Federal Court issues new decision on the IPHONE trademark battle (Apple v. Gradiente)

30.09.2022 4 min read

Authors

Pedro Tavares

Related areas

Intellectual Property

Topics

Newsletters Intellectual Property INPI

The 13th Federal Court of Rio de Janeiro recently decided two lawsuits that deal with registrations for the IPHONE mark before the Brazilian Patent and Trademark Office ("Brazilian PTO"). The lawsuits refer to registrations in the name of the American company Apple Inc. and the Brazilian company IGB Eletrônica S.A. (owner of the GRADIENTE mark for electronics) and were decided in favor of the former[1] (click here to read the decision - portuguese only).

IGB Electrônica applied for registration of the mark G GRADIENTE IPHONE (to cover mobile phones and related products) in 2000, while Apple's first applications for its mark IPHONE were only filed in 2006. Thus, due to the senior existence of IGB Eletrônica's mark, some applications filed by Apple were rejected by the Brazilian PTO and a conflict was established between the companies, starting a long-lasting legal battle.

The first lawsuit involving these companies - which preceded the two aforementioned lawsuits - was filed by Apple and sought a judicial declaration in the sense that IGB Eletrônica could not have exclusive rights over the term IPHONE (in spite of its registration for the mark G GRADIENTE IPHONE)[2]. Apple argued that such a term would have a suggestive or evocative character and, thus, the IGB Eletrônica mark should coexist with other similar marks. Apple obtained favorable decisions in the first and second instances of the Federal Court, as well as in the Superior Court of Justice, and, currently, this case awaits judgment by the Supreme Court.

With respect to the subsequent lawsuits (which were recently decided by the 13th Federal Court of Rio de Janeiro), they refer to (i) a lawsuit by IGB Eletrônica seeking the nullity of certain registrations for IPHONE owned by Apple and (ii) a lawsuit by Apple seeking the cancellation due to non-use of IGB Eletrônica's registration for G GRADIENTE IPHONE. The Federal Court understood that the cases are related and ordered the meeting of cases for joint judgment.

The first case reviewed by the judge was Apple's non-use cancellation action against the registration for G GRADIENTE IPHONE. This is a form of extinction of a trademark registration due to lack of use of the respective mark in Brazil. Although IGB Eletrônica presented some evidence of use of the G GRADIENTE IPHONE mark, the judge in charge of the case argued that such evidence would not be sufficient to demonstrate "actual, effective, lawful and consistent use" of the mark in question.

Among the evidence presented by IGB Eletrônica, the judge took into account only (i) sales invoices for the G GRADIENTE IPHONE device in a period of 26 days (between 12/14/2012 and 01/08/2013) and (ii) a notarial

certificate that attested access, on 12/19/2012, to the IGB Eletrônica website that marketed the G GRADIENTE IPHONE cell phone. The judge understood that the number of invoices presented (just over a hundred) was low[3] and that:

"the fact that such invoices and said notarial certificate are restricted to a short period, less than one month, very close to the date on which the registration would complete five years without use, shows a clear intention to demonstrate such use only for the purpose of maintaining the registration, and not real or genuine concern with the use of the trademark itself in an effective, lawful and consistent manner, translating into a defensive trademark".

Thus, in view of the need to ensure the social function of trademark registrations, the 13th Federal Court of Rio de Janeiro ordered the cancellation of IGB Eletrônica's registration for the mark G GRADIENTE IPHONE.

As for the second case reviewed by the judge – the lawsuit by IGB Eletrônica seeking the nullity of certain registrations for IPHONE owned by Apple, the court ruled that, due to the cancellation of IGB Eletrônica's registration for G GRADIENTE IPHONE, the Plaintiff's request would be impaired.

However, the judge did not fail to analyze the trademark infringement claim brought by IGB Eletrônica. In summary, the 13th Federal Court of Rio de Janeiro dismissed said claim based on the fact that the Judiciary has already limited IGB Eletrônica's exclusive rights over the term IPHONE, according to decisions issued in lawsuit No. 0490011-84.2013.4.02.5101, which recognized the suggestive/evocative character of this term in the G GRADIENTE IPHONE mark.

Despite the issuance of the aforementioned court decision, the dispute regarding the IPHONE mark does not yet seem to be close to an end. IGB Eletrônica has already filed a Motion for Clarification to the judgment in question and, subsequently, may file appeals before the Federal Appellate Court of the 2nd Region, the Superior Court of Justice and the Supreme Court. In addition, as previously mentioned, the parties currently await judgment by the Supreme Court regarding the first of the three lawsuits involving the IPHONE mark, specifically the Extraordinary Appeal With Interlocutory Appeal (ARE) No. 1.266.095.

NOTES:

[1]Lawsuits No. 0121438-67.2013.4.02.5101 and 5067776-25.2021.4.02.5101, before the 13th Federal Court of Rio de Janeiro.

[2] Lawsuit No. 0490011-84.2013.4.02.5101, before the 25th Federal Court of Rio de Janeiro.

[3] Considering the activities of the players in the cell phone market.

>>> This content belongs to our Intellectual Property Newsletter. Click here to read more articles.

› PROFESSIONALS

Professionals who combine legal insight and market perspective

Pedro Tavares