

INPI changes its position on when right of precedence claims regarding trademarks can be made

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The Brazilian Patent and Trademark Office ("INPI") has changed its position on when right of precedence in registering a trademark can be claimed. Until recently, the INPI took the position that such right could only be claimed when opposing a third party's trademark application. With this change, the INPI now allows right of precedence claims to be also made in administrative nullity requests against registered marks.

This change of position was formally made in INPI's Opinion (Parecer) no. 00043/2021/CGPI/PFE-INPI/PGF/AGU¹, published in the Official Gazette No. 2652 of November 3, 2021, which was given binding effect by the President of the INPI.

It is important to clarify that the trademark registration system adopted in Brazil is the so-called "attributive system", in which the ownership of a trademark is only acquired through registration with the INPI. This system is opposed to the so-called "declarative system", adopted in countries such as the United States, in which the right to a trademark arises from the first use of the trademark in the market ("first-to-use") and registration with the competent authority serves merely to certify ownership.

In other words, as a rule, the registration of a trademark in Brazil is granted to the first party to file an application with the INPI ("first-to-file"). However, this rule contains an exception, granted to an earlier and good-faith user of the trademark in question.

According to the Industrial Property Law (Law 9.279/96), any person that, in good faith, on the priority date or filing date of a trademark application, has been using a similar or identical trademark in Brazil, for at least six months, to distinguish or certify an identical, similar or related product or service, shall have right of precedence in registering the trademark.

Thus, if a company or individual manages to prove through documents that it had been using a certain trademark for at least six (6) months and in good faith, it may claim right of precedence in registering the trademark, preventing registration of this trademark in the name of a third party and obtaining registration for itself.

Until the publication of the INPI's Opinion referred to above, the Institute had taken the position that the right of precedence in registering a trademark could only be invoked prior to the granting of the requested registration, exclusively through an opposition against the corresponding trademark application.

Thus, the INPI did not admit right of precedence claims after the granting of

the trademark registration (through an administrative nullity proceeding), nor did it agree that such claims could be made before the Courts in judicial nullity actions.

However, the INPI's position was controversial and found opposition both among IP specialists and in cases decided by the Courts.

The main reason for the challenges to the INPI's position was that the Industrial Property Law does not establish a time limit for claims grounded on right of precedence in registering a trademark, nor does it limit such claims to a specific stage of administrative proceedings.

Given the absence of express limits in the legislation, many argued that interested parties could make right of precedence claims at any time while proceedings before the INPI are available, or through a judicial nullity action before the Courts.

Furthermore, in practical terms, many argued that it would not be reasonable to require that a right of precedence claim be asserted in such a short period of time. After all, users of unregistered marks are unlikely to monitor the INPI's weekly publications in the Official Gazette to check whether an application has been filed to register an identical or similar trademark, and then file an opposition to this application within 60 days. In most cases, prior users only learn of third parties' trademark applications after the deadline for filing oppositions has expired.

Over the years, the Courts' decisions distanced from the INPI's position on the matter, and in 2016 Brazil's highest court on non-constitutional matters, the Superior Court of Justice (STJ – Superior Tribunal de Justiça), ruled that claims grounded on right of precedence in registering a trademark may be made at any time, even after the trademark registration has been granted by the INPI, either through an administrative nullity proceeding before the INPI or through a judicial nullity action before the Courts.²

The aforesaid change in the INPI's position on **the timing of claims grounded on right of precedence in registering a trademark** is in line with the STJ's decision, and benefits prior good-faith users of trademarks, by giving them more time and ways to claim right of precedence and protect their trademarks.

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¹ https://www.gov.br/inpi/pt-br/central-de-conteudo/noticias/copy_of_ComunicadosRPI2652.pdf

² https://processo.stj.jus.br/processo/revista/documento/mediado/?componente=ITA&sequencial=1558771&num_registro=201401604686&data=20161214&formato=PDF

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