

LEGISLATIVE DECREE
No. 1075

THE PRESIDENT OF THE REPUBLIC

WHEREAS:

The Trade Promotion Agreement between Peru and the United States of America approved by Legislative Resolution No. 28766, published in the Official Journal *El Peruano* on June 29, 2006 establishes a free trade area in accordance with the provisions of Article XXIV of the 1994 General Agreement on Tariffs and Trade and Article V of the General Agreement on Trade in Services with the aim of encouraging the expansion and diversification of trade in goods and services between the Parties;

Chapter 16 of the above-mentioned Agreement establishes provisions relating to the need to respect and safeguard intellectual property rights;

To comply with the trade commitments arising from the Agreement, Peru must amend certain domestic intellectual property laws in order to be consistent with the commitments made in the above-mentioned Agreement;

It is necessary to create a normative framework that facilitates access to the protection of industrial property rights and galvanizes the procedures established to this end in order to create effective procedures and which in turn enable the effective protection of industrial property rights granting the authorities the competences necessary to this end;

Furthermore, this Legislative Decree takes into consideration the provisions contained in Decision 486 of the Commission of the Andean Community which establishes the Common Regime on Industrial Property and constitutes an additional norm thereto.

The Congress of the Republic, by means of Law No. 29157, has granted the Executive Branch the competence to legislate, for a period of one hundred and eighty (180) calendar days, on various matters related to the implementation of the Trade Promotion Agreement between Peru and the United States and its Amending Protocol, as well as in relation to the support for economic competitiveness to take advantage thereof; these matters include the improvement of the regulatory framework, institution building, administrative simplification and modernization of the State, the promotion of private investment and the impetus for technology innovation, the improvement of quality and capacity building;

In accordance with the provisions established in Article 104 of the Political Constitution of Peru;

With the approval vote of the Council of Ministers; and

Responsible for reporting to the Congress of the Republic;

Has issued the following Legislative Decree:

LEGISLATIVE DECREE WHICH APPROVES SUPPLEMENTARY PROVISIONS OF DECISION 486 OF THE COMMISSION OF THE ANDEAN COMMUNITY WHICH ESTABLISHES THE COMMON REGIME ON INDUSTRIAL PROPERTY

TITLE I SCOPE

Article 1 – Scope

The purpose of this Legislative Decree shall be to regulate and protect components constituting industrial property in accordance with the Political Constitution of Peru and the relevant international agreements and treaties acceded to.

The purpose of this Legislative Decree shall be to regulate supplementary aspects in Decision 486 which establishes the Common Regime on Industrial Property, in accordance with the Political Constitution of Peru and the relevant international agreements and treaties acceded to.

Article 2 – Beneficiaries

Any natural or legal person or other public or private law entity, whether State or non-State, profit-making or non-profit making, domiciled in the country or abroad, may access the benefits of this Legislative Decree.

This Legislative Decree shall apply to all sectors of economic activity.

Article 3 – Components constituting industrial property

For the purposes of this Legislative Decree, components of industrial property shall be:

- (a) patents;
- (b) protection certificates;
- (c) patents for utility models;
- (d) industrial designs;
- (e) trade secrets;
- (f) layout-designs of integrated circuits;
- (g) trademarks or service marks;
- (h) collective marks;
- (i) certification marks;
- (j) trade names;
- (k) advertising slogans; and
- (l) appellations of origin.

Article 4 – Competent authorities

The Directorate of Inventions and New Technologies of the National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) shall have the competence to hear and settle in the first instance any case related to patents, protection certificates, utility models, industrial designs and layout-designs for integrated circuits, including litigation procedures in administrative

proceedings in respect thereof. It shall also be responsible for the register of licenses for the use of technology, technical assistance, basic and detail engineering, management and franchise of foreign origin.

The Directorate of Distinctive Signs of the National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) shall have the competence to hear and settle in the first instance any case related to trademarks or service marks, trade names, advertising slogans, collective marks, certification marks and appellations of origin, including administrative proceedings in respect thereof. It shall also be responsible for the register of contracts containing licenses on distinctive signs and the register of contracts on technology transfer.

The Intellectual Property Chamber of the Tribunal of the National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) shall hear and rule on appeals in the second and last instance of administrative proceedings.

Article 5 – Delegation of powers

The competent Directorate may delegate to public or private entities the power to receive applications for registration and other records or documents related to industrial property. Where that is the case, the above-mentioned documents shall be considered submitted at the time of receipt by the delegated entity. The competent Directorate may order the delegation of additional powers.

TITLE II GENERAL PROVISIONS ON REGISTRATION

Article 6 – Exclusivity of industrial property rights

Industrial property rights shall confer on its holder exclusivity over the subject of protection, and the regular exercise of these rights may not be sanctioned as a monopolistic practice or an anti-competitive act.

Article 7 – Registration of acts

Transfers, licenses, amendments and other acts affecting industrial property rights may be recorded in the industrial property registers.

Acts and contracts referred to in the preceding paragraph shall take effect in respect of third parties from the time of filing.

In the case of licenses concerning registrations of distinctive signs, neither their validity nor their effects on third parties shall be subject to their filing.

Unless proof to the contrary is provided, it is presumed that any person shall have knowledge of the content of the registrations filed in the relevant registers; the registrations shall be deemed authentic where not amended or annulled.

The competent Directorate shall establish the way in which its respective registers are organized and shall stipulate the provisions for filing where necessary.

Article 8 – Invalidity of registration

The declaration of invalidity of a registration shall retroactively establish that neither the registration nor the application from which it arose take effect as provided under this Legislative Decree.

Without rendering invalid the liability for damages which arise if the holder of the registration has acted in bad faith, the retroactive effect of invalidity shall not affect:

- (a) decisions on infringement of industrial property rights which may have been handed down and exercised prior to the declaration of invalidity; and
- (b) the license agreements in existence prior to the declaration of invalidity provided that these agreements were concluded prior to this declaration.

Article 9 – Caveat

The competent Directorate shall, *ex officio* or at the request of a party, include in the relevant registers a caveat of requests for cancellation and annulments that are filed.

The corresponding entry shall, likewise, be made once the decision, which has exhausted the administrative channels in the proceedings set forth in the previous paragraph, has been handed down.

Article 10 – Publication of registrations and records

Registrations and records, whether or not they are being processed, including litigation, shall be open to the public, except in the following cases:

- (a) records of patents, utility models and industrial designs shall be governed by the provisions of Articles 40, 85 and 125 of Decision 486.
- (b) records concerning the infringement of industrial property rights, until the complaint has been served.

Any person, whether or not party to the proceedings, may request a simple or certified copy of all or part of a public record, as well as of registration entries, the certificates or titles issued after payment of the corresponding fee.

Article 11 – Non-disclosure and confidentiality

Where the competent national authority receives or obtains information considered confidential, this authority shall at the request of the party concerned guarantee the non-disclosure and confidentiality thereof in accordance with the relevant regulations.

TITLE III

GENERAL PROCEDURAL PROVISIONS

Article 12 – Priority of rights

Priority in industrial property law shall be determined by the date and time the application for registration was filed. Priority afforded the first applicant shall suppose his good faith and, consequently, such priority shall not be recognized when proven to the contrary.

Article 13 – Language

Applications for registration shall be filed in Spanish. Documents drawn up in a different language shall be filed with an unauthenticated Spanish translation. The presentation of official translations shall not be requested, provided that the unauthenticated translation is presented under the responsibility of the translator and the party concerned.

Without prejudice to the provisions of the preceding paragraph, the competent authority may waive the presentation of translations of the documents where deemed appropriate or request the translation within a maximum, non-renewable term of ten working days, except where this Legislative Decree establishes a different term.

The admission requirements shall be presented in Spanish, failing which the application shall not be processed.

Article 14 – Application requirements

For the registration of any act of disposal or assignment of industrial property rights, and except where greater formality is required by Law, it shall suffice for this act to be mentioned in a private deed and for the signatures to be certified by a notary. If the document is drawn up abroad, it shall be authenticated by a Peruvian consular official.

With regard to a change of ownership, and where this results from a contract, it shall suffice for the applicant to attach to his application, where applicable, one of the following:

- (a) a copy of the contract, certified by a notary public or any other competent public authority, who certifies that the aforementioned document is in conformity with the original contract;
- (b) an extract of the contract which shows the change in ownership, this extract shall be certified by a notary public or any other competent public authority;
- (c) an uncertified certificate of transfer with the content established in the Regulations under the 1994 Trademark Law Treaty, and which is signed by both the holder and the acquirer; or
- (d) an uncertified transfer document with the content established in the Regulations under the 1994 Trademark Law Treaty, and which is signed by both the holder and the acquirer.

Where the change in ownership results from a merger, it shall suffice to attach a copy of the document proving the merger issued by the competent authority. The conformity of the aforementioned copy with the original must be certified by the authority that issued the document or a notary public or any other competent public authority.

Where a change in ownership is not the result of a contract or a merger, but rather the result, *inter alia*, of the application of a legal standard or a court decision, a copy of the document proving such change attached to the application shall suffice. Such copy shall be certified by a notary public or any other competent public authority declaring it to be in conformity with the original document issued by the corresponding public authority.

Article 15 – Powers

The powers required under this Legislative Decree may be set forth in a private deed. With regard to legal persons, the condition or title shall be deposited with the condition or title which has been signed by the principal.

In the case of the surrender of the registration, or discontinuance of the proceedings, claim or any other procedural act, the signature of the power shall be authenticated by the Notary. This shall also apply where the said power was granted abroad; the signature shall be authenticated by a Peruvian consular official.

The power may be granted after the application for registration is filed, in which case the acts undertaken by the proxy shall be confirmed.

Article 16 – Record of file

Documents that are submitted in the proceedings shall contain the number of the respective file subject to not being considered submitted, except where the content thereof unequivocally identifies the file to which it corresponds.

Article 17 – Proof

The competent authority may require that proof be presented where reasonable doubt exists concerning the truth of any information contained in a document.

Article 18 – Abandonment of applications

Except for cases for which this Legislative Decree establishes a specific term, the application shall automatically be abandoned when the corresponding file is held up by the interested party concerned for thirty (30) working days. There shall be no grounds for abandonment while the file is in the resolution phase.

Article 19 – Benefit of priority

In order to benefit from the right of priority, the application claiming priority shall be filed within the following non-renewable periods as from the filing date of the application whose priority is claimed:

- (a) 12 months for patents and utility models; and
- (b) six months for registrations of industrial designs and marks.

Exceptionally, for patent or utility model applications, the competent Directorate may restore the right of priority within a period of two (2) months as from the date the priority period lapses, where it was

impossible for the applicant to file the aforementioned application within the above-mentioned twelve (12) month period.

To this end, the restoration of the right shall be requested by filing an affidavit with the reasons why the patent application was not filed within the 12-month period, accompanied by evidence proving that it was impossible to file the application despite the applicant acting with due diligence.

Where the Directorate deems that the evidence submitted is not sufficient to prove the impossibility, it shall notify the applicant in order that he may submit new evidence within 30 working days, after which the Directorate shall decide whether or not the restoration of the right of priority is accepted.

Article 20 – Assignment of rights

The assignment and, where appropriate, the license of rights arising from the registration application shall derive from any of the components constituting industrial property. To this end, the conditions established in Article 14 of this Legislative Decree shall be complied with where relevant.

Article 21 – Handing down the decision

Once the decision granting an industrial property right has been handed down, the competent Directorate shall issue the corresponding certificate or title.

Article 22 – Restitution of fees

Except where expressly provided for in this Legislative Decree, fees paid by the interested party shall not be restituted.

Article 23 – Vexatious opposition

Vexatious opposition brought against applications for any component of industrial property may be sanctioned with a fine of up to fifty (50) UIT.

Article 24 – Timeframe for proceedings

The maximum period of time for conducting administrative proceedings regulated by this Legislative Decree shall be one hundred and eighty (180) working days, without prejudice to the provisions in special rules or the terms arising from the very nature of the relevant proceedings.

Article 25 – Suspension of proceedings

The competent authority shall suspend the proceedings brought before it which shall continue only where, prior to the beginning of administrative proceedings, a judicial process was started to examine the same subject matter or where a litigious or other issue arises which, in the opinion of the respective competent authority, requires a prior ruling without which the case brought before it cannot be settled.

TITLE IV

PROVISIONS REGARDING PATENT REGISTRATION

Article 26 – Disclosure of information

For purposes of the provisions of Article 28 of Decision 486, the disclosure of the invention shall be considered sufficiently clear and complete if a person skilled in the technical art does not need to conduct further testing to carry out the invention, on the date the application is filed.

Likewise, an invention shall be considered sufficiently disclosed where a description is so clear, detailed and complete as to reasonably indicate to a person skilled in the relevant technical art that the applicant was in possession of the invention at the time of filing the patent application, it being understood that possession shall imply that the applicant was able to carry out the invention.

Article 27 – Amendments to the application

The patent applicant may request, against payment of the corresponding fee, that the application be amended at any time during processing. The amendment may not involve extending the scope of protection which would correspond to the disclosure contained in the initial application.

The applicant may likewise request the correction of any material error.

Where the amendment involves the patent claim, the corresponding fee shall first be paid for each additional claim, up to ten (10) claims.

Article 28 – Correction

Without prejudice to the provisions of the preceding article, and if during the examination of form, the competent Directorate finds that there is or could be any omission in the description or claims, or that the drawings are incomplete, the Directorate may request the applicant to correct the said observation within two (2) months, failing which the said omissions shall be deemed not to have been resolved.

To this end, the omitted information must be contained in the priority duly claimed and the applicant must have complied by presenting together with the request form an affidavit which states it reserves the possibility of amending the application for omissions contained in the claimed application.

Article 29 – Claims

The claims made in a divided application shall not contain the same material as that for which protection is sought by means of the initial application filed.

It shall not be possible to grant more than one patent for the same inventive material.

Article 30 – Content of the publication

The publication of the extract from the application shall contain the following information:

- (a) application filing number and date

- (b) name and country of domicile of the applicant
- (c) name of the invention
- (d) abstract of the invention
- (e) complete data for priority or priorities claimed.

The applicant shall carry out the publication in the Official Journal *El Peruano* within thirty (30) days from the notification requesting the publication, failing which the application shall be declared abandoned.

Article 31 – Oppositions

Oppositions shall contain or have attached as appropriate:

- (a) identification of the opponent;
- (b) power of attorney granted to the person representing the opponent;
- (c) identification of the file and the date of publication of the application;
- (d) factual and legal grounds of the opposition;
- (e) evidence that proves the alleged facts; and
- (f) proof of payment of the corresponding fee.

Article 32 – Adjustment for unreasonable delay

The competent Directorate, solely at the request of the party, shall adjust the patent term where an unreasonable delay has occurred in the granting process, except where the patent is for a pharmaceutical product or procedure.

The adjustment shall occur once only where the competent Directorate, during the process of granting the patent, has incurred an unreasonable delay of more than:

- (a) five years from the date the application was filed to the date the patent was granted; or
 - (b) three years from the request for a substantive examination to the date the patent was granted.
- Where this is the case, it shall be understood that the application was filed if the following conditions are met:
- (i) the proof of payment of the fee for the substantive examination was submitted; and
 - (ii) for patent applications for which no oppositions were brought, the term of six months lapsed from the publication of the application in the Official Journal *El Peruano*; or for applications for which one or more oppositions were brought, the opposition phase was declared closed.

Article 33 – Request for adjustment

The request for adjustment shall be made, on pain of lapsing, within thirty (30) working days from the date an administrative decision granting the patent is handed down.

For the calculation of the term, the delay incurred by the competent Directorate for acts attributable to the patent holder shall not be taken into account.

Likewise, the patent term shall not be adjusted where the delay on the part of the competent Directorate occurred as a result of a fortuitous event or *force majeure*.

When evaluating the application filed, the competent Directorate shall:

- (a) determine whether a deadline is exceeded in the application process in accordance with the provisions under Article 32 of this Legislative Decree.
- (b) establish what the unreasonable delay is.
- (c) If the periods described in Article 32(a) and (b) of this Legislative Decree occur in the same patent application, it shall be understood that the deadline exceeded which shall be taken into account to determine the unreasonable delay in accordance with the provisions in the preceding paragraph shall start from the longest period overrun.

The competent Directorate shall issue a decision with a statement of reasons which establishes whether there was an unreasonable delay and, if so, shall grant the adjustment for the patent term. An appeal may be brought against this decision.

Article 34 – Adjustment period

The adjustment period granted in accordance with the preceding articles shall be subject to the following rules:

- (a) The adjustment period granted shall invariably start from the calendar day following the last day of the patent term.
- (b) For the calculation of the adjustment, the competent Directorate shall consider one day of adjustment for every two days of delay.
- (c) The adjustment period of the patent shall grant the holder the same rights and obligations as those held during the patent term and shall also be subject to the exceptions and limitations of the patent.

Article 35 – Delays attributable to the patent holder

Delays attributable to the patent holder shall be:

- (a) periods that correspond to the extensions requested by the patent holder;
- (b) the period from the time the file is abandoned and until the processing of the said file is reinitiated as a result of the decision in an appeal, provided that the causes for the abandonment are not attributable to the competent authority; and
- (c) any other period which is attributable to the actions of the applicant for consideration by the competent authority.

Article 36 – Inventions developed in the course of employment or service agreements

Except where agreed to the contrary, inventions developed in the course of an employment or service agreement shall be governed by the following rules:

- (a) Inventions made by the employee in the course of a contract or employment or service agreement, the total or partial purpose of which is to carry out inventive activities, shall belong to

- (b) If the employee makes an invention in relation to his professional activity and by using means or information provided by the employer, the employer shall have the right to assume ownership of the invention or to reserve the right of use thereof within a period of 90 days from the time at which the employer became aware of the existence of the invention. Where the employer assumes ownership of an invention or reserves the right of use thereof, the employee shall be entitled to adequate compensation in accordance with the industrial and economic importance of the invention, due account being taken of the means or information provided by the firm and the contributions by the employee that enabled him to carry out the invention. The amount of compensation shall be fixed by the judge specialized in civil matters in accordance with the rules of expedited summary proceedings, where there is no agreement between the parties.
- (c) Inventions made while an employment agreement is in force or a service contract is being carried out, the making of which is not covered by the circumstances provided for in subparagraphs (a) and (b), shall belong exclusively to the inventor thereof.

Article 37 – Inventions made in education and research centers

The rules established in the preceding Article shall be applicable to universities, institutes and other education and research centers in respect of inventions made by its professors or researchers, except where provisions to the contrary are contained in the Statute or the Rules of Procedure of the said entities.

Where a firm contracts a university, institute or other education or research center to carry out research which involves inventive activities, the rules established in this Article shall be applicable to the firm in respect of inventions made by the professors or researchers of the contracted institution. Where this is the case, the adequate compensation referred to under Article 36(a) and (b) of this Legislative Decree shall be paid directly by the firm to the professor or researcher who made the invention, and where appropriate, separately from the remuneration agreed on with the contracted institution.

Article 38 – Reinvestment for research

Entities that receive state financing for their research shall reinvest part of the royalties that they receive from the commercialization of such inventions with a view to generating a continuous flow of research funds and encouraging researchers by giving them a share of the profits from the innovations.

Article 39 – Generation of information by third parties

The patent holder shall not exercise the rights conferred by the patent where a third person uses the subject matter protected by the patent in force to generate the necessary information to support the application for approval to market a pharmaceutical product or agricultural chemical.

Any product produced in accordance with the preceding paragraph may be manufactured, used, sold, put up for sale, or imported into national territory for the generation of information for the purposes of

meeting the requirements for the approval to market the product once the patent expires. Likewise, the product may be exported only for the purposes of meeting the requirements of the approval for marketing.

Article 40 – Compulsory license

Following the declaration by the Executive Authority regarding the existence of reasons of public interest, emergency or national security, and only for the duration of these reasons, the patent may at any time be subject to a compulsory license. In such a case, the licenses requested shall be granted. The holder of the patent which is the subject of the license shall be notified as soon as reasonably practicable.

The competent national Directorate shall establish the scope and reach of the compulsory license, specifying in particular the period of time for which it is granted, the subject of the license, the amount and the conditions of economic compensation.

The granting of a compulsory license for reasons of public interest, public emergency or national security shall not infringe on the right of the patent holder to continue exploiting the patent.

TITLE V PROTECTION CERTIFICATES

Article 41 – Protection certificate

Any inventor domiciled in the country who is working on an invention project and who needs to experiment or build a mechanism that requires making his idea public, may request a protection certificate which the competent Directorate shall grant him for the period of one (1) year.

Article 42 – Content of the application

The application shall be filed with the competent Directorate and shall contain:

- (a) identification of the applicant and the inventor;
- (b) the title or name of the invention project in Spanish;
- (c) a clear and complete description in Spanish of the invention project in such a way that a person skilled in the art can carry out the invention;
- (d) proof of payment of the prescribed filing fee.

The absence of any of the requirements listed in the preceding paragraph shall result in the application not being considered accepted for processing by the competent Directorate and not being assigned a filing date.

Article 43 – Annexes to the application

In annex to the application at the time of filing shall be:

- (a) the powers, where necessary; and

- (b) the technical plans and drawings, where necessary for a better description of the invention project.

Article 44 – Possession of the protection certificate

The possession of this certificate shall give its holder the right of priority over any other person who over the course of the protection year tries to apply for rights over the same subject matter. In any case, the term of the final patent shall start from the application for the protection certificate.

If the holder of a protection certificate does not apply for the final patent within a year, he shall lose the right of priority which is referred to in the preceding paragraph.

TITLE VI PROVISIONS REGARDING REGISTRATION OF MARKS

Article 45 – Determination of similarity

For the purposes of establishing whether two signs are similar and capable of leading to confusion and error for the consumer, the competent Directorate shall take into account mainly the following criteria:

- (a) the successive assessment of the signs considering their overall appearance and with more emphasis on the similarities than the differences;
- (b) the level of perception of the average consumer;
- (c) the nature of the goods or services and the form of marketing or presentation, respectively;
- (d) the arbitrary or fantasy nature of the sign, its use, advertisement and reputation on the market; and
- (e) whether the sign is part of a family of marks.

Article 46 – Descriptive signs

With regard to descriptive signs, in addition to the criteria stipulated in Article 45 of this Legislative Decree, the following shall be taken into account:

- (a) graphic and phonetic similarity;
- (b) conceptual similarity; and
- (c) if the sign includes generic and/or descriptive words, an analysis will be carried out on the most distinctive word or words.

Article 47 – Figurative signs

With regard to figurative signs, in addition to the criteria stipulated in Article 45 of this Legislative Decree, the following shall be taken into account:

- (a) If the figures are similar, whether they give an identical or similar visual impression.
- (b) If the figures are different, whether they evoke the same concept.

Article 48 – Mixed signs

With regard to mixed signs, made up of a description and a figurative element, in addition to the criteria stipulated in Articles 45, 46 and 47 of this Legislative Decree, the following shall be taken into account:

- (a) the description that accompanies the figurative element;
- (b) the conceptual similarity; and
- (c) the major or minor relevance of the descriptive aspect compared to the graphic element with the aim of identifying the characteristic nature of the sign.

Article 49 – Conceptual similarity

With regard to a descriptive sign and a figurative sign, the conceptual similarity shall be taken into consideration. With regard to a descriptive sign and a mixed sign, the criteria stipulated in Articles 45 and 47 of this Legislative Decree shall be taken into account. With regard to a figurative sign and a mixed sign, the criteria stipulated in Articles 47 and 48 of this Legislative Decree shall be taken into account.

In all three cases, the criteria stipulated in Article 45 of this Legislative Decree shall also apply.

Article 50 – Application for registration of a mark

The application for registration of a mark shall be filed with the competent Directorate. It may include goods and services in one or several classes of the classification and shall include the following elements:

- (a) request form;
- (b) the reproduction of the mark where it involves a descriptive mark with spelling, form or color, or a figurative mark, mixed with or without color, or a graphic representation of the mark where it involves a three-dimensional mark or a visually imperceptible mark;
- (c) the powers, where necessary;
- (d) the proof of payment of the prescribed fees;
- (e) the authorizations required in order to avoid that the sign filed results in being denied registration; and
- (f) where necessary, the registration certificate in the country of origin issued by the granting authority, where the applicant wishes to invoke the right provided for under Article 6*quinquies* of the Paris Convention.

Article 51 – Request form for application

The request form for application for registration of the mark shall be contained in a form and shall include the following:

- (a) requirement for registration of the mark;
- (b) the name and address of the applicant;
- (c) the nationality or domicile of the applicant. Where the applicant is a legal person, the place of incorporation shall be signaled;
- (d) where applicable, the name and address of the legal representative of the applicant;

- (e) the signature of the applicant or his legal representative;
- (f) the indication of the mark which is to be registered, where the mark is purely descriptive, without any claims on spelling, shape or color; and
- (g) the express indication of the goods and/or services for which the registration of the mark is filed, which shall be identified by their names, grouped according to the classes in the Nice Agreement concerning the International Classification of Goods and Services, each group shall be preceded by the number of the class of that Classification to which that group of goods or services belongs and shall be presented in the order of the classes of the said Classification.

Article 52 – Filing date of the application

The filing date of the application shall be deemed to be the date it was received by the competent Directorate, provided that at the time of its receipt at least the following were included:

- (a) the indication that registration of a mark is sought;
- (b) data identifying the applicant or the person filing the application, or data which allow the competent Directorate to communicate with that person;
- (c) the mark for which registration is sought or a reproduction of the mark where it involves descriptive marks with special spelling, shape or color, or for figurative marks, mixed with or without color; or a graphic representation of the mark where it involves a three-dimensional mark or a visually imperceptible mark;
- (d) the express indication of the goods and/or services for which the registration of the mark is filed; and
- (e) proof of payment of the prescribed fees.

Within fifteen (15) days from the date the application was filed, the competent Directorate shall examine whether the application meets the requirements provided for in this Article.

If this examination finds that the application does not meet the requirements listed in this Article, the competent Directorate shall request the applicant to meet these requirements within a period of sixty (60) days after the date of notification.

If within the established period these requirements are met, the competent Directorate shall consider the filing date as the date on which these requirements were met.

If at the end of the established period the applicant has not met the stated requirements, the application shall be considered as not having been filed.

Article 53 – Publication of the application

If the application for registration meets the formal requirements established in this Chapter, the competent Directorate shall order the publication, which shall be carried out within thirty (30) working days from the day following notification of the publication order.

The application for registration shall be published once only in the Official Journal *El Peruano*, at the expense of the applicant, and contain at least the following information:

- (a) application number;

- (b) name and country of the applicant;
- (c) a reproduction of the mark if it contains a mixed, figurative sign, or a representation of the mark where it is a three-dimensional mark or a visually imperceptible mark;
- (d) the goods and/or services for which the registration of the mark is filed;
- (e) the class or classes to which the goods and/or services belong; and
- (f) where appropriate, whether priority is claimed or the right of priority is exercised.

In the publication, goods and/or services shall be identified by their names, grouped according to the classes in the Nice Agreement concerning the International Classification of Goods and Services, each group shall be preceded by the number of the class of that Classification to which that group of goods or services belongs and shall be presented in the order of the classes of the said Classification.

Article 54 – Opposition

The opposition shall meet the following requirements:

- (a) the correct identification of the file;
- (b) the name and domicile of the person bringing the opposition;
- (c) powers proving the representation which is requested;
- (d) the grounds on which the opposition is based;
- (e) submission of proof which is brought to bear;
- (f) proof of payment of respective fees; and
- (g) where the opposition is based on graphic or mixed signs, an exact and clear reproduction thereof shall be attached as registered or filed.

Article 55 – Opposition period

The opposing party shall have a non-renewable period of sixty (60) days to submit the power of attorney if opposition was brought without this document. The period shall start from the day following the receipt of notification that serves notice of the opposition. Once this period has expired, the opposition shall be considered as not having been submitted. Failure to submit the initial power of attorney shall not bring the proceedings to a halt. In the event of failure to meet the provisions under Article 54(d) and (f), the competent Directorate shall request that the opposing party correct its omission, giving it a period of two (2) days from the day following notification of the requirement, failing which the opposition shall be considered as not having been submitted.

Vexatious oppositions shall be sanctioned with a fine of up to fifty (50) UIT.

Article 56 – Coexistence of signs

The parties in a case may agree on the coexistence of identical or similar signs provided that, in the opinion of the competent authority, the coexistence does not affect the general interests of consumers. Coexistence agreements shall also be taken into account to analyze the applications for registration against which no opposition was brought.

Article 57 – Conciliation hearing

At any stage of the proceedings, the competent Directorate may summon the parties to a conciliation hearing. The hearing shall be heard by the person appointed by the competent Directorate. If both parties reach an agreement with regard to the disputed subject matter and this agreement does not affect the rights of third parties, a deed shall be drawn up stating the relevant agreement and shall have executive force.

Article 58 – Multi-class registrations

Where a single application contains goods and/or services which belong to more than one class in the Nice Agreement concerning the International Classification of Goods and Services, this application shall give rise to a single registration.

The holder of a registered sign which distinguishes specific goods or services may obtain a new registration for the same sign, provided that this sign identifies goods or services that are not covered by the original registration. The new application for registration shall be processed separately following the procedures which are stipulated in this Legislative Decree for the processing of registrations.

Article 59 – Division of the application

Where the application for a mark includes various goods and/or services, the applicant may divide this application into two or more divisional applications, distributing the goods or services listed in the initial application.

Divisional applications shall keep the filing date of the application and the benefit of priority where these exist.

The division of the application may be requested at any time in the process. To this end, the applicant shall present a request for division indicating the goods and services, grouped by class, which are broken down from the initial application and which make up the corresponding divisional application. The request for division shall be accompanied by the documents signed up to that date and the proof of payment of the corresponding fees.

Upon receipt of the request for division, the competent national authority shall examine whether this request meets the requirements established in the preceding paragraph. If defects or irregularities are noted, the applicant shall be notified in order that he corrects these within a period of ten (10) days. Where the defects are not corrected, the division shall be considered as not having been filed and the initial file shall continue to be processed.

Where the application for division is accepted, the competent national authority shall create a new file for each divisional application filed, and a complete copy of the initial file shall be included in each divisional application.

The competent national authority shall assign a new number to each divisional application.

Article 60 – Assignment of applications

The provisions of Article 14 of this Legislative Decree shall apply, where relevant, to the assignment of applications that are being processed.

Article 61 – Request for renewal

Requests for renewal of registrations filed after the deadlines set forth in Article 153 of Decision 486 shall not be processed.

Article 62 – Transfer of registration

The registration of a mark that has been granted may be transferred *inter alia* by *inter vivos* or by succession with or without the firm to which it belongs.

Any transfer of the registration of a mark may be registered before the competent Directorate. Failure to register shall render the transfer invalid in respect of third parties.

For the purposes of the registration, the transfer shall be made in writing.

Any interested party may file for the registration of a transfer. However, the competent Directorate may refuse this registration, where the transfer could lead to the risk of confusion.

No opposition shall be brought against requests to register trademark transfer contracts, without prejudice to the legal actions which may follow.

Article 63 – Trademark license

The holder of a registered mark or a mark in the process of registration may issue a license to one or more third parties to exploit the relevant mark. The license for use may be registered before the competent authority.

For the purposes of registration, the license shall be made in writing.

Any interested party may request the registration of a license.

Opposition may not be made against applications for the registration of trademark license contracts, without prejudice to the appropriate legal actions.

Article 64 – Request for recording amendments

The request for recording amendments and other acts which affect registration shall be submitted to the competent Directorate in compliance with the requirements established in Articles 50 and 51 of this Legislative Decree and with the conditions established in Article 14 of this Legislative Decree, where appropriate.

Opposition may not be made against applications for recording amendments and other acts which affect the registration, without prejudice to the appropriate legal actions.

Article 65 – Change of ownership

In cases where the change of ownership does not involve all the goods and/or services listed in the registration of the holder, a separate registration shall be created in respect of the goods and/or services for which there has been a change in ownership.

Article 66 – Correction of irregularities

If the examination finds that the application for recording the acts that amend the registration do not comply with the formal requirements established in this Legislative Decree, the competent Directorate shall notify the applicant in order that, within sixty (60) working days following the notification, the applicant corrects the irregularities. Two (2) working days shall be granted for the payment of the fee. If on expiry of the term stipulated the irregularities have not been corrected, the application shall be considered abandoned.

Article 67 – Responsibility in case of licenses

In the case of trademark licenses, the licensee shall be responsible for the quality and suitability of the licensed goods or services towards the consumers as though the licensee were the producer or provider thereof.

Article 68 – Lien on the trademark right

The right in the mark may be used as a guarantee or be the subject of other rights. Similarly, the mark may be the subject of a garnishment independently from the firm or business that uses the mark and be the subject of measures that result from the enforcement proceedings. In order that the rights and measures set out above take effect in respect of third parties, they shall be recorded in the relevant register.

Article 69 – Amendments to data of the holder of the registration

In the event of a change regarding the name, address or address for service of the holder of the registration of the mark while the registration is in force, or the license where applicable, the holder of the registration shall inform the competent Directorate thereof.

Article 70 – Division of registration

Where a registration of a mark includes several goods and/or services, the holder may at any time divide the said registration into two or more divisional registrations, distributing the goods or services listed in the initial registration, for which it shall be necessary to meet the requirements established in Articles 50 and 51 of this Legislative Decree, where appropriate. The competent Directorate shall establish the payment of a fee for each division made.

For the division of the registration, the procedure established for the division of applications for registration shall be followed, as appropriate.

Article 71 – Cancellation of registration

The request for cancellation of the registration of a mark shall be submitted to the competent Directorate and shall comply, where appropriate, with the procedures provided in Article 54 of this Legislative Decree. Likewise, the provisions of Articles 55 and 57 of this Legislative Decree may be applied.

The request for cancellation of a mark, as a means of defense, shall be submitted in the same file as that in which the opposition is being processed against which the applicant is defending itself and shall be accompanied by the receipt of payment of the corresponding fee.

Article 72 – Notification of cancellation

The competent Directorate shall notify the registration holder of the request for cancellation at the address the holder indicated in the relevant application for registration or relevant renewal in accordance with the provisions of Article 69 of this Legislative Decree.

In cases where the holder of the registration cannot be notified in accordance with the provisions of the preceding paragraph, the notification by edict shall be issued in accordance with the provisions of the Code of Civil Procedure. The cost of notification shall be payable by the party requesting the cancellation.

Article 73 – Request for annulment

The request for annulment of the registration of a mark shall be submitted to the competent Directorate and shall comply, where applicable, with the conditions provided for in Article 54 of this Legislative Decree. Likewise, the provisions of Articles 55 and 57 of this Legislative Decree may be applied.

The request for annulment shall not be processed where the case was the subject of an opposition on the same grounds and between the same parties or representatives thereof granted the power of attorney.

Article 74 – Notification of annulment

After the request for annulment is received, the competent Directorate shall notify the holder of the mark, subject to these ends to the provisions of Article 72 of this Legislative Decree, so that within a period of two (2) months the holder shall substantiate the grounds and present the proof which is deemed relevant. Prior to the said period lapsing, the party concerned may request an extension of two (2) additional months.

Once the periods referred to in this article have lapsed, the competent Directorate shall decide on the annulment of the registration, and shall notify the parties by means of a decision.

TITLE VII PROVISIONS REGARDING THE REGISTRATION OF ADVERTISING SLOGANS

Article 75 – Registration of advertising slogans

The registration of an advertising slogan shall be granted for a period of ten (10) years, renewable, from the date of grant.

The cancellation, annulment or lapse of the registration of the mark to which the advertising slogan is linked shall also determine the cancellation, annulment and lapse of the advertising slogan even where the term stipulated in the preceding paragraph has not expired.

Article 76 – Linking advertising slogans to a registered mark

While the registration of the advertising slogan is in force, the holder may request before the competent Directorate that the advertising slogan be linked to another mark registered under his name and in the same class, subject to these ends to the procedure established in Article 144 of Decision 486.

TITLE XI

PROVISIONS REGARDING THE REGISTRATION OF COLLECTIVE MARKS

Article 77 – Collective marks

Without prejudice to the provisions of Article 180 of Decision 486, a collective mark may comprise any element which identifies the product to which it is applied as originating from a specific geographical location where a given quality, reputation or other characteristic of the product is fundamentally attributable to its geographical origin.

Article 78 – Exercising actions resulting from a collective mark

Actions resulting from the registration of a collective mark may be brought by its holder, except where provisions to the contrary are established in the rules for use. The holder of a collective mark may demand, in the interests of persons entitled to use the mark, compensation for damages which may have been suffered because of unauthorized use of the mark.

Article 79 – Annulment, cancellation and lapse of the collective mark

The annulment, cancellation or lapse of a collective mark shall be governed by the rules applicable to the marks of goods and services.

TITLE VIII

PROVISIONS REGARDING THE REGISTRATION OF CERTIFICATION MARKS

Article 80 – Certification mark

Without prejudice to the provisions of Article 185 of Decision 486, a certification mark may comprise any element which identifies the product to which it is applied as originating from a specific geographical location where a given quality, reputation or other characteristic of the product is fundamentally attributable to its geographical origin.

Article 81 – Exercising actions resulting from a certification mark

Actions resulting from the registration of a certification mark may be brought by its holder, except where provisions to the contrary are established in the rules for use. The holder of a certification mark

may demand, in the interests of the persons entitled to use the mark, the compensation for damages which may have been suffered because of the unauthorized use of the mark.

Article 82 – Annulment, cancellation and lapse of a certification mark

Annulment, cancellation and lapse of a certification mark shall be governed by the rules applicable to the marks of goods and services.

TITLE IX PROVISIONS REGARDING THE TRADE NAME

Article 83 – Trade name

In the application for registration of a trade name, the date on which the trade name was used for the first time shall be stated and proven, and the economic activity shall be specified. The competent Directorate, on granting the registration, shall decide in favor of the applicant with the date of first use of the trade name.

Article 84 – Proof

The competent Directorate shall be entitled to enact provisions regarding the proof which must be submitted to establish the use of the trade name.

Article 85 – Publication of the application

The publication of the application for registration of the trade name, which must be carried out by the applicant at his expense in the Official Journal *El Peruano*, shall include:

- (a) number of the application;
- (b) applicant's name and country of domicile;
- (c) reproduction of the sign or its graphic representation, as appropriate;
- (d) the economic activity or activities for which the registration of the trade name is filed;
- (e) the class and/or classes to which the economic activities belong; and
- (f) the date on which the trade name was first used for each of the economic activities for which the registration is filed.

Article 86 – Exercising the right on the basis of a trade name

In cases where there is intention to enforce a right on the basis of a used or registered trade name, the holder of the trade name shall prove his use or knowledge thereof in Peru by the relevant public consumers so as to distinguish economic activities equivalent or similar to those that are distinguished by the sign thus constituting grounds for bringing legal action.

Article 87 – Additional implementation

Provisions in relation to the Title of Marks of this Legislative Decree and Decision 486 shall be applicable to this Title, where relevant.

TITLE X

PROVISIONS REGRADING THE APPELLATIONS OF ORIGIN

Article 88 – Appellations of origin

The State of Peru shall be the holder of Peruvian appellations of origin and shall grant authorization for the use thereof.

Article 89 – Estoppel

In addition to the provisions of Article 202 of Decision 486, appellations of origin may not be declared where:

- (a) this is likely to cause confusion with a mark filed for registration in good faith or already registered in good faith;
- (b) this constitutes a complete or partial reproduction, imitation, translation, transliteration or transcription of a well-known mark whose holder is a third party regardless of the goods or services to which the sign is applied, where its use would be likely to cause a risk of confusion or association with that third party or with his goods or services; the unfair use of the prestige of the mark; or the dilution of its distinctive power or its commercial or advertising value.

Article 90 – Publication

The declaration of protection for an appellation of origin shall be published, once only, in the Official Journal *El Peruano*.

Article 91 – Content of the application

The application to obtain authorization for use shall contain and have in annex the following:

- (a) name and domicile of the applicant;
- (b) the powers of attorney where necessary;
- (c) the documents proving the existence and representation of the legal person applying;
- (d) the appellation of origin which is to be used;
- (e) certification of the place or places of exploitation, production or manufacture of the product. It shall be certified by the record of the inspection visit carried out by an authorized body;
- (f) certification of the characteristics of the product which is sought to be distinguished with the appellation of origin, including its components, production or manufacturing methods and factors related to the protected geographical area, which shall be certified by the record of the inspection visit carried out and the certification issued by an authorized body;
- (g) certification of compliance with the Peruvian Technical Standard, where relevant; and
- (h) proof of payment of the corresponding fees.

Article 92 – Different geographical areas

In cases where the production and manufacture of the product to be distinguished by an appellation of origin do not occur in the same geographical area, the applicant shall seek to demonstrate that both

areas, both that of production of the raw material and that of the manufacture of the product, are authorized areas and are included in the declaration of protection of the appellation of origin.

Article 93 – Compliance of authorization

If the application for authorization of use does not comply with the requisite conditions in this Legislative Decree, the competent Directorate shall notify the applicant in order that he ensures these conditions are complied with, granting for this purpose a non-renewable period of fifteen (15) days.

Article 94 – Recognition abroad

The State shall, by means of signing bilateral or multilateral agreements, promote recognition abroad of Peruvian appellations of origin.

TITLE XI PROVISIONS REGARDING THE ACTIONS FOR INFRINGEMENT OF RIGHTS

CHAPTER I The powers of the competent national authority

Article 95 – Processing infringement actions

To process infringement actions, the competent Directorates shall enjoy the following powers to:

- (a) carry out preliminary investigations;
- (b) initiate infringement proceedings *ex officio* or at the request of a party;
- (c) carry out inspection visits and process other evidence;
- (d) order precautionary measures within or separate to the proceedings with the aim of guaranteeing the effectiveness of the decisions;
- (e) summon the parties to a conciliation hearing;
- (f) order sanctions to protect industrial property rights; and
- (g) exercise other powers which the competent Directorates have been assigned under the normative provisions in force.

Article 96 – Powers of the Intellectual Property Chamber

To hear infringement actions, the Intellectual Property Chamber of the INDECOPI Tribunal shall have the powers to:

- (a) review in second and final administrative instance the actionable acts issued by the competent Directorates;
- (b) process *ex officio* evidence which allows the alleged facts to be clarified and, where necessary, sanction the infringing conduct;
- (c) issue precautionary measures with the same powers as those granted to the Directorates where relevant;
- (d) summon an oral hearing; and
- (e) exercise other powers which are assigned to it under the legal provisions in force.

CHAPTER II

Acts that constitute infringement

Article 97 – Acts of infringement

An act of infringement shall be any act which contravenes the industrial property rights recognized under the legislation in force and which is or may be carried out on national territory.

Article 98 – Unfair competition

Complaints regarding acts of unfair competition in forms of confusion and exploitation of the reputation of others which are related to some component of registered industrial property, or to well-known distinctive signs or trade names, whether or not registered, shall be exclusively within the remit of the competent national authority on industrial property, as appropriate, provided that the said complaints are lodged by the holder of the respective right.

Also within the remit of industrial property bodies shall be complaints regarding acts of unfair competition in forms of confusion and exploitation of the reputation of others which include components of industrial property and components which, without constituting industrial property rights, are related to the use of an industrial property component.

CHAPTER III

Proceedings for Infringement of Industrial Property Rights

Subchapter 1

Proceedings at the request of a party

Article 99 – Proceedings at the request of a party

In the event where the proceedings are initiated at the request of a party, the complaint shall include the following:

- (a) Full name and surname, company name or corporate name, national identity document, foreign resident card or equivalent document of the complainant, address for service, and where relevant the identification data of the person representing the complainant. In the event where an address is not indicated or where this is inaccurate, non-existent or an address to which the notification cannot be sent, the provisions of Article 100 of this Legislative Decree shall be applied.
- (b) Taxpayer identification number where relevant.
- (c) The specific request and the factual grounds and, where possible, legal grounds which support the complaint.
- (d) Signature or fingerprint, where the party does not know how to sign or is impeded from doing so.
- (e) The powers may be recorded in a public or private deed and shall comply with the following conditions:
 - In the case of natural persons, the signature shall be authenticated by a notary.
 - In the case of legal persons, the document shall contain on whose behalf the principal is acting and his signature shall be authenticated by a notary.
 - In cases where powers are granted by non-resident persons, these shall in addition be authenticated by a Peruvian consular official.

- Upon presentation of the power of attorney by the person acting as representative, the existence of and representation by the latter shall be certified.
- (f) Proof of the commission of the infringement.
- (g) Identification of the alleged offender and of the place where notice shall be served to the alleged offender. In the event that the identity of the alleged offender is not known, the relevant inspection visit shall be requested in the place or places where it is presumed that the acts of infringement are committed, in compliance with the requirements established to this end, which does not exempt the complainant from the responsibility of identifying the alleged offender in the case where his identity was not obtained during the inspection visit. If the place where the alleged offender shall be notified is not known, the provisions established in Article 100 of this Legislative Decree shall be applied.
- (h) Identification of the certificate of registration which protects the right of the plaintiff. In the case where actions are based on a trade name, whether registered or not, the use of the trade name shall be proven. In the case where actions are based on well-known distinctive signs such distinction shall be proven.
- (i) Payment of the fees for lodging a complaint, for each defendant, in accordance with the provisions established in the Single Text on Administrative Procedure (TUPA).
- (j) Copy of the document and its attachments, depending on the number of notifications to be made. In the case where the proof presented constitutes physical samples, additional specimens, or failing which, a representation thereof shall be included.
- (k) If precautionary measures are requested, and these must be carried out on the premises of the alleged offender and/or where it is presumed that the infringement is committed by the alleged offender, the corresponding inspection visit shall be requested after payment of the prescribed fee.

Article 100 – Address

The address for the purposes of the proceedings shall be considered to be that indicated by the party itself, which shall be considered valid until a change is expressly communicated.

If the parties indicate an inaccurate or non-existent address or an address to which the notification cannot be sent, the valid address shall be considered to be the last address where the party received notification during the proceedings.

Without prejudice to the provisions of the preceding paragraphs and in the corresponding norms regarding the notification rules, the following rules shall also be taken into account in the proceedings to which this Title refers:

(a) Notification of the alleged offender:

(i) Notification of the complaint to the alleged offender shall be sent to the address indicated to this end by the complainant. If this address is inaccurate, non-existent or is an address to which the notification cannot be sent, the complainant shall be required to provide within two (2) working days a new address, failing which the complaint shall be considered as not having been lodged.

(ii) In the case where it was not possible to notify the alleged offender at the address indicated by the complainant, the valid address for the purposes of notification shall be considered to be the address at which the alleged offender is found and to which at least the first notification was sent. This address shall be considered valid until a different address is communicated.

(iii) In the case where it was not possible to notify the alleged offender in accordance with the criteria established above, the complainant shall request that the authority order the notification via

publication, in compliance for such purposes with the requirements established in the relevant norms.

(b) Notification of the complainant:

(i) In this case where it is not possible to notify the complainant in accordance with the criteria established above, the complaint shall be abandoned and the record filed after thirty (30) working days from the complaint being lodged or the impossibility of notification of the corresponding administrative act, as the case may be.

(ii) If the administrative act, the notification of which was not possible, is the act which terminates the proceedings, the act which exhausts administrative remedies or is any act issued after the first aforementioned act and before the second aforementioned act, notification shall take place via publication, the respective cost thereof shall be incumbent on the complainant when he appears at the proceedings or any other suits before the competent industrial property body.

(iii) If the administrative act, the notification of which was not possible, is one which rules on a document submitted by one of the parties after the issuance of the decision which terminated the proceedings or exhausted the administrative remedies, such document shall be considered as not having been submitted.

Article 101 – Correcting omissions

Should the requirements stipulated in Article 99 of this Legislative Decree not be complied with, the interested party shall be notified that he has two (2) working days to correct the omissions which may have occurred, failing which the complaint shall be considered as not having been lodged.

Once the requirements are complied with, the complaint shall be accepted for processing and notice thereof shall be served to the alleged offender.

Article 102 – Challenge to the complaint

The challenge to the complaint shall be submitted within five (5) working days, non-renewable, from the day following the notification thereof, without prejudice to the alleged offender being able to expand his arguments and present or provide evidence up to the moment when the case is to be settled.

The challenge to the complaint shall comply with the same requirements as those provided for in Article 98 of this Legislative Decree, where applicable. If these requirements are not met, the defendant shall be notified that he has two (2) working days to correct the omissions which may have occurred, failing which the challenge shall be considered as not having been presented.

Where the defendant does not contest the complaint or does not correct the omissions in his statement of defense within the period established above, he shall be declared in contempt of court.

Article 103 – Evidence

The parties may only submit the following types of evidence:

- (a) documents, including any type of written documents, printed documents, photocopies, plans, tables, drawings, x-rays, cinema film and other audio and video reproductions, computer-based communications in general and other subject matter and property that encompasses, contains or represents any fact, human activity or the result thereof;
- (b) inspection; and
- (c) expertise.

Exceptionally, evidence other than that mentioned in the preceding paragraphs may be submitted. This evidence shall be accepted only if, in the opinion of the competent Directorate, it is relevant to the settlement of the case.

Article 104 – Burden of proof

The burden of proof shall fall on the party stating the facts which substantiate his claim, or the party contesting these facts and asserting new facts.

In cases in which it is claimed that there is an infringement of a patent whose subject matter is a process for obtaining a product, it shall fall on the alleged offender to prove that the process that he used to obtain the product is different from the process protected by the patent which is allegedly infringed.

To this end it shall be presumed, except where proven to the contrary, that any identical product produced without the consent of the patent holder has been obtained by means of the patented process, where:

- (a) the product obtained with the patented process is new; or
- (b) it is likely that the identical product has been manufactured using the process, and the holder of the patent of this process is unable to determine through reasonable efforts the process actually used.

Article 105 – Defrayment of costs

The costs which arise from the expert appraisals made, the processing of evidence, inspections and other costs arising from conducting the proceedings shall be borne by the party which requests these.

Article 106 – Rejection of evidence

The competent Directorate may, through a decision with a statement of reasons, reject the evidence submitted or provided by the parties where this is clearly irrelevant or unnecessary.

Article 107 – *Ex officio* evidentiary proceedings

The competent Directorate shall have the competence to carry out *ex officio* evidentiary proceedings which are necessary for the examination of the facts, collecting the documents, information or objects which are relevant in determining, as the case may be, whether the administrative infringement claimed exists or not.

Article 108 – Reconciliation hearing

At any stage during the proceedings, including before the complaint is admitted for processing, the parties may be summoned to a reconciliation hearing. The hearing will take place before the national competent authority or the person appointed to this end. If both parties reach an agreement with respect to the complaint, a deed in which the relevant agreement is stated shall be drawn up and shall have executive force.

Article 109 – Resolution phase of the case

When the case is in the resolution phase, the competent Directorate shall record this in the file.

In this phase, the parties may not submit additional evidence or request its processing unless asked to do so by the competent Directorate.

In the case of complaints for the infringement of patents, utility models and industrial designs, the corresponding substantive examination shall be carried out, wherefore the complainant shall be required to make the corresponding payment for the aforementioned examination within ten (10) working days from notification of the requirement, failing which the complaint shall be considered as having been abandoned.

Article 110 – Limitation of the action

The action for infringement shall be limited to two years from the date the holder became aware of the infringement or in any case five years from when the infringement was committed for the last time.

Subchapter 2
Ex Officio Actions

Article 111 – *Ex officio* actions

Actions for infringement may be initiated *ex officio* subject to the procedure established in Subchapter 1 of this Chapter where relevant.

CHAPTER IV
Precautionary Measures

Article 112 – Amendment of precautionary measures

Precautionary measures may be amended or lifted during the proceedings *ex officio* or at the request of a party.

Article 113 – Expiry of precautionary measures

Precautionary measures shall only expire when a decision brings to a close the proceedings.

Article 114 – Discharge of liability

Precautionary measures shall be ordered on behalf of and under the responsibility of the party which requests such measures.

The competent authority shall be exempt from liabilities which it may be attributed through the decision it adopts, either *ex officio* or at the request of a party, in respect of the precautionary measures in the case of actions taken or intended in good faith.

CHAPTER V
Powers of investigation and of inspection visits

Article 115 – Powers of investigation

Without this list being exhaustive, the competent national authority shall have the following powers of investigation:

- (a) To demand that natural or legal persons, as well as public or private entities, whether State or non-State, profit-making or non-profit making, present all documents of any kind, including account books and the company's books, proof of payment, trade correspondence and electronic registers including, when this is the case, the programs necessary to read such registers; to request information related to the organization, business, shareholders and ownership structure of the firms.

- (b) To summon and interview, through officials who are appointed to this end, persons under investigation or their representatives, employees, officials, auditors and third parties, using the technical means which are considered necessary to create a complete and reliable register of their declarations, to this end the competent national authority may use audiotape or videotape recordings.
- (c) To carry out inspections, with or without prior notification, on the premises of the natural or legal persons, as well as of public or private entities, whether State or non-State, profit-making or non-profit making. In these inspections, the books, registers, documentation and assets may be examined, the development of productive processes established and statements taken from the persons who are part thereof, and who shall, furthermore, provide information which is required during the diligence. During the inspection, a copy of the physical or electronic archives may be made, as well as of any document that is considered relevant, or photographs or films made where considered necessary. To carry out the inspection, support from the police may be requested. Where forced entry is necessary, a warrant shall be required, which shall be resolved in a maximum period of twenty-four (24) hours.
- (d) To demand that natural or legal persons, as well as public or private entities, whether State or non-State, profit-making or non-profit making, adopt any measure which enables the preservation, maintenance or integrity of the documents, processes and property under investigation, and collaborate where necessary in the exercise of its functions.

The competent national authority may assign its powers of investigation in cases where it considers this appropriate.

Article 116 – False information

Any person who knowingly provides the competent national authority with false information or hides, destroys or alters information or any book, register or document which has been requested or is relevant for the purposes of the decision to be adopted, or who without justification fails to comply with the requirements regarding information demanded of him, or refuses to appear or prevents or hinders the exercise of the duties of the competent national authority, shall be sanctioned for such acts with a fine of no more than fifty (50) UIT, without prejudice to criminal liability where relevant. The fine shall subsequently be doubled in the event of a repeat offense.

Article 117 – Request for information

The competent national authority may request information from any public entity and check the data received against those which have been obtained by other means. Where confidential information is received, the competent national authority shall take the relevant security measures to keep the information confidential in accordance with the relevant rules.

Article 118 – Due diligence in respect of the inspection

At any stage in the proceedings, or prior to the initiation thereof, due diligence in respect of the inspection may be carried out *ex officio* or at the request of a party. This diligence shall be carried out by the competent Director or by the person appointed by him.

The request for inspection shall be duly supported; likewise, the payment of the corresponding fee shall be proven and the place where the inspection is to take place shall be indicated.

In the case where inspections are requested by a party, these inspections shall be carried out after coordinating with the applicant, who shall have thirty (30) working days to carry out such coordination. If the established period has lapsed without the latter taking place, the file shall be considered as

abandoned if the inspection visit constitutes the closing of the proceedings or if together with the inspection the alleged offender was to be notified of the complaint; in other cases, the proceedings shall continue depending on the stage of the proceedings.

Whenever an inspection visit is carried out, a deed shall be drawn up which shall be signed by the person who was in charge of such inspection as well as by those persons who participated therein. In the case where the defendant, his representative or the person responsible for the establishment refuses to participate, such fact shall be recorded.

Article 119 – Intervention of the National Police

For the processing of the evidence, as well as to carry out the diligences, the competent national authority or the person appointed to such end, may request the intervention of the National Police so as to guarantee compliance with its duties.

CHAPTER VI

Sanctions, Final Measures and Coercive Fines

Subchapter 1

Sanctions

Article 120 – Sanctions

Without prejudice to the measures which are ordered so as to end the acts of infringement or to prevent such acts occurring, the following sanctions may be imposed:

- (a) a warning
- (b) a fine.

The fines which the competent national authority may determine for infringements of industrial property rights shall be no more than one hundred and fifty (150) UIT. In cases where actual unlawful benefits obtained from the infringing activity are higher than the equivalent of seventy five (75) UIT, the fine may be 20 per cent of the sales or gross income obtained through the infringing activity.

A repeat offense shall be considered an aggravating circumstance, which is why the applicable sanction shall not be less than the preceding sanction.

If the obligor fails to comply within five (5) working days with the terms of the decision that concludes proceedings or which exhausts the administrative remedies, a sanction shall be imposed of up to the maximum permitted fine and the enforced collection thereof shall be ordered. If the obligor persists in failing to comply, the competent national authority may subsequently and unlimitedly double the fine imposed until the obligor complies with the decision, without prejudice to being able to denounce the party responsible before the Public Prosecutor with a view to the latter ordering the appropriate criminal proceedings.

Article 121 – Determining the sanction

To determine the sanction to be applied, the competent national authority shall take into consideration, *inter alia*, the following criteria:

- (a) the real or potential unlawful benefits of committing the infringement;

- (b) the probability of detecting the infringement;
- (c) the arrangements and scope of the infringing act;
- (d) the effects of the infringing act;
- (e) the time span of the infringing act;
- (f) the repeated commission of an infringing act;
- (g) bad faith in the commission of the infringing act;

Where necessary, these criteria shall also be taken into account for the purposes of adjusting the fine to be imposed.

Subchapter 2

Final measures

Article 122 – Final measures

Without prejudice to the sanction which is imposed for the commission of an infringing act, the competent national authority may order, *inter alia*, the following final measures:

- (a) the cessation of the acts that constitute the infringement;
- (b) the withdrawal from commercial channels of the products resulting from the infringement, including packaging, wrappings, labels, printed materials or advertising or other materials, including the materials and means used to commit the infringement;
- (c) the prohibition against the importation or exportation of the products, materials or means referred to in item (b);
- (d) the measures necessary to prevent the continuation or repetition of the infringement;
- (e) the destruction of the products, materials or means referred to in item (b) or the temporary or definitive closure of the establishment of the defendant; or
- (f) the temporary or definitive closure of the establishment of the defendant;
- (g) the publication of the decision that concludes the proceedings and its notification to the persons concerned, the cost of which shall be borne by the infringer.

In relation to products that bear a fake mark, the deletion or removal of the mark shall be accompanied by actions aimed at preventing the introduction of those products on the market. Furthermore, such goods shall not be allowed to be re-exported in an unaltered state or to be subjected to a different customs procedure.

Cases duly qualified by the competent national authority or those expressly authorized by the holder shall be excepted.

The Intellectual Property Chamber of INDECOPI shall have the same powers as the competent Directorates in the first administrative instance for the issue of final measures.

Subchapter 3 Coercive fines

Article 123 – Fines

If the party obligated to comply with a precautionary measure ordered by the competent national authority does not do so, he shall have a fine of no more than one hundred and fifty (150) UIT imposed on him, for the gradation of the fines the criteria established for the determination of the sanction shall be taken into account. The corresponding fine shall be paid within a period of five (5) working days, upon expiry of which enforced collection shall be ordered.

In the case of persistent non-compliance as referred to in the preceding paragraph, the competent national authority may impose a new fine, subsequently and unlimitedly doubling the amount of the last imposed fine.

Article 124 – False accusations

Any party who is aware of the falseness of the accusation or the lack of a reasonable motive and who denounces any natural or legal person or other public or private law entity, whether State or non-State, profit-making or non-profit making, by attributing to it a punishable infringement shall be sanctioned with a fine of up to fifty (50) UIT through a decision duly justified. The administrative sanction shall apply without prejudice to the criminal sanction or the appropriate compensation for damages.

Subchapter 4 Reduction of the fine

Article 125 - Reduction of the fine

The fine applicable shall be reduced by twenty five (25) per cent where the infringer pays the amount thereof prior to the expiry of the period for appealing against the decision which imposed that fine, provided that no appeal against the aforementioned decision has been filed.

CHAPTER VII Costs and Fees

Article 126 – Costs and fees

At the request of a party, the competent national authority may order that the losing party pays the costs and fees of the proceedings which the other party or INDECOPI may have incurred.

Article 127 – Grounds

The competent national authority, through a decision with a statement of reasons, shall establish the extent of the sentence in terms of costs and fees, both with regard to the amount and the obligors and beneficiaries, with attention to the incidences of the proceedings and in accordance with the liquidation which, to this end, is presented by the winning party, once the decision which imposes these has been handed down.

The decision which determines the costs and fees, once handed down, shall have executive force.

CHAPTER VIII Term for the conclusion of the proceedings

Article 128 – Term for the conclusion of the proceedings

The competent national authority shall have maximum term of one hundred and eighty (180) working days to issue a decision regarding the converted matter.

CHAPTER IX Compensation for damages

Article 129 – Compensation for damages

Once the administrative remedies are exhausted, compensation for damages which may have occurred may be requested through civil remedies. The civil action shall be limited to two (2) years after the administrative process is concluded.

Article 130 – Earnings not considered

In addition to the provisions in Article 243 of Decision 486 and with regard to the alleged counterfeiting of marks, the earnings made by the infringer and which were attributable to the infringement shall be taken into account, provided that these earnings were not taken into account when calculating the amount of compensation.

TITLE XII APPEAL ACTIONS

Article 131 – Request for review

Except for infringement proceedings, a request for review may be brought against decisions issued by the competent Directorate within fifteen (15) days following notification thereof and shall be accompanied by new proof.

Article 132 – Appeal

Except for infringement proceedings, an appeal may be lodged only against the decision that brings the proceedings to a close issued by the competent Directorates within fifteen (15) days following notification thereof.

Article 133 – Scope of the appeal

The only appeal action which may be brought during the infringement proceedings shall be an appeal against a decision bringing the proceedings to a close, a decision imposing fines, a decision ordering a precautionary measure, acts establishing the impossibility of continuing the proceedings and acts which may cause defenselessness.

The period for lodging an appeal in infringement proceedings shall be five (5) working days.

Article 134 – Granting the appeal

Appeals shall be brought before the same authority which issued the decision, by presenting new documents with a different interpretation of the proof submitted or with purely legal questions. After the requirements established in this Article and in the INDECOPI Single Text on Administrative Procedures (TUPA), the competent Directorate shall allow the appeal and submit the appeal to the second administrative instance.

Article 135 – Consequences of the appeal

The appeal against decisions which bring to a close the proceedings shall be granted with suspensive effect.

The appeal against fines shall be granted with suspensive effect.

The appeal against decisions which order precautionary measures shall be granted without suspensive effect.

The appeal against acts that determine the impossibility of continuing the proceedings and acts which may cause defenselessness shall be granted with suspensive effect.

Where relevant, the appeal shall be processed in a different case record.

TITLE XIII PROCEEDINGS BEFORE THE TRIBUNAL

Article 136 – Proceedings before the Tribunal

Once the litigation has been received by the Intellectual Property Chamber, the notice of the appeal shall be served to the other party so that the latter may present its arguments within a period equivalent to that which was granted to the complainant to lodge his appeal.

Article 137 – Evidence

No evidence other than documents shall be accepted.

Without prejudice thereto, any party may request the floor and shall specify whether this refers to factual or legal questions.

Processing or rejecting the said request shall be at the discretion of the Chamber, depending on the importance and weight of the case.

Once the parties have been summoned to an oral report, the report shall be given in the presence of those who attend the hearing.

Article 138 – Decision of the Chamber

The decision of the Intellectual Property Chamber may not include the imposition of graver sanctions and final measures on the party concerned, where the latter is appealing against the decision of the competent Directorate, except where the challenge has also been brought by the other party to the proceedings.

FINAL SUPPLEMENTARY PROVISIONS

ONE. National industrial property legislation

This Legislative Decree shall be issued to supplement the provisions contained in Decisions 486 and 632 (Common Regime on Industrial Property), which shall be considered national law.

TWO. Use of other signs

The use of the denomination “registered mark”, “R.M.”, or other equivalent, together with signs which do not possess mark registration before the competent Office of Peru shall be prohibited. The adoption of these identification symbols which do not possess a registered mark shall be sanctioned by the competent Office, with the confiscation of the goods and the destruction of the identification signs.

Similarly, the use in trade of the expression “appellation of origin”, “A.O.”, or other equivalent, on products which do not have an appellation of origin or for which the corresponding authorization of use has not been obtained from the competent authority shall be prohibited.

In the cases covered by this provision, the proceedings shall be instituted *ex officio* and shall be subject to the provisions established in this Legislative Decree, as appropriate.

THREE. Technical Report

In the case of offenses against industrial property rights, before the Public Prosecutor’s Office issues an accusation and an opinion, as the case may be, the Competent Directorate of INDECOPI shall issue a technical report within a period of five days.

FOUR. Civil actions

Where the interested party opts to take civil action, the provisions contained in the special legislation shall apply.

FIVE. Supplementary application rules

In as much as it is not specifically provided for in this Legislative Decree, Legislative Decree No. 807, Law on Powers, Rules and Organization of INDECOPI, and the amendments and replacements thereto; Law No. 27444, Law on General Administrative Procedure; and the other relevant rules shall prevail, insofar as they apply to industrial property rights and the associated procedures.

SIX. Validity

This Legislative Decree shall enter into force from the time when the Trade Promotion Agreement, signed between the Republic of Peru and the United States of America, comes into effect.

TRANSITIONAL SUPPLEMENTARY PROVISIONS

ONE. Application

The records being processed at the time of entry into force of this Legislative Decree shall be processed in accordance with the rules thereof, in the state in which they exist.

SUPPLEMENTARY REPEAL PROVISIONS

ONE. Repealed rules

Legislative Decree No. 823 and other provisions which oppose this Legislative Decree are hereby repealed.

THEREFORE:

I hereby order that it is published and enforced, and a report made to the Congress of the Republic.

Done at the House of Government in Lima, on the twenty-seventh day of June, 2008.

ALAN GARCÍA PÉREZ
Constitutional President of the Republic

JORGE DEL CASTILLO GÁLVEZ
President of the Council of Ministers

MERCEDES ARAOZ FERNÁNDEZ
Minister of External Trade and Tourism

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ERRATA

LEGISLATIVE DECREE NO. 1075

Through Official Letter No. 432-2008-SCM-PR, the Secretariat of the Council of Ministers requests publication of the errata to Legislative Decree No. 1075, published in our edition of June 28, 2008.

Article 1:

STATES

The purpose of this Legislative Decree shall be to regulate and protect components constituting industrial property in accordance with the Political Constitution of Peru and the relevant international agreements and treaties acceded to.

The purpose of this Legislative Decree shall be to regulate supplementary aspects in Decision 486 which establishes the Common Regime on Industrial Property, in accordance with the Political Constitution of Peru and the relevant international agreements and treaties acceded to.

SHOULD STATE:

The purpose of this Legislative Decree shall be to regulate supplementary aspects in Decision 486 which establishes the Common Regime on Industrial Property, in accordance with the Political Constitution of Peru and the relevant international agreements and treaties acceded to.

Article 14:

STATES:

For the registration of any act of disposal or assignment of industrial property rights, and except where greater formality is required by Law, (...)

SHOULD STATE:

For the registration of any act of disposal or assignment of industrial property rights, and except where greater formality is required by this Legislative Decree, (...)

Article 32:

STATES:

(...), except where the patent is for a pharmaceutical product or procedure (...)

SHOULD STATE:

except where the patent is for a pharmaceutical product or procedure related to a pharmaceutical product (...)

Article 118:

STATES:

This diligence shall be carried out by the competent Director or by the person appointed by him (...)

SHOULD STATE:

This diligence shall be carried out by the competent Directorate or by the person appointed by it (...)

The Second Final Supplementary Provision

STATES:

The use of the denomination “registered mark”, “R.M.”, or other equivalent, together with signs which do not possess mark registration before the competent Office of Peru shall be prohibited. The adoption of these identification symbols which do not possess a registered mark shall be sanctioned by the competent Office (...)

SHOULD STATE:

The use of the denomination “registered mark”, “R.M.”, or other equivalent, together with signs which do not possess mark registration before the competent Directorate of Peru shall be prohibited. The adoption of these identification symbols which do not possess a registered mark shall be sanctioned by the competent Directorate (...)

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