

Intellectual Property.

4th Edition



**Tozzini
Freire.**
ADVOGADOS

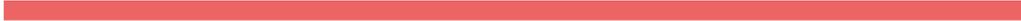


Index

01 **NORMATIVE DEVELOPMENTS**



02 **BRAZILIAN CONTEXT**



03 **JUDICIAL DECISIONS**



04 **IP ABROAD**



**Tozzini
Freire.**
ADVOGADOS

Normative Developments.

Bill allowing full deductions of royalty expenditure for transgenic materials from seed companies has been approved

On December 14, 2022, the Constitution and Justice and Citizenship Commission (CCJ) of the Chamber of Deputies approved Bill No. 947/2022 proposed by Deputy Sérgio Souza (MDB-PR), president of the Rural Caucus, which allows the full deductibility of royalties from transgenic materials in the income tax return of seed companies. Currently, there is a limitation of 5% for the deduction of royalties passed on by companies that commercializes seeds in Brazil to laboratories that own transgenic technologies.

The proposal aims to avoid the multiple taxation generated by the repeated collection of royalties within the chain, which includes laboratories that develop seeds, seed companies and co-

operatives that multiply them and insert them into the market, and producers who buy them for planting and harvesting.

The bill created a debate involving the tax injustice that must be repaired due to multiple taxation, versus the significant tax liability that may fall on the Brazilian people.



Possible changes in BPTO's rules on technology agreements

A meeting conducted by the Presidency of Brazilian Patent and Trademark Office (BPTO) in late December 2022 was held to discuss and deliberate the update of rules for registration of technology transfer agreements, such as trademark licensing, patent exploitation, technical assistance agreements, etc. All deliberations still require legislative revision, and until then the current rules applicable to the matter remain in effect.

The deliberated issues cover:

- / Exclusion of the requirement for notarization and apostille/legalization of foreign signatures;
- / Exclusion of the requirement for initialing all pages of the agreements and their schedules;
- / Exclusion of the requirement for the signature of two witnesses when the agreement foresees a Brazilian city as the place of signature;
- / Exclusion of the need to present the articles of incorporation, articles of association or other corporate act of the legal entity and last amendment of the articles of association that modified the purposes and legal representation of assignee, franchisee, or licensee company domiciled or resident in Brazil;



/ Acceptance of digital signatures without ICP-Brasil certificates, along with the removal of the need for e-notarization and e-apostille;

/ Unequivocal acceptance of the licensing of non-patented technology, such as know-how;

/ Possibility of payment of royalties for patent, industrial designs, and trademarks applications.

Currently, the registration of technology agreements allows the remittance of royalties abroad and the tax deductibility of the amounts paid as royalties, besides guaranteeing legal effects before third parties.

The deliberations mentioned above will promote less bureaucracy and more agility in the registration/annotation of contracts, promoting the exploitation of intellectual property assets in Brazil.

It is worth noting that according to the clarification published by the BPTO

“until the updated norms are published, the current norms related to the annotation and registration of contracts remain in force”

Brazilian Context.

BPTO publishes Technical Note on updates for examination of forfeiture requests in connection with trademark registrations

On December 19, 2022, the Brazilian Patent and Trademark Office (BPTO) published Technical Note INPI/CPAPD No. 03/2022 providing an extensive update on the procedure for the exam of forfeiture requests of trademark registrations. A forfeiture of a trademark registration may be requested after five years counted from the granting of a trademark and if the request is granted when the trademark is in disuse, has been used with modifications that change its original distinctiveness, or its use has been interrupted for at least five consecutive years.

A summary of the main updates introduced by INPI follows:

(i) Applicant's Legitimate Interest: it will be verified by the

examiner when the forfeiture request is filed and no longer when requested by the owner of the trademark;

(ii) Forfeiture investigation period: its corresponds to the period between the end of the first five years counted from the trademark granting date and the end of the forfeiture investigation period (five years counted from the date of the filing of the forfeiture request);

(iii) Proof of effective use of trademark: the evidence of use of the trademark must consider the public and effective use of the trademark in commercial activities, i.e., it does not apply to owner's private sphere or internal use of the company's trademark. Examples of internal trademark use are: development of packaging and creation and visual identity, which are simple preparation for trademark use. It is not required to present a high level of proof to demonstrate the use of the trademark, but it is essential to demonstrate a minimum use of the trademark for commercial purposes.

In addition, the following conditions may be used as evidence, as long as they are duly dated and fall within the period of investigation: (a) assignment or licensing agreement or authorization of use of the trademark by third parties, (b) documents and invoices regarding the products or provision of services, (c) images of products, packaging, wrappers, containers, tags, and stickers attached to the products, provided that they contain an indication that it was produced by the owner, licensed or authorized third party, (d) printed or digital documents, such as catalogs, flyers, news, and commercial proposals, (e) use of trademark

in advertisements and internet, (f) proof of export and import of the products or services, (g) for colored trademarks, proofs with color saturation changes are valid, as long as they do not affect the distinctiveness of the trademark sign, (h) among other evidence, such as notarial acts and declarations of third parties on the use of the trademark.

The Note also includes an exemplary list of documents that, although they demonstrate that the owner, licensed or authorized third party is operating, they do not prove the effective use of the trademark, such as CNPJ (Brazilian National Registry of Legal Entities) cards, articles of incorporation, electricity and telephone bills, business licenses, and income tax or tax payment statements.



(iv) Analysis of changes made to the original trademark: the examiner must also make sure, in several levels, that any changes made to the trademark do not affect the public perception on the original distinctive sign, by examining the degree of color changes, main and secondary elements, figurative elements, and phonetic changes. Having these requirements met and depending on each case, the addition of generic and descriptive terms, irrelevant prepositions and articles, change to the plural or singular form, or omission of secondary elements are acceptable, as long as they do not affect the distinctiveness of the trademark. It is worth mentioning that the new BPTO note brought numerous examples that facilitate the understanding of the examiner's analysis regarding this requirement, in addition to bringing more freedom and security to the trademark owner; and

(v) Non-use for legitimate reason: cases of force majeure and circumstances beyond the control of the trademark owner are considered legitimate reasons to justify the non-use of the trademark, but situations arising from decisions of the owner's responsibility, such as the owner's financial crisis, termination of the company and reformulation of the company's business are not considered as such.

Thus, more detailed provisions are now in force regarding the possible ways of proving the use of trademarks registrations or demonstrating the legitimate reasons for not using it, such detailed provisions also cover the investigation period, possible changes made to trademark and proof means, which will be analyzed according to each case, certainly increasing the level of legal certainty to trademarks holders.

See the full Technical Note [here](#).

BPTO publishes study on Amazonian bio-input Technologies

On December 7, 2022, the Brazilian Patent and Trademark Office (BPTO) announced during a meeting of the Administrative Council of SUFRAMA (CAS), in Manaus, the study "Mapping of technologies developed from Amazonian bio-inputs". The study concludes that the inputs hold great potential for innovative businesses, which can foster and promote social, environmental and economic development in the area.

The study was coordinated by the Center for Industrial Property Intelligence (NIPI), which is constituted of members from the Special Secretariat for Productivity and Competitiveness (SEPEC/Ministry of Economy) and from the BPTO. Based on the necessity to understand the main patents for products

and technologies that use bio-inputs from the Brazilian Amazon area, the national and international patent applications for different biodiversity products from the region were mapped and the technological areas of application of these technologies were identified.

Among other results, the highest number of patent applications or filings with bio-inputs were related to Açaí (10.1%), Cupuaçu (5.6%) and Babaçu (4.9%). The Brazilian States with the most patent filings were Pará (23%), São Paulo (20%) and Amazonas (14%).

Biodegradable plastic film guarantees IFMA's first patent

The Federal Institute of Maranhão (IFMA) received, through the publication on the Industrial Property Official Gazette No. 2711, at the end of 2022, their first patent letter issued by the BPTO, due to the invention of a biodegradable plastic film.

This plastic film, developed by two professors and two students from IFMA, is made from banana and galactomanan extracted from *Adenantha pavonina* seeds. The advantages of the invention include the fact that the compound is biodegradable, it has a low production cost, uses reused waste, and comes from a renewable source.

The inventors' expectation is that the use of such biodegradable plastic film might reduce the use of traditional plastic bags – which affect the environment for years.

The invention had the support of the Coimbra School of Health Technology of the Polytechnic Institute of Coimbra (ESTeSC/IPC), the Federal University of Maranhão (UFMA), and research funding agencies such as Support Foundation for Research and Scientific and Technological Development of Maranhão (FAPEMA) and Brazilian National Council for Scientific and Technological Development (CNPq).



Judicial Decisions.



New decision by the Supreme Court is in favor of adjusting the patent term

The Brazilian Federal Supreme Court (STF) decided, through Constitutional Complaint No. 56,378/DF, in late November 2022, that the effects of the Direct Unconstitutionality Action (ADI) No. 5,529 does not prevent the competent judge from authorizing the extension, for a certain and reasonable period of time, of patent privileges, if present in the concrete case circumstances that demonstrate that there has been an unreasonable, unjustified, and exceptional delay by the BPTO in granting the patent application.

It is worth remembering the decision of ADI No. 5,529, which ruled unconstitutional Art. 40, sole paragraph, of the Industrial Property Law (LPI) – which allowed an extension of the term of effectiveness of patents if the BPTO took more than

10 years to grant them, counting now 10 years from when the grant occurred, and not the usual 20 years from the filing of the invention patent that are mentioned in the caput of Art. 40 of LPI.

Thus, the decision of the RCL, pronounced by Minister Luiz Fux, gave hope to the several lawsuits that were filed before the Federal Court after ADI No. 5,529, requesting a change in the patent terms due to the BPTO's delay. In any case, the First Panel of the STF is still waiting for a referendum on Minister Fux's decision.

STJ reaffirms that trademarks with low distinctive power must coexist with similar ones com outras semelhantes

The Brazilian Superior Court of Justice (STJ) confirmed the judgment of the Federal Regional Court of the Second Region (TRF2), which decided that trademarks with low distinctive power, formed by elements of common use, should not be registered with the BPTO, and should bear the burden of to coexist with similar ones (REsp 1339817).

In the case in question, it was defined that the "Rose & Bleu" sign would not enjoy sufficient distinctiveness within

the clothing segment, not being subject to registration and, therefore, exclusivity. Under the judgment, generic signs, in common use, and that designate products or services included in the holder's activity segment, as well as the colors and their denominations, unless combined in a peculiar and distinctive way, are not registrable as a trademark.

IP Abroad.

USPTO announces Cancer Moonshot Expedited Examination Pilot Program

The United States Patent and Trademark Office (USPTO) – entity responsible for the registration and protection of U.S. trademarks and patents – has announced a new Cancer Moonshot Expedited Examination Pilot Program. The program aims to expedite the examination process for patent applications related to technologies and therapies for cancer treatment.

Beginning on February 1, 2023, the program has been implemented as part of the Cancer Moonshot initiative, a national effort to accelerate progress in cancer research and treatment. The USPTO will prioritize the review of eligible patent applications and work with applicants to streamline the examination process. With this in perspective, the program aims to

help bring new cancer treatments to market more quickly, in order to improve patient outcomes and save lives.



024



**Tozzini
Freire.**
ADVOGADOS