Intellectual Property Protection in Argentina. 
Keys for an understanding of the trademark protection system in Argentina from the perspective of a US practitioner.

The rights deriving from trademarks, patents or copyrights are only of value to their owners if they can secure fair, fast and effective remedies to stop anyone from infringing such trademarks, patents or copyrights. The very nature of the IP rights is the right to exclude others.

Argentina adhered to the TRIPs agreement by statute # 24.425, almost ten years ago. Adopting the treaty meant a significant change in the protection of intellectual property rights. Today, trademarks, patents and copyrights enjoy a higher level of legal protection than ten years ago. However, the everyday legal practice has raised new challenges and new problems for the law practitioners, Courts and IP owners. This legal change has brought about great benefits to the owners of domestic and foreign trademarks.

Protecting trademarks in Argentina as compared with the United States.

Traditionally, specialists in Industrial Property Law and scholars divided the world according to the systems that governed the acquisition of rights on trademarks. The two main groups have been the legal systems where acquisition was primarily obtained through the use of the trademark, as is the case of the United States, and the systems where registration was central for acquiring the trademark, as happens in Argentina, all South American countries and in Latin countries in general.

However, this understanding and this clear-cut division in the past have changed in the last decades. Countries in which registration of the mark was almost the exclusive requirement acknowledge now the worth of prior use, the notoriety of the trademark in the market and the existence of customers.

Likewise, those legal systems that considered use as the only source of trademark rights, as was the case of Unites States that have changed this principle, providing legal tools for creating rights through the administrative registration of trademarks.

The acknowledgement of use as a source of right for obtaining a trademark in systems where registration is crucial has stemmed not just from the introduction of changes in the national legislations but also by means of the recognition that the courts of law have conferred to the merits of having used the mark and gained customers through such use. Consistently with such recognition, both legislators and judges have borne in mind the consequences of the lack of use of the trademarks. In effect, as a logic consequence of considering use important, lack of use is punished with the loss of rights by annulment or lapsing.

The main beneficiaries of this trend have been the global companies, which have imposed their trademark rights even outside the legal territories where
they first obtained registration and have gained recognition in countries where they were not registered. The concept of famous, well-known or notorious trademark has been included in almost every legislation, either through specific statutes or through adherence to international treaties, as the Paris Convention and the TRIP’s agreement.

On the other hand, the attributive system has also gained importance in primarily declarative systems, which now see that trademark registration doubtlessly provides efficiency and safety and allows the possibility of applying for registration even before starting to use the mark effectively. Countries where use is indispensable for obtaining a trademark have also developed legal tools that are very similar the first-to-apply system. This is the case of the United States, where legislation has created the so-called “Intent to Use”, whose practical effects are similar to the registration of new trademarks in the systems that favor registration.

**Rights of unregistered trademarks in Argentina**

Let's now analyze what happens in Argentina when the owner of a trademark has not obtained the full legal protection granted by registration, the so-called *de facto* trademarks.

The *de facto* trademark is a rather young legal figure in the Argentine law, but in the last years this kind of trademarks has acquired more and more strength and dynamism in the system. Increasingly, there are cases where *de facto* trademarks, that is, unregistered trademarks, outdo registered trademarks. The courts have progressively been issuing injunctions to prevent undue third-party use of unregistered trademarks and by so doing they are assimilating *de facto* to registered trademarks.

The existence of a larger number of cases settled by the Argentine courts and the introduction of new and more powerful remedies of the injunction type - as are the preliminary injunctions introduced by section 50 of the TRIP’s - make it necessary to know well the actual boundaries of the *de facto* trademarks and to approach the scope of such trademarks carefully.

The conflicts deriving from the *de facto* trademarks normally involve delicate aspects of commercial competition between companies that are using similar brands. Bearing in mind these interests, it becomes crucial to assure the foreseeability of judicial decisions and thus avoid unnecessary waste: not only waste in terms of governmental activity and resources but also the waste of private resources as is the case of a company that for years will exploit a brand which will be eventually taken away from it. This foreseeability or the certainty of the outcome of the litigation between a registered and a *de facto* trademark will benefit the conflicting companies, the consumers and the economy of the country overall.
Signs, registered trademarks and de facto trademarks in the Argentine legal system.

For a better analysis of the concept of the de facto trademark, it is worth pointing out that the de facto trademark clearly differs from the general concept of mark. That is, when we speak about the mark of a product or a service without referring to the legal aspect, we are referring to something totally different from what the Argentine law of to-day calls “de facto”. In fact, for the Argentine jurisprudence and for the courts of law, the de facto trademark is a different legal figure from that of the registered trademark. De facto and registered trademarks have similar but not identical legal effects.

Although Argentine judges refer to the de facto trademarks in their decisions, this type of signs has not yet been specifically defined by statute. The de facto trademarks are actually being defined by judicial practice, court decisions and jurisprudence.

For a better understanding of the difference between a de facto trademark and a mere name or designation we may say that the former is conferred actual protection by the trademark legal system whereas the latter lacks specific legal protection.

When one adopts a trademark, initially one does not automatically have legal protection. The means that the extent of legal protection an owner of a sign may obtain will depend on the legal system in force in the territory of adoption of the sign. In a declarative system as the US, legal acquisition of the adopted sign will be through the use of the sign. In such case, the legal system will determine what kind of use will be required for the purpose of acquiring rights. It is generally deemed that the first use of a mark is when the products or the services designated by the sign are put in the market for the first time. In an attributive system, conversely, acquisition of the adopted sign will happen with the registration of the sign with the competent authorities, the first step being filing an application and fulfilling any formalities required by the law.

A recently adopted sign that has not been yet used enough and whose registration has not yet been applied for lacks any specific legal protection. Because of the precariousness of his right, the owner – if he could be called so – of a recently adopted sign does not have law-grounded tools to protect his sign. In other words, mere signs exist even before the legal system acknowledges their existence and may govern them, but they only become protected by the Trademark Law either when they are registered or when they are deemed de facto trademarks.

In Argentina, to have the full protection of the trademark legal system, a sign must be registered. By registration, its owner is conferred all the legal tools that allow excluding any third parties from using his mark.

In recent years, however, a new category of trademark rights has emerged in Argentina: the de facto trademark. In effect, although the de facto trademark is not a registered trademark, it is anyway granted the protection of the legal
system. Bearing this in mind, we may define the *de facto* trademark as a distinctive sign that, even though has not been registered with the pertaining Register, obtains a similar protection to that enjoyed by a registered trademark due to its prior use. One aspect worth pointing out is that this definition leaves out the question of the intensity of use required from a *de facto* trademark to achieve such status. In fact, although most cases analyzed refer to intensely used trademarks or trademarks that may be considered notorious or famous, at present the Argentine legal system does not require any particular intensity of use nor the creation of a clientele.

The *de facto* trademark, as understood in Argentina, is governed by legal rules of its own. It is a kind of mark that, having been adopted by its owner, has not been able to comply with the requirement of the law but yet is acknowledged similar rights to those granted to trademarks that have fulfilled the formal requirements.

**The attributive and the declarative systems**

To better appreciate the difference between the various categories of trademarks, it is convenient to stop briefly and view the differences between the attributive system and the declarative system and which are the ways of acquiring rights to trademarks in each system.

The so-called attributive system favors the application for registration of the trademark as a decisive element for granting full and exclusive rights thereto. Doubtlessly, this system confers a role of privilege on the Government in the granting of trademark rights.

A source of trademark conflicts of difficult solution and which involves the concept of *de facto* trademark is the determination of the exact moment when the owner of the mark initially acquires his rights. The attributive system solves this problem by awarding the best right to he who applies for the trademark first. Another characteristic of this system is the requirement of examination of the sign prior to the granting of the trademark, which involves the search of the mark with respect to existing trademarks and to the other requirements of the law. A typical element of the attributive system is the requirement of publication of the application to give notice to third parties.

In opposition to the attributive system stands the so-called declarative system. Here it is the *use* made by the owner that determines acquisition of a right over a trademark. Once the mark is adopted by its prospective owner, he should make real use of it to achieve ownership rights over the mark. In the declaratory system, the owner of the trademark files an application with the pertaining trademark office in order to avail himself of the possibility to sue anyone infringing his rights. This application will not be valid if filed by someone who does not have priority of use. He who actually used the mark in the first place will be its owner. In the declarative system, the Government takes note of the use made by he who adopted the trademark but does not grant the right.
Only if the trademark has not been used by anyone else before, the application filed with the Trademark Office will be a legitimate act of appropriation and be awarded legal preference.

The declarative system emerged as a consequence of the ideology of the revolutionary France of the XIX century as a reaction against the royal absolutism and against the attributive systems that governed this and other matters. The underlying idea of this system was to remove from the Government its possibility of granting monopolies or patents to individuals, as was so common among absolutist monarchies. The filing or registration of evidence of use of a trademark was only conceived with the purpose of using the force of the State to pursue infringers legally. The idea was that he who used the trademark in the first place would have the better right, and not he who would merely ask it from the Government. This phobia against monopolies was transmitted to the American legislation. Indeed, the United States firmly maintained a declaratory system that only lost some of its extremism after the first decades of the XX century. By passing the Revision Act in 1989 more sophisticated mechanisms were introduced in the procedures for applying for trademarks that had not been used before, together with the principle of “intent of use. South American countries, each with their particular characteristics, have adopted attributive-type systems.

Geographic limitations to trademark rights. The principle of territoriality of the Law.

From the above comments it follows that how and when a mark is legally born and which the limits be of the protection granted will depend on the type of legal system ruling the country in question. In effect, it is the laws of each place that determine when a trademark starts having legal protection and when it stops having such protection. The trademark, as a legal concept, is immaterial property whose existence, limitations and effects are determined by the law of the place where the trademark rights are to be enforced. This limitation is what we call the “territoriality of the trademark rights”.

The principle of territoriality in trademark law states that the existence of rights acquired over a trademark in a given country does not grant privileges outside the geographic boundaries of such country. This principle is applied by the two systems described. He who wishes to secure legal protection for his trademark in an attributive system will have to register it in that country. In the declaratory system, before registering a trademark, the owner will first have to use it in the country where protection is sought.

The Argentine trademark system as an attributive system and the principle of territoriality
From the point of view of the Trademark Law, the Argentine Republic is considered an attributive-system country. This means that trademarks, to have full legal effect, must be granted to their owners by means of formal registration with the National Institute for Industrial Property (Instituto Nacional de la Propiedad Industrial (INPI)).

Nevertheless, the consolidation and growth of the concept of *de facto* trademark in the Argentine case law has cast doubt that “attributive” be the right frame or definition, since many unregistered trademarks have been acknowledged almost the same rights as a registered trademark.

In effect, in their judgments, the courts have frequently granted a high degree of protection to the *de facto* trademarks, acknowledging that these trademarks have very similar effects to the registered trademarks. In effect, in many cases *de facto* trademarks have prevailed over registered marks that infringed their rights. The courts have also granted injunctions against infringers of these unregistered trademarks.

This legal phenomenon is grounded, among other reasons, in the recognition of the use of the sign as a legitimate source of rights. In this sense, this means a turn towards the declaratory system, where use is fundamental for the recognition of the trademark right.

The principle of territoriality has also suffered the effects of the introduction of the new legal figure. As we will soon see, most *de facto* trademarks existing in Argentina are of foreign origin.

These *de facto* trademarks are confronted with registered trademarks in Argentina and must argue their supremacy appealing to all possible evidence to prove before the judge that they have rights enough to invalidate locally registered trademarks.

Argentine courts deem intense use at international level as fundamental proof of trademark ownership right; however, proof of registration granted abroad is frequently considered sound proof as well. Offering this kind of evidence seems natural and, although this evidence may not be formally admitted by the Argentine legal system, it is anyway used as one of the main tools to show legal existence and governmental recognition of the *de facto* trademark in Argentina.

Despite the principle of territoriality, a basic argument held by anyone who wishes to set priority of their trademark over a trademark registered in Argentina is to be able to show evidence that they have registration rights in countries where the trademark is used and from where the trademark was allegedly illegitimately appropriated. In this way, as concerns *de facto* trademarks, the territoriality principle is much less stricter than with respect to registered trademarks.
Comparative laws and reciprocity as to territoriality

Trademark law does not develop in separate compartments in each separate national jurisdiction. In fact, the existence of treaties that regulate the relationship of trademark owners from different nationalities with foreign countries and the regulatory practice in each country with respect to trademark law influence the legislation of each country to a great extent. In this respect, both the Argentine law and the US law change as a consequence of international agreements and recognition of reciprocal rights.

Despite of the similarities between Argentina and the US that we pointed out before, there are large differences between these two systems with respect to the territorial aspect. We may even say that they are diametrically opposed.

The laws and the leading cases in each country provide completely different solutions to the collision of similar or identical foreign and national trademarks. Here is how:

The US system is eminently declarative. The adoption of a trademark occurs by its using it in commerce, whereas a federal trademark is acquired when the first inter-state sale takes place. The USPTO, the Patent and Trademark Office, besides other requirements, will demand evidence of such use to obtain the title of registered trademark. In this sense, the American law clearly adopted the principles of post-revolutionary France, showing a great mistrust of authorities and a strong fear of any type of monopoly.

The Person’s case is the leading case that guides the trademark law in the United States with respect to the value of a trademark that was not legally acquired in the country against a trademark legally existing in such territory. In this precedent the defendant, Mr. Larry Christman, visited in 1981 a clothing manufacturing company in Japan: Person’s Co. In his visit, Mr. Christman purchased goods bearing this trademark and brought them to the United States.

The Japanese company had been founded in 1975 by Takaya Iwasaki, who had started using the Person’s trademark with logo in 1977.

Back to the United States, Christman started manufacturing and selling sports wear with the Person’s trademark with logo and, having applied for registration in 1983 before the Patent and Trademark Office, obtained registration in 1984.

In turn, the Japanese company started exporting its goods to the United States approximately six months after Mr. Christman had made his first sale. The Japanese company also applied for and obtained registration in 1985 for regular wear clothing and travel articles.

In 1986 a conflict arises between both companies where each owner requests annulment of the other party.
The Federal U.S. Court decided in favor of Christman based on the fact that when it had adopted the mark and started using it in the US, the Japanese company had neither clients nor goodwill in the US market. For this reason, Christman had not incurred in unfair competition. The doctrine underlying the decision is that copying a trademark from a foreign country is not after all an act of bad faith, unless this mark is already famous in the United States by virtue of the Paris Agreement. The court based its decision strictly on the principle of territoriality, leaving aside any questions involving entrepreneurial ethics.

With respect to the question of commercial ethics, the court decided that there was no evidence in the docket that Christman had been aware that the Japanese company had plans of exporting its products to the United States.

Another case that is taken as leading in the United States and whose principles are applied by the US courts is the "Tommaso Buti and Fashion World Company v/ Impressa Perosa S.R.L.", adjudged in 1997 by the United States Court of Appeals for the Second Circuit. In this case, the defendant had opened in the city of Milan, Italy, in 1987, a number of coffee shops with the trademark "Fashion Café"; the business included important economic activities related to the women’s fashion world and had interests in modeling agencies for women clothing. In 1995 the company had increased its business in Italy and had opened another store called Grand Fashion Café. In 1988 the company registered the trademark with the Italian Trademark Office. Later on the defendant traveled to the United States and started an intense promotional campaign, delivering thousands of t-shirts, key-holders and similar articles showing its trademark. Defendant also started conversations with potential investors to open a branch in New York City.

On the other hand, in May 1993, plaintiff Buti opened a restaurant called Fashion Café in Miami Beach, in the State of Florida, and in 1994 started operating a franchise plan for Fashion Café stores, which also consisted of thematic restaurants related to women’s fashion. For trademark law purposes and in view of the importance of the franchise project, Buti started a thorough national search through a law firm of the United States. The search revealed that up to this moment the trademark was not being used in commerce in the country. With such positive result from the search, plaintiff filed a trademark application with the USPTO to register the “Fashion Café” trademark and thus protect its restaurants. Anticipating the opening of a large store in New York City in 1995, Buti published advertisements in December 1994 through a number of massive-reach media. Advertisement showed well-known female models and this generated numerous journalistic responses about the event.

The same year plaintiff opened a store in New Orleans, and at the moment the conflict started, a number of franchised stores were being built in different cities throughout the United States.

In January 1995, the Italian company decided to send a cease-and-desist letter to Buti to stop use of the mark, based on its identical trademark, which was
intended to protect the same services. For such reason, plaintiff decided to counter-attack by filing a declaratory action that would protect its rights.

The court found that the plaintiff was the owner of the trademark because it was the party that had put the “Fashion Café” trademark in the US market, and that the promotional activity conducted by the Italian company, though intense, had not been enough to grant the defendant rights in the United States. The Court even considered that the promotional activity was intended to promote the stores in Italy and not those that would be opened in the United States.

Based on these cases we may conclude that, in order to grant them protection in this territory, the American law demands from foreign trademarks actual commercialization of products or services protected by such signs. The fact that a local owner may have prior awareness that the trademark was used abroad does not prejudice its rights in the United States.

Conversely, if any of these cases would have occurred in Argentina, the Argentine courts would have reached opposite conclusions. The governing trend in Argentina, both in statutory and in case law, is contrary to the United States', since Argentine laws grant important legal advantages to marks that are neither registered nor used in Argentina. In opposition to the Person’s case, Argentine Trademarks Act number 22,362 states that if an applicant for an Argentine trademark was aware or should have been aware of the existence of a trademark, the applicant's trademark may be annulled. The Courts have frequently applied this rule, and very comprehensively, thus making it clear that Argentina is very friendly to the trademark rights of companies that have attained trademark rights abroad, though not in Argentina.

The court decisions cited as follows are examples of the present conception held by the Argentine courts on the de facto trademarks, and show cases where already registered trademarks were annulled in favor unregistered ones and cases where injunctions were issued in favor of de facto trademarks.

**Annullment of registered trademarks**


This case is cited first because of the importance of the adjudging Court, the Supreme Court of Justice of Argentina. The decision dates back to April 2001. Here the high court considered that the registered trademark ALL BLACKS, owned by Mr. Cevallos, had to be annulled. The trademark had been registered in 1980 and the annulment action against it was filed in 1993.

Cevallos alleged that he was unaware of the foreign trademark when it applied for his. He brought evidence in his defense that when he applied for registration, he had also applied for the Spanish translation “Todo Negro” sign. With this argument he showed that the intention in registering the signs had
aimed at the color black and not at the sports team All Backs. He also alleged that All Blacks was not a trademark but a kind of nick-name of the defendant’s, a sports institution.

Although to a large extent the arguments in this case deal with the definition of the commercial designations, it is clear that the plaintiff’s intent was to enforce its name as a trademark. Plaintiff even filed an application for registration of its name. To prove that the owner of the registered trademark was already aware of the plaintiff’s sign, the plaintiff brought articles that had appeared in journals and offered witnesses, including sports journalists’ opinions, which tried to show the importance that the New Zealand team’s visit to Argentina had had at the time when the other party had applied for registration of its mark. Plaintiff even produced evidence of journalistic articles published in the Province of Córdoba, where the trademark was domiciled.


This case involved the “Xeroderm” trademark, whose registration had been applied for by defendant in 1993 and was granted in 1996. In turn plaintiff drew back its existence as a company to the year 1985, although it had only applied for registration as a trademark in 1988 in France. Company started international expansion in 1990. In 1994 plaintiff applied for registration in Argentina, which was opposed by defendant based on its identical registered trademark. Plaintiff sued for undue opposition and requested annulment of the registration of the Argentine company’s trademark.

In turn, the Argentine owner, Neodermos S.R.L., among many arguments, stated that it had chosen the “Xeroderm” mark because it evoked the term “xerodermine”, which means dryness of the skin. In effect, Neodermos claimed that the foreign trademark was not well known and that the containers bearing its own trademark did not bear any similarity with the plaintiff’s, which excluded any type of misappropriation of customers. Neodermos SRL proved that it was well-known in the market and that it enjoyed good name and renown, as well as the rest of its products addressed to skin affections and cosmetics.

Plaintiff alleged and proved that its company is one of the most important laboratories in the world in its specialty. Expert witnesses were appointed to deal with the alleged knowledge of the trademark by the defendant. Only some of them declared that they knew the trademark before registration by the Argentine company.

Defendant company alleged and proved that it kept the highest standards of quality and technology development. The court decision took these qualities of the defendant’s as a presumption against the defendant, and deemed that an updated and well-informed company should know the trademarks in the market, even in foreign markets, especially trademarks belonging to companies that are considered as leaders in the sector.
"The circumstances in which he who registered a trademark identical or similar to a pre-existing trademark was a tradesperson or a manufacturer doing business in the same or in a related sector has been weighed with special care by our case law as a relevant fact in the sense that this fact creates a presumption that such tradesperson or manufacturer already knew the earlier sign. This criterion is, in strict truth, suitable for the reality in commerce, at least in certain sectors or when the owners of trademarks (national or foreign) are important companies that know their markets well and how their competitors move in such markets, in a globalized world that is becoming growingly smaller as a consequence of the amazing development of the means of communication (written press, satellite television, internet, radio, traveling abroad, etc.)."

Case 3 - "Cerigliani, Carlos Eduardo v/Roberto N. Lorenzo S.A.C.I.F.I. y A. Over Cease of use of trademark" – "Gold'Gym Enterprises Inc. v/Cerigliani, Carlos Eduardo over Annulment of Trademark" - Federal Court of Appeals for Civil and Commercial Matters, III Chamber, 17/10/00.

In this case the trademark registered in Argentina had been applied for in 1986. The foreign trademark had been used in the United States since 1974, according to the trademark registration certificates produced during the suit. The foreign company proved that it had advertised its trademark in specialized magazines, one of which had circulated in Argentina since 1981. Although it could not prove that in 1986 the Argentine owner could have specific knowledge of the trademark, the argument was used as a presumption against the Argentine owner, who was deemed to necessarily be in possession of this kind of professional information concerning his sector. This argument was also used as a presumption against plaintiff, which could not justify the actual manner in which the trademark was created.

Preliminary injunctions issued in favor of de facto trademarks or of trademarks unregistered in Argentina.

Case 4 - "Fisher Price Inc. v/ Tlanti S.A. over /preliminary injunctions and anticipated evidence, Cause 4343/93.

In 1993 the Second Chamber of the Federal Civil and Commercial Court of the City of Buenos Aires issued a preliminary injunction in favor of the plaintiff in the cause entitled "Fisher Price Inc. v/ Tlanti S.A. over /preliminary injunctions and anticipated evidence," Cause 4343/93. In this case, Fisher Price Inc. did not have a registered trademark in Argentina but the court nevertheless recognized an intense use of the trademark ROCKING PONY and the existence of clients of the plaintiff's regarding this trademark designation. Based on such trademark and considering that the documentary evidence produced was deemed enough to prove the "fumus bonis iuris", the court granted the injunction petitioned by Fisher Price. At that moment, the TRIP's agreement was not yet in force and therefore the injunction consisted of seizing the matrixes, the products and the promotional and advertising material of the products.
The court affirmed "... above all, it is necessary to state, that although article 38 of the trademark law only provides that preliminary injunctions may be issued in favor of the owners of registered trademarks, this does in no way mean that the owner of a de facto trademark that is intensely exploited and that has grown a considerable number of clients should lack any protection from unfair competition practices by a competitor, who illegitimately uses the trademark to take advantage of its renown or to deviate clients."


In this case the company Lionel S.R.L. was the owner of the registered trademark “Gloria” for certain products in class 28, particularly toys. Since the year 1996 the owner had been using the “Gloria” trademark and conducting a considerable advertising campaign for products bearing the trademark. The company had applied for registration with the National Institute for Industrial Property in April that year.

At the moment the injunction was petitioned, the registration had not yet been granted and therefore it was deemed a de facto trademark by the Court of Appeals. The Court in fact understood that the products marketed by the defendants Dimare and Ankah had enough elements in common with Lionel’s to find that they were infringing the de facto trademark “Gloria” and therefore ordered the defendants to immediately suspend use of such mark. The Court also ordered to conduct an inventory and to seize the products bearing the mark. Moreover, the court instructed the Customs Authority to stop imports of goods bearing such designation.

This article has intended to show that Argentina has a long tradition in protecting trademark rights, recently strengthened by the new tools provided by the TRIPs agreement, which has helped the Argentine courts to assist trademark owners to enforce these rights.

- 2006 Hector Ariel Manoff