

## **Important changes in the Chilean law in relation with trademarks, patents, utility models, industrial designs and industrial drawings.**

These changes will enter into force once the Executive (President of the Republic) issues the Regulation and this must take place within six months from the publication of the law.

At the time when this communication is prepared, the law has not been published yet and it is expected to be published after the second half of May 2021.

You will receive our report as soon as the publication of this law takes place, since this will be the starting point for the six months within which this reform will be enforceable.

### **I. In general terms, the reform focuses on the following aspects (the details of these changes are explained in section II of this communication):**

- 1.- New kinds of trademarks recognized for protection (Tridimensional and olfactory trademarks).
- 2.- Mandatory use of trademarks in the Chilean territory.
- 3.- Expiration of trademarks that have become generic and descriptive of goods, and special expiration of appellations of origin and geographical indications.
- 4.- Abolition of the protection of commercial outlets and industrial outlets and their conversion to classes 35 and 40 respectively.
- 5.- New rules for paying the initial official fees in trademarks, appellations of origin and geographical indications, patents, utility models, industrial drawings and designs.
- 6.- New rules for the term to file a renewal application and the term to pay the official renewal fees in trademarks.

- 7.- New rules for the term to pay for recordals (changes of name, assignments, mergers, encumbrances, prohibitions, licenses and the like) in trademarks, appellations of origin and geographical indications, patents, utility models, industrial drawings, and industrial designs.
- 8.- New rules for the payment of maintenance fees in patents, utility models, industrial drawings and industrial designs, as well as in integrated circuits.
- 9.- Chance to extend the protection up until 15 years in industrial drawings and industrial designs.
- 10.- Automatic registration alternative procedure with no substantive examination in industrial drawings and industrial designs.
- 11.- New rules in relation with the way to calculate prejudices in case of infringement of IP rights.
- 12.- Effective imprisonment for IP infringements.
- 13.- Changes in the rules for supplementary protection.
- 14.- Special action in favor of inventors to recover a patent applied for without authorization or assignment.
- 15.- New patent right exceptions.
- 16.- New provisional patents.
- 17.- New definition in relation with industrial secrets.
- 18.- New deadline for the reinstatement of rights in case of PCT Chilean National Phases.
- 19.- Shorter deadline for recovering the procedure without losing priority after abandonment.
- 20.- Electronic notification as official channel for oppositions and office actions based on substantive grounds.
- 21.- Deferment of the payment of initial official fees from the application date and increment of initial fees in patent applications with more than 80 pages.

## **II. For further details of the above-mentioned changes please see the following points.**

### **1.- New kinds of trademarks recognized for protection**

The new provisions of the law recognize **tridimensional trademarks** and **olfactory trademarks**.

These new categories are added to traditional trademarks as well as sound marks, collective marks, certification marks as well as slogans, already recognized in our legal system.

### **2.- Mandatory use of trademarks in the Chilean territory**

The reform provides the cancellation of a trademark registration for non-use within five years prior to the beginning of the procedure. This cancellation can be declared within an opposition or

annulment trial, by the defendant in those cases, and in the context of cancellation demand filed by a third party.

For trademarks already granted at the time when the reform enters into force, the burden of use will be applicable after its subsequent renewal.

### **3.- Expiration of trademarks that have become generic and descriptive of goods, and special expiration of appellations of origin and geographical indications**

A special sanction of expiration of a registered trademark is provided by the law when it becomes generic or descriptive of the relevant goods or services.

### **4.- Abolition of the protection of commercial outlets and industrial outlets and their conversion to classes 35 and 40 respectively**

The Congress has decided to eliminate the protection of commercial and industrial outlets, which does not protect products or activities.

The reform establishes that all registered outlets will remain in force as such until their renewal, when commercial outlets will be renewed and converted into trademarks protecting services in Class 35, and industrial outlets will be renewed and converted into trademarks protecting services in Class 40.

If the commercial outlets are limited to one specific region of the country, they will cover the whole territory, except if there is any overlapping with prior trademarks in class 35. In this case, the territorial extension will be limited to the original territory covered by the mark.

### **5.- New rules for paying the initial official fees in trademarks, appellations of origin and geographical indications, patents, utility models, industrial drawings and designs**

The reform provides that the initial official fee can be paid at the filing moment or within 30 working days after the filing, at the request of the applicant. No extra official charges are charged for this deferment of the payment.

Non-payment will mean the abandonment of the application.

In the case of applications for patents of invention, there is an extra official fee if the Title, Abstract, Specifications, Claims and Drawings surpass 80 pages. This extra charge of US\$ 88 is applicable for each 20 additional pages or fraction.

### **6.- New rules for the term to file trademark renewal applications and the term to pay the official renewal fees in trademarks**

**Term to file the renewal application:** The reform provides that the renewal application can be filed within 6 months before the registration elapsing date and 6 months after the elapsing date.

**Term to pay the renewal fees:** The renewal fee can be paid at the moment of filing the renewal application or at any time during the six month period after the elapsing date, with a 20% surcharge for each month or fraction of month up until the second month after the elapsing date, as it is shown in the following example:

Month (Gracie Period for payment of the renewal fees)	1	2	3	4	5	6
US \$	\$ 528	\$ 634	\$ 739	\$ 845	\$ 950	\$ 1.056

**7.- New rules for the term to pay for recordals (changes of name, assignments, mergers, encumbrances, prohibitions, licenses and the like) in trademarks, appellations of origin and geographical indications, patents, utility models, industrial drawings, and industrial designs**

The reform provides that the recordal official fees must be paid together with the filing of the recordal application.

Therefore, the resolution of acceptance of the recordal procedure was abolished, although the Chilean Office is entitled to request further documents or any additional explanation about the document supporting the requested recordal.

**8.- New rules for the payment of maintenance fees in patents, utility models, industrial drawings and industrial designs, as well as for the layout of integrated circuits**

The new law provides two different modalities for the payment of maintenance fees depending of the IP right involved, as it is shown in the next points a), b) and c):

**a) Patents of Invention**

For the first 10 years of protection (first decennial)

a.1 At the filing date or within 30 working days after the filing date, the amount of US\$ 88 (\*) in Chilean Pesos.

a.2 After the granting of the patent, within 60 working days, the amount of US\$ 264 (\*) in Chilean Pesos.

For the second 10-year term of protection (second decennial)

**Alternative 1**

With the total amount of US\$ 352 (\*), to be paid before 10 years from the filing date or within a 6-month grace period after the elapsing of these 10 years with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

**Alternative 2**

With the amount of US\$ 35 (\*), to be paid annually the year before each year of the second decennial from the elapsing of the 10 years after the application date or within a 6-month grace period after each year of the second decennial with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

**b) Utility models and layout of integrated circuits**

For the first 5 years of protection (first quinquennial)

b.1 At the filing date or within 30 working days after the filing date, the amount of US\$ 88 (\*) in Chilean Pesos.

b.2 After the granting of utility models, industrial designs, industrial drawings and layout of integrated circuits, within 60 working days, the amount of US \$88 (\*) in Chilean Pesos.

For the second 5-year term of protection (second quinquennial)

Alternative 1

With the total amount of US \$ 176 (\*), to be paid before 5 years from the filing date or within a 6-month grace period after the elapsing of these 5 years with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

Alternative 2

With the amount of US \$ 35 (\*), to be paid annually before each year of the second quinquennial or within a 6-month grace period after each year of the second quinquennial with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

**c) Industrial designs and industrial drawings**

For the first 5 years of protection (first quinquennial)

c.1 At the filing date or within 30 working days after the filing date, the amount of US\$ 88 (\*) in Chilean Pesos.

c.2 After the granting of utility models, industrial designs, industrial drawings and layout of integrated circuits, within 60 working days, the amount of US \$ 88 (\*) in Chilean Pesos.

For the second 5-year term of protection (second quinquennial)

Alternative 1

With the total amount of US \$ 176 (\*), to be paid before 5 years from the filing date or within a 6-month grace period after the elapsing of these 5 years, with an extra charge of 20% for each month or fraction of month, applicable from the second month of this grace period.

Alternative 2

With the amount of US \$ 35 (\*), to be paid:

- annually before each year of the second quinquennial or
- within a 6-month grace period after each year of the second quinquennial with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

For the third 5-year term of protection (third quinquennial) SEE NEXT POINT 09

Alternative 1

With the total amount of US \$ 176 (\*), to be paid before 10 years from the filing date or within a 6-month grace period after the elapsing of these 10 years with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

#### Alternative 2

With the amount of US \$ 35 (\*), to be paid:

- annually before each year of the third quinquennial or
- within a 6-month grace period after each year of the third quinquennial with an extra charge of 20% for each month or fraction of month applicable from the second month of this grace period.

(\*) The amounts of the maintenance fees are merely referential according to the exchange rates at the moment of preparing this report and will not necessarily be maintained for the future, since this depends on variable factors as the exchange rate and an indexed unity calculated monthly by our economic authorities.

### **9.- Chance to extend the protection up until 15 years in industrial drawings and industrial designs**

The owners of those industrial designs or industrial drawings with pending applications or already granted and valid at the moment when the new law enter into force, will be able to extend the protection paying the corresponding maintenance fees according to the third quinquennial.

### **10.- Automatic registration alternative procedure with no substantive examination in industrial drawings and industrial designs**

At the time of filing applications for industrial drawings or industrial designs, the applicant may opt for the general registration procedure, or for an alternative registration procedure, which consists of an abbreviated procedure for obtaining a certificate of deposit without considering the practice of a substantive examination to verify compliance of the requirements established by the Law.

Once the application has been submitted in accordance with the abbreviated procedure, the Chilean Trademark Office (INAPI) will carry out a preliminary examination directed to verify the full compliance with the formal requirements established by the Law and its regulation. If the application does not comply with the requirements, INAPI will reiterate the remaining observations, under warning of having the request as not filed if they are not completely corrected within the period of thirty days.

If the application complies with the formal requirements, then the protection is granted and an extract of the corresponding application will be published in the Official Gazette, in the form and terms determined by the regulations.

Notwithstanding the above, it is not possible to file infringement actions without previous request of substantive examination of the industrial design or industrial drawing and subsequent confirmation of the protection by the Chilean Office.

### **11.- New rules in relation with the way to calculate prejudices in case of infringement of IP rights**

A new and additional alternative for calculating the indemnification in case of infringement actions based on counterfeited products.

This new alternative allows the plaintiff, once proved the infringement, to request the Judge to set forth an estimation of damages according to the magnitude of the infraction, with an amount of money not surpassing US\$ 145,000. -

(\* ) The limit of indemnification amount is merely referential according to the exchange rates at the moment of preparing this report and will not necessary be maintained for the future, since this depends on variable factors as the exchange rate and an indexed unity calculated monthly by our economic authorities.

## **12.- Effective imprisonment for IP infringements**

The new provisions establish effective imprisonment for the offenders for the crime of counterfeiting.

## **13.- Changes in the rules for supplementary protection**

The deadline for filing a supplementary protection, for unjustified administrative delays, elapses 60 working days after the granting of the patent. The former deadline was 6 months from the granting date.

## **14.- Special action in favor of inventors to recover a patent applied for without authorization or assignment**

A special legal action is now established by the law against those who have obtained a patent without the consent of the inventor.

This new action can be filed as long as the patent of invention is valid and is filed and prosecuted before ordinary judges according to a simplified procedure.

## **15.- New patent right exceptions**

The reform incorporates that the acts intended to obtain a sanitary authorization for the commercialization of agrochemical or pharmaceutical products do not infringe patents rights. However, this exception does not allow to commercialize the products without the authorization of the patent holder.

Along with the foregoing, a catalog of exceptions is added, namely

- (a) private acts and without commercial motives;
- (b) acts performed with experimental motives;
- (c) individual drug preparations;
- (d) employment on board vessels that temporarily or accidentally enter Chilean territory;
- (e) employment on aircraft or land transport that temporarily or accidentally enters Chilean territory.

## **16.- New provisional patents**

Provisional patents are a new institution in our system and can be used as priorities for subsequent regular national or international applications.

Provisional patents are valid if they contain a clear and complete description of the invention. To be accepted as a valid application there is no need to contain claims.

The regular application must be filed within 12 months after the provisional patent with the complete set of claims, specifications and drawings.

#### **17.- New definition in relation with industrial secrets**

The new law specifies concepts related to industrial secrets.

Now they will be called “trade secrets”, and their scope is fixed by incorporating the following elements into the definition:

- (a) it includes secret information which is not generally known or easily accessible;
- (b) the information must have commercial value; and
- (c) incorporates the obligation to use safeguards by its owner to keep it secret.

#### **18.- New deadline for the reinstatement of rights in case of PCT Chilean National Phases**

In case of losing the priority deadline, the applicant has the right to request the restoration of the priority right within two months after the priority deadline expressing the reason of that omission and submitting the corresponding evidence.

#### **19.- Shorter deadline for recovering the procedure without losing the priority after abandonment in patent cases**

The new law allows to revive the procedure after its abandonment for not complying with a procedure requirement in 45 days.

This deadline for the same purposes was 120 days before this reform.

#### **20.- Electronic notification as official channel for oppositions and office actions based on substantive grounds**

The new law allows electronic notifications by e-mail in relation with oppositions and in relation with office actions based on substantive grounds when the latter are notified conjointly with an opposition.

The rest of the resolutions adopted by the Chilean Office continue to be notified in a regular way, that is, by its daily tangible publication and its daily disclosure in the Chilean Office web page.

#### **21.- Increment of initial fees in patent applications with more than 80 pages**

The reform provides that the initial official fee can be paid at the filing moment or within 30 working days after filing, at the request of the applicant. No extra official fees are charged for this deferment of the payment.

Non-payment will mean the abandonment of the application.

In the case of applications for patents of invention, there is an extra official initial fee if the Title, Abstract, Specifications, Claims and Drawings surpass 80 pages. This extra charge of US\$ 88 is applicable for each 20 additional pages or fraction.