

**Republic of Chile  
Ministry of Finance  
National Institute of Industrial Property**

**Public Consultation  
on  
Proposals for Amending the  
Chilean Industrial Property Law**

**Submission by the  
International Trademark Association  
March 29, 2012**

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## **I. Introduction**

The International Trademark Association (INTA) welcomes the initiative of the Chilean government of inviting interested parties to provide comments in relation to the proposed amendments to the Industrial Property Law. INTA is honored to participate in this process and submits its suggestions in the following document.

INTA is a not-for-profit membership association of more than 5,900 trademark owners and professional firms from more than 190 countries. It was founded in 1878 and is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA members share common interests in the protection of trademarks and the development of trademark law, and they rely on INTA to represent and advocate for those interests with national governments and international organizations. INTA's diverse membership includes multinational corporations and other business enterprises of all sizes, intellectual property and general practice law firms, trademark agent firms, service firms, trademark consultants and academic institutions. Currently, INTA has 38 Chilean members. Please visit our website for more information: <http://www.inta.org>.

For many years INTA has responded to requests by governments around the world to provide comments on issues regarding amendments, modernization and improvement of trademark laws and regulations. This submission was prepared with the assistance of INTA members from who are experts in the field of trademark law.

## **II. Summary**

On March 9, 2012, the Chilean Finance Ministry, through the National Institute of Industrial Property (INAPI), opened a period for public consultation on the draft for revision of the current Industrial Property Law, which came into force in 1991. The aim of this consultation is to receive opinions from interested parties prior to sending the project to the Congress.

In relation to trademarks, the proposals for amendment of the law include changes which modernize the current rules by broadening the types of signs eligible for registration and remove a category of trademarks (business and industrial establishments) which is outdated and without practical significance. Most relevant to note, the proposed amendment introduces the obligation of use to maintain trademark rights and provides for cancellation actions on the grounds of lack of use, a change which would bring Chilean trademark law in line with international trends.

The comments presented in this document take into consideration INTA's prior recommendations as set out in resolutions and guidelines developed by the Association throughout the years. The task force committed to the analysis of the proposed amendments represents the coordinated work and research of the following INTA policy development and advocacy committees:

- Legislation and Regulation Committee
- Trademark Office Practices Committee
- Non-traditional Marks Committee
- Famous and Well-Known Marks Committee

The task force focused its attention in the following issues, for which detailed comments are contained in this submission:

- Definition of trademark
- Signs eligible for trademark protection
- Protection of color trademarks
- Protection of well-known and famous trademarks
- Use of a trademark as registered
- Cancellation on the grounds of lack of use
- Protection of trade names

### **III. Detailed comments and recommendations**

#### **1. Definition of trademark – Signs eligible for protection**

##### *Article 37*

This article defines a trademark by its capacity to distinguish in commerce the goods or services of an entity ("persona" in the Spanish text, a term which encompasses both an individual or a legal entity) from those of another.

Yet, the definition of trademark in the proposed amendment is not clear.

The article begins by listing a number of elements which can constitute a trademark, i.e., "a word, name, symbol, sign or any combination thereof" and thereafter provides an expanded list, i.e.:

- "words or combinations of words, including the names of individuals, letters, numbers;"

- “design elements, such as images, graphics, drawings, symbols, combination of colors;”
- “sounds;”
- “three-dimensional shapes, including packaging, containers and the shape of a product or its presentation;” and
- “any combination of these signs.”

In the manner this article is presently drafted, the listing of signs eligible for protection can be construed as a list of examples or as a list of the only signs for which protection would be granted. The use of the verb “can” in the second paragraph of the article (“These signs can consist of: ...”, i.e., “Estos signos podrán consistir en: ...”) allows for this ambiguous interpretation.

***Recommendation:***

*INTA supports the definition of a trademark focused on the capacity of the sign as a source identifier. However, INTA recommends a clearer definition by simply defining a trademark as any sign or combination of signs capable of distinguishing the goods or services of a party from those of another. The word “sign” encompasses all of the other examples mentioned in this paragraph (i.e., words, names, symbols). By keeping the definition simple, trademark protection would be available to any sign which meets the basic requirement of distinctiveness or acquired distinctiveness. This includes alphanumeric marks, color marks, marks for packaging and for the form or configuration of a product, and marks which are three-dimensional. It also includes sound, smell, taste, or touch marks where these satisfy the above criteria.*

*As regards the second paragraph of this article, INTA recommends to reword it in a manner where it is clear that the recitation of examples is not limiting trademark protection to such examples. In particular, the preamble of this paragraph should be amended to read:*

*“These signs might consist in, inter alia,: ...”*

*“Tales signos pueden consistir, entre otros, en: ...”.*

*INTA does not support restrictions as to which signs are eligible for trademark protection as it is the position of the Association that any sign meeting the above criteria should be eligible for registration. The Association would be pleased to offer comments and assistance on how to implement the examination and requirements for protection of non-traditional marks (such as sound, smell, motion and touch marks) in the future.*

## **2. Absolute grounds for refusal: color trademarks**

### ***Article 38***

This article provides that the color of a product and a color per se cannot be registered as a trademark.

### ***Recommendation:***

*INTA does not support an absolute prohibition to the registration of the color of a product nor of a color per se.*

*In order to constitute a trademark, a color or combination of colors should be capable of distinguishing the goods of the applicant, and must be perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source. For marks consisting of a single overall color, the applicant should be allowed to prove that the overall color is not functional or generic for the goods/services, such as those colors needed by competitors providing the same goods/services as those of the application.*

*Therefore, INTA recommends amending article 38.h) to read:*

*“The generic color of a product or service or the color which serves a function in relation to the goods or services for which protection is claimed”*

*“El color genérico de un producto o servicio o el color que sea funcional con relación a los productos o servicios para los que se reivindica protección”.*

## **3. Relative grounds for refusal: protection of well-known and famous marks**

### ***Article 39, paragraphs f) and g)***

These paragraphs provide protection for well-known and famous trademarks. In the case of well-known marks, unauthorized third parties may not register identical or similar signs for identical or related goods or services, while in the case of famous marks the protection extends to unrelated goods or services.

This article provides a non-exhaustive list of factors which may be considered in determining whether a mark is well known or famous, but fails to make a distinction among the two categories.

**Recommendation:**

*Insofar as this article foresees a different level of protection to well-known and famous marks, where famous marks are entitled to broader protection (i.e., they can be invoked as grounds to refuse registration of identical or similar marks even if aimed at designating unrelated goods or services, provided there is risk of association, unlawful profit from the recognition achieved by the sign or risk of dilution), the law should set out the criteria to establish where the distinction between well-known and famous trademarks lies.*

*Possibly, a distinction can be made among those marks which have achieved significant recognition by the public at large (famous marks) and those where such a recognition is limited to the relevant consuming public (well-known marks).*

*INTA strongly suggests that the factors to determine “well-known” or “famous” status be part of a non-exhaustive, non-cumulative list of factors and to serve only as guidelines, not requirements.*

**4. Use of a trademark as registered**

**Article 63**

This article foresees that the mark should be used as registered, though use is deemed sufficient to maintain the protection if the mark as used differs from that registered in size or if it slightly varies in color (in case colors were claimed as a feature of the mark).

**Recommendation:**

*INTA endorses the position that a mark should be used as registered in order to maintain the rights. However, in determining whether use is sufficient to maintain trademark rights other variations (apart from differences in size or color, the only admissible variations under art. 63 of the proposal for amendment) should be admissible to the extent they do not alter the distinctive character of the mark, in line with the provisions of the Paris Convention (art. 5.C.(2)).*

*INTA is of the opinion that this article should be amended to maintain the protection for the trademark when the form in which it is used differs in elements which do not alter the distinctive character of the trademark, such variation not limited to changes in size or slight alterations of colors.*

*INTA suggests replacing the wording of the second sentence of this article, i.e.,  
“The diminution or enlargement in size, as well as the slight variation in color of a device or combined mark would not affect the protection.”*

*“Las disminuciones o ampliaciones del tamaño, así como las leves variaciones de colores de la marca figurativa o mixta no incidirán en la protección.”*

to read

*“Use of the trademark in a form differing in elements which do not alter the distinctive character of the mark as registered shall not entail invalidation and shall not diminish the protection granted to the mark.”*

*“El uso de la marca en una forma que difiere en elementos que no alteran el carácter distintivo de la marca como fue registrada no invalidarán ni disminuirán la protección otorgada a la marca”.*

## **5. Cancellation on the grounds of lack of use**

### **Article 68**

This article introduces the obligation to use the mark within the Chilean territory as a condition to keep the registration in force. The obligation to use the mark begins as of five years from the date the registration is granted. The registration is also vulnerable to cancellation if use is discontinued for over five years. Cancellation on the grounds of lack of use operates upon request of a third party. INAPI shall be entitled to decide whether there are valid excuses to justify the lack of use.

#### ***Recommendation:***

*INTA endorses the proposed amendment since the Association holds the position that trademark rights should be conferred only with a corresponding obligation to use the trademarks for the goods and services for which protection has been granted.*

*However, INTA further supports that where a trademark is registered for multiple goods or services, a partial non-use cancellation mechanism should be available, so that the owner of the registration should not be allowed to maintain protection for those goods and/or services for which the mark has not been put to genuine use, but should be entitled to maintain protection in connection with the goods and services for which the mark has been genuinely used.*

*Moreover, in determining the validity of excuses for non-use, INTA supports that they be limited to circumstances arising independently of the will of the owner of the trademark.*

## 6. Protection of trade names

### *Article 37*

This article removes a category of trademarks foreseen under art. 19 of law 19039, namely, those which identify an industrial or commercial enterprise.

### *Article 116*

This article defines a trade name as any sign which can be graphically represented and which identifies an enterprise or establishment in the economic trade and serves the purpose of distinguishing said enterprise or establishment from others doing business in the same or similar field.

### ***Reccommendation:***

*INTA supports the removal of the category of industrial and commercial enterprise trademarks, as the scope thereof seemed unclear and its overlapping with service marks made the category unnecessary. However, a transition provision should be set to determine the fate of the registered trademarks in this category.*

*INTA would welcome the revision of the law that addresses the differences between service marks and trade names (also known as “business identifiers”) and provides criteria for reducing potential conflicts between trademarks and trade names based on the following principles:*

- *The relevant test as to whether a trade name creates a likelihood of confusion, association and/or dilution with a pre-existing trademark should be whether a trade name is being used to identify or to designate a business, business activity, vocation and/or to otherwise distinguish its goods and/or services from those of another, including use for shop names, website names, labeling or packaging goods, business stationery, and/or advertising of goods and services, and not the particular type of trade.*
- *To the extent that protectable trademark rights, or rights in a trade name have been established in a given jurisdiction whether by application, registration, and/or use, such rights should apply against later adopted trade name.*
- *Severe penalties should be imposed for the intentional infringement of a trademark by the holder of a trade name, particularly for activities that support, enable, or encourage counterfeiting activities.*
- *Notwithstanding any other law or regulation, trade name and other business identifier registrars should be empowered and required to comply with court orders requiring the*

*removal, modification, and/or amendment of an infringing and/or diluting business identifier,*

#### **IV. Conclusion**

INTA believes that the proposed amendments to the IP law represent a strong commitment from the Chilean government to harmonize its legislation to internationally accepted standards for trademark protection. The Association would be pleased to continue assisting in this process and looks forward to further cooperation with Chile in this regard.

Should you have any queries regarding these comments, kindly contact Ms. Laura Cruz, INTA External Relations Manager for Latin America, at [lcruz@inta.org](mailto:lcruz@inta.org).