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NEW PROJECT THAT MODIFIES THE INDUSTRIAL PROPERTY LEGISLATION IN CHILE IS SENT TO CONGRESS

With the aim of improving the industrial property system in our country, the Government, on recent days, has entered a bill amending Law No. 19,039 on Industrial Property; Law No. 20,524 that establishes the Industrial Property Institute; and the Criminal Procedure Code (hereinafter the "Project").

The main modifications introduced by the Project have the purpose of granting a stronger protection of industrial property rights and enabling a more efficient enforcement, along with establishing more efficient and expeditious registration procedures, reducing their processing times.

Among the modifications that this Project seeks to introduce, the following are worth highlighting:

Trademarks

• Recognition of new types of signs that can be registered as trademarks

By modifying the trademark concept of current article 19 of Law No. 19.039, the Project seeks to include "non-traditional brands" or "new types of brands" in our legislation, such as movement marks, holograms, position marks, olfactory marks and tactile marks, among others.

Up until now, the concept of a trademark has been limited to those signs that can be graphically represented, namely, word marks, figurative trademarks, word & label trademarks and sound trademarks.

• Cancellation of trademark registration due to lack of effective use in the market or loss of distinctive character

The Project introduces the possibility of cancelling a trademark

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based on its lack of use within at least five years as from the date of its registration.

Likewise, the Project contemplates the possibility of requesting the cancellation of a trademark registration when the brand has lost its distinctive character, i.e. when the trademark has been transformed into the generic denomination of a product or service.

• Elimination of Commercial and Industrial Establishments as special trademark categories

Following the international trend in this matter, the Project proposes the elimination of the trademark categories of commercial establishment (which protects the trademark that identifies a physical location in which goods are commercialized) and industrial establishment (which extends its protection to the trademark that identifies facilities in which goods are manufactured). It is contemplated that the trademarks that are already registered in these categories could be renewed as service marks to preserve acquired rights.

• The crime of trademark counterfeiting is introduced

The specific offense of trademark counterfeiting is contemplated, establishing a penalty of imprisonment for a period that ranges between 541 days to three years and one day, together with fines.

• Predetermined reparations in case of a trademark infringement

Once the offense has been judicially evidenced, the Project gives the owner of the infringed trademark the possibility to request a replacement of the compensation for damages for a single compensatory sum of up to 2,000 Monthly Tax Units per infringement (equivalent to approximately USD 140,000).

Patents of Invention

• Provisional patent grant

The Project includes the possibility of applying to a provisional patent in those cases in which the applicant cannot yet meet all the requirements for submitting a definitive patent application. The provisional patent provides the applicant with a term of 12 months to proceed with the filing of a definitive application.

• Exceptions to the rights granted by a patent

The Project introduces a series of limitations to the rights granted by a patent to its owner. In this sense, a new final clause is added to current article 49 of Law No. 19,039, stating that the rights conferred by patents will not be extended to acts performed privately and without commercial reasons; exclusively experimental acts; and preparation of medicines under medical prescription for individual cases, among others.

• Collection of fees for excess sheets in patent applications

The Project proposes that any patent application that exceeds fifty pages must pay an additional fee of 1 Monthly Tax Unit (equivalent to approximately USD 70) for every twenty additional pages or fraction of page, together with the application filing fee.

• Patent usurpation action

The Project introduces the figure of "patent usurpation", which regulates the right of the legitimate owner of a patent to request the transfer of the registration (and the corresponding indemnification of damages), when said patent has been registered by a person who does not have the right to do so.

To this date, this hypothesis is not contemplated in Law No. 19,039, so it can only be remedied through nullity actions.

• Limitation of supplementary protection

The period to request supplementary protection is reduced from six months to sixty days counted as from the granting of the registration, and the Project limits the extension of the protection that can be granted up to a maximum term of five years, regardless of the processing period affected by unjustified delays that may be evidenced.

Industrial Designs and Drawings

• Abbreviated procedure and extension of protection term

The Project establishes the possibility of applying to a new "abbreviated procedure", in which the applicant will be granted a "certificate of deposit" for an industrial design or drawing, without a substantive examination of the application taking place. This

examination can be requested at a later stage by both the owner of the certificate or by a third party.

The Project extends the period of protection of industrial designs and drawings from ten to 15 years.

Modifications to Law 20.254

In relation to the legal powers of the Industrial Property Institute, the Project proposes to grant it the possibility of appearing as a party before the ordinary courts of justice in the appeals filed against the definitive resolutions of proceedings held before the Institute.

Modifications to the Criminal Procedure Code

The Project sets forth a public criminal action for the criminal offenses established by Law No. 19,039, under which such offenses may be denounced by any person, and not only by the right holder as has happened to date.

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