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Technology Licensing

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New Guidelines for the Recordal of Technology Transfer and Licensing Agreements in Brazil

On July 11, 2023, the Brazilian Patent and Trademark Office (INPI) published Ordinances n° 26/2023 and 27/2023, which simplify a series of points related to legal aspects and technical understandings reviewed by the INPI for the improvement of services related to the recordal of technology transfer and licensing agreements in Brazil.

Among other important changes, two deserve to be highlighted, as they reflect a change in the INPI's position on relevant issues and have long been discussed by interested parties.

Know-How Licensing

The first important change relates to the INPI's understanding of non-patented technology (know-how) licensing. There was a prior understanding that the know-how would always be definitively transferred to the licensee without the possibility of returning it to the previous situation when the contract terminates.

As of published Ordinances n° 26/2023 and 27/2023, the INPI introduces the understanding that know-how technology transfer agreements can comprise (i)

the permanent acquisition, or (ii) temporary licensing of use of knowledge and techniques not covered by industrial property rights or the transfer of technological information, with the aim of facilitating the production of goods and services.

With the validity of temporary know-how license agreements being now recognized, the recordal of such types of contracts will now be accepted and recorded. Accordingly, with this change, the INPI's practices are aligned with the best international practices, encouraging technological innovation exchange between foreign and domestic companies.

Royalties for Pending Trademark Applications

The second important change relates to the payment of royalties for pending trademark applications. There was a prior understanding by the INPI that trademark applications are a mere expectation of rights, and therefore, could not benefit the Applicant from receiving payment of royalties despite agreed between the contracting parties.

Now, the INPI has changed this understanding, recognizing that trademark applications have a legal nature of the eventual right, being able to integrate the assets of their owners, who are entitled to enter into regular license agreements with third parties with a provision for the payment of royalties.

Additional Procedural Changes

In addition to these two main changes, the INPI also modified bureaucratic understandings regarding the formality of signatures and initials in such agreements, as listed below:

1. Removal of the obligation to fill in a registration form containing financial and administrative data of the Brazilian company part of the agreement;
2. Removal of the obligation to present corporate documents of the Brazilian company part of the agreement;
3. Removal of mandatory initials on all pages;
4. Removal of the obligation to insert the signature of two witnesses;
5. Adequacy of citations to franchises referring to the new franchising law n° 13.966/2019
6. Removal of mandatory notarization and apostille/consularization in documents signed abroad;

With these changes, the INPI seeks to reduce the demands and bureaucracy regarding the documentation presented by the parties for the recordal of technology transfer and licensing agreements, bringing greater efficiency and speed to the recordal process of agreements of this nature.

Pablo Torquato is a Partner of Montauray Pimenta, Machado & Vieira de Mello, with expertise in the area of intellectual property contracts. He has more than 15 years of experience in the field of intellectual property and is part of the contracts and licensing

team. Pablo has previous experience both in law office and as an in-house lawyer company in the area of contracts. Among the contracts presented by clients

are those related to the licensing of content, trademarks, patents, know-how, franchise, and other copyrights. He is currently the co-coordinator of the technology

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