

Contents

I. PRELIMINARY CONSIDERATIONS	3
1. About the International Trademark Association	3
II. FACTUAL BACKGROUND OF THIS CAUSE	Error! Bookmark not defined.
III. LEGAL GROUNDS	Error! Bookmark not defined.
IV. ABOUT THE LEGAL DEFINITION OF TRADEMARK, UNIQUE FUNCTION, DISTINCTIVENESS	10
1.1. The trademark is a distinctive sign, that is, a product differentiator	Error! Bookmark not defined.
1.2. The agreement on trade-related aspects of intellectual property rights (TRIPS)	Error! Bookmark not defined.
1.3. Trademark definition in latin american laws	Error! Bookmark not defined.
1.4. Trademark definition in Chile	13
1.5. Conclusions	14
V. ABOUT THE RIGHTS THAT A TRADEMARK CONFERS TO ITS OWNER: EXCLUSIVE AND EXCLUSIONARY RIGHT. LIMITATIONS ON TRADEMARKS.	Error! Bookmark not defined.
1.1. Right to use the trademark as it is registered	15
1.2. Limitations to the right on the trademark	19
1.3. Conclusions	20
1.4. Rights conferred on the owner of the trademark in Chile	21
1.5. Absence of rule prohibiting the use of figurative marks. Law 20,606 does not prohibit the use of trademarks	23
1.5.1. Comparative law on food advertising restrictions	26
1.5.2. Difference between trademark and advertising: Distinguishing and identifying a product is different than promoting it	29
1.5.3. Legal texts that differentiate advertising from trademark	30
1.5.3.1. Definition of advertising: Promote consumption	30
1.5.3.2. Code of Ethics, Consumer Protection Law	31
VI. THE ORDER OF THE SEREMI AND THE DECISION OF THE 2ND CIVIL COURT OF SANTIAGO ARE MORE RESTRICTIVE MEASURES THAN THOSE ALLOWED IN THE TRIPS... Error! Bookmark not defined.	
VII. CONCLUSIONS	40

Resource : **Cassation in the form and appeal.**
Entry Form to the Court: **10064-2018**
Nature : **Sanitary regulation of food**
Subject : **Claim of fine according to art. 171 of the Sanitary Code**
Secretariat : **Civil**
Relator : **“Marcelo Rojas Sepúlveda”**

PRINCIPAL MATTER: REQUESTS TO BE CONSIDERED A THIRD PARTY, WITH AN INDEPENDENT INTEREST. **FIRST PETITION:** TO BE CONSIDERED. **SECOND PETITION:** ATTACH DOCUMENTS, WITH CITATION. **THIRD PETITION:** SPONSORSHIP AND POWER

ILUSTRIOUS COURT OF APPEALS OF SANTIAGO

OSCAR MOLINA DIAZ, lawyer, domiciled in El Golf 150, fourth floor Las Condes, on behalf of **INTERNATIONAL TRADEMARK ASSOCIATION** third party interested in these proceedings, for these purposes of my own domicile, in writs on cassation in the form and appeal, entitled “EVERCRISP SNACK PRODUCTOS DE CHILE SA CON FISCO DE CHILE”, Entry Form 10064-2018, to his Excellency, respectfully I say:

That, in the representation that I invest, and by virtue of what is established in article 23 of the Code of Civil Procedure, and the other legal provisions that the Illustrious Court deems applicable, in consideration of the factual circumstances that I explain below, I request allow the appearance of my client in these proceedings, as an interested and independent third party, by virtue of the considerations of fact and of law that I explain below.

I. PRELIMINARY CONSIDERATIONS

1. About the International Trademark Association

1. The **INTERNATIONAL TRADEMARK ASSOCIATION** (hereinafter “**INTA**”) is an association of owners and trademark professionals that is dedicated to protecting and promoting trademarks and other associated intellectual property rights. INTA has more than 7,200 member organizations from 191 countries. The presence of INTA in Latin America is represented by 681 members, 479 members of our Work Committees; more than 30 Latin Americans currently hold leadership positions in the Advocacy, Communications and Resource Committees, and 3 of them are part of the Board of Directors.
2. The member organizations represent 32,000 professionals and trademark owners of both large corporations and small and medium companies, law firms and non-profit organizations. It also has members of government agencies, as well as teachers and students.
3. Given its lack of lucrative spirit, its function is to serve its members and society in general and to ensure that in our countries and in Chile there are standards of Intellectual Property harmonious with free private initiative, the protection of consumers, the promotion of creativity, entrepreneurship and support for innovation. To fulfill this function, INTA focuses on the following strategic directions: i) Promote the value of trademarks; ii) Strengthen confidence in consumers; and, iii) Adopt innovation and change.
4. INTA has played an important role in the different countries where it operates, including Chile, making recommendations and assisting legislators in relation to almost all trademark legislation and, more recently, legislation that involves other forms of industrial and intellectual property.

5. In compliance with its mission and objectives, INTA regularly participates as **amicus curiae** in cases involving the protection of trademarks and matters related to intellectual property. INTA members are frequent parties in a wide variety of intellectual property litigation, as well as plaintiffs or defendants, so that their intervention as **amicus curiae** is always guided by their impartiality and seeks only to provide a technical interpretation to a legal discussion
6. In view of the above, INTA worldwide is presented as an interested party in the adequate protection of trademarks in the different jurisdictions where its members are located, with the purpose of safeguarding the public interest that, surrounded by the due protection of the trademarks, is that the consumer public can *identify* in the market the product or service they are looking for. The above, and in this specific case that motivates this presentation, always with the understanding that the adequate and fair protection of trademarks is a matter of public interest, since it is a matter widely regulated in national regulations, as well as in two international treaties that bind the State of Chile, in addition to its Political Constitution (as a right of special property in article 19 No. 25 clause 3).

II. FACTUAL BACKGROUND OF THIS CAUSE

7. For the correct understanding of the imperative of appearance of the INTA in this cause, it is necessary to make a brief synthesis and recapitulation of the main milestones of this cause.
8. Thus, we must remember that the proceedings began with the filing of a claim for legal proceedings in accordance with the provisions of Article 171 of the Sanitary Code, presented by EVERCRISP SNACK PRODUCTOS DE CHILE S.A. (hereinafter “**EVERCRISP**”) against Exempt Resolution No. 3000 (“**Resolution No. 3000**”) of the Regional Ministry of Health Secretariat of the Metropolitan Region (hereinafter “**SEREMI of Health**”), issued on April 24 of 2017.
9. Through Resolution No. 3000, the SEREMI of Health imposed on EVERCRISP the sanctions of “*caution*” and “*prohibition of marketing and sale of inspected products*”, because of what this authority considered an infraction of Article 7 of the Law 20,606

on Nutritional Food Composition and Advertising (which will be referred to hereinafter as “**Law 20.606**”), article 1 of Law 20.869, on Advertising of Foods (hereinafter “**Law 20,869**”) and article 110 bis of Decree 977 of 1996, corresponding to the Sanitary Regulation of Foods (hereinafter “**Decree 977**”).

10. In the interpretation and application of those regulatory bodies, SEREMI of Health described as “*advertising*” the use **in the packaging** of the “Cheetos” and “Gatolate” products of the trademarks owned by PEPSICO, INC. (GRUPO EVERCRISP), which are shown below¹:



11. The sanctions imposed against EVERCRISP by virtue of that regulation were impugned by the latter through the lawsuit claim that initiated these proceedings, stating that in Resolution No. 3000 the SEREMI of Health had incurred a confusion regarding the “*trademark*” and “*advertising*” concepts.
12. By virtue of a final judgment dated May 30, 2018 (hereinafter the “**definitive sentence**”), the 2nd Civil Court of Santiago endorsed the arguments contained in Resolution No. 3,000, arguing for that purpose that the rule of the article 7° paragraph 2° of Law 20.606, “*it is clear to subsume within the concept of advertising, in the field of food, any form of action intended to promote the consumption of a particular product, whether or not using the distinctive signs of the trademark*” (Considering 23°). Consequently, the sentence rejected the judicial claim of

¹ Both products were inspected by officials of the SEREMI of Health in one of the agencies of Evercrisp (located in Cerrillos No. 999, municipality of Cerrillos).

EVERCRISP, with costs, maintaining the two sanctions imposed by the SEREMI of Health.

13. The definitive sentence was impugned by EVERCRISP through the joint filing against it of an appeal of cassation in the form and an appeal, which are currently in a state of relationship before this Supreme Court.
14. Considering the statements and arguments of the parties in this trial, it is clear that the discussion on the concepts of “*trademark*” and “*publicity*” will remain at the center of the debate in this process, and that the appropriate clarification of each one of these concepts are essential for the correct decision on the controversy of the case.
15. As a consequence of the fact that the debate in this case is about one of the matters whose permanent promotion and protection is sought by the **INTERNATIONAL TRADEMARK ASSOCIATION** -as it is the respect, promotion and protection of industrial property-, this organization, as will be explained in the following sections, has a current interest in the results of this trial, which is independent of the interest of any of the parties to the process, which is why it is legitimated to participate in this process as a third party and, consequently, to inform this Supreme Court the technical and legal considerations that we hope will be helpful for the proper resolution of this trial.

III. LEGAL GROUNDS

16. In view of the fact that the cassation appeal in the form and the appeal filed by EVERCRISP against the definitive sentence of the 2nd Civil Court of Santiago is pending in this trial, it is timely and necessary the appearance of my client in this trial for, as a friend of this Supreme Court, provide arguments to the legal debate on the effects of the limitation that would generate the confirmation of the impugned decision.
17. In this regard, it is pertinent to recall article 23 of the Code of Civil Procedure, which states:

“Art. 23 (24). Those who, without being direct parties in the trial, have a current interest in their results, may in any state of it intervene as coadjuvants, and in that case they will have the same rights granted by article 16 to each of the parties represented by a common attorney, continuing the trial in the state in which it is. It will be understood that there is current interest whenever there is a committed right and not a mere expectation, unless the law authorizes especially the intervention outside of these cases.

If the interest invoked by the third party is independent of the one that corresponds in the trial to both parties, the provisions of the previous article shall be observed.”

18. For its part, art. 22 of the same legal text, states:

*“Art. 22 (23). If **during the aftermath of the trial**, someone presents claims on the litigated thing incompatible rights with those of the other parties, the court will admit its actions in the manner established by article 16 and it will be understood that it accepts everything done before its presentation, continuing the trial in the state in which it is found.”*

19. As indicated in the text, and by virtue of the mandate indicated in art. 3 of the same Code, this rule is applicable in the present case, even in the case of a special matter. There is no express text that requires or restricts the possibility of a third party to intervene, but what is indicated by arts. 23 and 22 cited, that is, the existence of a current interest. In this sense, for Chiovenda, *“the law does not indicate more condition to this intervention than to have interest in the cause; and the jurisprudence understands that this interest can be merely of fact (...)”*.

20. It is also important to note that the aforementioned articles 22 and 23 clearly indicate that third parties may intervene **at any stage of the trial**. Therefore, the only thing that requires is the existence of a trial, no matter what stage it is. Benavente says that, *“the law has not restricted the opportunity, or rather has not determined the time of the lawsuit in which third parties can intervene, so that they can do so in the*

first or second instance, and even when the Supreme Court is knowing the business by way of cassation. We believe that they can even appeal a sentence pronounced in the first instance when they intervened after the dictation of it.”

21. *On the other hand, when we speak of “current interest”, it has been repeatedly pointed out that “the interest of the third party to intervene in the lawsuit may derive: a) because they are factually prejudiced with the situation declared in the sentence; and b) because they are legally prejudiced by the sentence”².*

22. *Thus, “even when the right of the third party is not affected in fact or legally by the res judicata that produces the sentence pronounced in the trial, the third party's right may be related to that of the parties, so that it has an interest evident in the results of the trial”³. This is the situation that has precisely occurred in the present case, since it deals with matters that affect the interests of the owners of trademarks represented in the International Trademark Association and its objectives, since the results of the same will resolve if in Chile they discriminate and eliminate the rights to appropriate, enjoy and use marks by subjective interpretations of their authorities.*

23. *Indeed, “when a sentence or any other resolution issued during the trial causes harm to third parties, they may be affected by its effects in three ways: a) because their rights are closely related and depend on the fate of one of the direct parts of the trial; b) because they are legally prejudiced by the ruling, and c) because the sentence causes them factual damages.”⁴*

24. *In this way, my client is configured as a third party with a current interest in the results of this trial, since the case is discussed in the case of the concept of trademark and protection that corresponds to it according to Chilean legal and constitutional law, certainly, and the application made by the organs of the State administration through their formal activity.*

25. *More specifically, this trial does not discuss the legality of a prohibitive norm (Article 7 of Law 20.606), but rather the interpretation of its application to trademarks when*

² RODRÍGUEZ, Sergio et al., “Tratado de las Tercerías”, p. 68. Editorial El Jurista.

³ *Ibíd.*, p. 69

⁴ *Ibíd.*, p. 70

they are used in the products they identify and not in advertising materials. In this way, with the aim of not presenting innumerable documents from third parties directly affected, INTA intends with this document to unite their voices and present in this single document a proposal for interpretation of the legal norms under discussion in order to contribute to the analysis that this Supreme Court.

THEREFORE, in consideration of the aforementioned precedents and legal provisions cited, and all those others that the Supreme Court considers pertinent.

I BEG THIS SUPREME COURT to accede to the request, having as an interested third party in this case to my client **INTERNATIONAL TRADEMARK ASSOCIATION**, for all legal purposes, and especially to consider all the allegations and necessary background in this trial for its proper resolution.

FIRST PETITION, That by this act, I request this Supreme Court to consider the following considerations of relevance for a correct decision of the cassation and appeal in question.

IV. ABOUT THE LEGAL DEFINITION OF TRADEMARK, UNIQUE FUNCTION, DISTINCTIVENESS

1.1. The trademark is a distinctive sign, that is, a product differentiator

26. Both in international and Chilean legislation, the essential and central element of any trademark that deserves legal protection is its **distinctive character**. Without distinctiveness, there is no trademark. The only legal function of a trademark is to distinguish or identify the products or services of an entrepreneur with respect to the products or services of another entrepreneur, so that the consumer can make a free decision about the product or service to acquire. Any other function that can be attributed to a trademark is purely doctrinaire and not legal.
27. To reach this conclusion, we allow ourselves to present to this Supreme Court the relevant articles of the International Treaties applicable to the matter and examples of legislation, which, like that of Chile, adopt definitions that, if not identical, do share the same essential elements:

1.2. The agreement on trade-related aspects of intellectual property rights (TRIPS)

28. The **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)** or the Uruguay Round Agreement (ratified by Chile), defines trademarks as:

“Article 15. Protectable Subject Matter.

*“Any sign, or any combination of signs, **capable of distinguishing** the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, **figurative elements and combinations of colours as well as any combination of such signs**, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability **depend on distinctiveness acquired through use.**”*

Members may require, as a condition of registration, that signs be visually perceptible.”

29. TRIPS represents an advance on the Paris Convention in the sense that it incorporates its principles, to establish a trademark definition that includes its **distinctive capacity** as an essential element. In addition to the above, TRIPS establishes a non-exhaustive catalog of the subject matter of protection, that is, of the signs that can constitute a trademark, without making a discrimination or hierarchy of protection of one type of trademarks against another for its nature or the types of products or services that distinguish, so that, as long as they are distinctive or have acquired distinctiveness due to their use, both words and figurative elements may be trademarks.

30. Additionally, TRIPS, in article 15.4, provides that *“The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark”*, which was analyzed in accordance with the article 20, which states: *“The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings.”*, allows us to deduce that, impose prohibitions on the use of graphic trademarks, according to the nature of the product to which the trademark is destined to distinguish and from its graphic style, completely empties the content of the trademark right undermining its most important substantive value: distinctiveness.

1.3. Trademark definition in Latin American laws

31. On the other hand, when reviewing comparative law in what refers to the definition of trademarks, standards very similar to the concept of 'trademark' established in our legislation are appreciated. In a purely exemplary way, it is worth mentioning the following trademark definitions:
32. Definition of trademarks in **Argentina** (Law on Trademarks and Designations No. 22.362): “ARTICLE 1° - The following can be registered as trademarks **to distinguish** products and services: one or more words with or without conceptual content; the drawings; the emblems; the monograms; the engravings; the prints; seals; the images; the bands; the combinations of colors applied in a specific place of the products or of the containers; the wrappers; the containers; the combinations of letters and numbers; the letters and numbers for their special drawing; the advertising phrases; the reliefs with distinctive capacity and all other signs with such capacity”.
33. Definition of trademark in **Brazil** (Act 9279/96, OF MAY 14, 1996): “Art. 122. Visually perceptible **distinctive** signs not included in the legal prohibitions may be registered as a trademark. Article 123. For the purposes of this Law, it is considered: I - product or service trademark: that used to **distinguish** product or service from another identical, similar, of different origin;... Art. 124. The following are not registrable as marks: VII – signs or expressions used only as a means of advertising.”
34. Trademark definition in **Peru** and **Colombia** (DECISION 486 ANDEAN COMMUNITY OF NATIONS): “Article 134.- For the purposes of this regime, any sign that is **apt to distinguish** products or services in the market shall constitute a trademark. The signs susceptible of graphic representation may be registered as trademarks. In no case the nature of the product or service to which a trademark is applied will be an obstacle to its registration”.
35. Definition of trademark in **Venezuela** (Industrial Property Law): “Article 27.- Under the trademark name is understood any sign, figure, drawing, word or combination of words, legend and any other signal that is new, used by a natural or legal person to **distinguish** the articles it produces, those with which it trades or its own company”.

36. Trademark definition in the **Dominican Republic** (Law No. 20-00 on Industrial Property): “Article 70.- Concepts used. For the purposes of this law, the following definitions shall apply: a) Trademark: any visible sign capable of **distinguishing** the products or services of a company from the products or services of other companies; g) Distinctive sign: any sign that constitutes a trademark, a trademark, a label or an emblem. Article 72.- Signs considered as trademarks. 1) Trademarks can consist, among others, of words, fancy names, names, pseudonyms, commercial slogans, letters, numbers, monograms, figures, portraits, labels, shields, prints, vignettes, borders, lines and bands, combinations and dispositions of colors and three-dimensional shapes. They may also consist of the form, presentation or packaging of the products or of their containers or wrappings, or of the means or premises for the sale of the corresponding products or services. 2) Without prejudice to the other provisions of this law and other applicable regulations, trademarks may also consist of national or foreign geographical indications, provided they **are sufficiently arbitrary and distinctive** with respect to the products or services to which they apply, and that their use is not likely to create confusion regarding the origin, qualities or characteristics of the products or services for which the trademarks are used.
37. Definition of trademark in **Mexico** (Industrial Property Law): “Article 88.- A trademark is understood as any visible sign that **distinguishes** products or services from others of the same species or class in the market.

1.4. Trademark definition in Chile

38. In Chile, trademarks are legally defined in article 19 of Law No. 19.039, as “any sign that is capable of graphic representation capable of distinguishing products, services or industrial or commercial establishments in the market. Such signs may consist of words, including the names of people, letters, numbers, figurative elements such as images, graphics, symbols, color combinations, as well as, any combination of these signs. When the signs are not intrinsically distinctive, registration may be granted if they **have acquired distinctiveness** through use in the domestic market.”

1.5. Conclusions

39. From the legal definitions, it is observed that the essential element of a trademark and at the same time its legal function is its “**distinctive character**”: that is, **the ability to differentiate itself from other trademarks that exist in the market, in order that the consumer effectively identify the business origin of a product or service, differentiating it from others of the same species.**
40. Since the trademark must be distinctive in a market, the registration of the same is an instrument that facilitates legal certainty about its ownership, but the requirement and function of the distinctiveness is only appreciable and fulfills its purpose when the trademark is located in the market.
41. There are no different levels of protection or definitions of different trademarks according to whether they consist of words, colors, names of people or figurative elements.
42. Trademarks do not have other functions than those established in International Treaties or in foreign legislations and in national legislation. Therefore, if there were other purposes or functions, these would be the following: i) be a facilitating mechanism of private initiative and the freedom to compete of an entrepreneur; ii) facilitate fair competition through the use of a distinctive sign that differentiates its products; and, iii) a function of transparency and help for free decision-making by consumers.

V. ON THE RIGHTS THAT A TRADEMARK CONFERS TO ITS OWNER: EXCLUSIVE AND EXCLUSIONARY RIGHT. LIMITATIONS ON TRADEMARKS

1.1. Right to use the trademark as it is registered

43. Again, we turn to the genesis of trademark law internationally, in this case the TRIPS Agreement, to describe the scope of the rights obtained over them, as well as the exceptions and limitations to them.

44. Thus, and for a correct interpretation of the specific rules of TRIPS, it is imperative to go first to its Preamble and objectives, according to which the members:

1. *“They wish to reduce the distortions of international trade and obstacles to it, and considering the need to promote effective and adequate protection of intellectual property rights and to ensure that the measures and procedures designed to enforce these rights do not become in turn, obstacles to legitimate trade; and,*

2. *Recognize that intellectual property rights are private rights;”*

45. For its part, Articles 7 and 8 of the TRIPS Agreement establish the objectives and principles of this as follows:

Article 7. Objectives. The protection and enforcement of intellectual property rights shall contribute to the promotion of technological innovation and the transfer and diffusion of technology, for the reciprocal benefit of producers and users of technological knowledge and in a way that favors social and economic well-being and the balance of rights and obligations.

Article 8. Principles 1. Members, when formulating or modifying their laws and regulations, may adopt the necessary measures to protect the public health and nutrition of the population, or to

promote the public interest in sectors of vital importance for their socio-economic development and technology, if these measures are compatible with the provisions of this Agreement. 2. It may be necessary to apply appropriate measures, if they are compatible with the provisions of this Agreement, to prevent the abuse of intellectual property rights by their owners or the use of practices that unjustifiably limit trade or result in detriment of the international transfer of technology.

46. In this order, we have that the TRIPS, being part of the General Agreement on Tariffs and Trade (GATT) and sharing its objectives, seeks to limit the regulatory capacity of States and not expand it, to the extent that it distorts or hinders the trade or affect rights that, according to the same Members, are of a private nature and, therefore, any tax should be viewed from the perspective of the private rights of the trademark owners, and not of the law of the States since, as a result of GATT and TRIPS, have relinquished some of their powers to control private transactions within the global market.
47. Now, Article 7 containing the objectives, is the result of a discussion limited only to patents, business secrets and integrated circuits layouts, and in the interest of discussion, of copyright, it is clear that it has no impact on the time to interpret the rights and limitations referred to trademarks. In effect, trademarks are not within the nature of “technological innovation” or technology in general, they are means or instruments by means of which technological products can be differentiated in the market.
48. On the other hand, Article 8 related to principles is directly applicable to them, in the sense of allowing the countries to take the **necessary** measures to protect nutrition and public health, under the condition that said measures “**are compatible with the provided in the Agreement.**”

49. Having said that, TRIPS in its article 16 establishes the catalog of property rights over trademarks and in its articles 17 and 20, it provides the framework within which countries can establish restrictions to those rights.

Article 16: Rights conferred 1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

*Article 17: Exceptions. Members may provide **limited** exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of **the legitimate interests of the owner of the trademark and of third parties.***

*Article 20: Other Requirements. The use of a trademark in the course of trade **shall not be unjustifiably encumbered by special requirements**, such as use with another trademark, use in a special form or use **in a manner detrimental to its capability to distinguish** the goods or services of one undertaking from those of other undertakings. This will not preclude a requirement prescribing the use of the trademark identifying the undertaking producing the goods or services along with, but without linking it to, the trademark distinguishing the specific goods or services in question of that undertaking.*

50. The use is the essential content of the trademark right. As has been expressed in the panels of the World Intellectual Property Organization (WIPO)⁵, the basis for use is, from a teleological point of view in the trademark's own purpose, which will only be effective if it complies with the functions of identification of the business origin of the products and services that it tries to identify, which will only be achieved with its use. From a practical point of view, the purpose of mandatory use seeks to adapt the material reality to the formal reality of the Registry, debugging it from trademarks that are not used in the market and preventing it from becoming a cemetery of trademarks, by following the diction of Franceschelli⁶. Likewise, as Lobato⁷, to prevent the Ordinance from protecting unnecessary monopolies that prevent other businessmen from accessing the protection that registration implies.

51. In fact, this concept is tied to the requirement of distinctiveness associated with the temporal and spatial circumstances of use of the sign, referred to in article 6 quinquies C. 1) of the Paris Convention for the Protection of Industrial Property, according to which “In order to assess whether the trademark is susceptible to protection, all the factual circumstances must be considered, mainly the duration of the use of the trademark”. Thus, if there is a right for a trademark that requires it to be protected, and for it to be protected, it must be distinctive of products in the market; the prohibition of its use entails the loss of its presence in the market, therefore, its protection or existence.

52. That the use must be made as a trademark means that the sign must distinguish in the market, products or services of a person of identical products or services of another. The **typical** way to comply with this requirement is the placement of the sign on the product. It cannot be said that the sign is used as a trademark when pursuing functions unrelated to those of the trademark, such as teachers, informational, informative or ornamental or in an administrative procedure to obtain a marketing authorization, or when used to identify different elements of the products or services⁸.

⁵OMPI/PI/JU/LAC/04/11.ASPECTOS JURISPRUDENCIALES MÁS DESTACADOS EN LA APLICACIÓN DEL DERECHO DE MARCAS Documento preparado por el Sr. José Luis Concepción Rodríguez, Magistrado, Audiencia Provincial, Barcelona, España. Antigua, Guatemala, 25 a 29 de octubre de 2004

⁶FRANCESCHELLI, Remo. Sui marchi di impresa, 4ª edcn., Milan, 1988, pp. 430 y 431

⁷LOBATO, Manuel. Comentario a la Ley 17/2001, de Marcas. Ed. Cívitas, Madrid, 2.002, pág. 615.

⁸OMPI/PI/JU/LAC/04/11.

53. Preventing the use of graphic elements of a mixed or figurative trademark, not only reduces its distinctiveness but also undermines its content, reducing its use to a function outside the purpose of the trademarks, which is purely informative, or informative.

1.2. Limitations to the right on the trademark

54. By way of counterweight, article 17 then allows the creation of exceptions to the right of exclusion, that is, to the right that the trademark owner has against third parties, but does not allow the countries to establish exceptions to access the right through registration or use of the trademark by its owner. The article obliges countries that exceptions are limited; therefore, they cannot be general and must consider the legitimate interests of the owner.

55. Finally, article 20 establishes an express prohibition to the member countries of the TRIPS Agreement to establish in their legislation other requirements for the use of trademarks that consist of:

i) An unjustified complication of said use.

ii) Special requirements.

iii) Uses in a special way. Or,

iv) A use that undermines the distinctive capacity of the trademark.

1.3. Conclusions

56. From reading the aforementioned provisions, it can also be concluded that in its positive dimension, the trademark confers on its owner, in addition to the right to exclude third parties, a right of use in the market so that the entrepreneur's products are distinguished.
57. Article 20 establishes clear regulatory impediments to member countries, which are framed in the TRIPS Preamble consisting of reducing trade barriers. Likewise, it is clear that, if regulations are issued on the use of trademarks, they cannot generate unjustified complications, nor consist of special demands, or special uses, or much less than the essential function of the trademark, such as its distinctiveness, be impaired.
58. It is possible to make a systemic interpretation of article 20 with article 8, in relation to the possibility for States to adopt measures to protect public health, unlike the possibility of States to establish requirements for the use of trademarks. Therefore, it must be borne in mind that article 8 requires that the adopted measure be necessary, that is, that **without it the objective of health protection is not fulfilled**. For its part, article 20 establishes another standard, in the sense that, if the measure in article 8 were to make demands or create requirements for the use of trademarks, this should not complicate its use in an unjustified manner, it should not be special, or undermine the distinctive capacity of the trademark.
59. However, the two articles have in common that, under the condition established in article 8, the measures to protect health or the demands of trademark use **do not allow the elimination of their existence** and to do so, they entail the consequence of the elimination of a private right.
60. In line with the conclusions of the first point of writing related to the distinctive function of the trademark, to comply with the standards established by article 20, the WTO Member imposing the tax on trademark rights must do more than provide

conjecture , anecdotal information, speculation or good intentions not quantifiable, on their need or desired effect based on dogmatic arguments.

1.4. Rights conferred on the owner of the trademark in Chile

61. Article 19 bis D of Law 19.039 determines that: *“The trademark confers on its owner the exclusive and exclusionary right to use it in economic traffic in the manner conferred on it and to distinguish products, services, commercial or industrial establishments included in the registry.”*

62. Thus, the law in Chile also considers that two rights are born from the registration of a trademark, namely: **(i)** an exclusive right, as the registrant is the only one authorized to make use of the trademark and **(ii)** another right of an exclusionary nature - the so-called *ius prohibendi* - insofar as it allows the owner to prevent third parties from using said trademark to distinguish the same products or services. In other words, a positive right is born with the registration, consisting of the faculty to use the trademark in the market for the products of its coverage, and another negative one, consisting of excluding third parties from said commercial use.

63. However, Law 19.039 establishes in article 19 bis, as the only limitation to trademark law, the exhaustion of the right,

“The right conferred by the registration of the trademark does not entitle its owner to prohibit third parties from using it in respect of products legitimately marketed in any country with that trademark by said owner or with his express consent.”

64. From the foregoing, it follows that the right to use the trademark in its essential function, which is to distinguish or identify products in the market, constitutes the essential core of the right of ownership that is held over it and that is protected by article 19 No. 25 paragraph 3 of the Political Constitution. The above is of utmost importance to understand the scope of a rule on restrictions on the advertising of specific products against the concept of trademark use as a distinctive sign of a product.

1.5. Absence of rule prohibiting the use of figurative marks. Law 20,606 does not prohibit the use of trademarks

Considering that the definition of a trademark and the rights it confers under Chilean law are in accordance with the International Treaties already mentioned several times, it is important to verify whether the Chilean State has made use of the possibility of limiting or demanding requirements for the use of trademarks in light of articles 8 and 20 of TRIPS in relation to trademarks that identify food.

65. Law 20.606 on the nutritional composition of food and its advertising does not establish norms that prohibit the use of trademarks and, in the interest of discussion, only establishes requirements for its use under precise conditions.

66. Law 20.606 establishes conditions for the marketing, sale and advertising of food products and not for trademarks that identify, distinguish or differentiate these products.

This conclusion can be reached by reading articles 2, 3, 5, 6 and 7 of the law in comment:

“Article 2°.- The manufacturers, producers, distributors and importers of food must inform in their containers or labels the ingredients they contain, including all their additives expressed in decreasing order of proportions, and their nutritional information, expressed in percentage composition, unit of weight or under the nomenclature indicated by the regulations in force.

“It will be the Ministry of Health, through the Food Sanitary Regulation, which will determine, in addition, the shape, size, colors, proportion, characteristics and content of the labels and nutritional labels of the food, especially ensuring that the

information in they are contained, be visible and easy to understand by the population.

“The labeling referred to in the preceding paragraph must consider, at least, the contents of energy, sugars, sodium, saturated fats and the others determined by the Ministry of Health.

“Article 3°.- No ingredients or additives that could lead to errors, damage to health, deceit or falsehoods, or that in any way are likely to create an erroneous impression with respect to the true nature, composition or quality of the product, can be added to prepared meals and food, as established in the Food Sanitary Regulations.

“Ingredients or additives in concentrations that cause damage to health cannot be added to food, as established by the Ministry of Health through regulations.

“Article 5°.- The Ministry of Health will determine the foods that, by unit of weight or volume, or portion of consumption, present in its nutritional composition high contents of calories, fats, sugars, salt or other ingredients that the regulation determines. This type of food should be labeled as “high in calories”, “high in salt” or with another equivalent denomination, as the case may be.

“The information indicated above, including its contents, form, size, messages, signage or drawings, proportions and other characteristics, will be determined by the Ministry of Health in the Food Sanitary Regulation. Likewise, limits may be set for energy and nutrient content in the foods referred to in the preceding paragraph.

“The Health Authority, in the exercise of its powers, may corroborate with its own analysis the information indicated in the labeling of food, without prejudice to the exercise of its supervisory powers.

“Article 6°.- The foods referred to in the previous article may not be sold, marketed, promoted and advertised in pre-school, primary and secondary education establishments.

“Likewise, its offering or delivery free of charge to minors under 14 years of age is prohibited, as well as the publicity of them aimed at them.

“In any case, its consumption cannot be induced by minors or use of means that take advantage of the credulity of minors. The sale of food specially destined for minors cannot be made through commercial hooks not related to the product's own promotion, such as gifts, contests, games or other element of child attraction.

“All food advertising made by mass media should carry a message, whose characteristics will determine the Ministry of Health, which promotes healthy lifestyle habits.

“Article 7°.- The advertising of the products described in article 5, may not be aimed at children under fourteen years.

“For the purposes of this law, advertising means any form of promotion, communication, recommendation, advertising, information or action designed to promote the consumption of a certain product.

“Article 8°.- The promotion of the foods indicated in article 5 may not be carried out using commercial hooks not related to the product's own promotion, when it is aimed at minors under fourteen years of age.

“In no case commercial hooks such as toys, accessories, adhesives, incentives or similar may be used.”

1.5.1. Comparative law on food advertising restrictions

67. As has been done to compare the Chilean industrial property law with international laws, we consider it appropriate to present international standards that are intended to regulate the advertising of food products as well as Law 20.606.

68. Thus, Peruvian Law 30021 of 2013 establishes the following restrictions and advertising/ information obligations in food when they are aimed at children:

*“Article 8. Advertising of food and non-alcoholic beverages
Advertising that is aimed at children and adolescents under 16 years of age and that is disseminated through any **medium** or **social media** should be in accordance with health promotion policies, and should not:*

*a) **Encourage** immoderate consumption of foods and non-alcoholic beverages, with trans-fats, high sugar content, sodium and saturated fats, in accordance with the provisions of this Law.*

*b) **Show** portions that are not appropriate to the situation presented or the age of the audience to which it is aimed.*

*c) Use **arguments** or techniques that exploit the innocence of children and adolescents, in such a way that they can confuse or mislead them regarding the nutritional benefits of the advertised product.*

- d) **Generate expectations** that their intake provides a feeling of superiority or that their lack of intake is perceived as an inferiority situation.
- e) **Indicate as benefits** of its intake the obtaining of force, gain or loss of weight, acquisition of status or popularity.
- f) **Represent social stereotypes** or that originate prejudices or any type of discrimination, linked to their intake.
- g) **Create a sense of urgency** or dependence by acquiring the food or non-alcoholic drink, or generate a feeling of immediacy or exclusivity.
- h) **Suggest that a parent or an adult is more intelligent** or more generous in acquiring the food or drink than the one who does not; in addition, do not refer to the feelings of affection of parents towards their children for the acquisition or not of the product.
- i) **Promote the delivery of gifts**, prizes or any other benefit designed to encourage the acquisition or consumption of food or non-alcoholic beverages.
- j) **Use testimonies** of real or fictitious characters known or admired by children and adolescents to induce their consumption.
- k) Establish suggestions regarding the substitution of the diet or daily nutrition of main meals, such as breakfast, lunch or dinner.
- l) Encourage or justify eating or drinking immoderately, excessively or compulsively.
- m) Show images of natural products, if they are not.

Affirmations and terminology referring to health or nutrition must be supported by scientific evidence and may be required at any time by the authority, at the Court's discretion or at the request of any citizen.

Article 9. Principle of advertising veracity

“Advertising messages must be clear, objective and relevant, considering that the children and adolescents do not have the capacity or experience to properly assess or interpret the nature of these messages.

“The images, dialogues and sounds that are used in the advertising of food and beverages must be precise in terms of the characteristics of the product and any attribute that is to be highlighted, as well as its taste, color, size, content, weight, its properties nutritional, health or others.

Article 10. Advertising warnings

“In the advertising, including that which is included in the product, of foods and non-alcoholic beverages with trans-fats and high content of sugar, sodium and saturated fats, the following phrases must be clearly, legibly, prominently and comprehensibly recorded, as the case may be:

“High in (Sodium-sugar-saturated fats): Avoid excessive consumption”

“Contains trans-fat: Avoid consumption”

“This advertising warning will be applicable to food and non-alcoholic beverages that exceed the technical parameters established in the regulation.”

69. The Peruvian standard allows concluding on the existence of a legal framework to exercise the advertising activity and not for the use of trademarks. The Peruvian Law considers that advertising is disseminated through two media, one material called

by its support and another immaterial such as media. In this virtue, the material support **is not a distinctive sign or a trademark**, but any other material that is ordinarily used to disseminate messages. This is better described by the set of governing verbs contained in literal a) to m) of article 8, within which there is no prohibition on the use of trademarks, but advertising messages.

1.5.2. Difference between trademark and advertising: Distinguishing and identifying a product is different than promoting it

70. As indicated at the beginning of this document, the definition of a trademark in our order (which in this matter is fully consistent with foreign ordinances) establishes as an essential element the ability to distinguish (or identify) a product in the market, so that it can be differentiated from others.
71. Obviously, this definition is different from advertising, whose essential element is the promotion of a product, so that the consumer prefers it. Indeed, distinguishing and identifying a product is logically different than promoting its consumption. Furthermore, to be even possible to promote the consumption or acquisition of a product, **it is necessary that said product is previously identified**, so that consumers can distinguish it from the products of other competitors. Otherwise, regardless of the distinctive action of a trademark, the publicity of a market agent would benefit all its competitors to the extent that the products would be promoted in *abstract* (such as “a shoe” or “a computer”), but not specifically, losing all its meaning.
72. Thus, the trademark is not an advertising message, but is the necessary object of that. In other words, advertising is not done “in” the trademark, but “on” or “in favor” of a trademark. This differentiation, based on the legal definitions of trademarks and advertising, is also based on various rules of our legal and ethical order.

1.5.3. Legal texts that differentiate advertising from trademark

1.5.3.1. Definition of advertising: Promote consumption

73. Article 7°, paragraph 2° of Law 20.606 defines advertising as: “any form of promotion, communication, recommendation, advertising, information or action **aimed at promoting the consumption of a specific product**”. This definition is consistent with that provided by article 1° of Law 19.496, on Protection of Consumer Rights, according to which advertising is: “the communication that the provider addresses to the public by any means suitable for that purpose, to inform it and **motivate them to acquire or contract a good or service**”.
74. As is clear, the proper function of advertising is to promote consumption, that is, the acquisition by the consumer of a certain product or service. Consequently, although it is a relatively broad definition, **it is not an unlimited definition**, as the sentencer stated when stating that the rule of article 7°, paragraph 2°, “*is clear in subsuming within the concept of publicity, in the scope of food, to any form of action aimed at promoting the consumption of a certain product, whether or not using the distinctive signs of the trademark*” (point 23°), given that it confuses the action of promoting with the object of said promotion, this is, the use of a sign in the established legal form. Indeed, the sign applied to a product or its packaging is not an action of promotion of consumption, but of differentiation (distinctiveness), while the use of other materials or activities to induce its consumption is promotion.
75. Of course, to be even possible to promote the consumption or contracting of a product, it is required that there is a product, after it has an identifier and finally, that the first represented by the second can be promoted to consumers. As is logical, the elaboration of the product and its identification are not part of the scope of advertising, which begins to operate later, that is, once said product is already developed and identified.
76. For this reason, the rules established by the legislator to discipline advertising ensure that the statements made in advertising about a trademark do not induce consumers to mislead on the properties of the product (article 28 of Law 19.496) or

regarding its business origin (article 28A of Law 19.496)⁹. Such regulation only makes sense to the extent that advertising differs from the nature and identification (i.e., trademark) of the product.

1.5.3.2. Code of Ethics, Consumer Protection Law

77. Thus, we can mention the Chilean Code of Advertising Ethics (hereinafter “CChEP”) and law 19.496, on Consumer Protection. Indeed, both regulatory statutes differentiate the trademark from the publicity that is carried out on it. Thus, the CChEP, in its clause “Definitions”, when defining a “notice or advertising message”, indicates that it is *“a communication, usually paid, **in favor of a trademark**, product, service, industry or cause, made to through any vehicle, means of communication or channel of expression”*. For its part, article 28A of law 19.496, states that *“this law is infringed by anyone who, through any type of advertising message, causes confusion among consumers regarding the identity of companies, activities, products, names, trademarks or other distinctive signs of competitors”*.

78. In this way, if trademarking and advertising were the same, it would not make sense to say that an advertising message is made *“in favor of a trademark”*, or that it can *“cause confusion”* to consumers in relation to a trademark. It is clear, therefore, that both the legislator and the uses of trade distinguish - both logically and legally - both concepts.

79. For its part, in law 19.039, the word “advertising” is only mentioned twice, clearly reflecting that this concept in no case can be coincident or even be associated with a characteristic of the trademark.

80. Specifically, in article 112, law No. 19.039 provides that, in relation to the infringement of industrial property rights, among the measures that the Court may order is: *“b) The confiscation of the products subject to the alleged infringement and of the materials and means that serve mainly to commit it. In the case of distinctive*

⁹ Article 28 A of Law 19.496: *“In addition, this law is infringed by anyone who, through any type of advertising message, **causes confusion among consumers regarding the identity of companies, activities, products, names, trademarks or other distinctive signs of competitors.**”*

signs, the confiscation of **packaging, packing, labels, printed or advertising material bearing the sign of the alleged infringement may also be decreed.**”

81. From the literal content of the article in comment, two relevant points can be highlighted, which were not considered in the definitive sentence:

1) the use of a trademark or distinctive sign differs from advertising “that has the sign”, because as we have already indicated, it is about different concepts (that is, typically a poster, where the trademark is not distinguishing products);

2) It is clear that the law distinguishes between the use of the trademark in “packaging” (which is properly distinctive) of that made in “advertising material” (which is advertising).

82. This distinction makes it clear that the use of a trademark in a “packaging” is conceptually different from that used in advertising material, not being both synonyms. If they were, any trademark applied or put in a packaging would be advertising, regardless of its characteristics. The above is of all logic, since in the case of products (and not services), it is precisely in the packaging in which they are identified, constituting themselves, as well as the natural habitat of the trademarks. Thus, the law itself 19.039, when referring to advertising, individualizes it as a different and isolated use of that made in packaging (which is understood as properly distinctive or identifier).

83. The World Intellectual Property Organization (WIPO) produced a document called “Joint Recommendation on Provisions on the Protection of Well-Known Trademarks”, published in 2000 (hereinafter “**the Recommendation**”). The purpose of quoting this document is to mention a clear example of normative text agreed upon by experts in the field from more than 180 countries and the Technical Secretariat of WIPO, in which the material difference between trademark and advertising is noticed:

Thus, within the guiding text that is recommended to determine if a trademark is notorious, WIPO suggests the following wording:

“Article 2

Determination of whether a trademark is well known in a Member State

1) [Factors that should be considered]

a) When determining whether a trademark is well known, the competent authority shall consider any circumstance from which it may be inferred that the trademark is well known.

b) In particular, the competent authority will consider the information submitted to it in relation to the factors from which it can be inferred that the trademark is well known, including, but not limited to, the information relating to the following:

2. The duration, magnitude and geographical scope of any use of the trademark.

3. the duration, magnitude and geographical scope of **any promotion of the trademark**, including **promotion or advertising** and the presentation at fairs or exhibitions of the products or services to which **the trademark is applied**;

84. It is clear that in the same text is the difference between the application of the trademark to a product, as its essential function and unique form of use, and the publicity that is made through promotion or advertising.

85. Likewise, we see how the “**duration, magnitude and geographical scope of any UTILIZATION of the trademark**” differs as a different factor to be considered in the analysis of a well-known trademark of “**the duration, magnitude and geographical scope of any promotion of the trademark, including promotion or advertising...**”, the analysis of each of which being relevant independently and showing that even an intensive use of great magnitude, reflected in sales of the trademark is not due to

advertising, or what is same, demonstrate that a large volume of sales of a product identified with a trademark does not mean advertising intensity.

86. The European Union Intellectual Property Office (EUIPO) states that “A trademark may also transmit other messages that are not the indication of origin of the products and services, such as the promise or guarantee of a certain quality, or a specific image related, for example, to luxury, a lifestyle, exclusivity, etc. (“advertising function”) (sentence of 18/06/2009, C-487/07, L'Oréal, EU: C: 2009: 378). Trademark owners often invest large sums and considerable effort in generating an image associated with their trademark. The associated image gives a trademark an economic value - often important - and independent of the value of the products and services for which it was registered.”¹⁰

87. Consequently and by argument to the contrary, we can point out that the effective or *distinctive* use of the trademark cannot be considered as advertising either.

88. Again, we present a foreign definition of advertising contemplated in the aforementioned law 30021 of 2013 of Peru, in whose article 3 it defines advertising, advertising aimed at minors and also differentiates the testimonial advertising of product advertising as follows:

*“Advertising. Any form of communication disseminated through any means or support, and objectively suitable or aimed to **promote**, directly or indirectly, the image, **trademarks**, products or services of a person, company or entity in the exercise of its commercial, industrial or professional activity, in the framework of a concurrency activity, promoting the contracting or carrying out of transactions to satisfy their business interests.”*

¹⁰ **Guidelines for examination before the Office, Part C, Opposition**

https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/trade_marks/Draft_Guidelines_WP_1_2017/23_part_c_opposition_section_6_proof_of_use_clean_2017_es.pdf

“Advertising aimed at children and adolescents. Is one that, for its content, arguments, graphics, music, characters, symbols and type of program in which it is disseminated, is attractive and is aimed preferentially at children under 16 years of age.”

“Testimonial Advertising. Any publicity that can be perceived by the consumer as a manifestation of the opinions, beliefs, discoveries or experiences of a witness, because the name of the person making the testimonial is identified or is identifiable by its reputation or public notoriety.”

“Product advertising. All advertising fixed on the packing, on the packaging or on the body of the product.”

89. It is clear under this rule that, in addition to having the same purpose as the law 20.606, **the trademark is the object of advertising** and, therefore, the trademark cannot be synonymous of advertising or be self-sufficient so that the prohibited governing verbs concur in it, nor for the fact of being fixed on the packing is included in the definition of product advertising, since it is the object of promotion and not the advertising message, so it **does not have** the characteristic of being a trademark and support of the advertising message at the same time.

90. It is essential to draw attention to this Supreme Court that the Peruvian authority in charge of monitoring and controlling compliance with this law is the same one that protects consumers and administers the Industrial Property system in Peru, called INDECOPI. Since it is an expert entity in advertising laws, consumer protection and industrial property, it has not ordered the withdrawal of any figurative or nominative trademark that identifies food products high in cholesterol, sugar, fat, etc., to consider, contrary to the wrong concept of the National Institute of Industrial Property of Chile requested by the SEREMI and the 2nd Civil Court of Santiago, that it constitutes advertising that is aimed at or attractive to children under the terms of law 30021 of 2013.

VI. THE ORDER OF THE SEREMI AND THE DECISION OF THE 2ND CIVIL COURT OF SANTIAGO ARE MORE RESTRICTIVE MEASURES THAN THOSE ALLOWED IN THE TRIPS

91. Resolution No. 3000 and the definitive sentence admit a definition of trademark that is contrary to its legal nature, according to Chile's regulatory and legal regulations.
92. Both resolutions make an extensive interpretation of article 7° of Law 20.606 towards trademarks, in circumstances that prohibitive rule (and therefore restrictive interpretation) is applicable exclusively to the advertising of the products to which said law refers.
93. Both resolutions are contrary to the regulatory and legal regulations, since it considers the concepts of *trademark* and *advertising* as coinciding, despite the fact that different legal and regulatory provisions establish clear differences between one and the other concept.
94. **Resolution No. 3000 and the definitive sentence (as actions) contain a limitation on the rights conferred on a trademark, greater than those allowed by articles 8 and/or 20 of the TRIPS Agreement. Indeed, both establish measures that i) are not necessary within the meaning of article 8 to achieve the objective of protecting public health, since the action to fight childhood obesity is not disappear the trademarks. And, ii) It exceeds the scope of possible requirements for the use of trademarks contained in article 20 by going further than undermining the distinctive character of trademarks, since the decision is not to reduce their size, or make it secondary to the nutritional content information and mandatory, but eliminates, abolish the trademark. In other words, there is no worse impairment to the distinctive capacity of the trademark than its abolition.**
95. **If the registration of a trademark seeks to reflect the legal reality of the same, which is its presence in the market, it can only be a trademark that has the ability to distinguish the products of an entrepreneur from those of other entrepreneurs in the market, the prohibition of the use of figurative trademarks in foods that can be used for children constitutes a violation of article 15.4 of TRIPS. Indeed, this**

decision goes completely against the distinctive and fundamental character of the trademarks, being that the use of a trademark in the form in which it was registered is being unjustifiably complicated, imposing special demands in attention to the nature of the products to which the trademark is destined to distinguish and in attention to the nature of the trademark itself.

96. Resolution No. 3000 and the definitive sentence are also unconstitutional because, by confusing the concepts of trademark and advertising create a judicial prohibition regarding the use of trademarks, which is completely alien to the limitations of the domain admitted by law, and that, in addition, affects the essential core of the property right over the trademarks.
97. There is no international treaty, regulation or recommendation that recognizes an advertising element that forms part of the essence of a trademark at the international level. On the contrary, in those cases in which “advertising” or “promotion” is mentioned, it is clearly distinguished from the effective or distinctive use of a trademark.
98. In legislation and comparative jurisprudence, in no case the concept of use and publicity is equated, as the Chilean health authority has done (confirmed by the sentence of first instance). In addition, a clear distinction has been made between the obligation to prove effective use with that of demonstrating advertising investment, not being both concepts synonymous.
99. The limitations that the TRIPS allows in its articles 8 or 20, in public health protection and the nutrition of the population, demand from the Authority that imposes them, to demonstrate that they have not been carried out in an unjustifiable manner but rather in compatibility with the provisions of the agreement. Those limitations that sanction certain types of trademarks by the mere fact of being so would be unjustifiable, as unjustifiable would be the lack of an equitable parameter, objective and clear, when a trademark cannot be used in commerce.
100. The prohibitive norms are explicit and of restrictive interpretation. Therefore, there should be no place for subjectivity or subjective criteria to activate the

prohibition. In this sense, it generates uncertainty and it is a misinterpretation that the trademark is considered advertising when it is attractive, because such quality is subjective and the effect of that is to interpret that repellent trademarks are not advertising and/or, that they can be advertised because they are repellent or unsightly.

101. Interpreted a contrario sensu, the sentence of the 2nd Civil Court of Santiago punishes and discriminates figurative and mixed trademarks by the mere fact of being so. They are sanctioned for being attractive and for causing a certain impact and/or recall capacity, not for promotion, in the consumer. It leaves aside these attributes the basic content of any trademark or distinctive sign, these being also the indicators of its degree of distinctiveness as part of the various options that, for the same product, exist in the market. It seems to limit the trademarks to those that do not have graphic and/or figurative elements that make them attractive to a specific audience, when it is precisely in their attractiveness and recall capacity where the degree of distinctiveness necessary to obtain their registration protection lies. From this point of view, only “ugly” trademarks of low distinctiveness, whose aesthetics (or lack of it) do not cause any type of impact or sensation in the target public appear to be admissible. In short, it would be about emptying the trademark of its content and reason for being.

102. These limitations are even more unjustified and, therefore, arbitrary, since there is no parameter that allows us to differentiate with clear clarity which graphic or figurative elements of the trademark would make it fall into the prohibition/limitation and which are still possible or allowed. It is then a subjective limitation to freedom of trade and the full use of a trademark, which has no clear objective and/or normative support, neither for the owner nor for the Authority itself.

103. Therefore, the decision of the 2nd Civil Court of Santiago also undermines the right of free choice or choice by consumers, this consumer right implies that the widest possible range of options is available to them - irrespective of its aesthetics or attractiveness- to freely choose the products and services that are most

consistent with their preferences or interests. Indeed, consumers know perfectly what products or services are the ones that must be chosen at all times according to their particular preferences and circumstances; therefore, the function of the trademarks is none other than to identify each product differentiating it from others of its nature, being the consumer who freely and under their responsibility makes purchase decisions. Consequently, the definitive sentence goes directly against this inalienable right of consumers for freely choosing the products of their preference, regardless of their effects or consequences.

VII. CONCLUSIONS

104. The trademarks are characterized by distinctive character, which allows a trademark to identify a product with its business origin and individualize it with respect to other identical products in the market. Likewise, the comparative analysis of local norms as foreign trademarks that were previously made, all coincide with this definition, considering the character of distinctiveness as a fundamental element of a trademark, and can be understood as a generally accepted principle of trademark law. Additionally, there is no reference or mention to “advertising” or “advertising use” as a characteristic or inherent element of a trademark, much less defining what is understood by a trademark or that is considered a synonym to the distinctive or effective use of the trademark.
105. There are no national or international standards that affect the use of a registered or protected trademark by virtue of its use, nor provisions that discriminate in the treatment of trademarks because they are denominative, figurative or mixed. The national legislation that has governed the case establishes only conditions for the commercialization, sale and advertising of food products and not for the trademarks that identify, distinguish or differentiate these products, so it is extremely important to consider the great difference between advertising, which tends to promote the consumption of products or services and which is normally subject to payment, while trademarks, as already mentioned, distinguish or identify products or services.
106. In view of the foregoing, it is evident that the SEREMI resolution and the judgment of the 2nd Civil Court of Santiago make an extensive interpretation of article 7 of Law 20,606 towards trademarks, when it is only a regulation on advertising aimed at children under 14 years as a measure of health protection or public health, as it has been widely noted, is the promotion of products and not their identification. Consequently, the fact of confusing advertising with trademark has generated the elimination of the use of figurative trademarks, establishing a discrimination between the types of trademarks, and contravening the regulatory limits allowed by international treaties and national legislation in trademark law.

SECOND PETITION: I request this Supreme Court to consider as attachment the simple copy of the powers granted to me by **INTERNATIONAL TRADEMARK ASSOCIATION** to act on its behalf, with a citation.

THIRD PETITION: Please note that in my capacity as an attorney qualified for the exercise of the profession and in accordance with the power that I accredit in the second petition of this presentation, I personally assume the sponsorship and power of this cause.