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## New rules for non-use cancellation actions: what you need to know

Brazil - [Luiz Leonardos & Advogados](#)

- **Technical Note No 01/2018 establishes new rules for non-use cancellation actions**
- **PTO will examine petitioner's legitimate interests in relation to date of filing of cancellation action**
- **Any evidence of use within five-year investigation period will prevent cancellation of registration**

The Trademark Manual issued by the Brazilian Patent and Trademark Office (PTO) in 2014 has been updated following improvements and the inclusion of new procedures.

Since the purpose of the manual is to establish guidelines and procedures for the examination of trademark applications, petitions and registrations, the PTO recently issued Technical Note No 01/2018, which establishes new rules for non-use cancellation actions. The most important of these rules are highlighted below.

### Background

In Brazil, a trademark registration may be cancelled on the basis of non-use if the mark has not been used within five years from the date of registration, or if use of the mark has been interrupted for more than five consecutive years.

If a non-use cancellation action is filed, the owner of the trademark registration has a 60-day term - counted from the date of publication of the cancellation action - to submit evidence of use of the mark during the five-year period immediately preceding the date of filing of the cancellation action, or to provide legitimate reasons justifying the non-use of the mark.

### Legitimate interests

The legitimate interests of the petitioner in a non-use cancellation action may be based on expected rights or acquired rights.

A new rule introduced by Technical Note No 01/2018 foresees that, even in cases where the acquired rights or expected rights cited as the basis for the legitimate interests have ceased at the time of the examination of the cancellation action, the interests will still be considered legitimate. In other words, the PTO will examine the legitimate interests of the petitioner in relation to the date of filing of the non-use cancellation action.

## Evidence of use of a trademark

The evidence of use submitted by the trademark owner cannot change the original distinctive character of the mark.

With regard to the evidence of use, the new rules provide that:

- any evidence of use of the mark within the five-year investigation period will prevent the cancellation of the registration, regardless of the amount of evidence submitted; and
- if the five-year investigation period covers the first five years following the grant of the registration, the owner may avoid the cancellation of the registration by submitting documents proving that serious and effective measures have been taken to initiate the use of the trademark within the investigation period.

With regard to fiscal documents, the PTO will accept invoices containing the trademark only if it appears in the headings of the documents, even if the mark is highlighted in the company's name or title of establishment.

As for the presentation of additional evidence of use, the PTO will now accept gifts, promotional items, contracts and media materials, provided that they date from within the investigation period, and mention the mark and the products/services covered.

## Legitimate reasons for non-use

If the trademark owner provides legitimate reasons justifying the non-use of the mark for at least half of the investigation period, the cancellation of the registration on the grounds of non-use will not occur. However, if the owner justifies the non-use of the mark for less than half of the investigation period, the owner will have to submit evidence that it has taken serious and effective measures to start use of the mark or to resume its use.

Legal impediments - such as the suspension of importation due to a governmental decision, or the existence of a court cancellation action or of administrative cancellation proceedings - will be accepted as legitimate reasons for the lack of use of a trademark, in view of the owner's uncertainty regarding the maintenance of its registration.

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## TAGS

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