



DECISION 486 TRADEMARKS, COPYRIGHTS, DESIGNS & UTILITY MODELS IN VENEZUELA AND THE ANDEAN PACT - Protecting Trademarks and Get Up of Hot Products

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I. INTRODUCTION

This outline contains the essential points for Protecting Trademarks and Get Up as well as Designs and Utility Models in Venezuela. The Key Point notice highlights the 12 Key Points and difference between Venezuela and US Trademark Law.

1. Decision 486, Trademarks, Designs, and Utility Models: Trademark protection is provided in Venezuela by Decision 486. Patents, Integrated circuits, Design patents and utility models are also protected by Decision 486. Consequently, it is important to understand what Decision 486 is and how it came to be law in Venezuela and other Andean Pact nations of Colombia, Ecuador, Peru and Bolivia. Infringement of consumer products is common in the Andean Pact Nations. Since many products embody trademarks and distinctive get up and packaging it is important to review and protect the distinctive and protectable elements and use the applicable law to protect as many elements as is possible for heavily counterfeited or infringed properties.

Key Point 2. Decision 351 - Copyrights - Titles of works protected by Copyright: Copyrights are protected in Venezuela and the Andean Pact nations of Colombia, Ecuador, Peru and Bolivia by Decision 351. Consideration of copyright protection for packaging, advertisement and where applicable to product shapes should be considered as it cheaper and faster than the protection under 1 above. Note that Decision 351 differs from US and British law and protects the titles of copyrighted work as does French copyright law. Since Decision 486 provides in Article 136 that trademarks may not be registered when they "violate the intellectual property right or copyright of a third party", copyright protection should not be overlooked.

Key Point 3. The Andean Pact: Venezuela is a member of the Cartagena Agreement an economic group consisting of Venezuela, Colombia, Ecuador, Peru and Bolivia (The Andean Pact). This group's Commission has issued Decision 486 which as a Decision of the Commission preempts the national patent and trademark laws of the Andean Pact member states and functions as the national patent and trademark law of each member country. Decision 351 of the Commission functions as the common copyright law of the Andean Pact and preempts the national copyright laws of the Andean Pact member states. For American lawyers, the analogy would be the preemption of state trademark laws by the Lanham Act.

Key Point 4. History Of Decision 486: The reason the five (5) Andean Pact

countries share a common trademark and patent law -Decision 486 - is political. The issue of pharmaceutical patents is a political hot potato in the Andean Pact countries where the average income is less than US\$100 a month. Consequently most persons are priced out of the pharmaceutical market. Populist politicians claim pharmaceutical patent protection would result in medicine becoming too costly for the poor. The pirate pharmaceutical companies pay lobbyists to stress the point that patents make medicine expensive. Even if a proposed amendment only dealt with a trademark issue the lobbyists tied it to the pharmaceutical patent issue and would block passage. This was easy to do as the National laws, were patent and trademark laws. The five (5) member countries (Venezuela, Colombia, Ecuador, Peru and Bolivia) had combined patent and trademark laws and were pressured by the US and the PMA to amend these laws to provide pharmaceutical patent protection. To avoid costly political battles in their congresses, the five (5) Andean Pact countries elected to circumvent their congresses and use the Andean Pact Commission to issue a new community patent and trademark law as a Decision of the Commission. The Commission issued Decision 311, which was followed by Decision 313, by Decision 344, and then by Decision 486, all of which recognized pharmaceutical patents and which preempted the prior national patent and trademark laws of the member countries.

5. History Of Decision 351: Decision 351 was originally the Venezuelan Copyright Law enacted by Venezuela's Congress which was subsequently adopted as Decision 351 to harmonize all of the Andean Pact's member countries intellectual property laws. Consequently, the decision to harmonize the copyright laws of the member countries is unrelated to the battle over pharmaceutical patents, but is related to the desire to harmonize the regions intellectual property laws.

Key Point 6(A) Andean Pact - Separate Patent and Trademark Application Required: Note that since Decisions 486 and 351 are the joint patent trademark and copyright laws of the Andean Pact countries, the comments herein are generally applicable to these five countries. Nevertheless, attorneys should be consulted in each member country because each member country has differing national laws which may not have been preempted in some aspects. It should be noted that separate patent and trademark applications must be filed in each member country because although Decision 486 is the common law it provides for separate registries in each member country. There is no community wide trademark, design patent or utility model as there is in the Benelux.

6(B) 1955 Act Still Applicable in Venezuela Where not Preempted: Some procedural aspects of Venezuelan patent law are still governed by the 1955 Venezuelan Patent and Trademark Law which were not preempted by Decision 486. Decision 486 became effective in Venezuela on December 1, 2000. Note that the 1955 Act was first preempted in Venezuela by Decision 313 which became effective on February 14, 1992 in the Andean Pact with the exception of Venezuela where it entered into effect on August 5, 1992. The 1955 Act provides that the Registrar must manually sign all Registration certificates. Since the 1955 Act cannot be amended as was explained in paragraph 4 the great increase in registrations mean that there is currently a six year wait between grant of a registration and issuance of a certificate.

7. Paris Convention, UCC, Berne Convention, Trips and Phonogram

Convention: Venezuela is also a member of the Paris Convention, the Berne Convention, trips, the Universal Copyright Convention, the Phonogram Convention and Trips.

II. TRADEMARKS

1. Application Requirements; Late Submission of Power costs US\$250: To file an application we need the mark, the international class or classes, the specification of goods or services, the full name and domicile of the applicant, and a legalized power of attorney. It is possible to file without a power and submit the power within 60 days but it results in an additional US\$250 charge when the legalized power is filed late. A single legalized power can be used for multiple and subsequent applications. An application can only cover a single class. To cover multiple classes, multiple applications must be filed. There is no need to make use prior to filing.

Key Point 2. International Class plus NC; Problems with Class 35; Prior Venezuelan Class Remains until 2007: Venezuela uses the international classes for goods and services plus class NC for commercial names. Venezuela rejects the applications for retail sales services in class 35 and requires that retail store sales be filed in class NC. Under the 1955 Act there were 50 classes plus two class 50's, class 50-DC and class 50 miscellaneous. Many 1955 Act registrations will remain valid until 2007. See paragraph 17 regarding the relations of commercial names and company names.

3. Definition of what can be a trademark -almost anything: Any perceptible sign that is distinctive and susceptible of graphic representation can be registered as a trademark. Sound and fragrance marks can be registered. It is not possible to register as a trademark the generic shape of packaging, one that is in the public domain, or a functional shape.

Key Point 4. Written Claims For Get Ups and Logos: A peculiarity of Venezuelan trademark practice is that despite the lack of any statutory language requiring written claims the unvarying practice at the Patent and Trademark Office is to require a written description of any trademark application for a logo or device mark or for a get up application. This creates the situation where such applications may be limited or affected by the language used in the written claim. It is recommended that you review the claims used by your local associate in the applications they have filed or registered and the claims on any get up asserted against you.

5. Get Up Applications for bottles and packaging; 3-D Marks: At one point the practice of the Patent and Trademark Office was to reject all get up applications for representation of bottles or packaging. The practice developed of filing for "labels that resemble a bottle." It is recommended to review all such applications and registrations to see if they provide the required protection, and if not to refile under the much more liberal rules of Decision 486. Because of the growth of package dress infringements it is important to file applications to register trade dress especially since the former Registry practice was to reject trade dress applications. Sound and Fragrance Marks may be registered. The notes must be filed with the application and must be published. Although, Decision 486 states fragrances can be recorded the Registrar requires that the fragrance be subject to visual representation.

6. Distinctiveness: Get up applications must be distinctive and need not be original.

7. Slogans - Association Requirement Decision 486: Recognizes slogan marks as "a word, phrase or legend utilized as a complement to a mark". Thus "Just Do it" would be a slogan mark associated with the "Nike" mark. When applying for a slogan the mark with which it will be associated with must be specified in the application. Slogan marks must be assigned jointly with the associated mark and they expire along with the mark.

Key Point 8. "Notorious" Foreign Marks Liberally protected: Notorious marks that are well known in Venezuela, the Andean Region or abroad are protected in all classes if they have been recognized as Notorious in Venezuelan administrative proceedings. Venezuela is one of the most liberal countries in recognizing notoriety. Note that despite this provision it is common practice for large Venezuelan companies to file in all classes. This practice is a continuation of the procedure followed under the 1955 Act and is not recommended. To prove notoriety legalized copies of foreign trademark registrations should be submitted as well as a legalized list of foreign trademark registrations. Notorious marks cannot be diluted.

9. Term: Trademarks are protected for ten years from date of grant and are renewable. Under the 1955 Act the term was 15 years.

10. Oppositions; 30 day unextendable deadline: Trademark applications are published for opposition and can be opposed within 30 working days, no extension is possible. **11. Marking:** There are no marking requirements. "Marca Registrada" is commonly used for registered marks, but there is no penalty for failure to mark.

12. Searches: Searches for words marks and for applicants can be conducted at the Venezuelan Patent and Trademark Office. A search should take two or three days and costs about US\$150.

13. Secondary Meaning: Under Decision 486 marks that were previously unregistrable because they were descriptive can be registered if they have acquired secondary meaning.

14. Collective Mark System: In order to file for a collective mark the applicant collective association has to submit a copy of the rules governing the association and the use of the collective mark, the manner in which the mark will be used and the list of members.

15. Certification Marks Certification: Marks are those which certify the quality or characteristic of the products on which it is applied. Certification marks cannot be used by the owner of the mark. In order to file a certification mark the regulations for using the mark and a definition of the characteristics of the mark must be filed with the application. If the owner of a certification mark owns a trademark or service mark they must be cancelled upon filing for a certification mark.

16. Appellation of Origin: In order to file for an appellation of origin the organization requesting it must give its name, domicile, nationality and interest, the geographical area covered and detailed description of the products. Marks, which are geographical names, must clearly display the place of manufacture or production.

Key Point 17. Company Names - Commercial Names: The protection of company names is the most troublesome aspect of Venezuelan Intellectual Property Law. The reason is that there is no way to protect company names and it should not be thought that the registration of a commercial name protects the company name. Company Names are obtained by forming a company at any of the 46 Mercantile Registers in Venezuela. There are five Mercantile Registers in Caracas and at least one in each of Venezuela's 22 states. The only check made by the officers of the Mercantile Register is of their own records. No check is made of the records of the Trademark Office and no check is made of the records of other Mercantile Registers. In fact we checked for a client and found in the five Mercantile Registers of Caracas that there were nine companies using the clients famous mark as part of a company name and that two companies with identical names were

registered in the same Mercantile Register. The only remedy is to sue the incorporators under the Civil Code for fraud. There is no jurisprudence in this area. The Commercial Name is protected by Article 190 through 199 of Decision 486. Protection is granted in class NC (Nombres Comerciales) Thus, the Andean Pact Countries have 35 classes. Rights to commercial names are created by use. A commercial name is defined "as any sign that identifies an economic activity, a company or a mercantil establishment but is separate from a company name. It is not possible on the basis of a commercial name registration to make the owner of a company name change the company name without a civil law suit, which could be a case of first instance.

19. Opposition 19(a) Prior Use is not Sufficient for Administrative Oppositions (except for Commercial Names) Applications are published for opposition prior to examination. Prior use is not a basis for an administrative opposition, but (see 19(b) below). Notoriety if provable can be used to oppose under Decision 486 without prior use or prior registration (see 8 above). Note that if an opposition is based on Notoriety legalized evidence of the Notoriety must be translated and filed within 60 working days of the filing of the opposition. This evidence that is accepted are legalized copies of the earliest home registrations, a legalized affidavit listing all foreign registrations, (especially Andean Pact registrations) copies of books or articles attesting to the fame of the mark, legalized copyright certificates that include the mark and legalized audited sales figures. Applications that pass the 30 day opposition term are then examined. A 30 day extension for submitting the evidence of the notoriety is granted. The Registrar accepts warning briefs filed after the opposition term, but does not have to take them into account. If no answer to an opposition is filed the application probably - but not necessarily - will be rejected. In any case, the Registrar will issue a decision in about three years.

19(b) Prior Use is Sufficient for Judicial Opposition: If there is prior use in Venezuela and there is no Notoriety the procedure would be to file under the unpreempted "better right" provisions of the 1955 Act. In this procedure the Registrar sends the opposition to the Civil Court of first instance which determines who has the better right, the first user or the first to file.

20.Cancellation of Unused (and Used Marks): For Nonuse The burden of proof is on the registrant to prove use within one of the Member Countries of the Andean Pact during the three years preceding the date of the cancellation action. When a cancellation action is filed the registrant has 60 non extendible days in which to prove the mark is in use in at least one of the Andean Pact countries. Examples of acceptable proof are audited sales figures and customs receipts. It is important to have this evidence available in case a cancellation action is filed. Note that use in any one member country of the Andean Pact will preserve a mark from cancellation for lack of use in all of the Member countries. Decision 486 introduces the concept of partial non use cancellation, i.e. restricting the coverage of a registration to the goods actual used. The lack of health licenses for pharmaceutical products can be used to prove lack of use.

Key Point 21. Non Use Cancellation of used Marks: It is also critical to realize that Venezuelan jurisprudence has instances of used marks being canceled for non use because the use was by a licensee, who had not recorded the license at both the Technology Transfer Office (SIEX) and then at the Registry of Trademarks. Venezuela considers the use of foreign owned trademarks in Venezuela to be the use of foreign technology in Venezuela. Under the Venezuelan legal analysis the use by the unrecorded licensee was illegal use and the illegal use did not inure to the benefit of the licensor, consequently, since there was no "legal" use of the used mark it was ordered canceled for non use. It is necessary to audit your Venezuelan licenses to make certain all required licenses have been recorded first at SIEX and

then at the Trademark Office.

III. DESIGNS

Key Point 1. Definition: Clothing Designs are Protectable: Under the Definition of Designs in Decision 486, any two or three dimensional design that has commercial use may be registered at the Venezuelan Patent and Trademark Office. A design is any arrangement of lines or combination of color or any two dimensional or three dimensional outward shape. Clothing designs may be protected under Decision 486. Designs that are immoral or contrary to public policy may not be protected.

2. Novelty: A design must be new and secondary differences will not make an old design new for purposes of registration. The new design cannot have been made available to the public at any time or in any place prior to the priority date by publication, use or description.

3. Ambit of Protection: The registered owner or registered licensee of a design has the right to its exclusive commercial use and to collect damages from infringing parties who copy the registered design or use a design with minor differences.

4. Term: Utility models are protected for ten years from the date of filing. Yearly annuities are payable on designs.

5. Application and Examination: The procedure for applications is similar to that for patents. The Locorno classification is used.

6. Oppositions: Design applications are published for opposition and can be opposed within 30 working days with a 30 day extension possible.

7. Functionality: It is not clear whether designs dictated by function are protectable. Decision 486 is silent on this point and there is no known jurisprudence. When a new design is functional it is suggested that registration as a utility model would be appropriate.

8. Marking: There are no marking requirements.

9. Infringement: There are no reported cases dealing with the infringement of a design patent in Venezuela. Decision 486 provides for injunctions but Venezuelan procedure makes injunctions difficult to obtain.

10. Clearance: Searches can be conducted at the conducted at the Venezuelan Patent and Trademark Office. It should take about two weeks and the cost with opinion should be between US\$400 to US\$600.

IV. UTILITY MODELS

1. Definition: Utility Model rights protect any new shape, configuration or arrangement of components of devices tools, implements, or objects that lead to improved or different use operation or ease of manufacture or provides a new advantage or technical effect. Works of architecture, sculpture, painting or engraving cannot be protected by utility model registration.

2. Novelty: The requirements for registration are similar to those for patents - i.e. inventive step, novelty and utility are required. However, the standards for registration of utility models are lower than for patents or designs.

3. Term: Utility models are protected for ten years from the date of filing. Yearly

annuities are payable on utility models.

4. Oppositions: Utility models are published and can be opposed within 30 working days extendable for 30 additional.

5. Functionality: A model that is functional should be protectable, but there is no jurisprudence on this point.

6. Marking: There are no marking requirements.

7. Infringement: The comments on the infringement of designs are also applicable to utility models.

V. COPYRIGHTS

1. Subject Matter: A copyrightable "work" is defined as "creative works of an innovative character of the literary scientific or artistic character of any type, form of expression, merit or quality." It should be noted that Venezuelan copyright law follows French copyright law and protects the titles of copyrighted work.

2. Protection of Foreign Works: Foreign works are protected under the Berne Convention and the Universal Copyright Convention and in the absence of an applicable convention foreign works are protected in Venezuela without need for recordal where reciprocity exists. Nevertheless, it is recommended to record at the Venezuelan US or other copyright office in order to have a copyright certificate to demonstrate to a Judge that the work is protected because Venezuelan Judges appreciate physical evidence of the existence of an intangible property right.

3. Criminal Penalties: The reproduction, publication or infringement of copyrighted works is penalized with prison terms ranging from 6 months to 4 years.
Key Point

4. Copyright and Trademark Police Comampi: A special police group known by the acronym Comampi, exists to prosecute copyright (and recently, trademark) pirates.

5. Term of Protection: For corporate works, the term of protection is sixty years from the date of first publication.

6. Infringement: Infringements can be prosecuted in the civil courts and in the criminal courts. Because copyright infringement actions are rare in Venezuela, the success rate in civil cases is higher than with trademark infringement actions. (There have been no patent infringement actions). One reason for the better success rate with copyright cases is that there is no copyright pirates' bar as is the case with trademarks where there is a large trademark pirates bar.

7. Searches: Searches can be conducted at the Venezuelan copyright office. A search takes about two or three weeks and cost about \$400.

8. Marking: The use of the copyright symbol date and owners' name is recommended. Key Point 9. Interface of Copyrights, Trademarks, Designs, Utility Models (and the Internet): At one time the authors of legal treatises in Venezuela took the position that a given object could not only be protected by only one legal concept. This is obviously not correct and the concept has been largely discarded. At this point in time, it would be advisable to review each property to see if it is protectable under one or more legal concepts and file for the appropriate protection. We suggest that any important design be displayed on a Venezuelan

website authorized by the Venezuelan entity Reacciun to establish Venezuelan use and create the basis for an action of violation of the better right (prior use) in the civil courts. Note that Trademark, Designs and Utility Model applications take at least two years to issue to grant and no infringement actions can be file based on pending applications. Consequently, if possible copyrighted protection should be obtained as a stop gap measure.