

Newsletter:
INTELLECTUAL
PROPERTY



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INTELLECTUAL PROPERTY



Mexico Supreme Court regulated damages from Copyright Infringements

Mexico Supreme Court settled a legal dispute on June 2022, regarding Article 216 bis of the Federal Copyright Law, which states that compensation for copyright infringements and violations in all cases should be set in an amount no lower of 40% of the sales price of the product or the offering of the service. When the price of this product/service can not be defined, an expert will determine the revenue made from this infraction. A recent lawsuit fought this law to be unconstitutional. The claimant of the lawsuit argued that the law broke the principles of legal certainty and proportionality. Nevertheless, the court argued that when such price can't be defined an expert can regulate the matter and determine the profits made through the infringement. In this case, it included the beverages, food, taxes and other profits made by a nightclub using songs, while infringing copyright law. The Court used this criteria to establish the revenue related to the copyright infraction should be interpreted in an ample way, since the violation was committed for the purpose of economic gain in the forms listed above. Not taking into account this factors would not serve the compensatory nature of this sanctions.



Foreign Companies in Decision 291

The PreJudicial Interpretation 247-IP-2021 issued May 6th, 2022, published in the Official Gazette on the Cartagena Agreement, issued new criteria for interpretation when a company be classified as foreign. According to the statement, the proper way to define the term "foreign company" was settled by Decision 291 of the Andean Community, but the interpretation of this Decision has some ambiguities. It was known that when foreign shareholders own more than 51% of the company through shares or ownership of any kind, the company itself was considered to be of foreign nature. Nevertheless, the criteria issued by the Andean Court of Justice recently, states that when foreign shareholders do not own more than 51% of the company shares, but exercise control either through the board of directors, sums of capital or indirect shares within, the company can be classified as foreign. This type of control can be evidenced when national investors do not participate in the decisions being made internally and externally in the company.

Frontal Labeling - Colombia

In the month of July of 2021, the National Congress approved the Law 2120 which regulated the packaging of items for massive consumption. Through the sanctioning of this law, merchants and manufacturers were obliged to incorporate on their package's labels several warnings when the products present high levels of sodium, saturated fats, sugars, amongst others. For this purpose, companies were given a timeframe of 1 year to incorporate these new labels, which expires the 31st of July of 2022. In addition, Resolution 810 sanctioned in June 2021, regulated the technical conditions that must be present in the warnings placed on the new labels and were granted 18 months to this effect.



Domain Use as TradeMark

Through Prejudicial Interpretation 140-IP-2021 issued May 6th, 2022, The Andean Community Court of Justice issued new jurisprudential criteria regarding the use of Second Level Domains on the internet. If a specific domain name effectively fulfills the role of identifying a brand or establishment, then in reality it's serving as a trade name and could be infringing intellectual property laws, if the trade name is registered. In these cases, judges have the duty to issue sentencing according to the principle of primacy of reality, since it is crucial to acknowledge that the domain name is being utilized as a trade name. Finally, it also states the relevance of analyzing who is benefiting in an economic capacity of the domain use, which could serve as an indication of the owner/s that own the domain.

Chile ratified Madrid Treaty

The permanent representative of Chile successfully ratified the deposit of accession of the treaty of Madrid, which will enter in force the 4th of July of 2022. This acceptance of the 1989 treaty signifies great advancement in international cooperation and protection of intellectual property. For Chile, being part of this treaty means the incorporation to the International Trademark System where companies can apply for the registration of their trade name, via a single application and be protected in all 111 countries, which are members that have ratified this treaty. In consequence, small, medium and large companies will have a significant cost reduction and operational logistics, since they are no longer required to register their brand in each country individually.



Prejudicial Interpretation in Criminal Cases

Through an action for non-compliance to the Andean Community, a Colombian national citizen stated that the District Court of the Penal Section of Bogotá D.C., and the Supreme Court of Justice of Colombia, Criminal Chamber violated the treaty of the Andean Community. Through the Prejudicial Interpretation 01-AI-2021 of the International Court of Justice of the Andean Community, resolving this matter, they issued a new criteria for interpretation of Decision 351 that regulated Intellectual Property amongst signing members. The new criteria established that the Supreme Court have no jurisdiction to resolve criminal actions regarding the violation of copyright law and other infractions related. The arguments that lead to this decision was since, criminal violations of trade name infractions and counterfeiting are expressed in the Colombia criminal code, internal judges in the country have jurisdiction to decide about these infractions. The Court stated, that since it is a criminal matter and there is no expressed remission to the Andean Community and Decision 351 (regulation on Intellectual Property), they are not required to ask for a Prejudicial Interpretation from the Court. This is new criteria, since remission to the Court is required in other administrative and judicial procedures but does not extend to the criminal proceedings for these infringements.



Argentinian Government and Industrial Property

The Argentinian Government re-launched the financing for the Program "PICT Start Up" for technological advancement. This program is oriented to the development of new technological competence in the product and service industry. Companies with innovating proposal can receive financing of 9,000,000 pesos with a duration of 2-3 years. In addition, projects that in the execution of their proposal, require the licensing and registry of industrial property can get extensions in capital and time of financing, in order to protect their assets, inventions and methods. This protection from part of the government can be accessed in compliance with some prerequisites. The proposal must consist of a product/service, in which there need to be proof of its functionality. Also, within the proposal, there must be an innovation component that can be applied to fulfill social demand or be exploited for commercial gain.



Educational Purposes and Copyright Law

In the current dispositions regarding the use of Intellectual Property and products/services that are protected and registered, there has been some debate whether violations of copyright law and the consequent compensation for misuse of IP can occur when utilized for educational purposes and not commercial gain. When this property is utilized for pure educational purposes, there is usually no compensation involved. Nevertheless, through Prejudicial Interpretation of the Andean Community 52-IP 202, issued May 6th, 2022, there has been some new criteria to distinguish when is the product being used with an educational purpose and when not. Basing its interpretation on article 22 of the 351 Decision, is stated 3 crucial requirements. First, the person exploiting the product must be an educational entity in the execution of educational activities. Another requirement is there can not be any commercial gain in a direct or indirect way. Lastly, the use of the product must be shown to an audience that are directly to the educational institution. When all 3 requisites are not present, the product is not being utilized for educational purposes. For these reasons, public or private transport, linked to educational entity, that utilize works, phonograms or other product/service that is protected by intellectual property, must issue the adequate compensation.