

Counterfeiting Protection and Enforcement: Overview (Brazil)

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Practice notes | Published on 03-Mar-2023 | Brazil

A Practice Note discussing the civil and criminal claims available against counterfeiters and gray market goods sellers, the border protection mechanisms in Brazil that help identify and prevent the importation of counterfeit and gray market goods, and general anti-counterfeiting strategies intellectual property right (IPR) owners can employ in Brazil.

This Note forms part of a suite that covers global jurisdictions and addresses the measures that IPR owners may take in Brazil to combat the importation and sale of counterfeit and gray market goods.

Counterfeiting has a destructive impact on international trade and is an enormous drain on the global economy. For intellectual property right (IPR) owners, the growing trade in counterfeit products and online piracy means reduced revenues through loss of business, devaluation of IP assets, and the expense of enforcing IPRs. It is therefore important for IPR owners to take prompt legal action against known counterfeiters and to implement proactive anti-counterfeiting strategies to protect the value of their IPRs.

This Note maps out the key legal frameworks for combating the importation and sale of counterfeit and gray market goods in Brazil. It identifies:

- Civil claims an IPR owner may assert against counterfeiters and gray market goods sellers.
- Relevant crimes and the steps an IPR owner may take to seek prosecution of known counterfeiters.
- Border protection measures available in Brazil to identify and prevent importation of counterfeit and gray market goods.
- Anti-counterfeiting strategies that brand owners should adopt in Brazil.

Counterfeiting in Brazil

Recent data on the Brazilian market produced by the *National Forum to Combat Piracy and Illegality* (*Fórum Nacional de Combate à Pirataria e a Ilegalidade*) ("Forum") states that, in 2021 alone, counterfeiting-related practices cost the Brazilian economy around BRL300 billion. The Forum is a non-profit civil association established in 2006, with the aim of joining efforts between companies, entities that represent productive sectors, government, and society in the fight against the trade of illegal products.

The value of BRL300 billion is the sum of the losses recorded by 15 industrial sectors (BRL205.8 billion) and estimated uncollected taxes (BRL94.6 billion), indicating an increase of 4.4% over the year 2020. Where this places Brazil in terms of country rankings for counterfeiting varies depending on how this is measured but, by way of example, the *State of the Internet report* by the American cybersecurity company Akamai puts Brazil in fifth position behind only the US, Russia, India and China for having the most piracy in the world.

The most affected sectors are clothing, personal care, perfumery, cosmetics, and electronics. Also on the list are items such as medicines, beverages, industrial spare parts, vehicles, motorcycles and airplanes, cigarettes, and access to digital content and

streams.

Although most counterfeit products come from Asian countries, their arrival in Brazil is not always immediate and may occur through other destinations in South America, such as Paraguay, Bolivia, Guyana, French Guiana, and Suriname. Brazil also has several local production centers of counterfeit items, such as the Bras neighborhood in São Paulo (SP) and the cities of Nova Serrana (Minas Gerais), Franca (SP), and Apucarana (Paraná), among others. Obviously, there is also the online market, which in recent years has experienced extraordinary growth worldwide due to the COVID pandemic.

There are popular shopping malls in different regions of the country, which concentrate the local distribution of counterfeit items in their respective regions, such as those in the Central region of São Paulo, the “Imported Goods Fair” (*Feira dos Importados*) in Brasília (Distrito Federal), Sulanca in Caruaru (Pernambuco), and many others throughout Brazil.

Despite the tireless work of local authorities, such as the *Federal Revenue Service* (*Receita Federal do Brasil*) and the Federal Police, which from January to July 2021 seized the equivalent of BRL2.4 billion in illegal goods in Brazil, the market for counterfeit products continues to grow, requiring IPR holders to take individual actions to protect their rights.

Civil Actions Against Counterfeiters

In Brazil, the term “counterfeiting” refers to IPR infringements relating to the commercialization of non-authorized reproductions of protected assets. It is usually used in cases of explicit infringements, for example when fake goods try to imitate an original product.

The claims for addressing counterfeit goods are the same as for other IPR infringements (for example, ordinary trademark or patent infringements, or unfair competition). However, in counterfeiting cases, harm to the plaintiff is presumed, so they do not need to establish this to recover monetary relief (see *Available Remedies*). The criteria used to distinguish counterfeit from non-counterfeit items are not set out by law, but are instead determined by the courts, which are free to decide whether a product qualifies as a counterfeit at their discretion.

Despite the lack of objective regulation to differentiate situations involving “infringement” from “counterfeiting,” courts commonly consider the violator’s intention when committing the unlawful act. Therefore, if the court finds that the violator offers its product or service fully reproducing the original trademark, this will be “counterfeiting.” However, if the infringing trademark is similar, comprising elements like the original trademark without fully reproducing it, this is more likely to be categorized as an “infringement.”

Intellectual Property That May Be Infringed

A counterfeit product can infringe:

- Patent rights. For example, if A is a patent owner and B sells a counterfeit product identical or similar to the claimed subject matter of A’s patent, B infringes A’s patent rights.
- Trademark rights. For example, if A is a trademark owner and B sells a counterfeit product identical or similar to the designated goods of A’s trademark with a mark identical or similar to A’s trademark, B infringes A’s trademark rights.
- Copyright. For example, if A owns the copyright in a motion picture, B’s unauthorized sale of a counterfeit copy of the motion picture infringes A’s copyright rights.
- Industrial design. For example, if A owns the industrial design of a product and B sells a product that reproduces the lines that characterize the product, B infringes A’s industrial design rights.
- Rights based on trade dress. Although trade dress is not registrable as intellectual property, unfair competition law prevents third parties from reproducing the characterizing elements of a product or establishment. For example, if a restaurant chain has a distinct layout and appearance, a third party copying that layout and appearance may be liable for unfair competition.

The forms of IPR violation depend on the rights of the owner.

Elements of Possible Claims

Once a potential IPR infringement is identified, the owner of the violated right can take civil or criminal measures against the infringer.

Trademark Infringement

A Brazilian trademark registration certificate is required for a trademark infringement claim. If the trademark holder does not yet have a registration in Brazil, it may still assert an unfair competition claim (Article 195, IP Law; see *Unfair Competition*).

Only the trademark owner, or a licensee whose license agreement is registered with the *Brazilian National Institute of Industrial Property*, (*Instituto Nacional da Propriedade Industrial*) (INPI), can act against potential infringers.

To prevail on an infringement claim, the IPR owner must show that there is a risk of confusion to consumers. The owner should present visual comparisons showing that:

- The parties' trademarks are similar.
- The parties' products are competitive.
- The parties' products are sold through the same sale channels.

Parties arguing trademark infringement typically submit:

- Samples of the original and infringing products.
- Photographic comparisons showing the differences of quality and visual presentation between the original products and the infringing one.
- Depictions of the infringing goods or services on websites, social networks, and in advertisements.
- Instances of consumer confusion, such as:
 - mistaken customer emails;
 - improperly registered complaints; and
 - customer testimonials confusing the goods or services.

There is no exhaustive list of evidence that must be produced. The IPR owner must analyze each case individually and gather as much evidence as possible to prove that the trademarks are similar and may lead to confusion. Evidence demonstrating that the violator tried to make their products or services imitate the original ones, and proof that the violator knew of and deliberately copied the original trademark increases the chances that the court will grant financial compensation.

Design Infringement

A Brazilian design registration certificate is required for a design infringement claim. The registration proves the holder's ownership of the industrial design right. The holder should request an examination of the merits of the registration (Article 111, IP Law), to attest to the design's effective novelty and originality. The alleged infringer may challenge the holder's rights by proving that the holder filed the industrial design in bad faith.

If the design owner does not have a registration in Brazil, it may still assert an unfair competition claim (Article 195, IP Law; see *Unfair Competition*).

For a design to be protected, the owner must prove that the product shape is uncommon and has not been used previously by third parties in the same field of activity.

To prove that an infringement is taking place, the owner must demonstrate the similarity between its product and the infringing product. Neither Brazilian law nor the courts define the degree of similarity that is needed to constitute a design infringement. Courts make this determination at their discretion, taking into account the similarity between the products and making an assessment as to whether or not their forms are somehow banalized (rendered common) in the marketplace as a result of the alleged infringing party's use.

Although there are no directives that define the level of similarity necessary to constitute infringement, the design owner should:

Present a visual comparison between the original and infringing products, pointing out in detail the similarities.

Prove that the highlighted similarities are not found in other products of the same nature that are available on the market.

Demonstrate that the products are intended for the same purpose and consumers.

There is no exhaustive list of evidence that must be submitted to prove design infringement. However, design owners typically submit:

- A sample of the original and counterfeit product.
- Notarial minutes of advertisements and posts on social networks promoting the counterfeit product.
- A detailed visual comparison of the products by capturing images from different angles and details that prove similarity.
- Comparative studies by experts that analyze from a scientific point of view the similarities between the parties' products or establishments.

If the design to be protected refers to standards applied to an establishment (for example, a restaurant design), protection takes place exclusively through unfair competition because Brazil does not allow trade dress registration.

Copyright Infringement

To assert a copyright infringement claim, the claimant must prove ownership of the allegedly infringed work or that it signed a license agreement that expressly authorizes it to act against offenders on behalf of the owner. For a work to be protected by Copyright (see Copyright Law (Law No. 9610/98) (LDA)), it must:

- Belong to the field of letters, arts, or sciences (Article 7, LDA).
- Be original.
- Consist of external expression because mere ideas cannot be copyrighted.
- Be within the period of protection, which is the life of the author plus 70 years from their death.

Copyright registration facilitates proof of ownership of the work. If the work is registered, it is up to the infringer to demonstrate that the alleged copyright owner does not own rights. The location of copyright registration depends on the nature of the work as follows:

- Architectural Works - *Council of Architecture and Urbanism* (*Conselho de Arquitetura e Urbanismo do Brasil*), (CAU/BR).
- Audiovisual Works - *National Cinema Agency*, (*Agência Nacional do Cinema*), (ANCINE).
- Artistic Works – *School of Fine Arts of the Federal University of Rio de Janeiro* (*Escola de Belas Artes*).

- Musical Works - *School of Music of the Federal University of Rio de Janeiro (Escola da Musica)*.
- Computer Programs – *Brazilian National Institute of Industrial Property, (INPI)*.
- Literary Works - *Copyright Office - EDA - National Library Foundation*.

If the owner does not have a registration, evidence that may help prove copyright ownership includes:

- Publications depicting the work.
- Sketches of the work.
- Any other document that creates a link between the author and the work.

Once ownership is proven, the copyright owner must prove infringement by showing:

- The defendant intentionally copied the plaintiff's work.
- The works are similar. A full or partial reproduction without the author's permission constitutes infringement (Article 24 (II), from Copyrights Law, Law no. 9610/98). There is no established similarity standard. The court has discretion to determine whether the copying amounts to an infringement.

Evidence parties typically submit to support a copyright infringement claim include:

- A copy of the alleged infringing work.
- Notarial minutes of advertisements and posts on social networks (a unilateral declaratory act of the notary public, consisting of a written report detailing the advertisements and social media posts).
- Comparison between the original work and the infringing work, pointing out the similar parts between them.
- When dealing with a counterfeit product, the representation that the work has been distributed or exhibited without the author's authorization.

Patent Infringement

A Brazilian patent registration is required for a patent infringement claim. To prove infringement of a registered patent, the patent owner must show one of the following:

- Literal infringement, meaning that the infringing product or process exactly replicates the characteristics defined in the patent's independent claims.
- Equivalence, meaning that the infringing product has substantially the same form and function as another product already patented.
- Contribution, meaning that the infringer is marketing or offering a patented part of a product or service without authorization.

Licensees may exercise the same rights as patent owners, if provided in the license agreement, which must be endorsed by the INPI.

Patent infringement may be proved by comparing the original and counterfeit products, and demonstrating that similarities are present in the claims of the granted patent. However, this may be difficult if the infringement concerns a process patent because proof depends on the patent holder having access to the alleged infringer's production line, which is not always easy to obtain. In these cases, the patent holder may:

- File an action for the anticipated production of evidence, requiring the judge to order an expert examination of the

infringer's production line (Article 381, *Civil Procedure Code*) (*Código de Processo Civil*) (Law No. 13.105/2015) (CPC)).

- Resort to the reversal of the burden of proof, which requires the alleged infringer to demonstrate that their product was obtained by a manufacturing process different from that protected by the patent (Article 42§2, IP Law). If the alleged infringer cannot prove that the process used is different from that provided for in the patent, the court may conclude that patent infringement has occurred.

Unfair Competition

The Brazilian Federal Constitution encourages free enterprise and competition between companies (see Article 170 (IV), *Brazilian Constitution*). However, competition must be fair. Unfair competition claims are available to both companies and consumers to protect against anticompetitive acts. Unfair competition will be found whenever there is an intention of causing confusion among consumers, client deviation, damage to competitors' reputation, disclosing confidential information without authorization, or trying to take undue advantage of third parties' efforts. Article 195 of the Industrial Property Law sets out a non-exhaustive list of conduct that constitutes unfair competition

(*Law no. 9279/96.*)

Article 195 only identifies examples of unfair business practices.

A common example of unfair competition is when there is an unauthorized use of a trademark that, despite being registered in other countries, is not yet registered in Brazil. In these cases, the claimant must show:

- Ownership of the trademark at stake by showing prior use of the mark in Brazil and registration granted in other countries.
- That the perpetrator was aware of the claimant's trademark rights and therefore acted in bad faith.

Other examples of unfair competition include:

- Using a product design that is not yet protected by an industrial design registration.
- Reproducing an establishment's trade dress, with memorable features.
- Using similar advertising expressions.

In all these cases, the owner must prove the prior exercise of its violated right and certify the originality of the object of the right.

Potential Defendants

IPR infringement includes the manufacture, import, export, sale, display for sale, concealment, and keeping in stock of infringing products, or using them in a manner that constitutes unfair competition (Article 183 to 190 and 195, IP Law and Article 184, CP). This makes it possible to name as defendants all those involved in the production and distribution chain of counterfeit products, including those responsible for manufacturing the packaging and labels, and those that store and transport these goods.

It is for the courts to identify the level of responsibility of each one of the members of the production chain, considering the affirmative duty that each involved party must ascertain the provenance of the products in their establishments.

In the case of patents, it is also possible to hold responsible those who supply a component used in a patented product or material or equipment necessary to carry out a patented process, provided that the final application of this item necessarily leads to the exploitation of the patented object.

Jurisdiction

For a court or tribunal to have jurisdiction over a defendant in a civil counterfeiting action, the plaintiff must show that:

- The plaintiff, as owner of the violated IPR, is domiciled in that same jurisdiction.
- The victim of the violation, if different to the plaintiff, is domiciled in that same jurisdiction.
- The violation occurred in that same jurisdiction.

(Article 53(V), CPC.)

Some cities in Brazil, such as São Paulo and Rio de Janeiro, have specialized Intellectual Property courts, and it is recommended, whenever possible, to direct actions to these courts.

Available Remedies

Monetary Remedies

In an IPR violation action against a counterfeiter or infringer, the IPR holder may request:

- Material damages, which is compensation for the direct economic loss caused by the infringing conduct. These normally are determined in a separate action after the end of the trial (Article 509, CPC on award calculation). Their value is determined by the criterion most favorable to the victim such as:
 - the benefits that would have been gained by the injured party if the violation had not occurred;
 - the benefits gained by the infringer; and
 - the remuneration that the infringer would have paid to the IPR owner for a license.
- (Article 210, IP Law.)
- Moral damages, which is compensation for damage that a brand may have suffered from the misuse, such as its depreciation due to use of the brand in connection with inferior products or the decrease in its attractive power.

In counterfeiting cases, damages are automatic and do not need to be proven. In other cases of IPR violations (infringement), the plaintiff must prove its damages.

In cases of copyright violations, under the Copyright Law (Law no. 9610/98), indemnification is calculated based on the number of products commercialized by the infringing party. If it is not possible to determine this number, the law assumes 3000 commercialized products (Article 103, Copyright Law).

The Brazilian judiciary has also ordered copyright infringers to pay punitive damages, especially in cases of software counterfeiting. However, courts typically do not award punitive damages for any other IPR violations.

Non-Monetary Remedies

When filing a lawsuit against an alleged counterfeiter, IPR owners can request that the alleged violator refrain from future infringement under penalty of payment of a fine in the case of recurrence. For instance, if the infringing party is caught commercializing counterfeit shoes based on a certain registered trademark, the judge may stipulate a fine if they are caught again commercializing these products (Article 297, CPC). Such an order may be issued both at the beginning and at the conclusion of the process. An IPR owner may also request seizure of goods that violate IPRs at the beginning of the suit (Article 202, IP Law) (see *Preliminary Relief*).

If the violation occurs online, such as on a website or in a social media profile, the injunctive relief depends on whether the website or profile:

- Only commercializes counterfeit products, in which case a court may order the entire site or profile to be taken down.
- Sells legitimate goods but has a listing for one infringing product, in which case a court may order removal of the listing.

Preliminary Relief

The IPR owner can bring a lawsuit requesting urgent relief (Article 300, CPC, to interrupt the infringement, under penalty of a fine, with the eventual seizure of goods subject to the violation (Article 209 §1 and §2, IP Law).

For this urgent relief to be granted, the plaintiff must prove, without a doubt, that:

- It owns the violated IPR, which it can prove by registration certificates and evidence of previous use.
- There is a high probability of an IPR violation and damage to the IPR owner, which it can show by proving the infringer is selling a product that is causing confusion in the marketplace and therefore damaging the IPR owner.

The order for the violator to suspend the violation may include a fine if the violator repeats that violation, and may be accompanied by:

- A search and seizure request.
- An order for the violator to withdraw counterfeit goods from circulation and:
 - keep them in storage until further notice; or
 - deliver them to the IPR owner.
- An order for seizure of documents related to the counterfeiting.

This injunctive order may be conditional on the provision of a bond, the value of which is stipulated by the presiding judge.

If, at the end of the process in which the injunctive order was granted, the sentence is favorable to the alleged offender, the IPR holder may be ordered to pay compensation for damages caused by the order issued (Article 302, CPC and Article 204, IP Law).

Other Administrative Complaints

In addition to the available civil and criminal judicial measures, IPR owners may also challenge counterfeiting activities through administrative state bodies. These bodies may seize counterfeit products that do not comply with applicable regulations.

Toys, for example, are regulated by the *National Institute of Metrology, Quality and Technology (Instituto Nacional de Metrologia, Qualidade e Tecnologia)* (INMETRO) Ordinance, which requires them to be registered for commercialization and pass a compulsory certification process to confirm that they meet technical requirements. If an IPR owner determines that a counterfeit toy product does not comply with this requirement, it may request seizure.

Another example is in relation to cosmetics, which are regulated by a resolution of the *National Health Surveillance Agency (Agência Nacional de Vigilância Sanitária)* (ANVISA), which sets good practices to be followed in the manufacture of personal care products, cosmetics, and perfumes. Products that fall into this classification and that have not been submitted for registration with ANVISA may be considered unfit for consumption and therefore seized.

Hundreds of products are subject to regulation by federal authorities, which are listed [here](#).

In these cases, the IPR holder can file a complaint with the responsible body (INMETRO, ANVISA, *National Institute of Weights and Measures*, (*Instituto de Pesos e Medidas*) (IPEM), for example) requesting measures be taken, which may include the imposition of fines, seizure of products, initiation of criminal proceedings, determination of responsibilities, among others.

Because measures by these administrative agencies are not always implemented with the urgency that the IPR owner needs, IPR owners use civil proceedings more frequently.

Criminal Actions Against Counterfeiters

Criminal Causes of Action

In Brazil, penalties for crimes against trademarks, patents, and industrial designs are considered lenient, ranging from one month to one year, in addition to the payment of fines, which are almost always negligible (Articles 183 to 190, IP Law). This means that these crimes are generally considered of lesser offense, which is why their investigation is carried out through the *Special Courts Law* (Article 60 and 61, *Law No. 9099/95*). Since they are considered less serious crimes, the offender has the option of suspending a criminal proceeding (instead of responding to the process) subject to the payment of small fines and other determinations stipulated by the presiding judge (Article 76, *Law No. 9099/95*). For this reason, except for police operations, the pursuit of criminal measures in cases of IPR violations is not recommended.

Some cases of copyright infringement may receive greater penalties, especially when related to the commercialization of pirated articles (trade of films, CDs, DVDs, offers of pay TV signals, among others), including up to four years in prison in addition to a fine (Article 184, CP). However, judicial authorities rarely apply such high penalties in these cases.

Depending on the situation, offenders may also be charged with other crimes, such as:

- Smuggling (Article 334-A, CP), an offender who imports or exports counterfeit goods commits the crime of smuggling, subjecting the counterfeiter to imprisonment of two to five years.
- Crime against consumer relations (Article 7 (IX), *Law No. 8137/90* (*Law of Crimes Against the Tax, Economic and Consumer Relations Order*)), which criminalizes commerce, in any form, of items unfit for consumption. All products that violate IPRs are considered unfit for consumption.

IPR owner may direct their complaints to the Public Prosecutors' Office (*Ministério Público*). However, given the nature of these crimes, their investigation depends on the Office's initiative.

Requesting Criminal Prosecution

Brazilian law classifies crimes against IPRs as crimes whose pursuit is a private initiative, meaning that the IPR owner, not the Public Prosecutor, must initiate a criminal action by filing a complaint (Article 199, IP Law; Article 100 §2, CP). The complaint must be accompanied by an expert examination of the counterfeit goods with consideration of the IPR infringement elements (Article 525, CPP). Otherwise, the court will not commence an action.

An IPR owner may request seizure of counterfeit goods by either:

- Presenting a formal complaint to the competent police authority, with all available information, such as crimes committed, locations where these crimes are taking place, and the persons involved. It is not necessary to have all this information, but counsel should include as much information as possible in the report. If the crime is found *in flagrante delicto* (to be occurring), the police chief may order the seizure of the products, and the IPR owner is granted a six-month period to file a criminal complaint (Article 186 (I), Penal Code, (*Código Penal brasileiro*) (*Law No. 2848/40*) (CP), Article 38, Criminal Procedure Code (*Código de Processo Penal*), (*Law No. 3689/41*) (CPP) and Article 199, IP Law), which is a formal request for the State to hold individuals criminally responsible for the infringement.

- Requesting a criminal precautionary measure from a court, which is an authorization to carry out a search and seizure of the counterfeit products (Article 240, §1, CPP). The IPR owner must submit evidence that the products to be seized are not original and that they violate the victim's IPRs. If the IPR owner's arguments convince the judge, they will order a court-appointed expert to go to the indicated location, seize the products, and prepare a report attesting that the products are counterfeit. After the expert submits the report, the IPR owner has 30 days to file a criminal complaint, during which period the owner may further investigate the extent of the crime.
- A criminal precautionary measure is rarely used in Brazil as it is costly and a slower procedure. The delay in carrying out the seizure of products may often derail the lawsuit, since counterfeit products are commonly not stored for too long in the same place, precisely to deflect inspection actions. On the other hand, it is easier in these cases to maintain confidentiality regarding the action.
- As to police operations, the IPR owners can exercise their rights and carry out seizures of counterfeit products more quickly, but there is an increased risk of leaking information, which can also make the measure unfeasible.
- Another point to be considered when choosing the type of criminal measure is the type of violation at issue, since police operations are aimed at seizing counterfeit products, while infringement cases need to be evaluated through a criminal precautionary measure.

Gray Market Goods

Gray market goods, also called parallel imports, are goods distributed through channels that, although legal, are not official, authorized, or intended by the original manufacturer.

Although the IP Law generally ensures the free circulation of products placed on the internal Brazilian market with the consent of the IPR holder, in certain circumstances, it also allows the holder to prevent third parties from reselling products that the holder did not authorize for sale on the domestic market (Article 132 (III), IP Law). These circumstances include when the products:

- Have specifications different from the products sold domestically.
- Were not transported or preserved in accordance with the requirements for products sold through official channels.
- Entered the country without paying the necessary taxes, causing the importer to commit the crime of improper clearance (Article 334, CP), and causing damage to the State.

This determination is not only to ensure the control of imports by the IPR holder, but also to protect the consumer.

For criminal measures or for customs to take action, the IPR owner must prove that the products are effectively entering Brazil without taxes being paid on them, which is not always an easy task. Also, parallel imports are usually carried out in small quantities that are insufficient to mobilize the State to act against the offenders. Therefore, the most effective way to counter these infractions is through civil actions.

Border Protection Measures

Brazilian borders are mainly supervised by the Federal Revenue Service and the Federal Police.

IPR Registration

The first measure to protect IPRs on Brazil's borders is the registration of the owner's trademarks in the *National Directory to Combat Trademark Counterfeiting* (*Directorio Nacional de Combate à Falsificação de Marcas*), a database managed by the INPI that is available for access by the main inspection authorities in Brazil.

When registering, the IPR owner should provide:

- Its name and the name and contact information of its legal representative for when suspected counterfeit goods are found.
- The trademarks at issue.
- Manuals for identifying counterfeit products and how to differentiate them from genuine products.
- Main channels of entry for the genuine and counterfeit products.
- The names of official importers of genuine products.
- Any other information deemed necessary for apprehending counterfeit goods.

A literal interpretation of the law suggests that only products with trademark violations can be seized. However, there is a great deal of discussion whether this should be extended to other IPR rights such as patents, industrial designs, and even copyrights. Some Federal Revenue stations seize these products, whilst others do not.

Educating Seizure Authorities

IPR owners should take the time to educate seizure authorities, including by conducting seminars in affected places explaining the particularities of their products, how the violations occur, and the applicable legislation, among other issues.

Brazil does not yet have any integrated register for this specific purpose. Rather IPR owners should register with the National Directory for Combating Trademark Counterfeiting and engage in extensive fieldwork, individually contacting the inspection posts where violations occur and guiding them in relation to the problem.

There is no official fee for this process and, considering its legal complexity and the need for in-person visits, it is highly recommended that it be conducted by a local lawyer.

Seizure Procedure

The customs authorities at the ports may seize, ex officio or upon request of the interested party, products marked with falsified, altered, or imitated brands or products that present a false indication of origin (Article 198, IP Law). In either case, if counterfeit products are found, the IPR owner must submit a petition demonstrating how the products in question infringe their rights. Some Federal Revenue offices also require a judicial decision, requiring the IPR owner to file a lawsuit for the office to conduct the seizure (though offices are inconsistent and sometimes seize goods without a judicial decision).

According to the Customs Regulation of Brazil, if a seizure is conducted without a judicial decision, the IPR owner must file a complaint within ten days of the seizure requesting a judicial confirmation that the goods were properly seized and should not be released (Article 606, Decree No. 6759/2009 – Customs Regulation). However, in several cases, the judiciary has held that filing a lawsuit is not necessary to ensure the maintenance of the seizure because these seizures always identify other non-IPR violations that would justify the ex officio seizure of the products (see the Brazilian Superior Court of Justice judgment in *AgRg no REsp n.º 725.531-PR*, 28 April 2009, which recognized the possibility for the Federal Revenue to seize counterfeit goods without the owner filing a judicial measure, based on Article 198, IP Law).

Considering the importance of these seizures and that inspection authorities do not follow a single pattern, in each case, the IPR owner's counsel should communicate directly with the seizing authority to confirm its requirements for maintaining the seizure.

Anti-Counterfeiting Strategies

Good strategies to combat counterfeiting in Brazil include the following:

- Having a team of experts in the field always ready to act, including local lawyers, private investigators, and information technology professionals, who are able to identify and prioritize the assets and trademarks more likely to be counterfeited.
- Use of IPR ownership notices and symbols such as ®, ™, and © when appropriate. Launching public education campaigns.
- Educating staff at all levels.
- Using overt features such as shape, style and size to teach customers how to distinguish genuine goods from counterfeit goods and to make it difficult for counterfeits to be made.
- Using hidden features to enable the IPR owner and regulatory authorities to detect counterfeits. These might include labels printed with invisible ink, holograms, watermarking, RFID tags, and other features that are difficult to detect or copy without specialist knowledge or equipment.
- Protecting your IPRs, registering trademarks, patents, and industrial designs with the INPI and, whenever possible, registering your copyrights with the responsible bodies (although the latter is not a requirement in Brazil).
- Keeping your IPR records up to date.
- Monitoring third-party IPR applications with the INPI, and preventing other companies from registering trademarks, patents, and industrial designs similar to yours.
- Monitoring the market, both physical and digital, and acting as soon as a breach is identified, preventing it from becoming large enough to make dealing with it too difficult and costly. This will not end the market for counterfeit goods, but may discourage infringers from violating your right specifically.
- Using the IPR protection programs of the online marketplaces (Mercado Livre, eBay, Amazon, OLX, Magalu, Americanas, Casas Bahia, Shopee, Aliexpress, among others), and actively identifying and excluding infringing listings on these sites.
- Evaluating the possibility of hiring automatic monitoring tools for the digital market and getting a team of experts to evaluate the information obtained.
- Registering with the National Directory to Combat Trademark Counterfeiting and keeping your information up to date.
- Collaborating and cooperating with the inspection authorities, even in low-volume seizures.
- Maintaining a healthy and constructive relationship with the authorities (Civil, Military, Federal, Highway Police, Municipal Guards, Federal Revenue, among others), including by holding seminars and training sessions and providing logistical support for operations to repress violations.
- Promoting consumer education actions and working together with institutions that act in this field.
- Whenever possible, seeking to act together with other IPR holders who are also victims of violations.
- Ensuring your internal logistics are secure and not allowing the diversion of legitimate goods.
- Monitoring your licensees, and the places and conditions in which the original products are being marketed.
- Being attentive to the activities of the legislature, providing institutional support for new bills that reinforce the protection of IPRs, and acting in a way to prevent projects that make these rights more flexible.
- Following the seizure processes until the end to ensure that the seized products do not return to market and are in fact destroyed.

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