8 November 2017

**CIRCULAR LETTER - Protocol of Madrid**

In a meeting on October 24, at the office of the World Intellectual Property Organization (WIPO) in Rio de Janeiro, the Brazilian Patent & Trademark Office (INPI) presented a project for adapting the structure of the Office, which is a basic step for a possible Brazilian membership to the Protocol of Madrid, after the President of the country having sent a message on this issue to the National Congress in June this year.

After the operational requirements of the Office are fulfilled, the project indicates that, by year-end 2018, the deadline for the registration of trademarks in Brazil will be reduced from current 25 months (trademarks with no opposition) to 18 months as required, and INPI will be able to start to receive international applications via the Madrid System in 2019.

The regional director for the WIPO office in Brazil, Mr. José Graça Aranha, presented an overview of the Madrid System, allowing the international registration of a trademark in various countries, with significant reduction of costs, increase in speed and easiness in trademark portfolio management. According to Graça Aranha, there are 1.3 million registered trademarks in the system, including 116 countries covered by 100 members, representing 80% of worldwide trade.

With an increase in staff, INPI wishes to reduce the time for trademark analysis and fulfill the regulations of the protocol. The agreement establishes a deadline of one year and six months for appreciation. In the lack of reply after this period, the trademark is automatically granted. If, on one hand, this is positive for the applicants, it may be costly for those parties willing to judicially cancel administrative decisions for eventual infringements to their rights.

Today, according to INPI, it may take, in average, two years, or a little more. This is a too long time for a country like Brazil. With the protocol, a company may formulate just one trademark registration application and list to the World Intellectual Property Organization (WIPO) the countries where it would like its application to be analyzed. Therefore, the system tends to make the registration become easier and less costly, since currently specialized offices in registration trademarks must be hired for each one of those countries.

The agreement aims to optimize the internalization strategy of Brazilian companies, giving them the opportunity to reduce the time and cost of registration of their trademarks and produce a positive flow to the trade balance for goods and services. In summary, the proposal of the protocol is to reduce costs and paperwork for those willing to export, which may be beneficial to entrepreneurs. However, it is advisable to highlight that the system may cause increase in costs, since it will require, for its implementation, significant increase in hiring services by INPI, besides not dismissing applicants from their obligation to hire specialized lawyers for each one of the listed countries, so to follow up the trademarks and take care of their material integrity. As an example, the Industrial Property Law No. 9,279/96, in its Article 217, still in force, expressly requires trademark owners/applicants abroad to establish and maintain a duly qualified attorney, resident in the country to represent them administratively and judicially.

Another important regulation is Article 130 of the Industrial Property Law, recommending owners or applicants of trademarks to take care of their moral and material integrity, aiming to forbid, by administrative routes, by means of oppositions, or judicially, by means of inhibiting lawsuits, third parties from unduly imitating or reproducing them. Therefore, to imagine that the owner or applicant of a trademark, even in case of proceedings by the Protocol of Madrid, *if eventually it comes into force*, will be free from expenses, especially for follow-up, monitoring (and we remind that the Brazilian INPI does not offer this kind of job, as well as no other international organisms), and that its registration will be granted as a fast food, by means of a simple “click”, as propaganda has been showing, is a too high risk, and this new system should, in our opinion, be better presented and discussed in its full literalness. The reverse will also be true, i. e. the applicant for international trademarks will not be fully exempt of such expenses, including for filing oppositions to conflicting marks, otherwise decisions will be at the discretion of those organisms, causing mistake and/or abuse situations which can only be solved in court, with even higher impacts to costs. This means that costs would be reduced on one side but could possibly double on the other. Therefore, even if in good time, the protocol requires full attention, and does not seem to be the salvation for the real problems afflicting our country’s economy.

Very truly yours,

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