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Coexistence
agreements in Brazil

After a long period of darkness on this subject, the BPTO has just released an official communication on how the Coexistence Agreements shall be treated. The former BPTO's Guidelines for the Analysis of Trademarks (issued in May/1997) formally admitted that Coexistence Agreements excluded the application of the norm contained in Section 124, item XIX, of the Brazilian IP Law, which prohibits the registration of marks that are identical or similar to another previously registered for the same or related goods or services, being susceptible of causing confusion or association with the senior mark.

Notwithstanding the fact that this guideline has lasted for over 13 years, it has always been refuted by the BPTO Attorneys' Office, under the allegation that the Agreement by itself could never override that statutory prohibition. During the discussions for the revision of the BPTO's Guidelines for the Analysis of Trademarks, which final version was released in December 2010, the BPTO Attorneys' Office position has prevailed. As a result, the formerly applied orientation was excluded from the new Guidelines which did not bring any other ruling for this subject.

This lack of definition created a huge legal uncertainty for the trademark users and professionals, leading to a most needed positioning of the BPTO on the matter.

Accordingly, on August 21, 2012 the BPTO made public the normative nature that will be included in the Guidelines, whose main points are summarized below:

1. The documents known as "Trademark Coexistence Agreements" shall never automatically avoid the applicability of Section 124, item XIX, of the Brazilian IP Law;
2. The Agreements shall serve as a further element to guide the exam of registrability of the applied mark and might contribute to a favorable decision if and when they are likely to ensure the peaceful coexistence of the signs in the market;
3. If, in spite of these Agreements, the BPTO still considers that the coexistence of the signs involved is unfeasible, it may raise an Official Action directed to either interested parties demanding the restriction of the goods and/or services covered by their respective marks, or even the removal of a particular element of the applied mark, in order to effectively avoid the risk of confusion or association between the signs under exam;
4. The Coexistence Agreements shall also be appreciated as a contributive element to the exam of requests for recordal of assignment of trademarks, without prejudice to the raising of Official Actions by the BPTO, with the purpose of avoiding the cancellation of the registrations or dismissal of the applications for similar marks not included in the assignment;
5. In the event the Coexistence Agreement refers to marks belonging to companies of the same economic group, it will be paramount to prove such connection.

In short, Coexistence Agreements *by themselves* will not sufficient to overcome the citation of prior conflicting rights, it being necessary for the interested party to rely on all available arguments in support of its claim that the peaceful coexistence of the signs is possible and within the Law.