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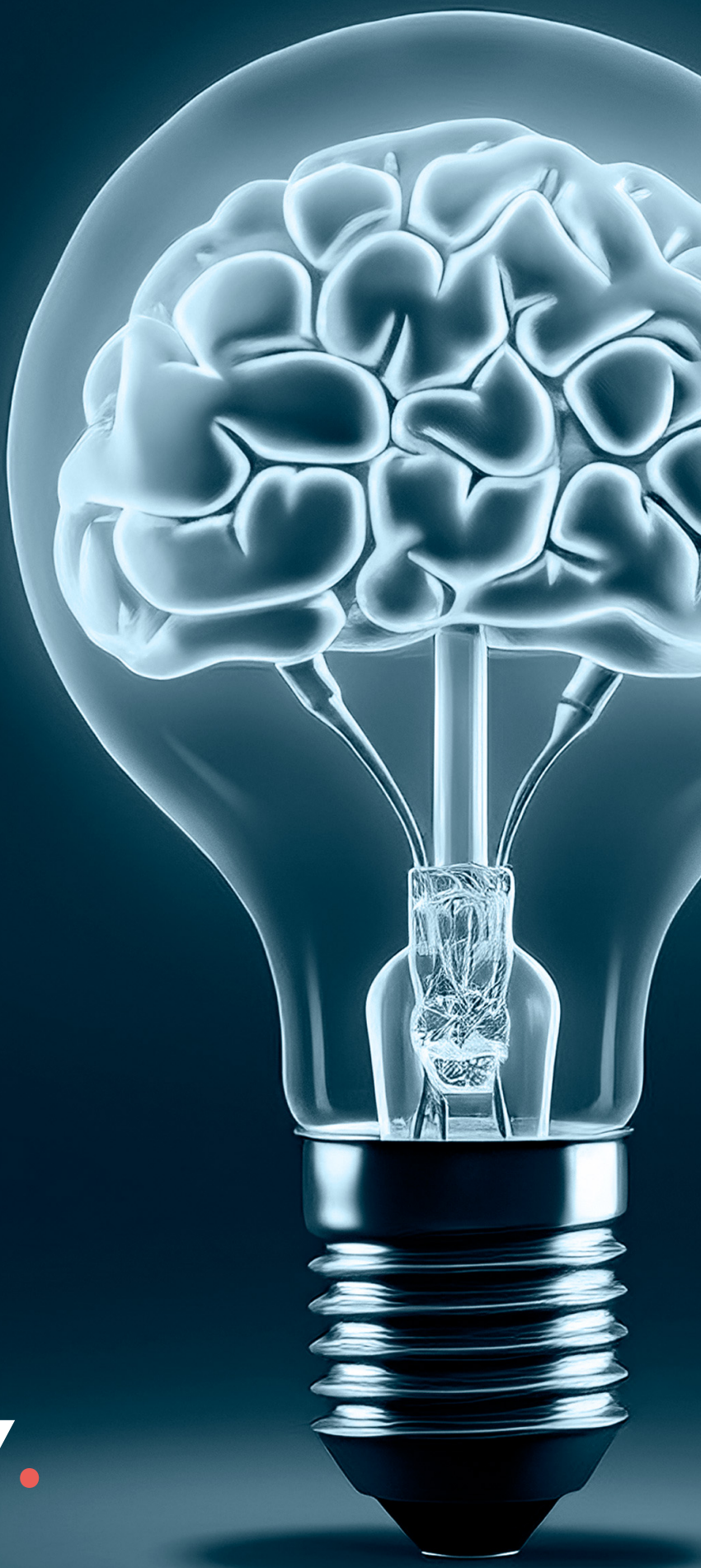

INTELLECTUAL PROPERTY.

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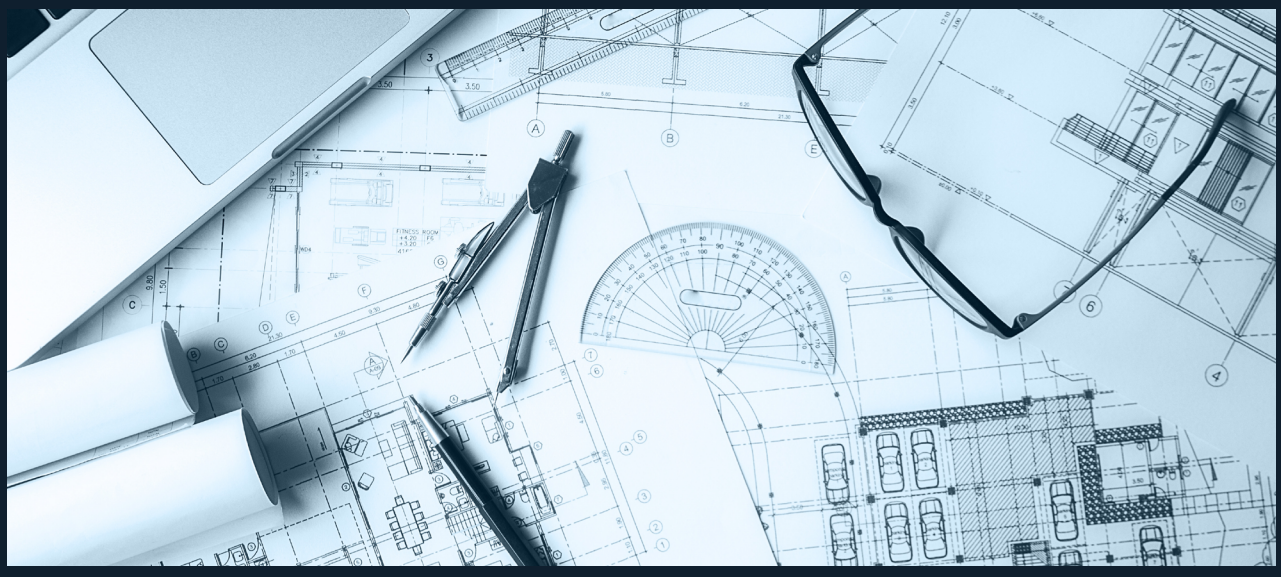
01 Brazilian Context.

BPTO publishes the 2nd Edition of the Industrial Designs Manual

INPI/PR Ordinance N° 36/2023 was recently published and established the 2nd edition of the Industrial Designs Manual, which comes into force on October 2, 2023. Among the most relevant topics discussed within the scope of the new guidelines, we mention the possibility of protecting industrial designs that include trademarks or protecting industrial designs of logotypes.

This is certainly one of the most anticipated topics, as the Brazilian Patent and Trademark Office (BPTO) had already granted, in the past, industrial designs that contained trademarks.

The second edition is available here.



CONAR closes case about the campaign that recreates image of Elis Regina

According to the Brazilian Advertising Self-Regulation Council (CONAR), the advertising made by Volkswagen that recreated the image of Elis Regina using Artificial Intelligence (AI) did not disrespect the artist, thus CONAR closed the case in August.

According to CONAR, "the board unanimously considered the question of disrespect for the artist's image to be unfounded, since the use of her image was made with the consent of her heirs and observing that Elis appears doing something she did in her life."

However, CONAR admitted that there was a failure in relation to the use of Artificial Intelligence and reported that new measures must be taken considering that Artificial Intelligence is currently a tool that poses new ethical challenges.

Developments in the regulation of video-on-demand services in Brazil

Bills 2,331/2022 and 1,994/2023 were discussed at a public hearing held by the Federal Senate's Education and Culture Committee (CE) on September 13. Both bills aim at regulating the video-on-demand service and the collection of the Contribution for the Development of the National Film Industry (Condecine).

Besides the Condecine contribution on audiovisual communication on demand (also proposed by Bill 2,331/2022), which must be paid by all entities operating and earning income in the audiovisual market, Bill 1,994/2023 also establishes principles, rules, and obligations on the distribution of audiovisual content on demand.

Meanwhile, on August 16, the House of Representatives approved the urgent voting procedure for Bill 8,889/2017, which also sets out rules on the provision of

audiovisual content on demand – for instance, from 2% to 20% of the total number of hours in the catalog of films and series offered by platforms must be titles produced by Brazilian producers, out of which 50% must be works of independent Brazilian producers.

BPTO publishes technical note on the term "cachaça" in geographical indications

The BPTO's Permanent Committee for the Improvement of Procedures and Guidelines for the Examination of Trademarks, Industrial Designs and Geographical Indications (CPAPD, in Portuguese) published Technical Note No. 01/2023 (please access it here), which established that the term "cachaça" can have different meanings.

Since 2001, the term "cachaça" only had the meaning of geographical indication, so when the term was accompanied by the geographical name or its demonym in the proceedings, the BPTO required it to be removed or replaced with the description of sugar cane rum. Now, according to the new note, the term "cachaça" is also considered to be the typical denomination of a traditional Brazilian drink, which is identified by official identity standards and specific qualities. Therefore, BPTO's official requirements for its removal or replacement will no longer apply.

02 Court Orders.

Brazilian Court of Appeals understands that patent applications can be divided until the end of the BPTO appeals phase

The Brazilian Court of Appeals of the 2nd Region (TRF2, in Portuguese) unanimously decided that patent applications can also be divided in the appeal phase at the administrative level before the BPTO.

According to TRF2, this decision was made because the court understands that article 32 of Normative Instruction No. 30/2,013, in short:

- (i) exceeds the limits of article 26 of the Industrial Property Law (Brazilian IP Law) by applying a restrictive interpretation of the expression "up to the end of the exam;"
- (ii) hinders the application of article 212, paragraph 1 of the Brazilian IP Law, which addresses appeals at the administrative level; and
- (iii) violates the constitutional rights to a fair hearing, the adversary principle, and the due process of law, when it anticipates the "end of examination" of the patent application, thus limiting the exercise of the right to request the division of the patent application matrix.

With this decision, Brazil matches the practice of some patent offices in other countries, such as the European Patent Office (EPO) and the US Patent and Trademark Office (USPTO).

Commercialization of keyword composed of competitor's trademark constitutes unfair competition

On August 2023, the Superior Court of Justice (STJ) ruled on the characterization of unfair competition in a case of purchase of a keyword composed of a competitor's trademark in a sponsored links system (Special Appeal Nº 2012895/SP).

Sponsored links work through the choice and purchase of keywords which will be associated with the advertiser's website the moment a consumer searches for the keyword on the search platform.

In the case in question, Loungerie S.A. hired a digital advertising service and selected the keyword "HOPE" – its competitor's trademark. According to the Superior Court of Justice, the practice directs consumers to the competitor's product, causing confusion among consumers, and characterizes diversion of clients, besides being a trademark infringement.

Gafisa's trademarks are levied upon for a R$1.5 million debt owed to a luxury condominium

In late August, Sao Paulo Court authorized the levy of all Gafisa's trademarks to secure the payment of a R$1.5 million debt the construction company owes to a luxury condominium in the neighborhood of Itaim Bibi.

Although the levy of the trademarks is an exceptional measure, the judge in charge of the case says it was necessary because the attempt to freeze the company's financial assets proved unsuccessful. According to the case records, on the one hand, Gafisa claims that it has indicated assets as loan that were rejected and, on the other, the condominium argues that all these assets have already been disposed of in other lawsuits and that Gafisa has no assets in its name. If the construction company does not deposit the amount of the debt in court, the trademarks will go up for auction.

Rio de Janeiro Court suspends BPTO's decision that rejected Louboutin's trademark registration

In early June, the BPTO rejected the application for registration of a position trademark relating to the red soles of the high heels of French brand Christian Louboutin, on the grounds of lack of distinctiveness. In response to this decision, the French brand filed a lawsuit alleging that the BPTO's administrative order was not sufficiently justified.

Therefore, the judge of the 13th Federal Court of Rio de Janeiro, Márcia Maria Nunes de Barros, granted a preliminary injunction to suspend the BPTO's decision which rejected the registration of Louboutin's position trademark, for disagreeing with the BPTO and understanding that the application for registration of the trademark in question has sufficient distinctiveness and is well-known to the public. Thus, as the trademark is pending a court decision, the injunction aims to protect the trademark's rights to determine that the trademark is not available for use and to prevent third parties from reproducing this characteristic.

03 IP Abroad.

Intellectual works generated by AI are not protected by copyright, according to US court

In August, the U.S. District Court of Columbia ruled that works generated by Artificial Intelligence cannot be protected by copyright in Thaler v. Perlmutter, Case No. 1:22-cv-01564, (D.D.C. 2022).

According to the plaintiff, Stephen Thaler develops and owns computer programs capable of generating works of art. After creating one of his works, Thaler tried to register it with the U.S. Copyright Office, which rejected his application as it lacks human authorship, which is a requisite on which copyright protection is based.

Despite Thaler's claims about the possibility of protection – including under the works made for hire doctrine, which recognizes the protection of works created by employees or contractors and assign their authorship and ownership to their employers and contracting companies – the US Court confirmed the US Copyright Office's understanding on the need of human authorship for copyright protection.

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