INTELLECTUAL PROPERTY. NEWSLETTER

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01 Brazilian Context.

BPTO publishes Ordinance on the processing of industrial designs under the Hague Agreement

On July 4, the Brazilian Patent and Trademark Office (BPTO) published Ordinance/INPI/PR No. 25 (please access it here), which regulates the processing and rules for designations and registrations of industrial designs under the Hague Agreement.

Brazil joined this agreement in February and is now part of the international registration system, which allows the protection of industrial designs in several countries by filing a single international application with the International Office of the World Intellectual Property Organization (WIPO).

BPTO publishes Patent Quick Guides

The BPTO organized in one page the Patent Quick Guides, divided by topic. The Guides are written in simple language in order to make users understand, more easily, practical matters related to patents and give them more autonomy on the matter.

Read here.

Brazilian Internal Revenue Office raises taxation on software licenses

For the third time this year, the Brazilian IRS raised software taxes. Inquiry Solution No. 107 determines that acquisitions and updates of licenses acquired abroad are subject to PIS (Social Integration Program) and COFINS (Social Security Financing Contribution)-Import charges. As a result, Brazilian businesses that purchase software overseas will be required to pay these taxes on the value they transfer, with a tax rate increase from zero to 9.25%.

Rule No.26, announced in January, increases the burden of those which pay Income Tax and CSLL (Social Contribution of Net Income) under the presumptive profit regime for companies with revenues of up to R$78 million per year. Rule No.75, introduced in March, establishes the imposition of IRRF (Withholding Income Tax) on that same transaction, and determines the tax rate of 15%, or 25% if the money is sent to countries with privileged taxation regimes (tax havens).

Until then, these changes applied only to custom software. “Off-the-shelf” software was treated as a merchandise and the tax imposed was the ICMS (State Goods and Services Tax). However, with the changes, the Brazilian Internal Federal Revenue started classifying software royalty remittance as a license fee for IRRF taxation, but as a service provision for the imposition of PIS and COFINS-Import. The classification affects tax incidence, causing much controversy in the market.

Adwa goes to Brazilian Court to obtain patents for the first ultra-resistant Cannabis seeds

Adwa Cannabis, a startup specialized in biotechnology focused on the Cannabis production chain and the only company in Brazil authorized to commercialize and cultivate cannabis for medicinal purposes, filed a lawsuit to obtain at least two patents for the modified seeds of cannabis, together with the Federal University of Viçosa (UFV).

The first patent is related to cannabis essential oils for medicinal purposes. The second patent is related to hemp, which is a plant that belongs to the cannabis species, and which will have industrial applicability.

BPTO receives patent application for breast cancer treatment

Researchers from the Federal University of Rio de Janeiro (UFRJ) and the Fluminense Federal University (UFF) filed a patent application with the BPTO for an invention aimed at treating breast cancer.

The invention refers to a synthetic compound that, according to tests, can reverse the function of the p53 protein after it suffers a mutation.

The function of the p53 protein is to protect DNA, but, when suffering a mutation, stops doing so and starts making the human body susceptible to tumors.

BPTO publishes new regulations on technology agreements

On July 11th, the BPTO published new regulations on the registration of technology agreements: Ordinances Nos. 26 and 27 of 2023. Such Ordinances make the formal and technical aspects of the registration process more flexible by incorporating the rules discussed by the BPTO's Board of Directors at the end of last year. According to the BPTO, the main purpose of the new rules is to simplify the process for registering technology agreements and, therefore, meet the demands of the technology market.

You can access and read about the main changes introduced by these Ordinances here.

BPTO grants first position trademark application in Brazil

The BPTO granted, in July, the first position trademark registration in Brazil. The application was filed by the clothing company Osklen, which managed to register and protect their sequence of three holes with eyelets that are placed on the front of Osklen's shoes.

The possibility of protection through this modality was regulated by BPTO's Ordinance No. 37/2021. So far, 244 position trademark applications have been filed, but only 11 of them had their analysis completed by examiners, and only this one had its registration granted.

02 Court Orders.

The Superior Court of Justice has been applying objective criteria to assess disputes involving intellectual property

The Superior Court of Justice (STJ) has been applying more objective criteria, requirements, and judgement techniques to set parameters for disputes concerning intellectual property. This approach helps with analyses made by judges and increases the security of decisions made by lower courts in similar cases.

The STJ has used, for example, the 360° test to verify conflicts between trademarks. The test methodology assesses the degree of similarity and distinctiveness between trademarks, the reputation of the alleged infringer, the type of products, the niche nature of the target market, the length of time the trademarks have been on the market and their dilution.

Recently, we have observed some decisions that confirmed this trend of making more objective analyses, as in the case of the allegation of trade dress infringement in a lawsuit filed by Neutrox against Tratex, which supposedly copied Neutrox's packaging. In its decision, the STJ recognized there was no unfair competition, when analyzing the market practice, as the trade dress adopted by both brands is a market trend, causing no confusion to consumers.

Thus, although these criteria are not official or mandatory, it is expected that the STJ's approach will also be also adopted by judges.

Biscoito Globo faces heritage dispute, and the Judiciary Branch determines expert examination of profits and trademark value

The market value of the main trademark owned by Panificadora Mandarino, borne by the popular Rio de Janeiro snack Biscoito Globo, is being questioned legally at the family court of the Court of Justice of Rio de Janeiro. To assess the market value of the trademark Biscoito Globo, a court examination will be carried out. The absence of the trademark in the company's balance sheet can cause a distortion in its value in the appraisal of assets, due to the relevance of the trademark in the company's assets.

This case is another example of the added value that trademarks bring to a company, as well as the need to protect trademarks by registering them.

03 IP Abroad.

Mattel protects its “Barbie” trademark in legal dispute against Burberry

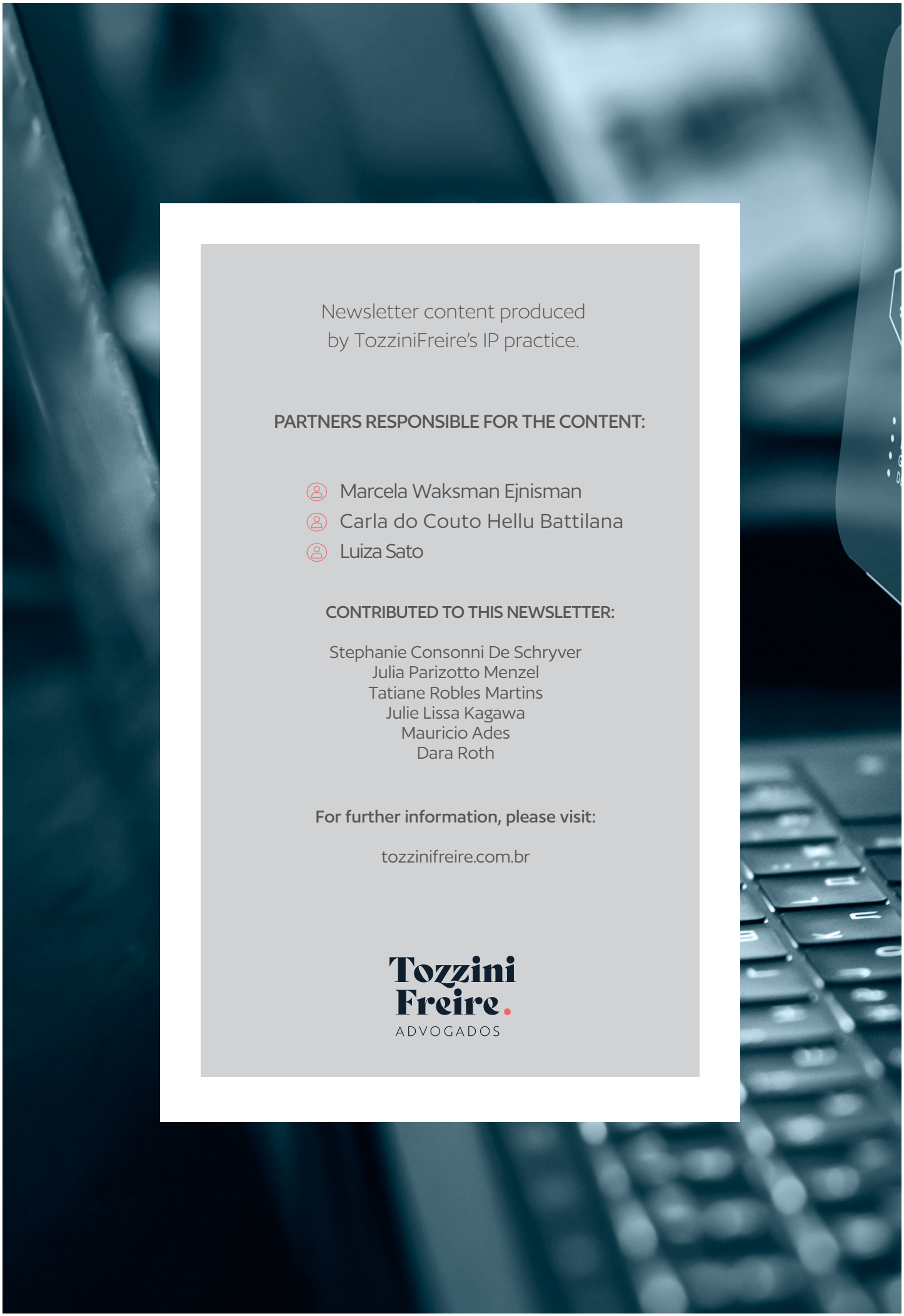
Last month, Mattel filed an opposition against “BRBY” trademark application filed by the British fashion house Burberry with the U.S. Patent and Trademark Office (USPTO).

Mattel alleges that brand BRBY causes an undue association with the renowned “Barbie” brand, due to the visual and phonetic similarities.

U.S. Supreme Court rules against Andy Warhol Foundation in legal dispute involving fair use

The case known as Andy Warhol Foundation for Visual Arts vs. Goldsmith ended in May 2023, with the U.S. Supreme Court ruling in favor of photographer Lynn Goldsmith and consolidating its understanding of the first case of "fair use" – a U.S. doctrine that allows in certain cases the use of intellectual work without having to ask permission from the author or make them any payment – in visual arts.

In general terms, the legal dispute concerned Andy Warhol's use of a picture of musician Prince in one of his works, "Prince Series," without the permission from photographer Goldsmith. The US Supreme Court ruled that there was indeed a copyright infringement of Goldsmith's works, since both Goldsmith's photograph and Warhol's work had the same purpose of illustrating a news article about the musician, and Warhol's changes were insufficiently transformative to justify the fair use.



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