATY on Audiovisual Performances	China
BERNE CONVENTION for the Protec-tion of Literary and Artistic Works	Argentina , Brazil, China, India, South Africa
BRUSSELS CONVENTION	Russian Federation
MADRID AGREEMENT for the suppression of false or misleading indications of source on products	Brazil
MARRAKESH TREATY to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled	Argentina , Brazil, China
NAIROBI TREATY on the Protection of the Olympic Symbol	Argentina , Brazil, Russian Federation, India
PARIS CONVENTION for the Protec-tion of Industrial Property	Argentina , Brazil, China, Russian Federation, India, South Africa
PATENT LAW TREATY	Brazil
CONVENTION FOR THE PROTECTION OF PRODUCERS OF PHONOGRAMS against unauthorized reproduction of their phonograms	Argentina , Brazil, China, Russian Federation, India
ROME CONVENTION for the Pro-tection of Performers, Producers of Phonograms and Broadcasting Organizations	Argentina , Brazil, Russian Federation, India
SINGAPORE TREATY ON the law of trademarks	China, Russian Federation
TREATY ON THE LAW OF TRADEMARKS	China, Russian Federation, South Africa
WASHINGTON TREATY ON INTEL-LECTUAL PROPERTY in Respect of Integrated Circuits	China, India
WIPO COPYRIGHT TREATY (WCT)	Argentina , China, India, Russian Federation, South Africa
WIPO PERFORMANCES AND PHO-NOGRAMS TREATY	Argentina , China, India, Russian Federation, South Africa
BUDAPEST TREATY on the Interna-tional Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure	China, India, Russian Federation, South Africa
HAGUE AGREEMENT Concerning the International Registration of Industrial Designs	Brazil, China, Russian Federation
LISBON AGREEMENT for the Protec-tion of Appellations of Origin and their International Registration	Russian Federation
MADRID AGREEMENT Concerning the International Registration of Marks	China, Russian Federation
PROTOCOL RELATING TO THE MA-DRID AGREEMENT Concerning the International Registration of Marks	Brazil, China, India, Russian Federation
PATENT COOPERATION TREATY (PCT)	Brazil, India, Russian Federation, South Africa
AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROP-ERTY (TRIPS)	Argentina , Brazil, China, Russian Federation India, South Africa
AMERICAN INTERNATIONAL CON-VENTION ON LITERARY AND ARTISTIC PROPERTY	Argentina , Brazil



East meets West: managing intellectual property rights in the United Arab Emirates

Yasir Masood and Bassel El Turk of Rouse provide a guide for IP owners to consider when doing business in the United Arab Emirates. From pre-market research to mechanisms for enforcement, they look at the basics of protecting trademarks and other IP in this new member of BRICS.

Located east of Europe and west of Asia, the UAE has long served as a global hub of trade and commerce. With its accession to BRICS, the country is leveraging its ability to straddle not only between regions but also between different economic paradigms. It's a strategic balancing of the country's interests amid evolving geopolitical dynamics.

Rouse has been present in the United Arab Emirates since 1997. Known for our substantial footprint across Asia – particularly in China – we're also a bridge between worlds for our IP-owning clients. The UAE's accession to BRICS has all the potential to increase the flow of goods and services into the country, which makes IP protection even more important. We've put together this guide to help IP owners understand the local landscape.

As with any market, an IP owner entering the UAE for the first time should conduct a comprehensive assessment of IP in their domain of business. This is done in order to identify any conflicting trademarks that could pose challenges to the registration or use of an intended mark. The exercise essentially involves conducting official searches in the local trademark office database. Such due diligence is intricate and time-consuming in the UAE, so having a local partner is essential.

Business owners first need to differentiate between what they choose as a trade name (i.e. the company name that will distinguish their business from other businesses), and what they choose as a trademark (i.e. the name, logo, or sign that will distinguish their products or ser-



Yasir Masood



Bassel El Turk

vices from their competitors' products or services.) Although trade names and trademarks have separate functions – as set out above – they may still be confused in consumers' minds. Business owners therefore need to be careful and strategically aligned when choosing both names.

Searching trade name databases in the United Arab Emirates is challenging as the country has more than 40 different commercial registers. These are scattered across the seven Emirati mainland commercial registers and more than 40 UAE Free Zones. A trademark search is a somewhat easier exercise, as there is a single centralized trademark register for all the Emirates and Free Zones. But determining whether there is a risk of a trademark infringing on a trade name opens up the aforementioned complexity again, as the various trade name databases need to be consulted.

A major hotel chain wanted to enter the UAE market in the early 2000s. As soon as the chain had secured a trademark registration and had started operating, it was served with a warning letter from a local hotel business. The basis of the warning was that the company name of the local hotel business is confusingly similar to that of the international hotel brand. In this particular case, the matter was settled amicably.

Rouse often conducts trade name and trademark

due diligence on behalf of our clients. If conflicting marks are discovered, we typically perform further enquiries. In cases where the holder of a mark may be using it illegitimately, actions against such use may be taken. Negotiations, coexistence arrangements, or trademark modification are also considered.

Registering IP and forming local partnerships

The UAE's trademark application process has become more straightforward for many international applicants since the country joined the Madrid Protocol in late 2021. Applicants from Madrid Protocol member states can extend their basic home-registration IP rights to the UAE without needing a local agent. This is unless the application is challenged, refused, or an opposition is raised.

A foreign applicant filing a trademark directly in the UAE must appoint a local trademark agent in the country. This is done by granting a notarized power of attorney and legalizing the document at the UAE consulate in the applicant's home country. The document is then locally super-legalised by the UAE's Ministry of Foreign Affairs.

Rouse recommends swift registration of your IP rights once you have decided to enter the UAE. This is particularly important for trademarks, as even though the country adheres to the first-to-use principle – whereby the first user is presumed to be the rightful owner – registration is strong evidence of first use and is much easier to enforce.

For example, a major international media company that operates online radio broadcasts did not register its radio mark in the UAE (where radio is widely listened to). A local company launched a radio channel under an identical trademark and filed for that mark in the UAE. The foreign company then had to litigate for over a year to show earlier rights through the online use of the trademark and the on-line radio being accessible in the UAE. The court subsequently ordered the cancellation of the local com-

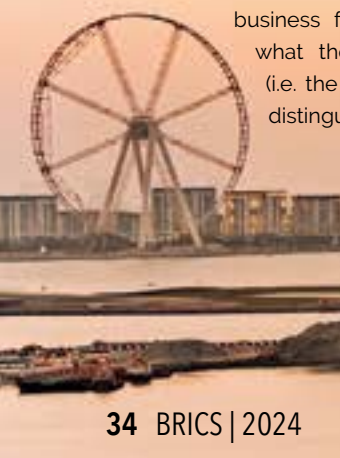
“With its accession to BRICS, the country is leveraging its ability to straddle not only between regions but also between different economic paradigms”

pany's trademark application and ordered the local channel to change its name. The procedure would have been shorter and cheaper for the foreign company if it had had an earlier trademark registration.

It should be noted that trademark registration office fees are relatively high in the UAE. These costs are compounded by the fact that a separate application is required for each class of goods or services. The law in fact already allows for multi-class applications, but this practice is not yet being implemented. We expect it will be soon. Rouse recommends that our clients register only those of their trademarks that require protection in the UAE. Registering multiple variants is expensive, time consuming, and typically unnecessary. We do however recommend registering marks in both Latin and Arabic letters. This strengthens the protection of the Arabic transliteration of the mark and helps to thwart third parties from securing slightly different variations.

The UAE does not require proof of trademark use upon registration. However, any mark that has not been used for a period of five consecutive years after its registration will be vulnerable to cancellation.

A party interested in pursuing such a cancellation action needs to do so with the Ministry of Economy, as cancellation is not automatic. The owner of the trademark for which cancellation is being sought should produce thorough documentation of the mark's use during the five-year period. Records of imports, sales figures, and any advertising campaigns help to substantiate use.





In one particular case, the trademark application of a large multinational was rejected on the basis of an earlier registration that was deemed confusingly similar to the multinational's mark. Investigations showed that the owner of the earlier trademark had never used it in the five years since registration. On this basis, the multinational then filed a request with the Ministry of Economy to cancel the earlier trademark and register its own.

As indicated earlier, it's common practice in the UAE for foreign businesses to collaborate with local partners rather than establish their own independent entities. While this partnership approach offers several advantages, it can pose challenges when it comes to managing IP.

It's imperative for an IP owner to register IP rights in their own name, even when engaging a UAE partner. Relying on a local agent, importer or distributor can jeopardize IP assets in cases where the partnership dissolves. Though recovery is possible, it's often costly, and legal proceedings are protracted.

In one example, the local distributor of a well-known manufacturer of electronics registered the principal's trademark in its own name. After the cancellation of the distribution agreement, the principal struggled to engage with a new distributor as they did not have the registered rights to the trademark. The principal had to engage in several years of litigation to successfully recover its trademark rights. The length of litigation had a negative commercial impact on the principal, as it was unable to enter a productive commercial relationship in the interim.

Battling counterfeiting in the UAE

Given the UAE's location and the high volumes of goods flowing through the country, anti-counterfeit measures need to be part of any local IP strategy. When counterfeits or other infringements are encountered, Rouse recommends a swift reaction. A lengthy delay may be considered as acceptance of the infringement and could later hamper enforcement.

In five of the seven Emirates – Abu Dhabi, Dubai, Sharjah, Ajman, and Ras Al-Khaimah – IP owners can record their registered trademarks directly with the customs authorities. This enables incoming shipments to be monitored for any products that infringe trademark rights. It's an effective system – seizures, fines, and the disposal of counterfeit goods are commonplace occurrences.

There are also other official channels for battling counterfeits, with some variation between the different Emirates. In Dubai, for example, the Department of Economy and Tourism provides a service to monitor the local market for any trademark infringements.

Brand owners can file criminal complaints through the police or a public prosecutor. A case is investigated and proceeds to the criminal court if substantiated. The court may impose fines, order the confiscation or destruction of goods, or even hand down jail sentences. Repeated infringements may result in the court ordering the defendant's premises to be closed.

“
Searching trade name databases in the United Arab Emirates is challenging as the country has more than 40 different commercial registers
”

Trademark owners also have the option of filing civil lawsuits against infringers. This approach enables evidence presented in the civil case to also be submitted in the criminal court. Proceedings are lengthy and costly though, so Rouse recommends businesses only to resort to this approach when the infringement is complex or the litigation is strategic.

For example, Rouse has assisted several clients in enforcing three-dimensional trademarks. These are unconventional marks represented by the three-dimensional shape of the product, or a part thereof. Given the complexity and strategic importance of some of these trademarks, Rouse has on occasion taken such cases to the courts to enforce rights.

While legal proceedings are an option, Rouse often recommends administrative actions as a fast and effective way to counter infringements. Several of the Emirates enable trademarks to be registered for monitoring and also accept complaints against infringers. Subsequent investigations may lead to actions for removing the counterfeit goods from the market.

In light of the UAE's strategic location and its new role within the BRICS partnership, we anticipate increased attention to safeguarding IP in the country. Navigating the terrain of trade names, trademarks, and counterfeiting is not without its challenges. But through prudent local partnerships and smart registration decisions, businesses can thrive at this crossroads of global commerce.

Résumés

Yasir Masood is an Intellectual Property Manager at Rouse's office in the United Arab Emirates. He has been advising clients across the MENA region since 2016. Yasir's areas of expertise include IP audits, trademark filing strategies, enforcement measures, and drafting of IP clauses in contracts. He is well-versed in laws and procedures in the UAE, GCC, Europe, and the US, and regularly holds presentations and authors articles on IP protection.

Bassel El Turk is a Principal and Managing Partner of Rouse's Middle East & Africa business based in the United Arab Emirates. He works on a range of IP matters in our Dubai office, with a particular focus on enforcement and complex IP litigation in the Middle East and North Africa.

Bassel manages the IP portfolios for a number of multinational entities across the Middle East and North Africa as well as regional entities worldwide. He also advises on potential legal and cultural risks associated with Arabic language marketing and advertising across the MENA region.

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With a presence in the United Arab Emirates going back more than 25 years, Rouse can support IP owners coming into the region from across the BRICS economies.

Tolerance Bridge, Dubai



Impact of Egypt joining BRICS on developing intellectual property protection systems

Nermien Al-Ali, Group Head at NAL LAW Group, expresses how the recent development that will lead to Egypt joining BRICS will bolster IP development in the country by providing a strong and effective structure for protection to thrive.

The field of intellectual property in Egypt is witnessing a metamorphosis on many levels, starting with the launch of the National Strategy of Intellectual Property in 2022 and continuing with the planned BRICS membership in 2024. The rapid and vast changes caused a tsunami in the field, sweeping away the old structure of multiple offices and approaches to intellectual property, and giving rise to a new unified system. The National Strategy of Intellectual Property highlighted the importance of intellectual property for the first time as a public/private national concern. Intellectual property rights are now recognized as a catalyst for a strong economy, and an enabler to Egypt in achieving the United Nations' sustainable development goals (SDGs). This brought to the political forefront the necessity of developing a state-of-the-art system for the protection and enforcement of intellectual property rights, and passing of laws consolidating all the separate IP agencies into a single agency reporting directly to the Prime Minister.

Of course, in developed economies the importance of intellectual property as a socio-economic enabler was never questioned. But when it came to developing economies, it took many initiatives on the part of the United Nations and other global organizations like the World IP Organization, to raise awareness on how a strong sys-

tem of intellectual property rights would give the developing economies a fighting chance and help them achieve the UN SDGs. In addition, joining BRICS in the near future would have a great impact on the Egyptian economy as a whole and on Egypt's intellectual property landscape. This is because BRICS countries are known for their economic prowess and innovation, and collaboration among them and Egypt would lead to developments in intellectual property regulations, trade agreements, and protection systems. Overall, joining BRICS would harness Egypt's ability to attain the UN SDGs and to continue its economic and infrastructure reform, which began with President El-Sisi coming to power in 2013.

Egypt has invested heavily in recent times in a number of sectors that are closely related to the United National SDGs and intellectual property rights. Most notably is SDG 9: Industry, Innovation, and Infrastructure. Intellectual property rights, such as patents and copyrights, encourage innovation and the development of new technologies, which are essential for sustainable industrialization and infrastructure development. The Egyptian government has launched many initiatives and programs to foster innovation and support inventors and patentees. The latest was the Ministry of Higher Education and Scientific Research P2 Initiative encouraging patentees to commercialize their patented inventions. The initiative recently supported the commercial manufacture of a locally-made electric car, ventilators, and plastic grain silos! The initiative also partnered with the Ministry of Agriculture in its work to develop new plant varieties of hybrid rice strains.

Another crucial SDG is SDG 4 - Quality of Education. It is no secret that a strong intellectual property system - mainly copyrights - helps in disseminating research materials and resources, thereby supporting scientific and literary writing, as well as creation of databases and libraries improving both the quality of education and knowledge acquisition. The fact

that Egypt is notorious for piracy especially in relation to books and movies, hindered development in the publishing and entertainment sectors. In 2021, Egypt launched a number of programs to improve its rank of 95/132 in the Global Knowledge Index, and by so doing encouraged intellectual property creation and protection. In 2021, the Ministry of Education was set to creating the Egyptian Knowledge Bank to be accessible to all free of cost. Simultaneously, the Ministry of Communications and Information Industry joined forces with the United Nations Development Program to fund IT training and educational programs to 112 underprivileged suburbs in Cairo. These efforts culminated in the National Plan for the Education Sector (ESP) 2023-2027 with ambitious goals of creating 250,000 classrooms and many online schools. Though Egypt's Global Knowledge Index (GKI) score of 52.3 is above the world average of 48.4, Egypt ranked 53 out of 154 countries as a result of its extremely low Intellectual property licensing receipts, and R&D expenditure. Again, highlighting the crucial role of intellectual property generation and protection system in overcoming many of the economic setbacks.

On another public front, SDG 3 - Good Health and Well-Being the Protection for Intellectual Property Rights becomes a matter of life or death. If no effective protection was provided to new inventions of pharmaceutical drugs, very few companies will invest hundreds of millions in developing new original chemicals. A strong intellectual property system is important for the pharmaceutical and medical sectors, for the development of new medicines and medical technologies for diseases that are prevalent in developing economies. Egypt was successful in eradicating Hepatitis C, which was close to pandemic status according to the WHO, by negotiating a number of patent and technology licenses with a number of foreign multinational pharmaceutical companies. Many other developments are needed in this sector particularly creating and fostering an R&D ecosystem with a sophisticated intellectual property system that provides effective patent protection to scientific methods, new uses of medicinal drugs, and derivative inventions.

Though Egypt has made strides in developing the field of intellectual property, Egypt still faces many challenges in migrating to the new system effectively, and achieving operational efficiency. Despite the allocation of resources and personnel to development of the unified intellectual property system, public officials of the old system have no expertise in organizational restructuring and how to utilize overlaps and similarities of intellectual property types in creating a working model. While a good model and strategy are vital for setting the direction and goals of the agency, execution and operational plans are essential to bridge the gap between vision and reality successfully. Egypt will need technical assistance and support in developing its unified



Nermien Al-Ali

“ BRICS countries represent 46 % of the world's population and over a third of global GDP ”

IP system, beyond the WIPO models, reports and statistics. This is where joining BRICS would help Egypt in its implementation of the 'right' system of intellectual property protection. The magnitude of the impact that would result from joining BRICS on intellectual property will depend on the policies and goals of BRICS members regarding intellectual property, and the level of cooperation afforded to new members.

BRICS countries represent 46 % of the world's population and more than a third of global GDP. These figures will increase once the accepted six countries (Egypt, UAE, KSA, Argentina, Ethiopia, Iran) join in 2024, where the bloc will represent more than 3.7 billion in population, and over a third of the global GDP. China has the largest GDP of the BRICS country, at 16.86 trillion US dollars in 2021, while the other GDPs are all below three trillion. Combined, the BRICS bloc has a GDP of over 26.03 trillion US dollars in 2022, which is slightly more than that of the United States. With such economic power, the BRICS countries have no doubt some of the strongest intellectual property systems in the world. This is supported by the WIPO 2021 statistics which showed China at the forefront, but having the lions share, of patent and trademark filings worldwide. According to WIPO, 46.6% of the 3.6 million patent filings, and 52.1% of the 18.1 million trademark applications made in 2021, were in China, followed by the United States and Japan.

China, now recognized as a global leader in intellectual property systems, adopted from the start the unified model for intellectual property protection. The China National Intellectual Property Administration (CNIPA) is responsible for all matters pertaining to all types of intellectual property. CNIPA unified IP functions and systems under the following main divisions:

- General Office - responsible for policy research, and public releases;
- Department of Treaty and Law - drafting, modification, negotiation and implementation of international intellectual property treaties and organizes legal awareness campaigns;
- Strategic Planning Department - formulating national intellectual property strategies, development plans and budgets for the examination, registration, and documentation of trademarks, patents, and other IP;
- Intellectual Property Protection Department - building the intellectual property protection system including formulation and application of standards for judging trademark and patent registration, infringement, inspection, and enforcement;
- Intellectual Property Utilization Promotion Department - formulates and implements systems to strengthen the creation and utilization of intellectual property; through standardizing the evaluation criteria of intellectual property for compulsory licensing, pledge registration, and IP intermediary services;



- International Cooperation Department - studies foreign development trends of intellectual property, international liaison, and exchange activities on IP-related work.

The CNIPA also developed standards of intellectual property examination, protection, evaluation, and infringement which helped in reducing the number of disputes going to court, and supported the Chinese judiciary in faster resolution of disputes. China and other BRICS countries with their leading IP positions would benefit Egypt and other BRICS countries in their IP journey, through the IP BRICS Cooperation Program.

Egypt, as a new member, would be part of the "IP BRICS" - a cooperation program developed by the BRICS Intellectual Property Offices launched in Geneva in 2012. The final IP Roadmap of IP BRICS was adopted by BRICS Heads of Intellectual Property Offices Meeting in Johannesburg in May 2013, and focused on eight cooperation streams, including:

- Training of Intellectual Property Office Staff and Examiner Exchange;
- National IP Strategy and Promotion of Public Awareness of IP;
- Information Services on IP;
- IP/Patent Processes and Procedures;
- IP Strategies for SMEs;
- Collaboration in International Forums;
- Trademarks;
- Industrial designs.

The first stream of training for IP offices staff and examiner exchange would be very beneficial to Egypt in its implementation of the National IP Strategy and setting up the IP Agency departments and systems. Egypt can adopt BRICS countries' best practices and benefit from their experience in developing its unified IP system. As BRICS nations have witnessed significant economic expansion in recent years, learning from their IP practices can potentially contribute to economic development in Egypt. In addition, aligning with BRICS countries' IP Systems would enable and enhance the implementation of international standards and agreements, such as those governed by the WIPO.

In fact, the IP BRICS Cooperation program has proven very effective in helping the members face new challenges related to the field of intellectual property like the protection of works and inventions assisted by artificial intelligence and other matters. The 14th BRICS Heads of IP Meeting held on 15 September 2022, updated the cooperation guidelines and programs and approved the Final AI Study Report on Examination rules. The Meeting also, for the first time, shared real-life examples of how IP supported attaining a number of the United Nations' SDGs with WIPO. A very useful guide and roadmap for all BRICS members, old and new.

In addition, the 15th BRICS Heads of IP Offices Meeting held recently on 17 October 2023 wit-

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Egypt can adopt BRICS countries' best practices and benefit from their experience in developing its unified IP systems
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nessed many new proposals focusing on "IP and Youth by CIPC-South Africa; the use of artificial intelligence (AI) in the examination of Patents and Trademarks by INPI-Brazil; preparation of guidelines on IP system in BRICS countries for entrepreneurs by ROSPATENT-Russia; the initiative of GCPDTM-India in the preparation of a booklet titled *Unleashing the Potential of a Decades IP Multilateral Collaboration*; proposals by CNIPA-China on Work Plan to Strengthen the Dissemination of the Outcomes of the IP BRICS Cooperation; and update of the Operational Guidelines and inclusion of ICT and Digital Transformation Workshop in the IP BRICS Cooperation". Most notably and in relation to the subject of this article, the meeting concluded by noting the decision to invite the six countries to become full members of BRICS - including Egypt - and hence join the IP BRICS Cooperation Program.

In summary, Egypt's dedicated focus on intellectual property, as demonstrated by the National Strategy of IP and the consolidation of efforts, initiatives, and agencies under a single agency tasked with policy and legal reform, promises to bring about robust development in the intellectual property protection systems. This will be further solidified by Egypt joining BRICS, and consequently the IP BRICS Cooperation Program. By actively participating in the IP BRICS Cooperation Program and leveraging the expertise of BRICS members, particularly China, Egypt can ensure that it is moving in the right direction to build a world-class effective and efficient IP protection system.

Endnotes

- 1 <http://www.ipBRICS.net/secondpage/meetings/024.html>

Résumés

Nermien Al-Ali, Head of NAL LAW Group, and expert Intellectual Property Trainer at NAL LAW Academy, was recognized in 2015 by Legal500 as the best IP Lawyer in Egypt. Graduated from Sydney University, Australia, and obtained a master's in Intellectual Property from Franklin Pierce Law Center, USA in 2000. She was a Research Professor at the Law Center (2001-2003), teaching IP Management and authoring the Comprehensive Intellectual Capital Model, published in New York in 2001. She returned to Egypt to head the IP practice of two major law firms until establishing NAL LAW in 2012. She is the IP Counsel of Apple, Merck, and Egyptian Banks Company among others.

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Trade secret protection in Brazil: rules, requirements, and court tendencies

Eduardo Pimpão and José Carlos Vaz e Dias of Vaz e Dias Advogados & Associados evaluate the available protection offered through trade secrets with advice for best practice in the region.



The protection of trade secrets in Brazil falls within the scope of unfair competition, meaning that companies, when entering a dispute resulting from a leakage or trade secret misuse usually sustain their arguments on the disloyal practices that unbalance business transaction in favor of a competitor that misappropriates relevant confidential information.

The law dealing with trade secrets in business transaction can be found essentially in Items XI and XII of Article 195 of the Industrial Property Law (IP Law), which state that the crime of unfair competition is committed by whoever (XI) discloses, exploits, or uses, without authorization, knowledge, information, or confidential data usable in industry, trade, or service, excluding those that are public knowledge or evident to a technical expert in the field, to which access was gained through a contractual or employment relationship, even after the termination of the contract (XII) and also when said knowledge was obtained through illicit means or to which access was gained through fraud.

Further to that, Article 884 of the Civil Code deals with illicit enrichment derived from misappropriation of rights from third parties, including those derived from disloyal activities in trade.

These rules on the protection of confidential information were regarded as a great development implemented by IP Law in view of the fact that it reinforced the contractual obligations assumed by those who had access to confidential information in trade. Moreover, it encompassed the misappropriation of trade secrets when they are unfairly acquired by illicit means, such as espionage and wiretapping, as unfair



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and prohibited activity. Therefore, the law of the land determines that it is unfair for a third party to use, divulge or make public a confidential information when there is a contractual obligation that prevents such use or in case the information is obtained through unacceptable mechanisms not necessarily covered by a contractual obligation.

The rules to prevent leakage and publication of trade secrets were followed by the general ruling that secure losses and damages recovery as well as the grant of *ex parte* preliminary injunction.

Notwithstanding the legal developments, in the last 12 years there have been court decisions that are shaping up trade secrets, thereby demanding additional steps for the adequate protection when there is an employment or a service rendering relationship. Such additional requirements and steps will be dealt with by this article.

Information in business transactions in Brazil: not a secret but a trade secret

According to the Brazilian scholar's development, information to be protected under the trade secret rules must meet objective legal requirements, the first of which is the ability to bring a competitive advantage to the business owner. This requirement makes it clear that the IP Law is not interested in professional or ethical secrets, normally valued in professional associations. The interest in question is specifically in "trade secret" that being innovative information that impacts a company in trade and competition. The trade secret must be included in the comprehensive concept of business, which encompasses administration and

management techniques, sales methods, customer listings, among other systems and methodologies that organize companies. In this same line, there are techniques that influence industrial production and agricultural activities, such as technical knowledge that can increase production or reduce its related costs.

The second requirement lies in the novelty of the developed technique or information since the competitive business secret must not be anticipated by identical or existing information. It cannot be disclosed to the public or have been used previously. Like in patents, novelty is absolutely necessary and therefore the protected information must be new and totally unknown to the public. The third requirement is actually the secrecy, which arises from the impossibility of competitors having access to this knowledge and using this confidential information in their activities. From this perspective, the obvious characteristic of "trade secret" stands out, namely the need for information to be kept confidential so that it does not become denatured and devoid of legal relevance. This means that it must be kept restricted and, in some ways, prohibited from being disclosed, except when said disclosure occurs under a prohibition to make it public. It is understood from this perspective that confidentiality must be absolute within a limited circle of people, who interact through the obligation to maintain it secret.

The fourth essential requirement to ensure legal protection for business secrets refers to evidence of measures or precautions to protect confidentiality. In practical terms, this means that a confidential information remains as such when physical, psychological, and legal barriers are created to protect the confiden-

“The Brazilian courts have been shaping up legal protection for when the access to trade secrets occurs through a contractual relationship”

tiality and keep them differentiated from others in the public domain or easily accessible by third parties. Physical barriers involve putting confidential documents in a safe place with restricted access, only to authorized people, to the exclusion of third parties. Psychological barriers, on the other hand, are those in which only graduated professionals with managerial qualifications and relevant to the enterprise can access and manipulate the information. Discrimination between people who can and those who cannot have access to competitive information is of the essence and justified by its relevance in the business enterprise. There are also legal barriers, which are imposed as a prerequisite for the use of confidential techniques such as non-disclosure agreements. From this perspective, if none of these barriers are used, the fourth requirement will not be effective, which compromises the confidential nature of specific information or technological knowledge.

These requirements are in line with the "trade secret" approach provided in the TRIPS Agreement, which also establishes the characteristics for information to be considered confidential and subject to legal protection, as follows:

Art. 39 (2), TRIPS. Individuals and legal entities will have the possibility to prevent information legally under their control from being disclosed, acquired or used by third parties, without their consent, in a manner contrary to honest commercial practices, provided that such information:

(a) Is secret, in the sense that it is not generally known or readily accessible to persons in circles that normally deal with the type of in-



formation in question, either as a whole or in the specific configuration and assembly of its components;

(b) Has commercial value because it is secret;
(c) Has been subject to reasonable precautions in the circumstances by the person legally in control of the information to keep it secret. (author's emphasis).

As one can see, not all information, knowledge and technologies can be classified as confidential, in order to impose restrictions and access to third parties. Brazilian doctrine and jurisprudence were relevant to outline its formative elements and requirements, which is justified by the existence of an interrelationship between access restriction and technological enhancement for third parties.

This relevance extends to the form of legal protection envisioned by the Brazilian legal system, such as confidentiality agreements, security policies, imposition of fines on the ones that fail to comply with confidential obligations and other precautionary measures that establish psychological and material barriers to access restricted technology.

When a confidentiality agreement is required: Brazilian courts shaping up the trade secret protection

Even recognizing that the legal protection provided to confidential information and knowledge is comprehensive and adequate, as it may prevent third parties from disclosing the information due to its restrictive nature (the trade secret is protected against unfair practice, which is a tort and a criminal offense), the Brazilian courts have been shaping up legal protection for when the access to trade secrets occurs through a contractual relationship. Accordingly, an NDA (non-disclosure agreement) or a set of rules to maintain confidential information in an employment or service agreement has been demanded to better establish the boundaries of the prohibition to disclose.

The requirement for the execution of an NDA notwithstanding the existing legal protection to confidentiality under the IP Law comes from the decision issued by the Superior Court of Justice (STJ) back in 2011¹, which disregarded allegations of violation of a contractor's business secrecy based on the absence of confidentiality clauses or the execution of an NDA. In the case addressed by the higher court, a senior executive had access to a series of competitive information from a business company, including confidential information. He used this information to open a new venture after terminating the contract with the company/owner of the information. The Rapporteur Justice Mr Sidney Beneti dismissed the special appeal filed against the senior executive and highlighted the lack of secrecy clauses in the employment contract with the senior executive as well as the non-existing imposition of a barrier clause or absence of secrecy obligation to prohibit

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It is necessary to establish specific and targeted parameters to determine the secrecy obligation under penalty so that such use would not be considered a violation of business secrecy
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the senior executive to use confidential information, including after the contractual termination. The court decision further addressed that the employment relationship in itself is not sufficient to protect privileged and confidential information, and it is necessary to establish specific and targeted parameters to determine the secrecy obligation under penalty so that such use would not be considered a violation of business secrecy.

Moreover, many companies have a tendency to formulate NDAs without specifying the particular information that cannot be divulged, limiting themselves to including, in the broadest manner possible, the need to keep data deemed confidential within the company's outskirts. While this approach may seem secure and general, it does not present itself as sufficient for protection. It is of the utmost importance to describe which information should not be disclosed, with some legal experts even arguing that it is necessary to create an NDA for each new project a company requires an employee to partake in. Following up the STJ decision, a confidentiality timeframe should be further set in labor or service provider agreements to address the timeframe of the confidentiality obligation.

Considering that a specific clause limiting the use of confidential information after the termination of an employment agreement significantly impacts the personal sphere of former employees, particularly non-competition clauses, which usually oblige employees to abstain from working for a similar company for a specified period, the Brazilian courts have recognized that four key requirements should be observed. They are the territorial limitation, fixed duration of the hindrance, assurance that the employee can engage in other types of work, and an advantage that ensures the employee's livelihood during the agreed-upon period. These have been addressed specifically at the Superior Labor Court (TST) in the case RR: 10660320145120022, Reporting Justice: Delaide Miranda Arantes, Trial date: 08/30/2017, Second chamber of the court, Publication date: DEJT 09/08/2017.²

Furthermore, confidentiality agreements with non-competition clauses are often challenging to enforce, either due to the non-fulfillment of the territoriality requirement or the presence of unbalanced penalties and excessive obligations imposed on employees. According to the principle of the inalterability of the contract, enshrined in the Brazilian Labor Code, contracts with employees cannot be unilaterally changed by one of the parties, and even with mutual consent, which result in direct or indirect harm to the employee. Therefore, drafting a well-balanced confidentiality clause is of the essence in labor contracts and technical assistance agreements

To comprehensively demonstrate the perspective of the Brazilian labor courts to manage the protection of trade secrets within NDAs, examination of a recent case law is indispensable³. Accordingly, a former employee of the Brazilian company UMANA BRASIL LTDA., who focused on Human Resources management for

other companies, sometime after his dismissal filed a labor lawsuit against his former employer, arguing that it had failed to settle certain termination benefits. In response, the company, in a counterclaim, argued that the employee had violated a non-competition clause outlined in an NDA. According to the company, there were strong indications that the former employee had started a career with a competing company, supposedly leading one of its clients to terminate its contract with UMANA BRASIL LTDA. and initiate a new one with this competitor. Although UMANA's claims were deemed unfounded by the court, it is interesting to note that the non-competition clause related to confidentiality maintenance inserted in the NDA was not even considered as valid, as it simply did not meet three out of the four previously mentioned requirements: the fixed duration (a minimum period of three years) was set but not the territory in which the former employee could not practice the profession. Moreover, there were no stipulations to ensure that the former employee could pursue another profession and there was no economic benefit offered for the period during which the former employee would be prevented to engage in another employment.

Concluding comments

For confidential information, the protective space is to prevent illicit enrichment, provided for in art. 884 of the Civil Code, and rules to combat unfair competition practices inserted in items XI and XII of article 195 of the IP Law. These sections list specific business conducts as criminal offenses in addition to preventing third parties from stealing knowledge to gain clientele from others. To this end, they highlight the need to prove a legal relationship between the holder of confidential information/knowledge and the person who has access to it so that unauthorized exploitation is characterized as a violation of confidentiality and the practice of unfair competition.

It is observed, however, that simple legal binding no longer seems to be sufficient to highlight all types of unauthorized exploitation of confidential information, as the STJ and the labor courts have determined the need to adopt an NDA or/and specific clauses dealing with confidential information in commercial agreements. By adopting such clauses, the trade secret owner will be able to set the boundaries and requirements for the confidentiality restraint thereby increasing the validity and enforcement of the secret information.

It is safe to say from the mentioned case laws that the courts have been inclined to scrutinize NDAs

signed between the companies and their employees, seeking significant breaches to invalidate their clauses. Said tendency may be interpreted as a means to ensure that the former employee/service supplier does not suffer the consequences of a detrimental agreement.

Endnotes

- 1 Bill of Review Appeal in REsp no. 21.167-RS (2011/0079930-5, Decision of November 22, 2011. Rapporteur Justice Sidney Beneti.
- 2 TST (Superior Labor Court) -. Available in: <https://www.jusbrasil.com.br/jurisprudencia/tst/496957961>.
- 3 TRT-6 (Regional Labor Court) - RO: 00014576420165060018, Trial date: 03/14/2019, Fourth chamber of the court. Available in <https://www.jusbrasil.com.br/jurisprudencia/trt-6/686341946/inteiro-teor-686341964>

Résumés

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José Carlos Vaz e Dias is an attorney-at-law and has specialized in patent and trademark matters and foreign investment law since 1993. His activities are focused on providing legal support and consultancy to foreign companies wishing to invest in Brazil, especially in the field of technology and in support of trademark protection and litigation. One of his areas of expertise is participation in the negotiation and drafting of franchising, distribution and licensing agreements and joint-venture and other commercial agreements that aim to exploit intellectual property rights in the Brazilian territory. Most recently, José Carlos Vaz e Dias has been working extensively on matters related to Brazil's Innovation Law and the particularities of obtaining fiscal benefits and local government funding under this Law. He has coordinated several research and development agreements involving Brazilian research centres and national and foreign companies, while also providing support on intellectual property matters and fiscal law. José Carlos Vaz e Dias holds both a master's (LLM) and a PhD in law from the University of Kent in Canterbury, United Kingdom.

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