

FACTSHEET

IMPORTANT ISSUES



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1. Introduction

Uruguay is keen to find the appropriate balance between the protection of Intellectual Property, the development and the generation of public policies promoting such goals.

Take into account that, just as in Europe, mere registration is, in most cases, not enough to duly protect your IPRs. It is necessary for the IPR owner to be proactive in order to reach higher levels of protection: namely by monitoring the market for potential infringements and by enforcing its IPRs before the Courts. Effectively benefiting from your IPR ownership might depend on your economic resources and your ability to keep an eye on potential infringements and competitors. The aim of this guide is to offer an overview of IPRs enforcement in Uruguay.



TIPS AND WATCH-OUTS

As in Europe, IPRs in Uruguay grant some rights to the applicant from the very moment of their application, therefore it is highly recommendable to be proactive.



2. Legal Framework and main challenges

Uruguay's legal framework for IPR protection and enforcement is composed of:

- Law Nº 17.011 on distinctive signs;
- Law Nº 17.164 on patents, utility models and designs
- Law Nº 9.739 (consolidated version) on Copyrights and related rights
- Decree-Law No. 15.691, Customs Code
- Resolution Nº 36/2014, from National Customs Directorate on Custom Proceedings.
- Law Nº 19.149 (art. 187) on use of trademarks

In addition to the general legal framework for enforcement, the Civil Code, the Code of Civil Procedure, the Code of Criminal Procedure and the Criminal Code also make up the Uruguayan enforcement system, providing right holders with the legal tools to register, protect and enforce their rights.

The main challenges to be faced by Uruguay in the next following years are:

- **PIRACY:** mainly related to TRADEMARKS– in clothing and shoes sector– and COPYRIGHT – mainly CDs, DVDs, videogames and books– both at manufacturing and users level.
- **ENTRANCE OF COUNTERFEITED GOODS:** electronic goods, spirits, alcohol-free drinks and tobacco enter the country through the “triple-border” (Paraguay, Brazil, Argentina).
- **GOODS IN TRANSIT:** coming from South East Asia and addressed to other countries in the Latin America Region.
- **SLOW JUDICIAL PROCEEDINGS:** Preliminary injunctions tend to be granted and executed relatively fast. However, Civil proceedings tend to extend up to 4 years, due, in most cases, to a lack of specialised IP judges.



3. Border Measures

The competent body to adopt border measures is the National Directorate of Customs (Dirección Nacional de Aduanas), through its Intellectual Property, Money Laundering and Traffic Division.

Procedure in case of infringement

If infringing goods are detected, the Resolution N° 36/2014 from the National Directorate of Customs on IPR enforcement in customs, entitles the owners to request the blockage, examination, sample collection, seizure and destruction of the goods as well as to bring Civil or Criminal proceedings against the infringer. There are three means of detection.

- **Alerts:** when there are reasonable grounds to believe that an IP infringement is likely to occur, the custom's authorities start a control phase and communicate the result to the competent judge and the trademark representative. Both the judge and the IPR holder are entitled to file a lawsuit against the infringer.
- **Report:** If the trademark owner or the Custom's authorities are aware that infringing goods are entering the country they can request the Intellectual Property Division to examine the suspect shipment. If the IP Division concludes that the products are counterfeited, the Custom's Authorities will then submit the information to, both, the competent judge and the trademark representative in order to bring proceedings against the infringer.
- **Communication between Customs Authorities:** Uruguayan Customs' Authorities collaborate closely with other national authorities, such as Paraguayan or Brazilian authorities, and exchange information about products addressed or remitted from Uruguay or other third countries. The procedure being followed is similar to the previous one.

In any of this cases, the trademark representative has 48 hours to file the claim before the competent Court, who is entitled to order the destruction, donation or release of the blocked goods.

Moreover, trademark owners can register their registered Trademarks before the Custom Trademark Register to prevent counterfeited or fake goods from entering the country. This is a very useful tool for Customs Authorities in order to obtain information on, among others:

- i. Ownership
- ii. Registration Number
- iii. Type and characteristics of the IPR
- iv. Distinctive sign, types, models, specific data, places where it is commercialized
- v. Samples of original/ counterfeited goods
- vi. Other characteristics
- vii. Usual places of entrance to the country of the original products.
- viii. Usual means of entrance to the country of the original products.
- ix. Licensees
- x. Legal representatives
- xi. Contact information

Registration should be renewed on a yearly basis. Trademark owners are requested to regularly update their contact information and the characteristics of the goods.

The main advantage of this register is that, when suspected infringing goods arrive to Customs, they are automatically blocked and reported to the owner, which allows for faster proceedings. If the goods are confirmed to be counterfeited, the infringer must assume all costs related to the blockage, and then destruction of the goods.



4. Civil proceedings

A. Remedies and procedural aspects

Civil litigation allows you to obtain preliminary injunctions against the infringer and to claim damages.

Where should I sue?

The competent Court in Uruguay will vary depending on the amount of the claim: either the “Juzgado de Paz” or the “Juzgado Letrado de 1º Instancia de lo Civil”.

Who is entitled to sue the infringer?

Both the IP right holder and his legal representative are entitled to file a claim. Licensees are also entitled subject to the previous registration of the license before the Uruguayan Patent and Trademark Office (DNPI).

What can I request?

In Uruguay it is advisable to sue before Civil Courts if you want to get damages or the cessation of the use of an infringing Trademark (arts. 87 and 88 of Uruguayan Trademarks Law).

The law also entitles the Patent owner to claim the cessation of the infringement and damages, included those produced from the date of publication (art 99 Patent Law).

Copyrights on the other side, will also allow you to request the cessation of the damaging behaviour, damages and a fine up to ten times the amount of the value of the infringing good.

When can I claim?

The general rule is that right holder is entitled to bring a claim up to four years after the infringement took place or one year after learning about the infringement.

If you want to know what is the applicable term to your case, please do not hesitate to contact our [Helpline](#).

When can I claim?

- **Notice of infringement**
- **Trial phase**
 - Conciliation proceedings.
 - The claimant files the claim and the respondent files the statement of defence (30 days)

- Preliminary hearing: Evidence is produced, if necessary (witnesses' statement, motion practice, expert reports).
- Hearing
- First instance decision.

- **Appeal stage:** Usually decided within 6 months from the first instance decision.
- **Liquidation and execution phase:** this is the longest phase (usually takes 24 months) and can lead to a bidding process in case of absence of voluntary payment.

B. Preliminary injunctions

According to the Uruguayan Law, preliminary injunctions are measures that the court is entitled to grant, prior to the judgment or even prior to the beginning of the proceedings themselves. In such cases, the plaintiff should file the claim within the next 30 days. Otherwise, the injunctions' applicant should pay the costs incurred and damages (if suitable).

When can they be requested?

The Court can award the preliminary injunction to prevent irreparable harm that could be caused to the right holder during the proceedings, to preserve relevant evidence or to ensure the effectiveness of the judgment. The applicant should furnish proof of the existence of the IPR (usually by the Registration document) and proof of the risk incurred. The Court can also request a bail from the applicant, except under certain circumstances.

What are the main preliminary injunctions?

The Court may grant measures that are relevant according to each specific case: a prohibition to introduce changes on the infringing machinery (in case of patents), a preventive annotation of the claim, the seizure or audit of infringing goods, among others.



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The judge may also inspect, assisted by an expert, the facilities where an alleged Patent infringement is being committed. In those cases, the bail is not mandatory and there is no need of previous communication to the alleged infringer.

5. Criminal proceedings

Where should I report or sue?

Before the Criminal Public Prosecutor of the place of seizure of the goods, regardless of the amount in question; or before the police.

Who is entitled to sue the offender?

The right holder, his legal representative or the licensee, if the person was authorized by contract- provided that the license is registered before the DNPI.

Penalties

• Patents, Utility Models and Industrial Designs:

Infringements of Patents, Utility Models or Industrial Designs, may be punished with imprisonment for six months and up to three years.

Term of imprisonment shall be of fifteen months to four years if the infringer is an employee or a licensee of the patent owner; when the infringer obtained from the licensee knowledge of the special methods needed to make the patented object.



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Infringing products (e.g. machine that plays a patent pirate copy of a CD or T-shirts with counterfeit brands) and the tools used to develop them are seized normally destroyed.

• Trademarks:

The unauthorized use, manufacture, counterfeiting or imitation of a registered trademark, with the aim to make a profit, shall be punished with six months to three years in prison.

Introducing goods in packages bearing a third party's trademark can be punished by six months to three years in prison.

Manufacture, storage, distribution or marketing of goods that incorporate registered Trademarks **without authorization** is punishable with three months to six years in prison.

• Copyright and Software:

Violations of Copyright (e.g. publishing, sale, reproduction, distribution or storage with a view to distribute the material or commercialize it), of an unpublished or published work, without prior written authorization, can be punished with three months to three years prison.

Circumvention of technological protection measures (TPMs) can be punished with three months to three years in prison.

Copying protected works without the aim of making a profit shall be punished with a fine that could range from 10 UR (264 €) to UR 1500 (40,000 €).

Main stages in criminal litigation in Uruguay

The right holder, his legal representative or the licensee, if the person was authorized by contract- provided that the license is registered before the DNPI.

- **Complaint before Criminal Public Prosecutor or the police.**
- **The Judge order the adoption of all relevant measures:** seizure of infringing goods, securing evidences... The judge can also order the detention of the accused, depending on the nature of the offence and his/her criminal record.
- **Hearing**
- **Resolution**
- **Appeal**



6. Good practices & relevant information

Hire local IPR experts

Having an IPR lawyer or a duly qualified representative, local or with experience in the country, is highly recommended and sometimes even necessary.

Register your IP rights before the National Registries

IPR are territorial rights. Therefore, before operating in Uruguay, you should register your Patents, Trademarks, Designs, Copyright or others before the competent authority. You should also register your Trademarks before the Custom's Trademark Register.

Keep your contact details updated with DNPI and the Custom's Register

Sometimes the only way that the authorities have to contact IPRs owners is by using the information that appears on DNPI's register. Any change of domicile or representative should be immediately communicated to INPI.

Follow good practices from industry associations

Joining industry associations may be useful in order to combine efforts and develop good practices based on the experience of other members. They are also useful to develop joint awareness campaigns addressed to users and clients. Uruguayan industry associations are playing an important role on improving the fight against piracy.

Be proactive

Detecting the country of origin of counterfeited products may help you block the goods at a very early stage and help you save costs. This is particularly effective if your IPRs are also registered in the country of origin of the goods.

Consider other alternatives before bringing a claim before the courts

Sometimes sending a Cease-and-Desist Letter is sufficient to stop the infringement, especially where the infringer is a small retailer.

Evaluate other alternatives to litigation

Such as mediation or arbitration, given that:

- The average fees and costs (including attorneys fees) for civil litigation in Uruguay normally range between 5.000€ (a relatively simple case of Trademarks infringement) and 15.000€ (in case of complex Patent cases).*
- From the filing of a lawsuit to the rendering of a final decision, it usually takes around 4 years in civil courts and 2 years in criminal proceedings.*

**Note that these estimations are based on Uruguayan practitioners' experience; therefore, they are merely indicative and may vary depending on the characteristics of the case, the court, or variations of the EURO-Uruguayan Peso exchange rates..*



7. Glossary

Goods: All movable tangible property. Is any product, manufacturing, livestock and other tangible property, without exception.

Source: Dirección Nacional Aduanera Uruguay

Ex officio / ex parte: Ex officio prosecution implies that is the public prosecutor who, without any previous private claim, decides to start the proceedings against an offender whereas in case of ex parte prosecution is the injured party.

Source: [Latin America IPR SME Helpdesk](http://www.latinamerica-ipr-helpdesk.eu/)

8. Related links and additional information

Further information about IPR in Uruguay can be found on the Latin America IPR SMEs Helpdesk website:

<http://www.latinamerica-ipr-helpdesk.eu/>

Seizure 2014 report:

http://www.aduanas.gub.uy/innovaportal/file/13322/1/informe_de_incautaciones_a_diciembre_2014.pdf

National Customs Directorate:

<http://www.aduanas.gub.uy/>

Uruguay Patents and Trademark Office (DNPI):

<http://www.dnpi.gub.uy/>

Sistema Lucía: export/import control online system (access to public information):

<https://servicios.aduanas.gub.uy/luciapub/luciapublico.htm>

Legal Framework:

<http://www.wipo.int/wipolex/es/profile.jsp?code=UY>



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Newsletter: Keep track of the latest news on IP in Latin America relevant to your business.

Multi-lingual Webportal: Browse our multilingual web portal for a broad range of information and training materials on IPR in Latin America in English, Spanish, Portuguese, French and German.

Training: Attend our trainings (online and on-site) and learn more about the key aspects of IPR protection and enforcement issues for doing business in Latin America.

For more information please contact the Helpdesk:
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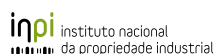
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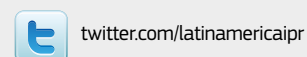
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