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Newsletter

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This is an informative newsletter produced by the **Intellectual Property** practice of TozziniFreire Advogados.

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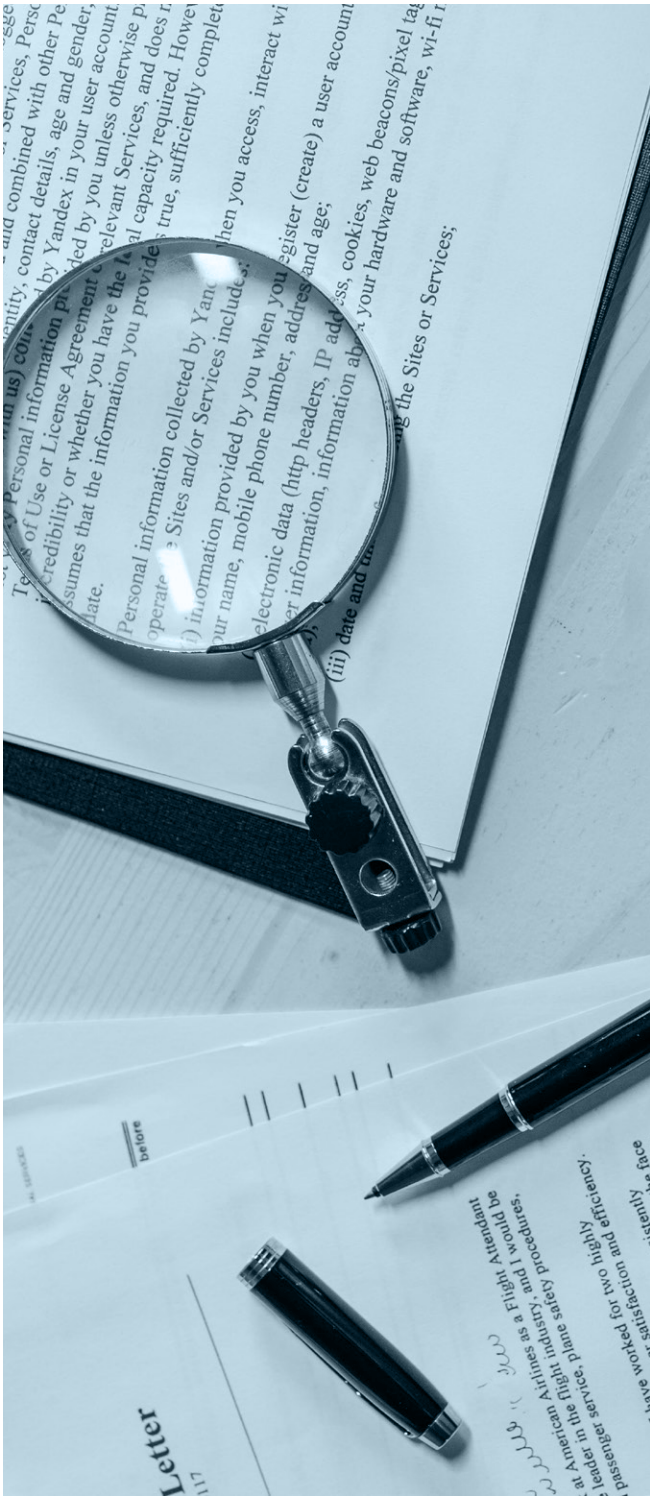
BRAZILIAN CONTEXT

BPTO issues new guidelines for the examination of Certificates of Addition of Invention

The Brazilian Patent and Trademark Office (BPTO) has issued Ordinance No. 024/2024 (please access here), updating the guidelines for examining Certificates of Addition of Invention under Article 76 of the Industrial Property Law (LPI in Portuguese). These certificates provide protection for improvements related to a main patent already granted, without requiring additional proof of inventive step.

Key updates include detailed requirements for granting certificates, such as verifying the inventive connection to the main patent, as well as new rules for shelving applications when the main patent is rejected or abandoned. The aim is to ensure greater consistency and speed in procedures while providing legal certainty for applicants and promoting an innovative environment in Brazil. This update also demonstrates the BPTO's commitment to modernizing and accelerating its processes.



Brazilian House of Representatives approves Brazil's adhesion to the Budapest Treaty

On November 27, 2024, the Brazilian House of Representatives approved Brazil's adhesion to the Budapest Treaty.

This Treaty streamlines the patenting process for inventions involving micro-organisms by enabling the deposit of biological material in a single International Depositary Authority (IDA) to be globally recognized, eliminating the need for multiple deposits and thereby reducing costs and simplifying procedures.

By adhering to the treaty, Brazil could establish its own IDAs, significantly benefiting Brazilian inventors, as the only IDA in South America is currently located in Chile. The potential creation of IDAs in Brazil may reduce bureaucracy and encourage innovation, aligning the country with international best practices in intellectual property. The PDL is now submitted for the Federal Senate's consideration, reinforcing Brazil's commitment to modernizing its system and fostering technological development.

Renewal of the PPH between Brazil and Europe

The bilateral cooperation program between the BPTO and the European Patent Office (EPO) has been renewed for an additional five years. With this Patent Prosecution Highway (PPH), applicants can use the results of their patent application examinations with the BPTO to facilitate the examination process before the EPO. Being a bilateral mechanism, this arrangement also applies to applications examined in Europe, allowing applicants to use the European decision to accelerate the examination of their Brazilian patent applications before the BPTO.

CASE LAW

Decision denying compensation for plagiarism to filmmaker is upheld

The Court of Justice of the State of Rio de Janeiro (TJRJ in Portuguese) dismissed the appeal filed by a filmmaker against a decision that denied compensation for pain and suffering and pecuniary damages for alleged plagiarism carried out by Globo, a Brazilian private entertainment and mass media conglomerate, in its programs The Voice and The Voice Kids, starting on 2020.

In summary, the filmmaker claimed to have created texts for talent shows and, although his creations have not materialized, he claims to have presented his projects and scripts to Globo in 2019.

According to the decision, the similarities between the filmmaker's projects and The Voice and their variations do not constitute counterfeiting, plagiarism, or copyright infringement, because, among other reasons: **(i)** the expert did not find sufficiently similar elements to characterize a violation of rights; **(ii)** the author's rights would not be audiovisual creations protected by law, since his materials were scripts that had never materialized; they were mere scripts with general elements. In addition, according to the decision, Globo's shows imitate foreign models acquired by the company.

Cases like these are important to reinforce, on the one hand, precaution measures that rights holders must take when presenting their projects to third parties, such as registering their intangible assets and signing NDAs. On the other hand, they also show that this type of discussion is analyzed by the Judiciary Branch from different angles and is a complex discussion that involves the assistance of experts.

Dispute over the use of trademarks Dan'Up and DanFrut

Recently, Nobel Foods (Nobel) initiated administrative and judicial disputes against Danone Brasil (Danone) for the right to use the Dan'Up and DanFrut trademarks. Nobel claims that these trademarks have not been used in the Brazilian market for years. Known for its line of cleaning and hygiene products, Nobel asked the BPTO that forfeiture of Danone's trademark registrations be provided and filed applications for trademarks Dan'Up and DanFrut, arguing that Danone does not maintain commercial activities related to them.

In response, Danone, which has owned the trademarks for more than 40 years, contested this attempt, filing a lawsuit in the 2nd Business and Arbitration Conflicts Court of São Paulo Court of Justice. In the lawsuit, Danone accused Nobel of trying to unduly benefit from its notoriety, which would constitute unfair competition. The first ruling in the dispute recognized Nobel's right to file the trademark applications but clarified that this should not be interpreted as an authorization for the misappropriation of well-known trademarks.

Danone's position reflects a legitimate concern for the protection of its trademarks and the reputation it has built over decades. However, if the company is unable to prove the use of its trademark or demonstrate that there has been no interruption in activities related to it for more than five consecutive years, any third party, such as Nobel, could claim the use of the trademarks in question. This dispute raises important questions about the relevance of well-known trademarks that are no longer used, ethics in competition practices and the preservation of intellectual property.

TRF2 allows coexistence of "TCM" trademarks among transportation companies

The Regional Federal Appellate Court of the 2nd Region overturned BPTO's administrative decision that had canceled the registration of trademark "TCM" owned by a transportation company, based on conflict with a similar trademark previously registered and made of the same acronym. The court's decision was based on the graphical differences between the trademarks and the distinct services provided by the companies, which operate in the transportation sector but in different segments. One company specializes in transporting auto parts for automakers, while the other focuses on transporting a variety of goods. The court deemed that these distinctions are sufficient to avoid market confusion.

The court has taken into consideration that the trademarks have coexisted in the market for over 10 years without significant signs of confusion. Furthermore, the word element "TCM" is accompanied by other graphical elements that adequately differentiate the trademarks. The decision reinstated the trademark registration for plaintiff and ordered defendants to pay attorney's fees, reinforcing that trademarks can peacefully coexist in distinct market segments.

The interpretation of the Regional Federal Appellate Court of the 2nd Region reinforces that, even in related industries, graphical distinctions and market segmentation can be decisive in preventing confusion or improper association and ensuring the coexistence of trademark rights, while fostering a more flexible and commercially realistic legal environment. From our perspective, the fact that both brands are acronyms, which have low protection, certainly contributed to the judiciary branch's decision.

IP ABROAD

Brazilian company wins multimillion-dollar patent dispute involving breast implants against German competitor

The Frankfurt Court of Appeals in Germany ruled in favor of Brazilian company Silimed in a dispute over the misappropriation of technology by its German competitor, Polytech Health & Aesthetics (Polytech). Silimed, the largest manufacturer of breast implants in Latin America, accused Polytech of using confidential information about its method for manufacturing polyurethane-coated breast implants obtained during a former distribution partnership. The landmark decision recognizes Silimed as the sole owner of the technology, and no further appeals are allowed. The compensation owed to the Brazilian company is estimated to exceed R$1.2 billion.

The decade-long dispute also includes proceedings in Brazilian courts and the International Chamber of Commerce Arbitration Tribunal. The conflict began after their partnership ended in 2007, with Polytech allegedly using Silimed's protected information to file patent applications in its own name. Silimed's victory in the competitor's home country underscores the importance of respecting intellectual property and highlights the innovative role of Brazilian industry in the global market.

This decision is a milestone for the protection of trade secrets and patents, particularly for companies competing in highly technological and regulated markets. The recognition by German courts strengthens Silimed's position as a global leader in the sector and serves as a warning about the seriousness of intellectual property violations in international partnerships.

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