

Brazil and the Madrid Protocol – Brief comments on the actual situation

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After many years of preparations and adaptations due to Legal conflicts with the domestic legislation and to the structure of the Brazilian PTO, on October 2nd, 2019, the Madrid Protocol finally entered in force in Brazil.

It is therefore now possible to Brazilian companies, natural persons or those with domicile here to use the Madrid System and for Brazil to receive the international applications as a designation from other countries businesses and natural persons.

Although most people and IP practitioners are thinking positively about the reflections in Brazil, some discussions are still on the table when speaking about the legality of the Protocol, such as:

- i. The requirement of a local domiciled qualified representative, that is mandatory according to our Industrial Property Law (Nb. 9.279/96), in its article 217, but is not mandatory now through the Protocol. The representation would be necessary for the applicants and owners of rights to receive citations and to be represented administrative and judicially. As a small example of the effect it is brought how a small Brazilian company (or a natural person) with limited resources will be able to reach the foreign companies and which results this will bring for the property rights effects, such as necessity of seizure, costs for the international citations from a Brazilian court and so on.

It is now clear that foreign companies will need to be represented when acting before the Brazilian PTO only in moments such as appeals, defenses, replies and of course before the Courts. However, a smooth application that has entered in Brazil and is granted with no objections or oppositions will not need a representative but creating rights here with all its effects.

It must be reminded, anyway, that a local representative is highly recommended even for a smooth application and registration, since the attorney or agent will be able to make the surveillance of the process/registration, find and inform about conflictive thirds applications, deadlines and others.

- ii. Declaration and proof of activity. According to article 128 of the Brazilian IP Law, applicants can only apply for a trademark related to the activities that they effectively and lawfully provide, directly or through companies that they control directly or indirectly. It is mandatory to any Brazilian to state/declare in the application such condition, under the penalties of law. It is understood by many that even if a click is made by a foreign company in this regard at the

WIPO online forms, Brazil will have difficulty to execute and request valid proofs in case of any decision against the applicant.

- iii. The Portuguese language requirement for Brazilians to be able to see all international publications. Even with the translation into Portuguese of domestic designated applications at the BPTO Gazette, it is questioned the Constitutional right of a Brazilian citizen to access all publications, including international applications abroad of the System that now reflects on his/her rights. These international publications as far as it is known will not be in Portuguese.
- iv. The absence of a mandatory time term for the examination of the Brazilian domestic trademarks processes. When compared to the “automatic” granting if no objection is made within 18 months (in the Brazilian choice) for an international application that has designated Brazil, this brings an issue of difference in the treatment when comparing Brazilian citizens to foreigners. Many believe that the historical backlog in the decisions by the BPTO will in some events grant foreign rights without a proper examination as it would be necessary. At the same time, a hard examination is always made to the domestic applications.

Some other issues are raised, for an example, regarding the number of international applications in a country were just a small part of the companies have the economical possibility to protect their trademarks through registration. As many more names and signs will be protected by international companies, will the small and medium Brazilian businesses find it more difficult to protect their names when they seek for registration because less names and signs will be available or even to defend themselves, for instance, in case a conflictive name is registered first and the right is granted to a foreign company?

Part of the Madrid Protocol benefits will enter in force to Brazilians only in March 2020, such as the possibility of the co-ownership and multi class system, what is already possible to applications and registrations that are designating and will designate Brazil. This also may question the equal treatment.

Putting aside our local discussions, that include, but are not limited to the above, and considering that all will be improved and regulated, the fact is that the Madrid Protocol is available in Brazil.

Many are most certain that the Madrid Protocol will bring a fast, easier, cheaper and more transparent possibility of trademark registration procedure to Brazilians and to foreigners that want to protect their trademarks here. With the international system, it is hoped that the international companies will have another incentive to protect their businesses rights and specially to bring more investments to Brazil.

The Madrid Protocol gave Brazil the chance to improve its PTO's and hopefully this will bring examinations to a reasonable time period – what, by the way, is also a mandatory condition in our Constitution, to have reasonable judgements and procedures -, more transparency to all acts, better access and an easier / cheaper way to Brazilian companies and natural persons to protect their trademark rights abroad.

We believe the final aim is to motivate the economy, innovation and the market as to improve life quality.

As IP practitioners for more than 25 years, we believe that the Madrid Protocol will be good for Brazil and foreign companies. As anticipated above, however, we recommend all foreign companies to be represented by a local agent, Lawyer or trusted representative, due to the many particularities of our market and Law.

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