

ANNUAL REPORT 2018/2019: SPAIN, EU AND LATAM

UNGRIA®



Dear Colleagues,

We are glad to present you the following annual report summarizing the main legislative developments occurred in Spain, European Union (EU) and Latin America in relation to Intellectual Property practice during 2018 and the beginning of 2019.

Last year was special for UNGRIA since we increased our international presence by opening three new own offices in Argentina, Brazil and Mexico. In addition to our team in Spain and the USA, we have incorporated a group of professionals with an extensive experience in our sector and with technical and legal profiles to directly represent our clients before local institutions.

Among the many relevant changes we outline below, we would like to highlight in Spain, the amendments to the current Trademark Law, Law 17/2001, of December 7; in the EU, the entry into force of the new Guidelines for Examination published by the European Patent Office (EPO) on November 1, 2018 and the effects of BREXIT in relation to European Union Trademarks (EUTMs); lastly, in Latin America, especially in Argentina and Mexico, where important aspects of the procedure for prosecuting patents and trademarks were substantially modified. On the other hand, Brazil continues trying to adopt measures that reduce the back-log in the patent examination procedure.

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DATA AND STATISTICS

Before delving into the relative legal updates, we would like to gloss over some data illustrating the position of Spain, the EU and Latin America in connection with the subject matter constituting our business activity.

In Spain, the OEPM (“Oficina Española de Patentes y Marcas”, Spanish Patent and Trademark Office (SPTO)) has closed out the year with an increase in the number of applications for Distinctive Signs; the number of Trademark applications was virtually the same as it was the previous fiscal year compared to a 29% increase in relation to Trade Names. As for Patents, with the entry into force of the new Law 24/2015, of 1 April 2017, the number of applications has experienced a considerable 31% drop. Furthermore, in connection with Utility Models, the new Law 24/2015 comprises fewer changes in the prosecution and grant, and the intake of applications increases by 10%. Finally, there was a 10% drop in the number of applications for Industrial Designs.

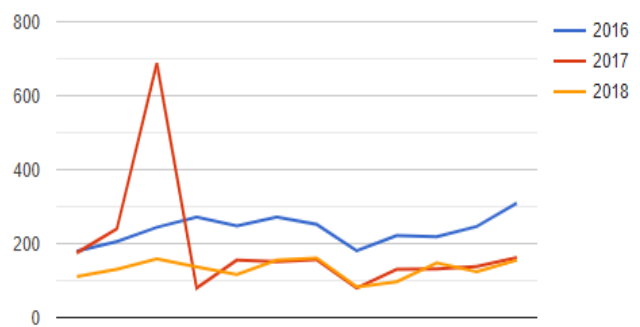
NATIONAL APPLICATIONS BEFORE THE OEPM (SPTO)					
Year	Trademarks	Trade Names	Patents	Utility Models	Industrial Designs
2017	52,041	9,451	2,286	2,438	1,890
2018	52,266	12,237	1,576	2,689	1,685
Total	225	2,786	-710	251	-205
Difference %	0.4%	29%	-31%	10%	-10%

Source: OEPM

The significant drop in patent applications can be explained by the absence of those potential patent holders who wanted to benefit from a grant procedure without being subjected to a patentability examination. As discussed in our previous publication, the current Patent Law eliminates the general grant procedure and implements in its provisions a single procedure with a substantive examination, to be conducted by the SPTO at the request of the applicant and as established in its Regulation. The examination verifies whether the patent application and the invention constituting its subject-matter comply with formal, technical and patentability requirements established under the law.

In Europe, the number of European patents (Spain registered a total of 1,424 applications, 15% less than in 2017) filed at the European Patent Office remains constant, and of those applications more than 90% designate Spain, with 25,602 validations being granted, marking a 12% decrease with respect to 2017. However, though it may seem like the national market is slowing down; it should be pointed out that 2016 saw the largest increase in the last five years in the number of European patents of Spanish origin and confirmed an upward trend. Additionally, the SPTO’s “shock plan” against the delay signified a drastic increase in the number of validations.

Patent Applications (2016-2018)



Source: OEPM

Spain is still one of largest growing countries in the European Union and has consolidated its position as a fundamental territory for the protection of intangible assets by applicants that are not residents in the country. However, it still falls below the average for the European Union.

As for distinctive signs, the number of European Union trademarks filed in the European Union Intellectual Property Office (EUIPO), which would have a direct effect on Spain, increased 4% with respect to 2017. Furthermore, the number of EU trademarks filed by Spanish applicants increased 2% with respect to the past fiscal year.

“The number of EU trademarks filed by Spanish applicants increased 2% with respect to the past fiscal year”

Year	International Trademarks that designate the EUIPO	EU Trademarks filed by Spain	EU Trademarks	European Patents	Granted Validations in Spain
2017	24,882	10,112	146,439	158,843	29,348
2018	20,945	10,341	152,488	159,142	25,602
Total	-3,937	229	6,049	299	-3,746
Difference %	-15%	2%	4%	0.2%	-13%

Source: OEPM, EUIPO and UNGRIA.

Finally and on an international level, in 2018 there was a double drop of 15% and 17%, respectively, in both the number of international trademark applications designating EUIPO and those designating Spain.

As for Latin America, according to the World Intellectual Property Organization (WIPO) Indicators Report 2018, patent and trademark offices in the region saw a 6% decrease (57,600) in the total number of patent applications with respect to the year before compared to a 31% increase (715,900) in relation to trademark applications.

Using the last decade as a reference, this data reflects a 0.1% decline in the region with respect to patents and a 3.3% and 0.6% growth, respectively, with respect to trademarks and industrial designs.

In total numbers, the Latin American market continues to grow worldwide in terms of Intellectual Property and is a key territory for foreign applicants who are looking for a competitive advantage by protecting their intangible assets. Evidence of this is the growing market share held by its institutions, particularly in the area of distinctive signs, totally 5.8% of the global market. The field of inventions and designs show a smaller growth, although positive, and its share is 1.8% and 1.2%, respectively.

SPAIN AND THE EU

DISTINCTIVE SIGNS

NATIONAL TRADEMARKS

AMENDMENT OF TRADEMARK LAW 17/2001, OF DECEMBER 7.

This past 14 January 2019, the amendment of the current Trademark Law, that is, Law 17/2001, of 7 December, became only partially effective, as discussed below.

This law represents the transposition of the text comprised in Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks.

The following amendments stand out as the most noteworthy:

Concept of a Trademark

The concept of trademark (Article 4) has been amended to include that the definition of the form of representing the sign constituting the trademark shall permit the sign to be represented using generally available technology and in a manner that offers satisfactory guarantees to that effect.

This opens up the possibility of protecting and registering nonconventional trademarks such as

the following: position mark (the way the trademark is affixed to the product), pattern mark (consisting of a set of elements which are repeated regularly), colour mark (a single colour or a combination of colours), movement mark (consisting of a movement or a change in position of the elements forming it), multimedia mark (combination of image and sound) and hologram marks.

Absolute Grounds of Refusal

The primary amendments catalogue the prohibitions relating to designations of origin and geographic indications, traditional terms for wine and traditional specialties guaranteed. A new prohibition relating to signs which consist of, or reproduce in their essential elements, a new plant variety denomination.

Well-known Trademarks and Trade Names

In the current regulation, the previous distinction between a well-known and reputed trademark or trade name has been eliminated, providing only one category, that of the reputation in Spain of national trademarks, or in the European Union of EU trademarks.

Furthermore, in an effort to adapt to the current case law interpretation of our trademark law, it is provided that it will not be necessary for there to be a likelihood of confusion between trademarks in dispute to generate an incompatibility in the registry where the earlier mark is a reputed mark, provided that the signs are identical or similar and an unfair advantage of the distinctive character or reputation of the earlier is sought, or where use of the new sign may be detrimental to said distinctive character or reputation.

In any case, in an INFORMATIVE NOTE concerning the amendment in connection with this issue, the SPTO has declared that the concept of reputed trademark will bring together both categories (well-known and reputed trademark) and that a reputed trademark may be reputed for a given sector – a well-known earlier mark – or for the general public – conventional concept of a reputed mark.

“It will not be necessary for there to be a likelihood of confusion between trademarks in dispute to generate an incompatibility in the registry where the earlier mark is a reputed mark”

Application and Registration Procedure. Objection to the application and examination of the opposition

It should be pointed out how the new regulation establishes provisions concerning the authority of the applicant filing for registration to require that the opponent provide the use of the registrations on which the opposition is based, if that use was legally enforceable pursuant to the provisions of the law, or otherwise prove the existence of causes justifying the lack of use.

The failure to provide proof of use, or providing proof of use only for some of the goods or services on which the opposition is based, shall therefore lead to the complete or partial dismissal of said opposition.

It is a very important substantial modification. This law shall be applicable once the relevant regulatory implementation of these provisions takes place.

Other issues of interest relating to the content of the Trademark Law

Substantial amendments are also contemplated in the new regulation in connection with the content and scope of the trademark right, with a particular amendment of interest consisting of the legal provision according to which, as occurs in patent law, a trademark right may not be invoked to relieve the holder of said trademark from answering to actions brought against it for the violation of other industrial or intellectual property rights which have an earlier priority date.

Recognition of the right of the trademark holder to prohibit the use thereof as a trade name or registered name, or as part of a trade name or registered name, is also of interest in that it opens up the possibility of actions, and while this did exist before, it was based on other legal provisions.

As regards the limitations of the trademark right, also of interest is the amendment relating to the impossibility of the trademark holder to prevent, only with respect to natural persons, the use of its name and address while requiring said use to be made in accordance with fair practices in industrial and commercial matters.

In relation to the use of the registered trademark, the day marking the start of the term during which said trademark must be put to real and genuine use once it has been registered is changed. This term shall be five years from the date on which the registration of the trademark is final, with such date being annotated in the registry.

As regards use, of additional interest is the provision – similar to that contained prior to the amendment, but with a minor nuance-, according to which use of the trademark in a manner which differs in elements that do not alter the distinctive character of the trademark in the form in which it has been registered, regardless of whether or not the trademark is also registered in the holder's name in the form in which it is used.

The legal standing of the licensee to bring actions relating to the infringement of a trademark is recognized. This recognition applies to a non-exclusive licensee with the consent of the trademark holder, and it applies to a non-exclusive licensee if, after being asked by the licensee to do so, the holder does not bring the action.

In any case, licensees may intervene in actions for trademark violation brought by the proprietor for the purpose of obtaining the corresponding allotment of damages.

Novelty and Revocation of a Registered Trademark

In this point, there is a very important modification, since the authority to hear these actions, notwithstanding the possibility of filing a counterclaim, shall correspond to the Spanish Patent and Trademark Office.

However, this legally established provision will not take effect immediately, but will be on 14 January 2023.

Generally speaking, these are the major updates resulting from the amendment of the current Trademark Law, which came into force for the most part last January 14, notwithstanding the necessary regulatory implementation to enforce the provisions relating to the opposition procedure against trademark applications where the holder of the contested trademark requires from the opponent proof of use of the trademark used as the basis for opposition.

EUROPEAN UNION TRADEMARKS

EFFECTS OF BREXIT ON EU TRADEMARKS

As far as Community Law is concerned, the effects of Brexit on European Union Trademarks (hereinafter EUTMs) are not altogether defined from a strictly legal point of view, although declarations made by the British Government convey a message of calm.

Obviously, the very day Brexit becomes effective, as things stand right now as of the publication date of this Newsletter, next 29 March all EUTMs in force or pending shall no longer take those legal effects derived from Community Law in the United Kingdom.

However, the British Government has provided for the establishment of a system to provide continuity to the Rights derived from EUTMs and thereby assure continuity of their effectiveness in the United Kingdom. Otherwise, not only would British holders be stripped of their rights derived from EUTMs, but so would EU nationals or residents in the United Kingdom, which would go against the most basic legal reasoning.

Therefore, all signs indicate that those EUTMs in force as of the effective date of Brexit shall be automatically cloned into national British Trademarks and shall be granted a term of effectiveness equivalent to the term that remained of the cloned EUTM. So if the term of effectiveness of a EUTM expires, for example, on 12 January 2025, its corresponding national British Trademark will also expire on 12 January 2025.

“Next March, 29th all EUTMs in force or pending shall no longer take those legal effects derived from Community Law in the United Kingdom”

There are questions concerning what will happen with those EUTMs that have been renewed within the term of six months' notice provided under both European and British law.

Assume a EUTM expires on 10 June 2019 and it is renewed before 29 March. With its extended effectiveness annotated before said date, the EUTM would be in force until 10 June 2029, but signs are pointing to the idea that the British Registry is not going to allow a term of effectiveness of cloned EUTMs which exceed ten years starting from the effective date of Brexit.

In any case and once a decision has been made by the British authorities, a term of six months shall be granted for those holders who are affected so that they may renew their cloned Trademark in the United Kingdom, paying the corresponding renewal fee but without any surcharge.

Our recommendation would be to think ahead and renew as soon as possible all EUTMs set to expire before next 29 September so that, if the British Registry ultimately chooses not to adopt the mentioned conservative position, your national British trademark can benefit from a considerably extended term of protection.

Those EUTMs still pending as of the Brexit date will not just simply be cloned into national British Trademarks. The holder must expressly submit a new national British application which will be the object of examination pursuant to the current British Trademarks Act. However the date granted by the corresponding EUTM will be respected as the filing / priority date.

Holders of EUTMs in this situation, shall have, as declared by the British Government, a term of nine months starting from the effective date of Brexit to convert their EUTMs into national British Trademarks, once the mandatory official fees have been paid.

The situation of International Trademarks designating the EU as a contracting party of interest generates even more questions.

Everything suggests that the holders of International Trademarks in this situation may have to pay a validation fee which the WIPO would charge as a processing charge, unless the British Administration bears the charge, something which seems unlikely.

In any case, measures similar to those described above are expected to be decided on to assure the continuity of rights.

Our recommendation for those natural or legal persons who are going to file a EUTM from this point on and who wish to obtain a similar degree of protection in the United Kingdom is to file a national British Trademark or designate Great Britain as a country of interest through an International Trademark at the same time you file the EUTM to thereby assure its prosecution in the British Administration will move forward.

“Those EUTMs still pending as of the Brexit date will not just simply be cloned into national British Trademarks. The holder must expressly submit a new national British application”

INVENTIONS

EPO GUIDELINES 2018

On November 1, 2018, the new Guidelines for Examination published by the EPO entered into force. This annual review incorporates several procedures that had been introduced during the previous year, such as the extension of countries of protection to Tunisia and Cambodia, the possibility of early payment (up to six months) of the third year renewal fee, or the possibility of payment of the fees by credit card. The Guidelines also include several novelties which provide an insight of the changes that have been taking -or will take- place in the way the EPO implements prosecution. Among these, we highlight the following:

Certainty in the language

Besides the thorough revisions undergone by certain sections of the guidelines, some language has been made more “definitive” throughout the whole text. Terms such as “should” have been replaced by expressions like “must”, “is”, “are” or “needs to”. These changes increase certainty as to how the EPO directs its examiners to interpret the Guidelines. As an example, the new Guidelines no longer state that the problem and solution approach should be used for assessing inventive step, but rather that such analysis has to be used.

Computer implemented inventions

The sections in part G dealing with the patentability of computer programs, mathematical methods and

schemes, rules and methods for performing mental acts, playing games or doing business have been thoroughly revised and new subsections have been created to define the relevant patentability criteria with more precision. Some indications are offered now as to what does and does not qualify as “technical”, and several examples are presented of what can and cannot be considered ‘technical’ features in claims related to subject matter such as artificial intelligence, machine learning, simulation, business methods, information modeling, data retrieval or computer algorithms. The technical purpose appears as the key element in the interpretation of what can be considered as a technical application. Further, a specific technical implementation may contribute to the technical character of the invention, independently of any technical application.

Unity of invention

The revised Guidelines (F-V, 2) try to remove the somewhat circular approach to determining unity of invention that has been used by examiners. A new two-step test is provided in order to assess whether more than one invention is present in the application. First, the examiner has to identify any common technical features of the claimed inventions, and, then, examine these in order to determine if any of them are “special” technical features (those that define the contribution of the invention, considered as a whole, over the prior art in terms of novelty and inventive step). If no common technical features among the claimed inventions are present, or if the common technical features are not “special”, lack of unity will be objected. Hopefully, this approach will provide a more objective and consistent way of determining whether additional search fees need to be paid.

Clarity and interpretation of claims

A thorough revision has taken place in section F IV.4., with new sub-sections addressing clarity of the claims and interpretation of certain terms when they are used in them.

Undisclosed disclaimers

The new language in Part H-V, 4.1 underlines that an undisclosed disclaimer may not provide a technical contribution to the subject-matter disclosed in the application. It cannot contribute in any way to improving the application or patent position with regard to other requirements for patentability. Thus, the assessment of inventive step or sufficiency of disclosure has to be performed without considering the undisclosed disclaimer.

Replacement or removal of a feature from a claim

The requirements of Article 123(2) EPC are contravened (and, thus, addition of subject matter takes place) if the replacement or removal of a feature from a claim fails to pass any of the three steps of the test established in T331/87 (and laid out in the Guidelines in H-V, 3.1). The review, however, clarifies that passing the three criteria of the test is not, in itself, enough to meet requirements of Article 123(2). In addition, the “gold standard” has to be met, i.e. the replacement or removal of a feature has to lie within the limits of what a skilled person would derive directly and unambiguously from the whole application, using common general knowledge and seen objectively, at the date of filing (or priority, if applicable).

Essentially biological process

Our last highlight refers to the revisions in the Guidelines (F-IV, 4.12) clarifying that a disclaimer may be necessary for certain claims in order to avoid the change introduced by Rule 28(2) EPC. This Rule was amended in 2017 to exclude from patentability plant products produced by essentially biological processes (e.g. natural breeding methods). Interestingly enough, just over a month of the entering into force of these Guidelines, it seems that the Technical Board of Appeal (TBA) decided that Rule 28(2) EPC is void. As it has been reported, the TBA (with an enlarged composition including three technical members and two legal members) decided that amended Rule 28(2) EPC is in conflict with Article 53(b) EPC as interpreted by the Enlarged Board of Appeal in G 2/12 (Broccoli/Tomato II) and, since Article 164(2) EPC states that Articles prevail over Rules, Rule 28(2) is thus void. It will be interesting to see how this decision (issued in oral proceedings for T 1063/18) affects the future of plant and plant product inventions.

TRADE SECRETS

EU Directive 2016/943 of the European Parliament and of the Council, of 8 June 2016, on the protection of undisclosed technical know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure required Spain to transpose its provisions into our legal system, establishing a deadline of 8 June 2018.

Although with some delay, in the Spanish Official Gazette of 21 February 2019, Law 1/2019 on Trade Secrets has been published, whose entry into force is foreseen 20 days after publication, that is, for March 13, 2019.

Until said date, there is no law in the Spanish legal system which regulates trade secrets, notwithstanding different provisions in the mentioned legal bodies, fundamentally through the Law on Unfair Competition and the Criminal Code. These provisions, in any case, do not address the existing needs for a regulation to that effect, and of course they are not fully adapted to the provisions contained in said Directive.

“Law 1/2019 on Trade Secrets has been published, whose entry into force is foreseen 20 days after publication, that is, for March 13, 2019”

The new law addresses these needs, integrating a series of effective comparable legal instruments for the protection of trade secrets, which are understood to mean information or knowledge, including technological, scientific, industrial, trade, organizational or financial information or knowledge (both physical and legal persons) that is secret, according to the definition to be contained in that regard in the law, which has a real or potential business value and has been subjected to reasonable measures by the holder to keep it secret.

The law defines when obtaining, using or disclosing the secret is unauthorized and when it is unauthorized. It will also regulate how a trade secret constitutes an object of property right and will therefore be susceptible to transfer and co-ownership and can be the object of exclusive or non-exclusive licenses. It will also regulate civil legal actions to defend such secrets should they

be infringed, implementing a series of actions, with provisions relating to a declaratory action as well as actions for cease, prohibition, seizure of goods, removal, declaration of ownership and compensation for damages. Said law also provides for the standing to sue in said civil actions, corresponding to the owner of the trade secret, as well as the possibility of authorized licensees holding standing to sue in that respect where they are authorized to do so or under certain circumstances provided for in any case in the law. These actions will be heard by the Commercial Court.

This law also regulates a series of measures to prepare for initiating the action, such as inquiries to substantiate facts, access to the sources of evidence, measures for ensuring the evidence, in any case referring to provisions in that regard which may be contemplated in the current Patent Law and, of course, in the Law on Civil Procedure. The possible adoption of Precautionary Measures is regulated as well, also referring to the Patent Law and Law on Civil Procedure

A matter of interest which is regulated by the law itself is the confidential treatment to be provided to information which, over the course of the action, must be provided to the subject matter constituting the trade secret, whereby those persons who access said information are prohibited from using it, even after the proceeding has ended, unless a final judgment concludes that said information does not constitute a trade secret, or to that information which, over time, becomes general knowledge or is readily accessible in those circles in which it is normally used.

As for protection through this regulation of trade secrets of an industrial, technical or technological nature, constituting subject matter susceptible to protection as Intellectual Property, it should be pointed out that protection of a trade secret is not the most appropriate alternative because it does not constitute an absolute right since, contrary to what is provided under a patent right, an independent discovery of the technical or technological information constituting the trade secret, the possible reverse engineering on the product or object resulting from the secret technology which has been made available to the public would be authorized, notwithstanding the possible complementarity which, for the protection of the trade secrets, this new law may entail with respect to information not legally disclosed in the compulsory description in any patent or utility model right in its application as such an Intellectual Property right.

It should be mentioned that this law applies for the protection of any trade secrets, regardless of the date on which ownership thereof has been legally acquired.

JURISDICTION AND COMPETENCE IN ACTIONS RELATED TO IP RIGHTS

Beyond any doubt, one of the most controversial changes introduced in Patent Law 24/2015, of 24 July, - in force since 1 April 2017 - relates to the specialization of the courts in matters concerning Intellectual Property.

With the prior version of this provision -Law 11/1986-, the authority to hear these civil cases used to correspond to the Commercial Court of the city where the Superior Court of Justice of the Autonomous Community of the defendant's registered address is located, and in the event of actions on the grounds of infringement, to be chosen by the plaintiff, the same Court of the Autonomous Community where said infringement occurred or where its effects were produced. This attribution of authority, which was based solely on territorial reasons, however generated

on a fair number of occasions important differences when cases are handled by Commercial Courts in more thriving Communities which traditionally heard a considerable number of cases and by the Courts in those Autonomous Communities which, as a result of being less industrially developed, received fewer cases relating to this matter.

The current Law 24/2015, seeks greater specialization of the courts in charge of settling these issues, doing away with this authority based solely on territorial aspects, and establishing that the courts that are going to handle them will go from having a territorial scope exclusively in the Autonomous Community to have a mixed territorial scope, that is both in the Autonomous Community and on a national level.

At first, the General Council of the Judiciary exclusively attributed hearing these cases to several courts in Catalonia, Madrid and the Community of Valencia, which are, undoubtedly, the Autonomous Communities where the largest number of cases in this specialization are raised. This generated some controversy in a number of Autonomous Communities which, due to distance or political relevance, understood that they were being unfairly pushed aside when it comes to hearing these issues, and respective petitions were processed through their Superior Courts of Justice to reconsider this restrictive framework for distributing authority.

Considering these petitions, the specialization in Intellectual Property of various commercial courts in the Autonomous Communities of Andalusia, Galicia, Basque Country and Canary Islands was agreed to by resolution of the Permanent Committee of the General Council of the Judiciary on 18 October 2018.

In the case of Andalusia, taking into account the fact that this region, along with the other three Autonomous Communities mentioned above, it is one of the territories holding the highest number of cases. In the case of the Canary Islands, its designation is justified because of the distance and the limitations on communications between the islands and the peninsula. With respect to Galicia, the remote location from this region of the designated specialized courts is also the reason the Permanent Commission also approved the specialization of certain courts. With respect to the Basque Country, the considerable increase in Intellectual Property cases since 2017, as well as the region's considerable industrial activity and communication difficulties between territories in the northern part of the peninsula were also taken into account.

After analyzing the situation in the remaining territories, the Permanent Committee has agreed not to adopt the measure in the Autonomous Communities of Aragon, Asturias, Balearic Islands, Cantabria, Castilla-Leon, Castilla-La Mancha, Extremadura, Murcia, Navarre and La Rioja as they do not meet the requirements set forth under the law.

“The specialization in Intellectual Property of various commercial courts in the Autonomous Communities of Andalusia, Galicia, Basque Country and Canary Islands was agreed to by resolution of the Permanent Committee of the General Council of the Judiciary on 18 October 2018”

Therefore, the following Commercial Courts are currently authorized to hear civil lawsuits in cases relating to Intellectual Property:

- **CATALONIA.**- Commercial Courts No 1,4 and 5 of Barcelona, in relation to patents and industrial designs. Commercial Courts 2, 6, 8 and 9 of Barcelona, in relation to trademarks.
- **MADRID.**- Commercial Courts No. 6, 7, 8, 9, 10 and 11 of Madrid, in relation to the three modalities of patent, trademarks and industrial designs.
- **COMMUNITY OF VALENCIA.**- In relation to Patents, authority is attributed to Commercial Court No. 2 of Valencia; in relation to trademarks and industrial designs, authority is attributed to Commercial Courts No. 1 and 3 of the capital.
- **ANDALUSIA.**- Those cases which arise in relation to these matters shall be heard exclusively by Commercial Court No. 1 of Granada.
- **CANARY ISLANDS.**- Commercial Courts No. 1 and 2 of Las Palmas de Gran Canaria are established as the authorities to hear all cases.
- **GALICIA.**- Commercial Court No. 1 of A Coruña is exclusively attributed authority.
- **BASQUE COUNTRY.**- Commercial Court No. 2 of Bilbao holds exclusive authority for all cases.

COURT RESOLUTIONS OF INTEREST

TRADEMARKS

ANALYSIS OF COMPLIANCE WITH REQUIREMENTS FOR PROTECTION OF A WELL-KNOWN TRADEMARK

In the appeal for reversal heard before Section Three of the Contentious-Administrative Chamber of the Supreme Court, appeal 5395/2017, judgment no. 1410/2018 of 24 September 2018, in a trademark dispute in which the well-known character of the opposing earlier trademark was expressly declared, where the opponent sought the absolute refusal of the trademark, dismissed in trial court, it was argued that by having established the well-known character of the earlier sign, it was unnecessary for there to be an existence of confusion between the signs, all in accordance with European case law issued in that respect and duly invoked in the appeal for reversal; the Supreme Court, dismissing the claim, maintains, inter alia, the following:

While the protection conferred under Article 6 of the Trademark Law to any registered trademark is based on the existence of identity or similarity between the signs, and between the goods or services and the existence of a likelihood of confusion with the earlier trademark, which is interpreted to mean the possibility of the consumer believing that he is buying or consuming the good protected by the earlier trademark, however, under the special protection of registered well-known or reputed trademarks, identity or similarity between the signs is required, but similarity between goods or services is not required, although a connection between them is.

With respect to the specific case being analyzed, the Supreme Court states that it is true that there is a similarity between the signs in dispute, but said similarity alone is not enough to justify refusal of this trademark in unrelated classes, that is, it is not enough to apply Article 8.1, given that a link or connection as required under said provision is furthermore necessary, and in this case there is no use which modifies the economic behavior of the consumer, but rather a use of a trademark with highly descriptive terms which necessarily have to be used in a very similar manner by any competitor if he wants to compete on the market.

The infringement of Article 8.1 requires not necessarily a likelihood of confusion, but it does require for there to be an objective similarity between the signs as well as a connection or link. And the existence of this link or connection must be assessed globally, taking into account all relevant factors in each case, that is, the degree of similarity between the trademarks in dispute, the nature of the goods or services for which the trademarks in dispute are respectively registered, including the degree of proximity or differentiation between said goods or services, as well as the relevant public, the strength of the reputation or wellknown character of the earlier trademark, the force of the distinctive character of the earlier trademark, whether intrinsic or acquired by use, and the existence of a certain likelihood of confusion or association on the part of the public.

Where the trial court judgment indicates that there is no likelihood of taking unfair advantage of the reputation of the registered sign since there is no likelihood of confusion or association concerning the business origin of the signs, what it is really saying is that there is no existence of this necessary "link" between the signs, referred to by Community case law in order to apply Article 8 Trademark Law, considering that said link occurs when the consumer associates them as regards their business origin.

As regards the analyzed case, the judgment states that “we understand that with respect to the goods and services protected in Classes 16 and 41, the registration will not imply taking unfair advantage of the well-known character or distinctiveness of the opposing trademark. It seems evident, with respect to the mentioned fields (game being one and food

products being another), there is nothing leading one to think that the goods come from the same business origin or from undertakings linked to one another, taking unfair advantage of its reputation”. Based on the foregoing, the appeal for reversal is rejected and concludes by establishing the doctrine of application with the following wording:

The application of Article 8.1 Trademark Law requires that the similarity of the trademarks in opposition indicates a connection between the goods or services protected under said article and evokes in the average consumer a (legal or economic) link between them.

In order to determine the existence of a (legal or economic) link between trademarks, there must be evidence of the existence of a certain likelihood of association, even though it may not be to the degree required for applying Article 6.1.b) of the Trademark Law.

PATENTS

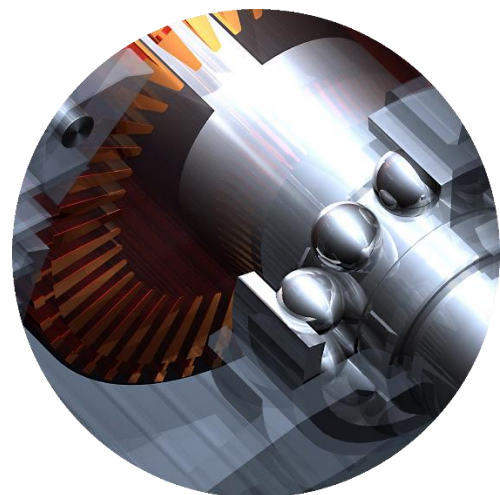
CORRECTION OF THE TERM OF SPCs IN SPAIN

One major change brought along in 2018 has been the reversal of the Spanish Patent and Trademark Office’s (SPTO) policy regarding corrections of the term of Supplementary Protection Certificates (SPCs).

In 2015, the Court of Justice of the European Union (CJEU) handed down its decision establishing that the relevant date for calculation of the term of an SPC was not to be the date of grant of the Marketing Authorization (MA), but the date on which this grant was notified to the applicant (Case C-471/14, “Seattle Genetics”). This implied that SPCs would be granted for a slightly longer (a matter of days) period. Some SPC owners tried then to rectify the term of their already granted SPCs, but authorities in many countries, including Spain, refused to do this.

This all changed in 2018, shortly after a new judgment by the CJEU at the end of December 2017. In its case C-492/16 (“Incyte”), the Court concluded that the holder of an SPC had the right to file an appeal for rectification of its correct term, provided that the certificate had not expired. Within a month of this judgment, the SPTO produced a specific form and started accepting applications to correct SPC’s terms, which have to include proof of when the MA was notified.

“In case C-492/16 (“Incyte”), the CJEU concluded that the holder of an SPC had the right to file an appeal for rectification of its correct term, provided that the certificate had not expired”



JUDGMENT 497/2018 ISSUED BY SECTION 15 OF THE REGIONAL COURT OF BARCELONA ON JULY, 12

Section 15 of the Regional Court of Barcelona has allowed the appeal filed against the judgment issued by the Patent Section of the Commercial Court of First Instance of Barcelona on 22 September 2016, which dismissed the claim initially brought by Germans Boada, S.A. against Bellota Herramientas, S.A., as a consequence of the marketing by the latter of a "kit" that could be applied to ceramic cutting machines, consisting of a handle or scoring wheel and an adapter device which allows its use in the most important cutting machines on the market.

Said claim was substantiated under the provisions of Article 51 of the earlier Patent Law 11/1986, as it considers that with said kit, a means relative to an essential element of the plaintiff's patent which served to put said patent into effect was being handed over, and this effect is none other than reducing the vibration in ceramic cutting machines. It was therefore interpreted that indirect infringement or infringement by contribution of the aforesaid patent was taking place.

According to the wording of said Article 51 of the earlier Patent Law 11/86 (and certainly of its corresponding article in current Law 24/2015, Article 60, having an identical wording), to apply said article, the third party must hand over or offer means which serve to put the patented invention into practice, which are an essential element thereof, and furthermore the third party knows, or circumstances make it evident, that such means that are offered or handed over are suitable for putting the invention into practice and are to be used for that purpose.

The trial court judgment considered that kit + adapter device marketed by Bellota was not suitable for reproducing the subject matter of the patent, both because it had not been proven that it could be used to reduce vibration frequency, and because it was a universal cutting tool intended not only for the plaintiff's machines but also for other machines belonging to the main companies on the market.

Coinciding with that stated by the Patent Court of First Instance, in our opinion it is obvious that the device marketed by the defendant was not by any means suitable for putting the invention into practice and in no case would it be intended for replacing essential means thereof – never being suitable to fulfill their purpose -, but rather would serve as a spare for the ceramic cutting machines produced by different companies existing on the market.

In that sense, as regards the suitability of the devices for putting the invention into practice, it was obvious that by specifying in the patent that the method for reducing vibration object thereof required the presence of a scoring wheel or handle with three recesses which extend longitudinally on the same, in addition to a flat surface which also extends along the entire scoring wheel – reducing vibration as a result of the reduction of mass in the scoring wheel -, and with the defendant's device having a single longitudinal recess, the object of the patent could not be carried out. However, the Regional Court understood that the adapter plug of the defendant's device – made of plastic -, did have respective recesses and it also reduced vibration frequency, and therefore revoked the judgment of first instance.

As regards the fact that the scoring wheel + adapter plug kit device was suitable for being used in many ceramic cutting machines and therefore was not intended exclusively for the plaintiff's machines, the appeal judgment makes no assessment as to this circumstance which, in our opinion, is a determining factor of the inexistence of the claimed infringement.

Indeed, the fact that the defendant's adapter kit (plug + scoring wheel) was not a product intended for putting the invention into practice as it is a universal kit with a contour and dimensions which allowed its use in a wide range of cutting machines, not just in those belonging to the plaintiff, was undoubtedly an element clearly excluding it from the claimed infringement as it demonstrated that the product at issue was not by any means intended for carrying out the object of the patent, but rather to constitute a universal cutting tool applicable in a number of ceramic cutting machines.

In any case, as no appeal to reverse the judgment before the Supreme Court has been filed, said judgment is final, thereby preventing us from knowing what would have been the High Court's opinion on this matter.

TRADE SECRETS

Prior to the publication in the Spanish Official Gazette, on 21 February 2019, of the entry into force of the new Law on Trade Secrets, two recent judgments are discussed below, the judgments being from the civil and criminal jurisdictions, respectively, and defining, similarly to said new law, what is to be understood as a trade secret.

Regional Court, Section 15, in Judgment 3/2019 of 2 January 2019 (Rec. 796/2018) indicates that a trade secret is understood to mean that information, knowledge, techniques, organization or strategies which are not known outside the scope of the business and with respect to which there is a will to keep them concealed given their competitive value, distinguishing in any case between trade secret and all that information that is part of the skills, capacities and professional experience of a subject, nonetheless clarifying that the knowledge acquired as a result of holding a position of responsibility and trust, which cannot be retained in the memory, belong within the scope of the secret and not that of professional training.

The judgment also confirms that in the absence of a specific provision in the Law on Unfair Competition that defines what is meant by trade secret, for the purposes of Article 13 of the Law on Unfair Competition, it is necessary to refer to Article 39.2. a) and b) of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs Agreement, BOE of 24 January 1995). Pursuant to this provision, to guarantee effective protection against unfair competition with respect to that undisclosed information which is lawfully under the control of natural or legal persons, preventing it from being disclosed to third parties or from being used by third parties without his consent, in a manner that is contrary to honest commercial purposes, so long as such information:

- i) is secret, in the sense that it is not generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- ii) has commercial value because it is secret; and
- iii) has been subject to reasonable steps, under the circumstances, to keep it secret.

In this case, the judgment considers trade secret, which is subject to the commitment to confidentiality assumed by the defendants, to be a specific list of physicians prescribing microbiological products and food supplements which was known by the defendants while they provided their services for the company. However, the list of professionals or clients is not, in theory, considered a trade secret, for the purposes established in Article 13 of the Law on Unfair Competition, as there is no evidence to suggest, furthermore, that there was such a list or that the company adopted any measure whatsoever to protect it, considering that it is public information which is available to anyone.

In turn, the Supreme Court, Criminal Chamber Two, in Judgment 679/2018 of 20 December 2018 (Rec. 2585/2017), with respect to the reported infringement of Article 279 of the Criminal Code, indicates that the aforesaid article punishes, in its basic form, the dissemination, disclosure or assignment of a trade secret carried out by any person having the legal or contractual obligation to keep the secret. And in its privileged form, it punishes whoever uses the secret for their own advantage, considering that the core element of this crime is the trade secret, which is not

defined by the Criminal Code, so in reference to an earlier judgment which defines it refers to a functional-practical conception, considering "trade secrets to be those secrets characteristic of the business activity which, should such secrets be known against the company's will, may affect the competitive capability of the company.

Therefore, characteristic notes are:- confidentiality (it is intended to be kept secret),- exclusiveness (it belongs to a company),- the economic value (economic advantage or profitability),- lawfulness (the activity must be legal in order for it to be protected)".

The Supreme Court also confirms that in the absence of a legal concept of trade secret which allows us to outline in each case whether or not the aforementioned type exists, we may also refer to Article 39 of the TRIPs Agreement, according to which the information must meet the following characteristics:

- | | |
|---|--|
| <p>a) It is secret, in the sense that it is not generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question.</p> <p>b) It has commercial or competitive value because it is secret.</p> | <p>c) It has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret..</p> |
|---|--|

In this case, the judgment states that it cannot reach the conclusion maintained by the appellant, that is, that the defendants are the authors of the crime of disclosure of a professional secret, since this case relates to "trade secrets", which are characteristic of the business activity, known against the company's will, and they may affect its competitive capacity, given that third parties could access supplier data, client data and prices on the website, therefore the mentioned information was known and readily accessible.

Secondly, the judgment clearly states that the duty to maintain confidentiality agreed on with the dismissal of both the accused parties does not include a suitable compensation. In fact, said compensation is inexistent, and the information about clients, suppliers and prices, while it does meet the requirements of exclusiveness, economic value and lawfulness, does not comply with the note of confidentiality required by case law, since the list of prices that was found on the company's website, which was therefore free to be accessed by any person, including competing companies, was copied, such that said information was no longer confidential and could not be classified as a trade secret given the public disclosure it was given.

"The information must meet the following characteristics:

- a) It is secret.*
- b) It has commercial or competitive value because it is secret.*
- c) It has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret."*

LATINAMERICA
ARGENTINA

OUTLINE OF THE RECENT CHANGES INTRODUCED TO THE DIFFERENT PROCEDURES BEFORE THE INPI

Numerous pieces of law were enacted in Argentina during 2018 to regulate, adapt or clarify the changes that modified the prosecution of trademarks, patents and designs.

The transformation of these procedures started with the publication of the Presidential Decree 27/18 on January 11, 2018, soon after the beginning of the year. Even if the Decree came into force as from the day after the publication, in order to have full effect, it had to be ratified by the National Congress and regulated by the National Institute of Intellectual Property (INPI). All this happened with the promulgation of Law 27,444 of "Simplification and De-Bureaucratization for the productive development of the Nation", published in the Official Gazette on June 18, 2018, and with the prolific regulations issued by the INPI throughout the year.

In addition to the aforementioned changes, the INPI completed the process of updating its platform so that all IP procedures could be carried out digitally in its entirety. This new modality required a set of guidelines for using the platform and the amendment of all the forms.

The most relevant changes related to the prosecution of trademarks, patents, utility models and industrial designs were the following:

"The oppositions, which were previously settled in court, are now decided by the INPI through an administrative procedure"

TRADEMARKS

- The opposition resolution system was modified. The oppositions, which were previously settled in court, are now decided by the INPI through an administrative procedure. This procedure was regulated by Resolution P-183/18, which entered into force on September 17, 2018.
- Law 27,444 also states that an administrative procedure will be established for deciding on the cancellation of trademarks registrations on the grounds of non-use and regarding the nullity of trademarks granted in contravention of the provisions of the law. However, these issues have not been regulated by the INPI yet. Cancellation and nullity actions must still be handled in court.
- A significant change related to the cancellation of trademark registrations, which does not need regulation, is that trademarks can be partially cancelled due to lack of use.
- Another novel issue linked to the use of trademarks is that a sworn statement of use must be submitted before the Trademark Office between the 5th and the 6th year of the registration. However, no penalty has been established for not filing the statement, besides an additional fee for the late filing of this document that was added to the official fee Schedule.
- Another important issue is that the new law deleted the requirement to file one application per class. Although it is still not possible to file multi-class applications, the removal of said requirement from the trademark law leaves open the possibility that the INPI provides for the acceptance of multiclass applications by a simple regulation.

PATENTS

- No substantive changes have been established in relation to patents. However, the terms of prosecution were considerably reduced with the purpose of expediting the granting of patents. For example, the period for requesting and paying for the substantive examination was reduced from 3 years to 18 months; the term for completing the application formalities, introducing amendments or requesting the conversion into a utility model application was reduced from 90 days to 30 calendar days; the term for answering preliminary examination actions was also reduced to 30 calendar days.
- Another relevant change is that the priority certificate and the assignment of priority document have to be filed during the examination stage only if they are requested by the examiner through an office action. Despite this, if these documents are in a language other than Spanish, a sworn translation into Spanish must be filed within 3 months as of the filing date.

UTILITY MODELS

- Resolution P-280/18 regulated the new procedure for obtaining utility models. The procedure is now much more expeditious: upon filing the application and paying the examination fees, the formal and substantive examinations will be performed. If the application is allowed, it will be published and third parties will have a 30-day term for filing observations. If no observations are submitted, the utility model will be granted.
- Just as in the patent procedure, the terms were considerably shortened. The deadline to request and pay for the substantive examination was reduced from 3 years to 3 months as from the filing date; the period for completing the application formalities was reduced to 30 days; the period for requesting the conversion into patent and the term for filing the responses to office actions were also reduced to 30 days.

INDUSTRIAL DESIGNS

- Resolution P-252/18 regulated the new procedure for the registration of industrial designs. With this new procedure, it is possible to request multiple designs in a single presentation (up to a maximum of 20 designs and models, so long as they belong to the same class within the Locarno Classification).
- Besides this, the new regulations accept other formats for the presentation of the figures (drawings and/or photographs and/or digital reproductions).
- Now, the suspension of the publication of the granting decision can now be requested, up to a maximum of 6 months.
- The term for filing the renewals was modified. The application for renewing a design can be submitted within 6 months before the expiration date. Likewise, the design can also be renewed during a 6-month grace period upon the payment of an additional fee.

Accompanying these changes, the INPI also issued other resolutions such as: Resolution P-250/18 establishing the new general guidelines for the prosecution of applications and incorporating to the Schedule of official fees the new items resulting from the changes in the procedures; the National Patent Administration's Circulars Nos. 2, 3, 4 and 5 establishing requirements to submit patent applications and the opportunity to file the priority certificate, the assignment of priority document and their translations; and Provision 1/2018, issued by the Operational Directorate of the INPI, which establishes formal requirements for the presentations via online.

After a long process, almost all the modifications have been regulated and are now operative. Despite this, the need of further adjustments and clarifications may arise to adapt to the new procedures to the daily practice.

When do we have to submit the priority certificate, the assignment of the priority document and their translations?

After the changes introduced by Decree 27/18 and Law 27,444 to the procedures before the National Institute of Intellectual Property (INPI), Resolution INPI P-250/18 was issued establishing the general guidelines for the prosecution of the applications and incorporating new items to the official fees schedule. This Resolution is operative as from October 1, 2018.

Amongst other requirements, the aforementioned Resolution states that the priority certificate, the assignment of priority rights and the corresponding public translation must be submitted within three months as of the application filing date. Except for patent applications. In these cases, it will be necessary to file the priority certificate and the assignment of priority rights (if applicable) only if they are required by the examiner through an office action during the substantive examination stage. Notwithstanding this fact, if the document of priority and the assignment are written in a language other

than Spanish, their public translation must be submitted within three months after filing the patent application. Given that several months elapsed since the presidential decree eliminated the requirement for filing the priority certificate and the assignment document until the aforementioned Resolution P-250/18 was finally published, many applicants did not submit these documents nor their translations. For this reason, the INPI issued Circular 4/2018 granting a term of 3 months, counted as from October 1, 2018, to file the public translation of the priorities claimed in those patent and utility model applications that were filed between January 12, 2018 and October 1, 2018. Through Circular 5/2018, the term was extended for three more months. Therefore, the final deadline for filing the public translations in the applications entered during the aforementioned period is April 1, 2019. Owners of utility model applications must also file the certificate of priority and the assignment document within that term.

“If the document of priority and the assignment are written in a language other than Spanish, their public translation must be submitted within three months after filing the patent application”

GREEN LIGHT FOR THE NEW TRADEMARK OPPOSITION SYSTEM

The modification introduced to the trademark opposition system was so profound that it deserves a separate chapter.

During the previous regime of Law 22,362, the INPI did not take part in a trademark opposition dispute unless both parties expressly required it. In practice, applicants never used this option. Once the opposition was served to the applicant, there was a one-year term to obtain the withdrawal of the opposition. If the direct negotiations with the opponent and the mediation instance failed, the applicant had to initiate a court action before the Federal Civil and Commercial Court to obtain a decision declaring the opposition groundless. This court action had to be initiated before the expiration of said annual term. Such trial could take approximately 3 years, after which, the procedure was sent back to the administrative instance so that the INPI’s examiner could carry out a new examination to decide on the registrability of the trademark.

On September 17, 2018, INPI Resolution P-183/18 came into force. This piece of law regulates the administrative procedure for the resolution of trademark oppositions.

With the new system, the administrative authority is empowered to decide on those oppositions that could not be settled by the parties through direct negotiation. This will considerably reduce the costs and the length of the opposition process.

Another fact to point out is that the burden to initiate the process to resolve the opposition switches from the applicant to the opponent. Previously, it was the applicant who had to put all the efforts to obtain the withdrawal of the opposition during the negotiations and, if required, initiate a court action before the expiration of the annual term. Otherwise, the application would be declared abandoned. In the new system, the opponent must ratify the opposition to keep it in force so that the corresponding administrative procedure could be opened.

The main provisions set by Resolution P-183 are as follows:

1. If the opposition is not settled after three (3) months from the notice to the applicant, the INPI will request the opponent to pay a fee within a 15-working-day term (non-extendable) to keep the opposition in force. During this term, the opponent can broaden the grounds of the opposition and submit evidence. If the fee is not timely paid, the INPI will consider that the opponent lost his/her interest and the procedure for resolving the opposition will not be opened. The opposition will be considered as an observation.
2. After that, the applicant will be served of all pending oppositions and will have a 15-working-day term (non-extendable) to answer each opposition individually and submit evidence.
3. The briefs filed with the INPI must be signed by a lawyer or an Intellectual Property agent.
4. The term for submitting evidence will be of a maximum of 40 days.
5. Once the period for submitting evidence is closed, the parties will have a 10-working-day term to file the final arguments, should they deem it necessary. At this stage, the parties may inform the INPI that they have agreed to submit the case to a mediation, conciliation or any other alternative method of dispute resolution. This notice will suspend the process for 30 working days. Once this period has expired, if the parties did not resolve the opposition by an alternative method, the procedure will be resumed and a new period of 10 days will be granted to submit the final arguments.
6. The administrative authority's decision can be appealed before the Civil and Commercial Federal Court.
7. If any party requests the nullity or the cancellation of a registration due to lack of trademark use, the parties must bring this complaint before the Civil and Commercial Federal Court, until the INPI regulates the procedure regarding cancellation and nullity requests.

On October 31, 2018, the INPI published the first set of notifications to the opponents so that they ratify their oppositions so now the new procedure of administrative resolution of oppositions is fully running in Argentina.

BRAZIL

NEW REQUEST TO INDICATE ACCESS TO GENETIC HERITAGE AND ASSOCIATED TRADITIONAL KNOWLEDGE

As of February 27, 2018, the Brazilian Patent and Trademark Office (INPI) began automatically issuing office actions so that, within 60 days, the applicants could indicate whether its patent application originates from an access to the genetic patrimony or traditional knowledge of Brazil. If affirmative, applicants must demonstrate that they have the pertinent authorization for it. This requirement corresponds to code 6.6.1 and, given that a preliminary analysis of the application is not made, it applies to patents in all fields.

Unlike previous office actions based on code 6.6, the lack of response will no longer be sanctioned with the abandonment of the application. If the owner does not present a statement in this regard, the INPI will interpret that the patent was not obtained as a result of access to the Brazilian genetic heritage or associated traditional knowledge and will proceed with the substantive examination of the application.

Therefore, the answer will be necessary only in cases in which samples of Brazilian genetic heritage or associated traditional knowledge have been accessed.

NEW RESOLUTION TO ACCELERATE THE EXAMINATION OF PATENT APPLICATIONS

In order to accelerate the processes of pending applications that have been submitted 10 or more years ago, the Brazilian Patent and Trademark Office (INPI) published Resolution 227/2018 on October 30, 2018. This regulation establishes the mechanism by which INPI may use the results of technical searches carried out by patent offices of other countries or international or regional organizations.

The requirements that an application must meet to be able to access the accelerated procedure are the following:

1. It must not have been subjected to the first technical examination at the INPI;
2. It must not contain a request for an accelerated examination of another type before the INPI;
3. A request for ANVISA to provide its opinion in the examination of the patent application must have not been issued; and
4. There must be a request with the result of the search of priorities made by patent offices of other countries or international or regional organizations.



If the patent application meets all these requirements, the INPI will issue a so-called "pre-examination" requesting the following:

1. The search report containing the documents cited in the search or technical examination conducted by the patent office of another country or by international or regional organizations; and
2. A request for the applicant to amend his request or present the corresponding arguments about the patentability requirements, according to the documents mentioned in the search report.

Once the hearing has been published, the applicant will have a period of 60 days to file its response. If the answer is not filed within the aforementioned period, the abandonment of the application will be declared. On the contrary, if the answer is submitted, the INPI will proceed to perform the examination.

This measure is in line with the Action Plan developed by the INPI for 2018 with the purpose of reducing the back log in the examination of patents. Among these measures there is also a project to grant patents automatically but which is currently on a stand-by. Before new decisions are taken, the new president of the INPI, the economist Cláudio Vilar Furtado, will review the entire IP system of Brazil, so we must wait a little longer to know what measures will be taken in the future.

"Resolution 227/2018 on October 30th, 2018 establishes the mechanism by which INPI may use the results of technical searches carried out by patent offices of other countries or international or regional organizations"

PPH PROGRAMS IN BRAZIL

In order to reduce the current delay in patent procedures, the INPI has been implementing, since 2016, together with the Patent and Trademark Offices of other countries, various programs to accelerate the examination of patent applications (Patent Prosecution Highway - PPH).

Through these programs, the parties agree that, once a favorable resolution is obtained in relation to, at least, one claim of a patent examined in one of the countries participating in the program, the applicant may request in the office of the second country that an accelerated examination of the application be carried out with respect to the claims approved by the office of the first country

Currently, the PPH programs in force in Brazil are the following:

- **BRPTO – PROSUR** - The pilot project of shared examination PPH with the member countries of PROSUR (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Paraguay, Peru and Uruguay) entered its second phase on September 4, 2018. This program does not have a maximum number of orders nor is it limited for any field of technology.
- **BRPTO – USPTO** – In May 2018, the INPI extended the agreement with the United States Patent and Trademark Office until April 30, 2020, or until the quota of 200 orders is filed, whichever happens first. The agreement only applies to applications related to the oil and gas industry.

- **PPH BR - SIPO** – On January 26, 2018, the pilot program with the Chinese Office entered into force for a period of two years, or until the filing of 200 petitions. The INPI will only accept PPH orders in applications which meet the following technical requirements: information technology, packages, measurement or chemical technology, except drugs.
- **PPH INPI-UKIPO**: On August 1, 2018, the PPH pilot program was initiated between the INPI and the United Kingdom Patent and Trademark Office (UKIPO). The pilot program will be valid for two years, or until the filing of 200 petitions. Each one will accept only 100 requests to the PPH program for each year. In this PPH program, orders are only accepted in relation to applications from the following areas: biotechnology (except drugs), home appliances and machines, audiovisual technology, communication, media, IT management and semi-conductors.
- **PPH INPI-DKPTO** - On May 18, 2018, the INPI and the Danish Office signed a Memorandum of Understanding (MoU) to start the PPH program on September 1, 2018. The pilot program will run for two years, or until the submission of 200 applications. Each one will accept only 100 requests to the PPH program for each year. It is still being negotiated whether the program will be limited to patent applications in any field of technology.

The INPI is aiming at signing additional agreements and is now discussing additional PPH programs with Russia (ROSPATENT), South Korea (KIPO), Israel (ILPO) and Mexico (IMPI).

MANUAL OF INDUSTRIAL DESIGNS

On January 8, 2019, the INPI launched the first edition of the Industrial Designs Manual that consolidates the guidelines and procedures related to the examination of orders for the registration of industrial designs, and provides instructions for preparing applications and monitoring processes. The manual will serve as a reference for examiners, Intellectual Property agents and users in general.

This first edition of the Manual of Industrial Designs was made official by Resolution INPI / PR n°

232/2019 of January 7, 2019, which will come into force on March 9, 2019.

The publication of the Manual of Industrial Designs took place after a public consultation between August 11 and September 29, 2017. The INPI received 208 contributions from 10 participants, which were discussed and answered by the Permanent Committee for the Improvement of Procedures and Test Guidelines.

FURTHER DEVELOPMENTS

- The 11th edition of the Vienna Classification has been officially accepted.
- New conditions have been established for the registration of Geographical Indications with the Norm 95/2018. It establishes that certain names are not protected as Geographical Indication: those related to registered or commonly used plant varieties, those of existing animal breeds and those that may generate confusion with other Geographical Indications.
- Finally, a collaboration agreement has been announced with the CAS (American Chemical Society) for the use of artificial intelligence tools that speed up the examination of patents.

CHILE

INAPI AGREES NEW PROGRAM OF ACCELERATED EXAMINATION (PPH) WITH THE USPTO

On September 2018, the authorities of the National Institute for Intellectual Property of Chile (INAPI) and the United States Patent and Trademark Office (USPTO) signed a memorandum of understanding for the implementation of the Accelerated Patent Procedure Pilot Program.

The validity of this pilot program will be 3 years from its implementation on November 1, 2018, and may be extended by mutual agreement of the parties.

Under this program, the parties agree that, if one of the offices issues a final decision accepting to grant the patent for at least one claim, the applicant may request the accelerated examination of their application in the second office for the claim which is accepted in the other country.

The PPH agreement between INAPI-USPTO includes the PPH Mottainai and PCT-PPH modalities. The PPH Mottainai modality allows an applicant who has obtained a favorable result in a Previous Examination Office (OAS), to request the accelerated examination of their corresponding application in a Subsequent Examination Office (EPO), regardless of which office is origin or first deposit. The PCT-PPH modality allows an applicant who has obtained a favorable result in an international phase, within the framework of a PCT application, to request the accelerated examination of their corresponding application in a Subsequent Examination Office (OEP).

This agreement is in addition to the current PPH pilot programs with the Intellectual Property offices of PROSUR (Argentina, Brazil, Colombia, Costa Rica, Ecuador, Paraguay, Peru and Uruguay), Pacific Alliance (Colombia, Mexico and Peru), Canada (CIPO), Japan (JPO) and China (SIPO).

“INAPI and USPTO signed a memorandum of understanding for the implementation of the Accelerated Patent Procedure Pilot Program (PPH)”

TRADEMARK GUIDELINE’S UPDATE

In 2010, the INAPI published its first Trademark Guidelines, which set up, in a pretty simple way, the practice of the Trademark Office in Chile. After 8 years, this office decided to update its guidelines so that they reflect the legislative and regulatory reforms and practices of the Chilean office, as well as the jurisprudence of its Courts.

The update process was divided into three stages. The first stage ended in November 2017, making available to users six chapters with 33 sections, plus the presentation and index of abbreviations. In May 2018, the guidelines related to the name, pseudonym or portrait of a natural person were issued within the chapter "Registration Prohibitions". The last stage of this process, which ended on November 30, 2018, included two chapters, with 14 sections referring to "Substantive Aspects" that include trademarks, requirements and registration prohibitions.

The Guidelines were presented in a 100% electronic format, divided by themes, thus facilitating their consultation. They can be found on the website of the Chilean Trademark Office.

CHILE APPOINTED AS OFFICE IN CHARGE OF PRELIMINARY SEARCH AND EXAMINATION (ISA / IPEA) OF THE PATENT COOPERATION TREATY (PCT)

Of the 23 patent offices that fulfill the role of International Authority of the Patent Cooperation Treaty (PCT), in Latin America only Brazil and Chile have been designated.

Since January 1, 2018, the National Institute of Intellectual Property (INAPI) can issue international search and international preliminary examination reports in both Spanish and English, thereby expanding the alternative for users from other countries of the non-Spanish-speaking region may designate this office to issue such reports.

Currently, INAPI, fulfilling the work of the International Search and Examination Authority (ISA / IPEA), provides services for applicants from 12 countries that have designated it to fulfill this task for their nationals: Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Mexico, Panama, Peru and the Dominican Republic, to which Trinidad and Tobago joined, in 2018.

During 2017, it issued 217 international search reports and written opinions.

Regarding the work of INAPI as an IPEA, in 2017 19 requests were received that required an international preliminary examination, which means an increase compared to the six received the previous year.

The Head of the PCT Department of INAPI, Henry Crew, stated that he is very happy with the number of requests that they had as both the Receiving

Office and ISA / IPEA, since this shows the enormous confidence that INAPI awakens in the community. Intellectual Property both Chilean and the rest of Latin America and now the Caribbean, since they began to operate in English and Trinidad and Tobago has already relied on that office to designate it as an International PCT Authority for its nationals.



COLOMBIA

COLOMBIA CHANGES ITS COPYRIGHT AND RELATED RIGHTS LAW

After a controversial debate, the Colombian law 1915 was enacted on July 12, 2018, to modify the Copyright and related rights Law.

This was not a mere updating of the Colombian copyright law but a substantial reform. It was necessary to include some provisions into the new law to comply with commitments acquired by Colombia when the Free Trade Agreement with the United States was signed. Besides this, some aspects that were regulated by the Andean Decision 351 of 1993 or in the WIPO treaties signed by this country have now been introduced to the Colombian internal order. These new regulations put on equal footing local and foreign authors, artists and copyright owners, benefitting the national creative industries.

“The new regulations put on equal footing local and foreign authors, artists and copyright owners, benefitting the national creative industries”

The main changes established by Law 1915 are the following:

1. The law updates the catalogue of economic rights set by the Andean Decision 351 for authors, artists and phonogram producers; specifying the scope and content of their rights, taking into account the challenges that a digital environment poses.
2. It introduces presumptions of ownership for copyrights and related rights in favor of people under whose name, pseudonym or similar, it was published a work, performance or phonogram.
3. It incorporates the principle of exhaustion of rights for distribution, both for copyrights and related rights.
4. It sets new limitations and exceptions to the copyright and related rights: temporary reproduction, library lending, make them available at specialized terminals or document centers; the transformation with the purpose of parody or caricature, and the reprographic reproduction for educational purposes.
5. It regulates the use of orphan works, placing Colombia as the pioneer in this type of regulation. The law empowers libraries, educational centers, museums, archives and conservation organisms, to use orphan work after concluding a diligent search of their authors or owners.
6. It establishes provisions with respect to technological protective measures.
7. It extends the protection term from 50 to 70 years as from the date in which the work was published with authorization, when the owners of copyrights are legal persons. If the work was not published, the protection term will be up to 70 years as from its creation. For natural persons, the term of 80 years remains unchanged.

Some issues have not been addressed in this law, such as the exceptions to the responsibility of Internet service providers for copyright or related rights infringement. In turn, there are some aspects that are not clear and that will surely be subject to subsequent regulation or will be clarified by the jurisprudence or doctrine. Time must be allowed to see how these new changes are adapted and how the gaps left by this new law are resolved in Colombian law.

MEXICO

Throughout last year, various amendments were made to the Intellectual Property Law of Mexico, the Federal Law of Copyright and various international treaties that impacted the intellectual property rights in this country.

These reforms were published in the official newspaper of the Federation on March 13, 2018 and May 18, 2018 and affect provisions on inventions, trademarks, utility models and industrial designs, and include as protection figures the appellations of origin and geographical indications.

TRADEMARKS

The aspects of greater relevance of each one are the following:

First of all, the concept of trademark is modified as "any sign perceptible by the senses and capable of being represented in a way that allows to determine the clear and precise object of protection, which distinguishes products or services from others of the same species or class in the market ", so that now the so-called " non-traditional brands "are integrated. In this respect, the types of permitted brands were extended, now accepting, explicitly, the sounds, the holographic, olfactory marks and the commercial image (trade dress).

On the other hand, the legal impediments to obtaining a trademark registration were updated, so that, from now on, trademark names for technical or common use of products or services, three-dimensional forms, holograms, are excluded as trademark protection figures, figurative elements, or phrases that have fallen into the public domain, letters, digits or isolated colors, or any signs that, without authorization, reproduce or imitate: shields, flags or emblems of any country, state, municipality or equivalent political divisions, geographic zones, own or common, and maps, as well as the denominations of populations, among others.

Likewise, the regulation was modified to specifically regulate the acquired distinctiveness (secondary meaning) of a trademark, by adding the exception of the impediments of registrations, when the trademark has acquired, for the products or services for which it is requested, a distinctive character derived from the use that would have been made in commerce.

In the same way, certification marks were regulated, which can now include Geographical Indication.



The amendments to the Law of 2018 regulates the opposition system that had begun in 2016, establishing that any person may submit an opposition to a registration within the non-extendable period of one month, counted from the date of publication of the application of brand or commercial notice. Likewise, the applicant will have one month to demonstrate against the opposition. For its part, the IMPI will have a maximum of six months to resolve the opposition.

Finally, perhaps the most important novelty for practical purposes lies in the obligation to declare the use of a brand in relation to specific products or services. From now on, the owner of the trademark is obliged to declare the actual and effective use of the trademark during the three subsequent months, counted as of the third year after the registration was granted. Likewise, in the renewal of the brand, the actual and effective use of the same must be declared. If the declaration of use is not made, the trademark registration will expire as of right.

It also highlights the modifications to the "Agreement that establishes the guidelines for the handling of requests, petitions and promotions submitted in accordance with the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, before the Mexican Institute of Intellectual Property", in which aligns the international trademark requirements with the amendments to the Intellectual Property Law.

In the modifications to this agreement, the figure of provisional denial is established, which consists of a written communication in which the IMPI must inform of the existence of requirements, impediments or formulation of an opposition of the application from an international registration.

In addition, as a result of the reform of May 18, 2018 in the LPI, the holder of an international registration that has designated Mexico to extend its protection, must present a declaration of actual and effective use of the trademark in each class in which this protection has been recognized directly before the IMPI, within three months after counting the third year of the national registration being granted. Consequently, the scope of protection of the registry will be limited to those products or services on which the use has been declared. If this declaration is not made on the third anniversary, the trademark will expire.

In relation to the renewal of an international registration, the owner must declare the actual and effective use of the trademark in each class, during the three months after notification of the renewal made by the International Bureau, provided that the granting of protection in Mexico is at least three

years old. Likewise, the scope of protection of the renewed registration will be limited to those products or services on which the use has been declared.

“From now on, the holder of the trademark is obliged to declare the actual and effective use of the trademark during the three subsequent months, counted as of the third year after the registration was granted”

GEOGRAPHICAL INDICATIONS

The definition of the denomination of origin is modified to: "the name of a geographical area or that contains said name, or another name known to refer to said area, which serves to designate a product as originating therein, when the quality or the characteristics of the product are due exclusively or essentially to the geographical environment, including natural and human factors, and that has given the product its reputation".

Said modifications also imply the express recognition of protection of Geographical Indications in Mexico, as well as the express recognition for the protection of Denominations of Origin or Geographical Indications recognized abroad.

New causes of administrative infringement are also included, such as the unauthorized use of translations or transliterations of protected names or indications, as well as the use of words that may induce the public to confusion or imply unfair competition. The impediments due to confusion are referred to a trademark application or commercial notice, not only to appellations of origin and geographical indications.

“Express recognition of protection of Geographical Indications in Mexico, as well as the express recognition for the protection of Denominations of Origin or Geographical Indications recognized abroad”

UTILITY MODELS AND INDUSTRIAL DESIGNS

Regarding legislative developments in the area of Utility Models and Industrial Designs, the figure of designer is incorporated and the validity of the Industrial Designs is modified. Until now, they were valid for fifteen years, which can not be extended from the date of filing the application. From now on, the industrial design will have a validity of five years, from the date of presentation of the application, renewable in successive periods of the same duration up to a maximum of twenty-five years, subject to the payment of the corresponding fees.

Likewise, utility models and industrial designs; as well as their divisional applications will be published in the Intellectual Property gazette, without this publication being anticipated.

PATENTS

In the field of patents, the period for a third party to make observations on whether the patent application meets the patentability requirements and does not fall under the exceptions of patentability changes from six to two months from the date of publication of the request.

It also includes that the divisional applications of patents of invention will be published in the Gazette of the Intellectual Property.

It also allows the inclusion of the figures of Integrated Circuit Layout Designs and, as regards divisional patents, its publication is regulated in the Intellectual Property Gazette.

On the other hand, in 2018 the criterion was followed that the products obtained through processes considered essentially biological are not patentable, adjusting to the criteria that EPO was following in the analysis of this type of development. However, the law and regulations only consider essentially biological processes as an exception to patentability and do not make a specific reference or explanation to the products, which should be subject to compliance with novelty, inventive activity and industrial application. Recently the EPO seems to have changed its mind, allowing the patentability of a product considered to come from essentially biological methods, which may have an impact on the evaluation of this type of product in Mexico. We will be attentive to the evolution of the Office's criteria on this point.

Related to the biotechnological patents, the IMPI published the agreement by which the list of recognized institutions for the deposit of biological material is announced on May 11, 2018, having a list now of 47 Institutions recognized as international deposit authorities. of biological material, for the purposes of patent processing, following the inclusion of Culture Collection of Switzerland AG (CCOS), Moroccan Coordinated Collections of Microorganisms (CCM) and the National Research Center of antibiotics (NRCA) is eliminated.

OTHER DEVELOPMENTS

Regarding other modifications related to general Intellectual Property issues, we can highlight the following:

Applications published in the Gazette of Intellectual Property may now be consulted by the general public.

In the reform of the LPI it is established that all the files of resolutions, requirements and other acts issued by the Institute related to the processing of Patents, registers, as well as those related to the conservation of rights, will be of public consultation and not only of the empowered and authorized, once the applications have been published in the Intellectual Property gazette.

As we know, this practice is already a reality in the case of brands. However, the question remains as to how it will be implemented for the other protection figures, since it is opposed to the requirement, also established in the Law, to indicate the address to hear and receive notifications and update it. This is expected to be clarified in the amendments to the Intellectual Property Law Regulation that is still pending publication.

Finally, regarding the computation of terms in working days, the first term is counted from the day following the notification and the additional period of two months will be counted from the business day following the expiration of the first term.

COPYRIGHT

Last amendment published in the Official Gazette of the Federation on June 1, 2018, in which it is established that now the holders of rights recognized by the copyright law may apply to the Federal Courts and / or Courts of the States and / or the City of Mexico, the granting and execution of the following precautionary measures to prevent, prevent or avoid the violation of their economic rights, that is, they may make use of the judicial authority to enforce their rights.

REGULATORY LAW AMENDMENTS

Legislative developments also affect provisions related to the regulation of cannabis-related products. In this sense, the Federal Commission against Sanitary Risks (COFEPRIS) published in October 2018 the criteria for the evaluation of requests for sanitary registrations, exploitation and import of products related to cannabis and its derivatives in concentrations of less than 1% of tetrahydrocannabinol (THC). On the other hand, the use for medical and scientific purposes is already legal when the product contains less than 1% THC. There is jurisprudence to allow the recreational use of marijuana, however, the authorization is subject to request for protection by the interested party.

URUGUAY

LESS OFFICE ACTIONS FOR PATENT AND UTILITY MODELS APPLICATIONS

On October 26, 2018, the Uruguayan Patent office published Resolution 5/2018 establishing that a maximum of two office actions would be issued during the substantive examination of patent and utility model applications. This would be effective as from November 1, 2018.

This measure modified the previous regulation stating that the Patent Office could issue up to a maximum of three office actions during the examination stage of patent, utility models and industrial design applications.

In connection with the term for filing the reply to an office action issued in a patent or an utility model application, Resolution 5/2018 further establishes that a 45-day term will be granted, with the possibility of extending it for an additional 45-day term.

Besides this, said Resolution states that if new issues that could affect the patentability arise after the office action was responded or within the deadline to answer it, the examiner may issue a single additional office action granting a 30-day term to answer it (this can be extended for an additional 30-day term). In these cases, the examiner must expressly indicate which are those new issues that motivate the issuance of an additional office action.

“A maximum of two office actions would be issued during the substantive examination of patent and utility model applications. This has become effective as from November 1, 2018”

PRESENTATION OF THE GUIDELINES FOR DISTINCTIVE SIGNS APPLICATIONS AND THE TEAM FOR AMENDING THE LAW

On November 26, 2018, the Uruguayan Patent and Trademark Office (DNPI) launched the guidelines for the examination and prosecution of distinctive signs applications. These guidelines systematically gather the proceedings and the criteria used by the Trademark Office in order to facilitate the prosecution of the applications to users and examiners.

Furthermore, besides introducing the guidelines, the authorities presented the interinstitutional team that is working on the first draft for the global amendment of the Trademark Law No 17.011.



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