



Industrial Property Law*

(Legislative Decree No. 823)

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Title I Scope

1. The purpose of this Law is to regulate and protect the elements constituting industrial property that are specified in Article 3 thereof in conformity with the Political Constitution of Peru and the international agreements and treaties on the subject to which Peru is party.

2. This Law shall apply to all areas of economic activity. The benefit of its provisions shall be recognized to natural persons and to legal entities organized in any of the forms allowed by the Political Constitution and legislation having their domicile within the country or abroad.

3. The protection recognized by this Law shall apply, in particular, to the subject matter of industrial property rights specified below:

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

4. The Inventions and New Technology Office of the National Institute for the Defense of Competition and Intellectual Property Protection (INDECOPI) shall be competent to hear and to settle in the first instance all matters relating to patents, protection certificates, utility models and industrial designs, including the administrative aspects of contentious procedures on the subject. It shall likewise be responsible for the recording of licenses of foreign origin for the use of technology, technical assistance, basic and detailed engineering, management and franchising, and shall be competent as the depositary of industrial secrets.

The Distinctive Signs Office of the National Institute for the Defense of Competition and Intellectual Property Protection (INDECOPI) shall be competent to hear and to settle in the first instance all matters relating to trademarks, trade names, advertising slogans and appellations of origin, including the administrative aspects of contentious procedures on the subject.



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

Title II General Provisions

5. The proper exercise of industrial property rights may not be the subject of sanctions as a monopolistic practice or as an act restricting competition.

6. The precedence of industrial property rights shall be determined by the date and hour of the filing of the application for registration. The precedence accorded to the first applicant shall presuppose his good faith, and such precedence shall therefore not be recognized in the face of proof to the contrary.

7. Transfers, licenses, amendments, cancellations and other acts affecting industrial property rights shall be recorded in the industrial property registers. All the acts and contracts referred to in the foregoing paragraph shall be binding on third parties as from the registration thereof. It shall be presumed, to the exclusion of any evidence to the contrary, that all persons are aware of the contents of the entries made in the appropriate registers, which shall themselves be presumed accurate in so far as they are not corrected or cancelled. The competent offices shall determine the organization of their own registers, and shall issue such rules on registration as may be necessary.

8. The assignment of the rights under an application for registration of any of the elements of industrial property subject matter shall be admissible.

9. Registrations and files, whether pending or not, including those that are contentious, shall be open to the public, with the exception of the following:

(a) files on patents, utility models and industrial designs, which shall be governed by the provisions of Articles 52, 99 and 110 of this Law;

(b) files on industrial property violations, prior to notification of the complaint.

10. The competent office may delegate to public or private bodies the power of receiving applications for registration and other submissions or documents associated with industrial property. In that case the documents in question shall be considered filed at the time of receipt thereof by the delegated body.

11. The declaration of invalidity of a registration shall have the retroactive effect of neither it nor the application that gave rise to it having had the effects provided for in this Law.

Without lessening liability for such damages as may be appropriate when the owner of the registration has acted in bad faith, the retroactive effect of invalidity shall not extend to:

(a) rulings on industrial property violations that have been handed down and enforced prior to the declaration of invalidity;



(b) license agreements in existence prior to the declaration of invalidity, in so far as they have also been implemented prior to the said declaration.

The provisions of Article 2014 of the Civil Code shall not be applicable in cases of invalidity of a registration.

Title III **General Provisions on Procedure**

12. At the request of a party, the competent office shall make a provisional annotation in the corresponding registers concerning any requests for cancellation and invalidation that are filed.

13. For the registration of any act relating to industrial property, provided that the Law does not require a stricter formality, it shall be sufficient for it to be evidenced in a private deed and for the signatures to have been authenticated by a notary. Where the document has been executed abroad, it shall be authenticated by a Peruvian consular official.

14. The powers of attorney required by the Law may consist of private deeds and shall be subject to the following formalities:

(a) in the case of natural persons, the signature shall be authenticated by a notary;

(b) in the case of legal entities, the document shall contain the authority on which the principal is acting, and his signature shall be authenticated by a notary.

In the case of powers granted by persons who are not domiciled, they shall in addition be authenticated by a Peruvian consular official.

For the purposes of this Law, no registration of powers of attorney in the Register of Mandates or the Mercantile Register shall be required. On presentation of his power of attorney by the person acting on behalf of another, the existence of that other person and the representation shall be acknowledged. The power of attorney may be granted after the filing of the application for registration, in which case the acts performed by the empowered person shall be ratified.

15. Applications for registration shall be written entirely in Spanish. Documents written in a foreign language shall be filed together with a Spanish translation. The filing of official translations shall not be required, it being sufficient for an ordinary translation to be filed on the responsibility of the translator and the person concerned.

16. The following rules shall apply to the calculation of the time limits provided for in the Law:

(a) a period expressed in days shall be understood to consist of a number of working days;

(b) a period expressed in months shall end on the day of the month of expiry that corresponds to the day of the initial month. Where the month of expiry does not have such a day, the period shall end on the last working day of the said month;

(c) a period expressed in years shall be governed by the rules laid down in the foregoing subparagraph;

(d) where the last day of a period is not a working day, the period shall be considered extended to the first working day thereafter.

17. With the exception of cases in which the law provides for a different period, an application shall automatically be declared abandoned when the prosecution of the file is suspended for three months through the fault of the person concerned. Abandonment shall not occur when the file is at the stage of completion.

18. Unless expressly provided otherwise in the Law, there shall be no repayment of fees paid by the interested party.

19. Once the decision has been taken to grant industrial property rights, the competent office shall issue the appropriate certificate or title.

Similarly, in the case of invalidation or cancellation of a registration, the appropriate entry shall be made once the decision so providing has been taken.

20. Any person, whether or not he is party to the proceedings, may request a certified copy of all or part of a file, all the register entries and the certificates or titles issued on payment of the appropriate fee. Such a request may not be made in the cases provided for in subparagraphs (a) and (b) of Article 9 of this Law.

21. Where there is no specific provision in this Law, Decree-Law No. 25868, the Law on the Organization and Functions of INDECOPI, texts amending or replacing the provisions thereof, Legislative Decree No. 807, the Law on the Powers, Standards and Organization of INDECOPI, texts amending or replacing the provisions thereof, Supreme Decree No. 02-94-JUS, the single consolidated text of the Law on General Standards of Administrative Procedure and any other relevant provisions shall apply in so far as they are applicable to industrial property rights and procedures associated therewith.

Title IV **Patents**

Chapter I *Patentability Requirements*

22. Patents shall be granted for inventions of either products or of processes in all fields of technology provided that they are new, involve an inventive step and are susceptible of industrial application. Patent shall be understood to mean the title by which the State grants the exclusive right of exploitation to the owner of an invention on the national territory.

23. An invention is new when it is not included in the state of the art. The state of the art comprises everything that has made accessible to the public by written or oral description, by use or by any other means prior to the filing date of the patent application, or where appropriate the date of recognized priority.

For the sole purposes of determining novelty, the state of the art shall also be regarded as including the contents of a patent application pending before the competent office where the filing or priority date thereof is prior to the priority date of the patent application under examination, provided that the said contents are published.

24. For the purposes of determining patentability, no account shall be taken of disclosure of the contents of the patent within the year preceding the filing date of the application in the country or within the year preceding the date of priority, if claimed, provided that the said disclosure is due to:

- (a) the inventor or his successor in title;
- (b) a competent office which, in violation of the provisions governing the subject matter, publishes the contents of the patent application filed by the inventor or his successor in title;
- (c) a third party who has obtained the information directly or indirectly from the inventor or his successor in title;
- (d) a flagrant abuse perpetrated against the inventor or his successor in title;
- (e) the fact that the applicant or his successor in title has displayed the invention at officially recognized exhibitions or fairs or the fact that academic or research considerations made it necessary to publicize the invention for development to continue. In that case the person concerned shall, on filing his application, file a declaration in which he states that the invention has actually been displayed, and shall submit the corresponding certificate.

25. The invention shall be regarded as involving an inventive step where it would not have been obvious, or could not have been readily deduced from the state of the art by a person working in the field concerned who possesses normal skills in the corresponding area of technology.

26. An invention shall be considered industrially applicable where its subject matter may be produced or used in any kind of industry, industry being understood as any productive activity, including services.

27. The following shall not be considered inventions:

- (a) discoveries, scientific theories and mathematical methods;
- (b) those that relate to materials already existing in nature or replicated therefrom;
- (c) literary and artistic works or any other aesthetic creation, including scientific works;

(d) instructions, rules and methods for performing intellectual activities, for games or for economic and business activities, and also computer programs or computer software;

(e) methods of presenting information;

(f) therapies and surgical methods for the treatment of human beings or animals, and also methods of diagnosis.

28. The following shall not be patentable:

(a) inventions that are contrary to public policy, morality or proper practice;

(b) inventions that are clearly harmful to the health or life of persons or animals, or to the preservation of plants or the environment;

(c) animal species and breeds and essentially biological processes for creating them;

(d) inventions relating to the material that constitutes the human body and to the genetic identity thereof;

(e) inventions relating to pharmaceutical products that are included on the list of essential drugs of the World Health Organization.

Chapter II *Patent Owners*

29. The right to the patent shall belong to the inventor or to his successor in title. The owners of patents may be natural persons or legal entities.

If two or more persons have made an invention jointly, the right shall belong to them jointly. Unless otherwise agreed, it is understood that the right belongs to two or more persons jointly even where those persons have not worked in the same physical area or at the same time, where their contributions have not been of the same type or have not been made in the same proportions, or where not all of them have made contributions to every one of the claims of the patent.

Where two or more persons have made the same invention independently of each other, the patent shall be granted to the person, or the person's successor in title, who files the first application in respect of it or who claims the earliest priority date.

30. Where the application for a patent relates to an invention that has been purloined from the inventor or from his successors in title, or where, by virtue of contractual or legal obligations, the owner of the patent has to be a person different from the applicant, the person having a legitimate interest may claim the status of true owner before the competent judicial body at any time up to three years following the grant of the patent.

A person who claims the status of true owner shall inform the competent office of any proceedings that he may have brought against the patent applicant or owner within 10 days of having done so, and shall enclose a certified copy of the instrument evidencing the bringing of the action. Within 10 days of receipt of the said communication, the competent office shall

issue a report on the patent and its owner to the competent judicial authority. The report shall constitute one of the elements to be considered by the judge before he hands down his ruling.

In the case of a registered patent, the competent office shall, once it has taken note of the action referred to in the foregoing paragraph, order the recording thereof in the corresponding register for the purpose of the notification of third parties.

31. In the case of inventions made in the course of employment relations, the employer, whatever his or its form and nature, may assign part of the economic benefits of innovations to the employee inventors in order to stimulate research activity in accordance with the legislation in force.

Entities that receive State financing for their research shall reinvest part of the royalties that they receive for the marketing of such inventions with a view to generating a continuous supply of research funds and encouraging researchers, by making them participants in the proceeds from innovations, in accordance with the legislation in force.

32. Unless otherwise agreed, inventions made in the course of employment or service relations shall be governed by the following rules.

(a) Those made by the worker during the currency of a contract or in the course of labor or service relations the entire or partial purpose of which is the conduct of inventive activity shall belong to the employer. However, the employer shall provide the worker with adequate compensation if the personal contribution of the latter to the invention or the economic value or importance thereof goes beyond the explicit or implicit object of the contract or labor or service relations. In the absence of agreement between the parties, the amount of the compensation shall be fixed by the judge specialized in civil matters according to the rules of the most summary jurisdiction.

(b) If the worker makes an invention in connection with his professional activity within the enterprise or through use of means or information provided by the enterprise, the employer shall have the right to assume ownership of the invention or to reserve to himself a right of use thereof within a period of 90 days from the time at which the existence of the invention became known to him. Where the employer assumes ownership of an invention or reserves to himself a right of use thereof, the worker shall have the right to adequate compensation according to the industrial and economic importance of the invention, due account being taken of the means or information provided by the enterprise and the contributions by the worker that enabled him to make the invention. In the absence of agreement between the parties, the amount of the compensation shall be set by the judge specialized in civil matters according to the rules of the most summary procedure.

(c) Inventions made in the course of employment relations or during the currency of a contract for the rendering of services shall belong exclusively to the maker thereof when the circumstances provided for in subparagraphs (a) and (b), above, do not obtain in connection with the making thereof.

The same regime shall be applicable to universities, institutes and other centers of education and research regarding the inventions made by their professors or researchers, except where otherwise provided in the statutes or internal rules of the said bodies.

Where an enterprise contracts with a university, institute or other center of education or research for the conduct of investigations that involve inventive activity, the regime provided for in this Article shall be applicable to the enterprise in relation to the inventions made by the professors or researchers of the institution with which the contract has been entered into. In that event, the adequate compensation referred to in subparagraphs (a) and (b), where payable, shall be paid direct, by the enterprise, to the professor or researcher who made the invention, independently of the compensation agreed upon with the contracted institution.

33. The inventor shall have the right to be mentioned as such in the patent, and may also object to such mention.

Chapter III *Patent Applications*

34. The first patent application validly filed in a Member Country of the Cartagena Agreement or to the Paris Convention, or in another country that grants reciprocal treatment to applications originating in Member Countries of the Cartagena Agreement, shall confer on the applicant or on his successor in title the right of priority for a period of one year, calculated from the date of the said application, within which to apply for a patent for the same invention in Peru. The latter application shall not seek to claim the priority of subject matter not included in the earlier application.

35. Validly filed application shall be taken to mean an application accepted for processing by the competent office and to which a filing date has been assigned, the subsequent fate of the said application being immaterial.

36. Any person wishing to avail himself of priority shall make an express declaration to that effect within a period of three months following the filing date of the subsequent application, specifying the date on which and the country in which the first application was filed.

37. Any person making the declaration referred to in the foregoing Article shall at the same time submit a copy of the application on the basis of which he is claiming priority, duly certified by the administration that received the said application.

38. The competent office may require the applicant to submit, within a period of three months following the relevant notification, a translation of the application on the basis of which he is claiming priority, where such a translation is considered necessary.

39. Where any of the formalities provided for in the preceding three Articles is not complied with within the prescribed periods, the right of priority shall be forfeited.

40. Applications for the grant of patents shall be filed with the competent office and shall contain the following:



- (a) the particulars of the applicant and inventor;
- (b) the title or name of the invention;
- (c) a clear and full description of the invention in a form that would enable a person skilled in the relevant field to carry it out.

With regard to inventions that relate to living material, where the description cannot be given in detail in the invention itself, a deposit of the said material shall be made at a depositary institution authorized by the competent national offices of the Member Countries of the Cartagena Agreement. The deposited material shall form an integral part of the description.

The Board of INDECOPI shall regulate the making of deposits, including, among other things, the necessity and desirability of making them, their duration and the replacement of material, and the supply of samples.

Research centers located on the territory of any of the Member Countries of the Cartagena Agreement may be recognized as depositary institutions;

- (d) one or more claims, which identify precisely the material for which patent protection is sought.
- (e) an abstract stating the subject matter and purpose of the invention.
- (f) proof of payment of the prescribed application fee.

The absence of any of the required elements listed in this Article shall result in the application being considered by the competent office not to have been accepted for processing, and no filing date shall be assigned to it.

41. The following shall accompany the application at the time of the filing thereof:

- (a) copies of such powers of attorney as may be necessary;
- (b) a copy of the first patent application where priority is claimed, with an express mention thereof;
- (c) an instrument of assignment of the invention, where applicable;
- (d) any other documents mentioned in the single text on Administrative Procedures of INDECOPI.

42. The patent may only relate to one invention or one group of inventions so related as to constitute a single inventive concept. The following in particular shall be regarded as constituting a single inventive concept, and consequently as being capable of inclusion in a single application:

- (a) an independent claim of a product, an independent claim of a process specially devised for the manufacture of that product and an independent claim of a use of that product;

(b) an independent claim of a process and an independent claim of a device or means specially devised for the implementation of that process;

(c) an independent claim of a product, an independent claim of a process specially devised for the manufacture of that product and an independent claim of a device or means specially devised for the implementation of the process.

43. Goods or processes already patented, which are included in the state of the art under Article 23 of this Law, shall not be eligible for a new patent owing to the mere fact of their being given a use different from that covered by the original patent.

44. The applicant may amend his application provided that the amendment shall not involve any broadening of the invention or of the disclosure contained in the application filed. The applicant may at any time prior to publication request the conversion of his application into another form of industrial property for the protection of the same subject matter.

45. At any time during processing, the competent office may as a result of the examination of the application, propose a different form of industrial property to the applicant. The applicant may accept or reject the proposal, on the understanding that, in the event of rejection, the file will continue to be processed as an application for the form of industrial property originally desired.

46. In the event of conversion being requested or a proposed change of application accepted, those documents shall be filed and those procedures applied that correspond to the new form of industrial property.

47. The applicant may divide his application into two or more divisional applications, but none of them may entail any broadening of the invention or of the disclosure contained in the application as filed. Each divisional application shall retain the benefit of the filing date of the original application. Division of the application by the applicant shall take place before publication, and at the request of the competent office at any time during processing. Where division is requested or a proposal to divide the application accepted, those documents shall be filed and those procedures applied that correspond to the new form of application.

Chapter IV *Processing of the Application*

48. On acceptance of the application for processing, the competent office shall examine, within 15 working days following the filing thereof, whether it meets the requirements of form specified in this Law.

49. If the examination finding is that the application does not meet the requirements referred to in the foregoing Article, the competent office shall make the appropriate observations so that the applicant may respond to them or add to the supporting documentation within a period of 30 working days following the date of notification. That period shall be renewable once for the same amount of time without loss of priority. If, when the period expires, the applicant has not responded to the observations or has not added to the



supporting documentation or met the requirements of form, the application shall be considered abandoned.

50. Within 18 months counted from the filing date of the application or from the date of any priority claimed, and on completion of the examination as to form referred to in Article 48, the competent office shall issue the order to publish the extract from the application.

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

- (a) number and filing date of the application;
- (b) name and country of domicile of the applicant;
- (c) title of the invention;
- (d) abstract of the invention;
- (e) full particulars of any priority or priorities claimed.

The applicant shall file with the competent office a copy of the publication of the extract from the application in the Official Gazette *El Peruano* within a period of three months following the date of receipt of the order to do so.

52. The file may not be consulted by third parties until such time as the publication referred to has taken place, except where the applicant consents thereto in writing. Once publication has taken place, the file becomes public and may be consulted. Any person who proves that the applicant for a patent has sought to assert rights under the application against him may consult the file prior to publication without the consent of the said applicant.

53. Within a period of 30 working days following the publication date, any person having a legitimate interest may make one submission of reasoned observations challenging the patentability of the invention. Ill-considered observations may be punished where the legislation in force so provides.

54. Observations shall specify or be accompanied by, as the case may be:

- (a) the particulars of the person making the observations;
- (b) the power of attorney given to the representative of the person making the observations;
- (c) the particulars of the file and publication date of the application;
- (d) the actual and legal reasons underlying the observations;
- (e) the offer of proof to substantiate the facts alleged;
- (f) proof of payment of the prescribed fee;



55. Any powers of attorney that may be necessary, and any proof offered, may be filed within a period of 30 days following the making of the observations. That period may be renewed once for the same amount of time.

56. Where observations have been filed within the period provided for in Article 53, the competent office shall serve notice on the applicant to present his arguments if he sees fit, submit documents or rewrite the claims or the description of the invention within 30 working days following the notification which period may be renewed once for the same amount of time. To that end the provisions of Articles 44, 45, 46 or 47, as appropriate, of this Law shall be applicable.

57. On expiry of the period laid down in Article 53 or 56, as the case may be, the competent office shall proceed to examine, on payment of the prescribed fee, whether or not the subject matter of the application is patentable. If in the course of the substantive examination it is found that there is a possibility of total or partial violation of the acquired rights of third parties, or that additional or complementary information or documentation is necessary, it shall be required of the applicant in writing, so that he, within a maximum period of three months following the notification, may present such arguments and explanations as he considers relevant, or submit the information or documentation required. Where the applicant fails to meet the said requirement within the period specified, his application shall be considered abandoned.

58. The competent office may commission reports from experts or scientific or technological entities considered suitable for the issue of opinions on the novelty, inventive step and industrial applicability of the invention. Likewise, where it considers such a step appropriate, it may request reports from any of the competent administrative offices of the other Member Countries of the Cartagena Agreement or from countries outside the said Agreement.

59. Where the final examination finding is favorable, the patent shall be granted. Where the finding is partly unfavorable, the patent shall be granted only for the claims accepted. If the finding is unfavorable, the patent shall be refused.

60. The patent shall have a term of 20 years, counted from the filing date of the application, after which term the invention shall become public property.

61. The International Patent Classification shall be used for the ordering and classification of patents.

62. Any patented object may bear a mention of the number of the patent, visibly preceded by “*Patente de Invención*” or the abbreviation “P.I.,” either on the product itself or on the packaging thereof.

63. By a Supreme Decree issued on the advice of the Ministry of Industry, Tourism, Integration and International Trade Negotiations, special provisions may be enacted for the protection, and where appropriate the registration, of the knowledge and skills of indigenous and rural communities.

Chapter V
Rights Conferred by the Patent

64. The scope of protection conferred by the patent shall be determined by the content of the claims. The description and the drawings or plans, or where appropriate the deposit of biological material, shall serve for the interpretation of the claims.

65. The patent shall confer on its owner the right to prohibit third parties from exploiting the patented invention without his consent. By virtue of that right, the owner of the patent may prohibit a third party who does not have his consent:

(a) from manufacturing, offering, marketing or using a product covered by the patent, or from importing or possessing such a product for any of the purposes mentioned;

(b) from making use of a process covered by the patent or offering it for such use, where the third party knows or where the circumstances make it obvious that the use of the process is prohibited without the consent of the owner of the patent;

(c) from offering, marketing or using the product directly obtained by means of the process covered by the patent, or from importing or possessing such a product for any of the purposes mentioned.

66. The owner may not exercise the right provided for in the foregoing Article in any of the following cases:

(a) in the case of the importation of the patented product where it has been placed on the market in any country with the consent of the owner, a licensee or any other person authorized for the purpose;

(b) where the use occurs in a private circle and is not made on a commercial scale;

(c) where the use is made for non-profit-making purposes, at the level of academic or scientific experimentation.

67. Where the subject matter of the patent is a process, the protection conferred by the patent shall extend to goods obtained directly through use of the said process.

68. The patent shall likewise confer on its owner the right to prevent any third party, without his consent, from supplying or offering to supply means of making an essential element of the patented invention to persons who are not entitled to exploit it, where the third party knows or the circumstances make it obvious that such means are suitable for the making of the invention and are intended for that purpose.

The provisions of the foregoing paragraph shall not be applicable where the means referred to are goods available on the open market, except where the third party induces the person to whom the means are supplied to commit acts prohibited under the said paragraph.

Persons who engage in the acts provided for in subparagraphs (b) and (c) of Article 66 of this Law shall not be considered persons entitled to exploit the patented invention in terms of the first paragraph of this Article.

69. The rights conferred by the patent may not be asserted against a third party who, in good faith and before the priority date or filing date of the application that led to the grant of the patent, was already using the invention in a private circle or had made effective or genuine preparations for such use. In that case the said third party shall have the right to initiate or proceed with the manufacture of the product or use of the process, as the case may be, but that right may only be assigned or transferred together with the establishment or enterprise in which the manufacture or use is taking place.

Chapter VI

Obligations on the Owner of the Patent

70. The owner of the patent is obliged to exploit the patented invention in any Member Country of the Cartagena Agreement, either directly or through any person authorized by him.

71. For the purposes of this Law, exploitation means the industrial production of the product covered by the patent or the full use of the patented process, together with distribution and marketing of the results achieved. Exploitation shall also be taken to mean importation, together with distribution and marketing, of the patented product where such action is sufficient to meet the demands of the market.

72. The owner of the patent is obliged to register with the competent office any contract constituting the assignment, licensing or another form of use of the patent by third parties on any account.

This obligation shall be complied with by the owner or by his successors in title, assignees, licensees or any other person holding a right under the patent.

Chapter VII

Licensing

73. The owner of a patent may license another person to exploit it only by written agreement. License agreements shall be registered with the competent office, failing which they shall not be binding on third parties.

74. The competent office shall not register license agreements for the exploitation of patents that do not conform to the Common Provisions on the Treatment of Foreign Capital and on Trademarks, Patents, Licenses and Royalties laid down in Decision 291 of the Commission of the Cartagena Agreement.

75. On expiry of a period of three years counted from the grant of the patent or four years counted from the application for the patent, whichever is longer, the competent office may grant a compulsory license for the industrial production of the product covered by the patent or the full use of the patented process at the request of any interested party who has failed to obtain a contractual license on reasonable terms, but only if, at the time of his request, the patent has not been worked within the meaning of the provisions of Articles 70 and 71 of this Law in the Member Country of the Cartagena Agreement in which the license is requested or if the working of the patent has been suspended for more than a year.

The compulsory license shall not be granted if the owner of the patent submits legitimate reasons for his failure to act, including reasons of *force majeure* or other reasons beyond his control. A reason shall be considered legitimate when it arises from any technical or economic circumstance that prevents the efficient and profitable working of the invention. The owner of the compulsory license shall pay adequate compensation to the owner of the patent.

Any person who requests a compulsory license shall prove that he is technically and economically capable of carrying out industrial production of the product covered by the patent or full use of the patented process.

76. The decision to grant the compulsory license referred to in the foregoing Article shall be taken after notice has been served on the owner of the patent to present his arguments, if he sees fit within 60 working days following such notification.

The said grant decision shall determine the scope or extent of the grant and in particular shall specify the period for which the license is granted, the subject matter of the license and the amount and payment conditions of the adequate compensation referred to in the foregoing Article.

The competent office shall determine the amount of compensation, after having heard the parties, on the basis of the scale of the working of the licensed invention and any cooperation that the owner of the patent may have secured in order to facilitate the said working, especially the provision of the necessary technical knowledge, and other matters that the office considers appropriate for the working of the invention.

The claim shall not prevent working or have any effect on periods that may be running. The filing thereof shall not prevent the owner of the patent from collecting, during the intervening period, the compensation specified by the competent office with respect to the part not claimed.

77. At the request of the owner of the patent or of the licensee, the licensing conditions may be amended by the entity that has approved them when this is justified by new circumstances, and in particular where the owner of the patent grants another license on terms that are more favorable than the earlier ones.

78. The licensee is obliged to work the licensed invention, and shall do so, except where he justifies non-working with legitimate reasons, within a period of two years following the date of grant; if he does not do so, the license shall be revoked.

79. On a declaration made by legal enactment regarding the existence of reasons of public interest, emergency or national security and only for as long as those reasons obtain, the patent may be subjected to compulsory licensing at any time, in which case the competent office may grant such licenses as are requested of it. The owner of the licensed patent shall be notified where this is reasonably possible.

The decision to grant the compulsory license shall specify the scope or extent of the license, stating in particular the period for which it is granted, the subject matter and the

amount and payment conditions of the adequate compensation, without prejudice to the provisions of Article 84 of this Law.

In the cases provided for in this Article, licenses may be granted for working according to the provisions of Articles 70 and 71 of this Law. The grant of a compulsory license for reasons of public interest shall not prejudice the right of the owner of the patent to continue working it.

80. The competent office may, either *ex officio* or at the request of a party, grant compulsory licenses when practices are noted that are not consistent with proper exercise of the industrial property rights and adversely effect free competition, in particular when they constitute an abuse of his dominant market position by the owner of the patent. In order to determine whether free competition is adversely affected, a request shall be made for an assessment by the Commission on Free Competition of INDECOPI in accordance with the procedures laid down in Legislative Decree No. 701. The said compulsory license shall be granted without prejudice to such sanctions as may be applicable under the aforementioned Legislative Decree.

In order to determine whether compensation is payable, and if so in what amount, due regard shall be had to the assessment made by the Commission on Free Competition of INDECOPI.

81. The competent office may grant a license at any time if it is applied for by the owner of a patent the working of which necessarily entails use of the other patent, provided that the said owner has been unable to secure a contractual license on reasonable terms. The said license shall be subject to the following, without prejudice to the provisions of Article 82 of this Law:

(a) the invention claimed in the second patent has to represent important technical progress in relation to the invention claimed in the first patent;

(b) the owner of the first patent shall have the right to a cross license on reasonable terms or the working of the invention claimed in the second patent;

(c) the license under the first patent may not be assigned without assignment also of the second patent.

82. Compulsory licenses shall be subject to the following:

(a) the compulsory license shall not be exclusive and may not be transferred or sublicensed otherwise than with the part of the enterprise that permits it to be worked and with the consent of the owner of the patent; it shall be evidenced in writing and be registered with the competent office;

(b) the compulsory license shall be granted mainly to supply the domestic market of Peru; this subparagraph shall not be applicable where the compulsory license has been issued in accordance with the provisions of Article 80 of this Law;

(c) the compulsory license may be revoked, without prejudice to the adequate protection of the legitimate interests of the licensee, if the circumstances that gave rise to it no longer obtain.

83. Before granting a compulsory license, the competent office shall require of the interested party real, personal or bank guarantees to ensure working and the payment of the compensation that it shall itself fix.

84. Except as provided in Article 73, licenses that do not conform to the provisions of this Chapter shall be devoid of legal effect.

Chapter VIII *Legal Protection of the Patent*

85. The owner of a patent, or the person who considers himself entitled to a patent under this Law, may institute such actions claiming ownership and indemnification as are accorded him by the legislation in force. Without prejudice to any other action that may be available to him, the owner of the patent may, after the patent has been granted, claim damages from a person who, without the consent of the said owner, has exploited the patented process or product where such exploitation has taken place after the date of publication of the patent application, including where the exploitation has taken place prior to the date of publication of the patent application in so far as he has been notified of the filing and the content of the application.

Where infringement of a patent the subject matter of which is a process for obtaining a product is alleged, it shall be for the defendant in question to prove that the process used by him to obtain the product is different from the process protected by the allegedly infringed patent. To that end it shall be presumed, in the absence of proof to the contrary, that any identical product produced without the consent of the owner of the patent has been obtained by means of the patented process if:

(a) the product obtained with the patented process is new;

(b) a substantial possibility exists of the identical product having been manufactured by the process and the owner of the patent for that process cannot determine, despite reasonable effort, what process actually has been used.

In the submission of proof to the contrary, due regard shall be had to the legitimate interests of the defendant regarding the protection of his training and manufacturing secrets.

Chapter IX *Invalidation of the Patent*

86. The competent office may, either *ex officio* or at the request of a party, declare the patent invalid after having heard the interested parties where:

(a) it has been granted in violation of any of the provisions of this Law;



(b) it has been granted on the basis of false or inaccurate information contained in the application and which is essential.

Invalidation actions under this Article may be brought at any time. Where the circumstances mentioned above are applicable only to some of the claims or certain parts of a claim, invalidity shall be declared only in respect of those claims or those parts of the claim, as the case may be.

A patent, the claim or the part of a claim that has been declared invalid shall be deemed null and void as of the filing date of the patent application.

87. The request for invalidation of a registration shall record or add the following, as the case may be:

- (a) the particulars of the person requesting invalidation;
- (b) the particulars of the representative or agent, if any;
- (c) the number of the registration to be invalidated, and the designation of the industrial property subject matter to be invalidated;
- (d) an account of the legal grounds for the action;
- (e) proof of the grounds for invalidity invoked;
- (f) address at which notices are to be served on the owner of the registration to be invalidated;
- (g) proof of payment of the prescribed fee;
- (h) where applicable, copies of such powers as may be necessary;
- (i) copies of the request and of the relevant fee payments for the registered owner.

88. The request shall be communicated to the person recorded as the owner of the registration within a period of 30 working days after which, with or without the appropriate response, the competent office shall proceed to issue the corresponding technical report and the file shall be transmitted for settlement.

Chapter X Lapse of the Patent

89. The prescribed periodical or annual fees shall be paid to keep the patent or where appropriate the pending patent application in force as from the third anniversary of the filing of the application.

90. Annual fees shall be paid every year, in advance, throughout the term of the patent. The due date of each annual fee shall be the last day of the month corresponding to that in which the patent was filed. Two or more annual fees may be paid together.

91. Before declaring the lapse of the patent, a period of six months shall be allowed for the person concerned to effect settlement of the fees referred to in Article 89. The patent or pending application shall remain in full force during any such period.

92. In the event of non-payment of an annual fee, it shall be understood that the omission that caused the patent to lapse occurred at the beginning of the year in the term of the patent for which the annual fee was not paid.

Title V **Protection Certificates**

93. Any inventor residing in the country who is engaged in research on an invention project and who needs to test or build any mechanism that compels him to make his idea public may apply for a protection certificate, which the competent office shall grant him for a period of one year on payment of the prescribed fee.

94. The application shall be filed with the competent office and shall contain:

- (a) the particulars of the applicant and inventor;
- (b) the title or name of the invention project, in Spanish;
- (c) a clear and complete description of the invention project, in Spanish, in a form that would enable a person skilled in the field to carry it out;
- (d) proof of payment of the prescribed application fee.

Non-compliance with any of the requirements specified in the foregoing paragraph shall cause the application to be regarded by the competent office as not having been accepted for processing, and no filing date shall be assigned to it.

95. The following shall accompany the application at the time of the filing thereof;

- (a) such powers of attorney as may be necessary;
- (b) plans and technical drawings, if necessary for the better description of the invention project.

96. Possession of the certificate shall give the holder thereof a preferential right over any other person who, in the course of the year of protection, contemplates applying for privileges in relation to the same subject matter. The term of the eventual patent shall in any event be calculated from the date of the application for the protection certificate.

If the holder of a protection certificate allows the year to elapse without having applied for the final patent, he shall lose the preferential right referred to in the foregoing paragraph.

Title VI Utility Models

97. A utility model patent shall be granted for any other form, configuration or arrangement of components of any art; fact, tool, instrument, mechanism or other object or part thereof that permits the better or different operation, use or manufacture of the article incorporating it, or gives it a usefulness, advantage or technical effect that it did not have previously.

98. Processes and materials excluded from patent protection may not form the subject matter of a utility model patent. Likewise sculptures and works of architecture, painting, engraving or printing, and any other objects of purely aesthetic character, shall not be considered utility models.

99. The provisions of this Law on patents shall be applicable to utility models as appropriate. Consequently, applications for utility model patents shall be processed in the same way and shall meet the same requirements as patent applications.

100. The term of the utility model patent shall be 10 years following the filing date of the application, after which the utility model shall become public property.

101. In the case of utility models the fees referred to in this Law shall in all cases be equivalent to half those payable for patents.

Title VII Industrial Designs

102. New industrial designs shall be registrable. An industrial design shall be regarded as being any set of lines or combination of colors or any two-dimensional or three-dimensional outward shape that is incorporated in an industrial or craft product to give it a special appearance without the purpose of the said product being changed thereby, and which serves as a patent or model for manufacture. Industrial designs relating to clothing and those that are contrary to morality, public policy or proper practice shall not be registrable.

Industrial designs covered by the prohibitions provided for in Articles 129 and 130 of this Law shall not be registrable.

103. An industrial design shall not be new if, prior to the application date or validly claimed priority date, it has been made accessible to the public in any place or at any time by description, use or any other means.

An industrial design shall not be new owing to the mere fact of having secondary differences in relation to earlier creations, or because it relates to a class of goods different from that to which the said earlier creations relate.

104. The application for registration shall contain:

(a) the particulars of the applicant;

(b) a mention of the type of goods for which the industrial design is to be used, and also the class to which the said goods belong;

(c) a specimen of the object incorporating the design, or a graphic or photographic representation thereof.

The absence of any of the requirements specified in this Article shall cause the application to be regarded by the competent office as not having been accepted for processing, and no filing date shall be assigned to it.

105. The application for registration shall in addition contain or add, as appropriate:

(a) the particulars of the designer or designers;

(b) the document evidencing assignment of the design, where applicable;

(c) the designation of the product in which the industrial design is incorporated;

(d) a mention of the type of goods for which the industrial design is to be used, and also the class to which the said products belong;

(e) the claim of priority, if made, with a mention of the number, date and country of the application or applications on the basis of which the priority is claimed;

(f) a copy of the first application for registration, where priority is claimed, that fact being expressly stated;

(g) copies of such powers of attorney as may be necessary;

(h) proof of the prescribed payment;

(i) any other documents specified in the single Text on Administrative Procedures of INDECOPI.

106. On accepting the application, the competent office shall examine, within the 15 working days following filing, whether it is consistent with the aspects of form specified in this Title. If it does, it shall order the application to be published once.

107. During the 30 working days following publication, any person having a legitimate interest may make observations on the registration. The processing of such observations shall be governed by the procedures laid down for observations on patent applications, as appropriate.

108. If no observations are made or if they are rejected, the competent office shall proceed with the novelty examination of the design for novelty, on payment of the appropriate fee.

109. The registration of an industrial design shall have a term of 10 years following the filing date of the application, after which the industrial design shall become public property.

110. The file may not be consulted by third parties until such time as publication has taken place, except where the applicant has given his consent in writing. Once the publication referred to has taken place, the file shall be public in character and may be consulted.

111. The International Classification established by the Locarno Agreement of October 8, 1968, shall be used for the ordering and classification of industrial designs.

112. The first application validly filed in a Member Country of the Cartagena Agreement or in a country party to the Paris Convention, or in another country that grants reciprocal treatment to applications from Member Countries of the Cartagena Agreement shall confer on the applicant or his successor in title a right of priority of six months within which to apply for registration in Peru.

113. Registration of an industrial design shall confer on its owner the right to prohibit third parties from exploiting the design in question. By virtue of the foregoing, the owner of the registration shall have the right to proceed against any third party who, without his consent, manufactures, imports, offers for sale, introduces to the market or commercially uses goods that reproduce an industrial design.

Registration shall likewise confer the right to proceed against any person who produces or markets a product the design of which differs only in secondary features from the protected design, or the appearance of which is the same.

The owner may transfer or license the design. Any license or change of ownership shall be registered with the competent office.

114. The competent office may, either ex officio or at the request of a party, declare the registration invalid, after having heard the parties concerned, where:

(a) it has been granted in violation of any of the provisions of this Law;

(b) it has been granted on the basis of false or inaccurate information contained in the application and which is essential.

Invalidation actions under this Article may be brought at any time. A registration that has been declared invalid shall be deemed null and void as of the filing date of the application for registration.

115. The provisions of this Law on owners of patent registrations shall be applicable as appropriate.

Title VIII Industrial Secrets

116. Any person who lawfully has control of an industrial secret shall be protected against any third-party revelation, acquisition or use of that secret, without his consent and in a manner contrary to fair trade practice, in so far as:

(a) the information is secret in the sense that, as a whole or in the precise configuration and composition of its elements, it is neither generally known nor readily accessible to persons in the circles that normally handle the type of information concerned;

(b) the information has real or potential commercial value attributable to its secrecy;

(c) the circumstances are such that the person who legally has control over the information has taken reasonable steps to keep it secret.

The information constituting an industrial secret shall necessarily relate to the nature, characteristics or purposes of products, to production methods of processes or to means or methods of distributing or marketing products or rendering services.

117. Protection as an industrial secret shall be available both for the technology embodied in manufacturing and production processes in general and for knowledge relating to the use and application of industrial techniques deriving from the skills, experience or intellectual abilities that a person keeps in confidence and which enable him to secure or retain a competitive or economic advantage over third parties.

118. For the purposes of this Law, information shall not be considered an industrial secret where it is public property, is obvious to an expert in the field or has to be disclosed by virtue of a legal provision or court order. The manual dexterity or personal skill of one or more workers shall likewise not be considered a production secret. Information that is supplied to any authority by a person possessing it shall not be considered as public property or disclosed by virtue of a legal provision when it is supplied with a view to obtaining licenses, permits, authorizations, registrations or any other official instruments.

119. Any person who has legitimately developed or acquired industrial secrets may freely use, disclose or communicate them, even where the transferrer has kept them secret. Neither of the parties may invoke his rights against the other, unless otherwise agreed between them.

120. Information regarded as an industrial secret shall consist of documents, electronic or magnetic media, optical discs, microfilm, photographic film or other similar material.

121. The protection granted under Article 116 shall last for as long as the circumstances provided for therein obtain. Without prejudice to such civil and criminal actions as may be available, the revelation, acquisition or use of an industrial secret by third parties in a manner contrary to fair trade practice shall be punished by the Commission on Unfair Competition of INDECOPI by virtue of Decree-Law No. 26122, subject to the opinion of the Office of Inventions and New Technology, as appropriate.

122. Any person keeping an industrial secret may pass it on or authorize a third party to use it. The authorized user shall be under the obligation not to divulge the industrial secret by any means, unless otherwise agreed with the person who authorized him to use it. In agreements by which technology or technical assistance is transferred or basic or detailed engineering provided, confidentiality clauses may be used to protect industrial secrets

contained therein. The said clauses shall specify those aspects that are considered confidential.

123. Any person who, in the course of his work, employment, responsibility or position or in the pursuit of his profession or the conduct of his business has access to an industrial secret about the confidentiality of which he has been warned shall abstain from using the said secret and revealing it without just cause and without the consent of the person who is keeping it or is authorized to use it.

124. If the marketing approval of pharmaceutical chemicals or agricultural chemicals that make use of new chemical compounds presupposes the submission of experimental or other data that have not been published and are necessary to determine the safety and effectiveness thereof, those data shall be protected in so far as their production calls for considerable effort, except where publication of the data is necessary to protect the public, or where action is taken to ensure the protection of the data against any improper commercial use.

125. No person other than the one who has submitted the data referred to in the foregoing Article may, without the authorization of the latter, rely on such data in support of an application for marketing approval of a product for a period of no fewer than five years following the date on which marketing approval of the product was granted to the person who produced the data.

The provisions of the foregoing paragraph shall not prevent the conduct of summary approval procedures for such products on the basis of bioequivalence or bioavailability studies.

126. When the competent body relies on marketing approval granted by another country, the period of exclusive use of the information provided to secure the approval referred to in the foregoing Article shall be calculated as from the date of the first marketing approval.

127. Industrial secrets may be the subject of a deposit before a notary. To that end a closed and sealed envelope containing the description of the industrial secret shall be submitted. A certificate from the notary attesting that the industrial secret is in his custody shall likewise be filed with the competent office.

Title IX Trademarks and Service Marks

Chapter I General

128. A mark shall be understood to be any sign that serves to differentiate on the market the goods and services of one person from those of another person. Signs that are perceptible, sufficiently distinctive and susceptible of graphic representation may be registered, including the following:

- (a) real or invented words or combinations of words, including those that serve to identify persons;
- (b) images, figures, symbols, graphs, logotypes and sounds;
- (c) letters, numbers, combinations of colors;
- (d) three-dimensional shapes, including packaging, containers, the distinctive shape of the product or its presentation;
- (e) any combination of the signs or means that are listed non-exhaustively in the foregoing subparagraphs.

129. Those signs may not be registered as marks that:

- (a) cannot constitute marks under the foregoing Article;
- (b) consist of the usual shape of the goods or their containers, or of shapes or characteristics dictated by the nature of the operation of the product or service concerned;
- (c) consist of shapes that give a functional or technical advantage to the product or service to which they are applied;
- (d) consist solely of a sign or phrase that can serve in trade to designate or describe the type, quality, quantity, purpose, value, place of origin, time of production or other data, characteristics or particulars of the products or services for which they are to be used;
- (e) consist solely of a sign or phrase that in everyday language or in business practice within the country is a common or the usual designation of the goods or services concerned;
- (f) consist of a color in isolation that is not in any way confined within a specific shape;
- (g) are contrary to the law, morality, public policy or proper practice;
- (h) are liable to mislead trade circles or the public notably as to the source, nature, method of manufacture, characteristics or qualities of the goods or services concerned, or their suitability for their intended use;
- (i) reproduce or imitate a protected appellation of origin, consist of a national or foreign geographical indication capable of causing confusion as to the goods or services to which it is applied or are liable in use to mislead the public regarding the origin, source, qualities or characteristics of the goods for which the marks are used;
- (j) reproduce or imitate the officially recognized name, armorial bearings, flags and other emblems, abbreviations or names or abbreviated names of any State or international organization without the permission of the competent authority of the State or international organization concerned; such signs may in any case only be registered where they constitute an accessory feature in relation to the main distinguishing component;

(k) denote conformity to technical standards, except where the registration thereof has been applied for by the national body having jurisdiction over standards and matters of quality;

(l) reproduce coins or banknotes that are legal tender in the territory of the country, or of any country, securities and other negotiable instruments, seals, imprints, stamps or tax marks in general;

(m) consist of the denomination of a protected plant variety or of a variety essentially derived therefrom.

130. Those signs may likewise not be registered that have any of the following shortcomings in relation to the rights of third parties:

(a) they are identical, or so similar as to mislead the public, to a mark filed for registration or registered on behalf of a third party for the same goods or services, or for goods or services regarding which the public could be misled by the use of the said mark;

(b) they are identical or similar to a trade name protected under this Law, where the circumstances are such that the public could be misled;

(c) they are identical or similar to a registered advertising slogan where the circumstances are such that the public could be misled;

(d) they constitute a reproduction, imitation, translation or transcription of all or part of a distinctive sign that is well known to the sectors concerned in the country in which registration is applied for, or in subregional or international trade subject to reciprocity, and which belongs to a third party; the said prohibition shall be applicable, regardless of class, both where use of the sign is intended for the same goods or services as are covered by the well-known mark and where the use is intended for different goods or services; this provision shall not apply where the complainant is the legitimate owner of the well-known mark;

(e) they are confusingly similar to a well-known mark, regardless of the class of goods and services for which registration is sought; this provision shall not apply where the complainant is the legitimate owner of the well-known mark;

(f) they consist of the full name, surname, pseudonym, signature, caricature or portrait of a natural person different from the complainant or perceived by the general public as being different from him the complainant, except where proof is given of the consent of that person or of his heirs;

(g) they consist of the titles of literary, artistic or scientific works or of fictional or symbolic characters covered by copyright belonging to a third party, except where that party has given his consent.

131. In order to determine whether two signs are similar and liable to confuse and mislead the consumer, the competent office shall take mainly the following criteria into account:

(a) analysis of the two signs one after the other, judging their overall appearance and placing greater emphasis on similarities than on differences;

(b) the level of perception of the average consumer;

(c) the nature of the goods and services and the manner in which they are marketed or rendered;

(d) the arbitrary or fanciful nature of the sign, the use made of it, the publicity given it and its reputation of the market;

(e) whether or not the sign forms part of a family of trademarks.

132. In the case of verbal signs, regard shall be had to the following in addition to the criteria specified in Article 131:

(a) graphic and phonetic similarity;

(b) design similarity;

(c) whether the sign includes generic or descriptive words or both, in which case the analysis shall be made of the word or words having the greatest distinguishing power.

133. In the case of figurative signs, due regard shall be had to the following in addition to the criteria specified in Articles 131 and 132:

(a) if the devices are similar, whether they create an identical or similar impression;

(b) if the devices are different, whether they suggest a similar concept.

134. In the case of composite signs, consisting of a word element and a figurative element, due regard shall be had to the following in addition to the criteria specified in Articles 131, 132 and 133:

(a) the word element accompanying the figurative element;

(b) the conceptual similarity;

(c) the greater or lesser relevance of the word element in relation to the graphic element, with a view to determining the dimension characteristic of the sign.

135. In the case of a verbal sign and a figurative sign, due regard shall be had to their conceptual similarity. In the case of a verbal sign and a composite sign, due regard shall be had to the criteria specified in Articles 132 and 134. In the case of a figurative sign and a composite sign, due regard shall be had to the criteria specified in Articles 133 and 134.

The criteria specified in Article 131 shall apply equally in all three situations.

136. For the registration of signs consisting of titles of literary, artistic or scientific works and fictional or symbolic characters covered by copyright, the consent of the copyright owner shall be filed except where the works or titles are in the public domain.

For the registration of signs the use of which affects the non-pecuniary personal rights of a natural person or the rights of indigenous and rural communities and other legal entities governed by the Civil Code, particularly with respect to their names, signatures, titles, hypocoristics, pseudonyms, likenesses or portraits, the appropriate consent shall be filed.

In both cases consent shall be evidenced in writing as of a specific date. Where the owner of the rights is deceased, the grant of consent shall be the responsibility of his heirs, understood as being all those that have been so declared judicially or by testamentary provision.

137. Where the mark consists of a geographical name, the product may not be marketed without the place of manufacture of the product being mentioned thereon in a visible and clearly legible form.

Chapter II Procedure

138. The application for registration of a mark shall be filed with the competent office; it shall relate to only one class of goods or services and shall meet the following requirements:

- (a) the applicant shall be identified;
- (b) the mark to be registered shall be clearly and fully described;
- (c) the goods or services in the class in which the registration of the mark is applied for shall be specified;
- (d) proof of payment of the prescribed application fee shall be submitted.

139. The following documents shall be filed with the application:

- (a) such powers of attorney as may be necessary;
- (b) a copy of the first trademark application where priority is claimed, such claim being expressly mentioned;
- (c) a reproduction of the mark where it contains graphic elements;
- (d) such other requirements as may be laid down by the competent office.

140. The applicant for registration of a mark may amend his initial application only in relation to secondary aspects. He may also remove or restrict the goods or services originally specified. The competent office may, at any time during the processing, request the applicant to make amendment to the application. Such a request for amendment shall be dealt with in conformity with the provisions of Article 142 of this Law. In the cases provided for in this Article, the application may not be amended to change the sign itself or to extend the list of the main goods or services specified.

141. On accepting the application, the competent office shall examine, within the 15 working days following the filing thereof, whether it complies with the requirements of form laid down by this Law.

142. If the examination finding is that the application does not comply with the requirements of form, the competent office shall serve notice on the applicant to rectify the defects within a period of 30 working days following the said notice. This period shall be renewable once for an additional 30 working days without loss of priority. If the defects have not been rectified within the period specified, the application shall be rejected.

143. The rights of priority recognized by international agreements and treaties to which Peru is party shall be claimed within the period laid down in the agreement or treaty concerned. No priority claim shall be entertained after publication of the application.

144. Where the application for registration complies with the requirements of form, the competent office shall order that it be published once.

145. When publication of the application for registration has been ordered, it shall be effected in the Official Gazette *El Peruano*, at the applicant's expense, and the following information shall be reproduced:

- (a) the application number;
- (b) the name and country of domicile of the applicant;
- (c) a reproduction or description of the sign in the case of composite or figurative signs;
- (d) the class to which the goods or services belong;
- (e) the cases in which priority is claimed or a preferential right is exercised, or where the coverage of goods or services is limited.

146. Within the 30 working days following publication, any person having a legitimate interest may file observations on the registration applied for.

147. The filing of observations shall comply with the following requirements:

- (a) correct identification of the file;
- (b) the name and address of the person filing the observation;
- (c) the power of attorney on which a claimed representative status is based;
- (d) the arguments underlying the observation;
- (e) the offer of the proof to be invoked;
- (f) proof of payment of the prescribed fees.

Where the observation relies on graphic or composite signs, it shall be accompanied by an accurate and detailed reproduction thereof as registered or applied for.

148. The competent office shall not process observations that fall into any of the following categories:

- (a) observations filed at the wrong time;
- (b) observations relying on an application bearing a date later than the application for registration on which the observation is made;
- (c) observations based on conventions or treaties that are not in force in Peru;
- (d) processing fees payable that have not been paid.

149. The party making the observation shall have a non-renewable period of 60 days within which to submit the power of attorney if the observation has been filed without the said document. The period shall start on the day following that of receipt of the notification evidencing the filing of the observation. On expiry of the said period, the observation shall be regarded as not having been filed. Failure to file the power of attorney at the outset shall not stop the procedure. In the event of failure to comply with the provisions of subparagraphs (a), (b), (d), (e) and (f) of Article 147 of this Law, the competent office shall request the person making the observation to rectify the omission, allowing him a period of 48 hours from the day following that of the notification of the request within which to do so.

150. Once the observation has been accepted for consideration and provided that it is not affected by any of the circumstances referred to in the foregoing Article, the competent office shall serve notice on the applicant to make his response, if he considers it appropriate, within 30 working days following such notification.

On expiry of the period referred to in the foregoing paragraph, the competent office shall rule on the observations filed and on the grant or refusal of the registration of the mark, which shall be notified to the applicant in a duly reasoned decision.

151. On expiry of the period provided for in Article 146 without any observations having been filed, the competent office shall proceed to conduct the examination of registrability and to grant or refuse registration of the mark. That fact shall be communicated to the interested party in a duly reasoned decision.

152. Registration may be granted in respect of a mark that has been used in connection with goods or services at an officially recognized exhibition held in the country provided that such registration is applied for within six months following the day on which the said goods or services were first displayed under the said mark. In that case the application shall be considered filed on the date of display. The circumstances referred to in this Article shall be attested in a certificate issued by the body responsible for the exhibition, which shall mention the date on which the mark was first used in connection with the products or services concerned.

153. The registration of a mark shall have a term of 10 years from the date of grant thereof, and may be renewed for successive periods of 10 years.



154. The renewal of a trademark registration shall be requested of the competent office within the six months preceding the expiry of the registration, provided that the owner of the mark shall be allowed a period of grace of six months following the expiry date of the registration within which to request renewal, subject to the submission of proof of payment of the appropriate fees. During the period referred to, the trademark registration or pending application shall remain in full force.

Renewal shall not require proof of use of the mark and shall be granted automatically on the same terms as the registration that is expiring, provided that the owner shall not thereby be deprived of the right subsequently to renounce some or all of the goods or services covered by the said mark.

155. No observations based on a third-party registration having coexisted with the mark applied for shall be entertained where they are directed, by the person who was the most recent owner of the said registration, against an application filed in respect of the same mark within the six months following expiry of the period of grace referred to in the foregoing Article.

156. The application for registration of a mark shall relate to only one class of goods or services. It may cover one or more or all of the goods or services in the said class. The Nice International Classification of Goods and Services of June 15, 1957, as revised and amended, shall be used.

157. The owner of a registered sign that distinguishes specific goods or services may obtain a new registration for the same sign on condition that it distinguishes goods or services that are not covered by the original registration. The new application for registration shall be processed independently, and the procedures laid down in this Law for the processing of registrations shall be observed.

158. The parties to a proceeding may agree to the coexistence of identical or similar signs provided that, in the opinion of the competent office, the said coexistence does not affect the general interests of consumers.

159. The competent office may, at any stage in the proceedings, summon the parties to a conciliation meeting. The meeting shall be held in the presence of a person designated by the competent office. Where both parties reach agreement on the matter at issue, and the said agreement does not affect third-party rights, an instrument shall be drawn up in which the agreement in question is recorded, which agreement shall have the effect of an extra-judicial transaction.

160. It shall not be admissible to file observations on requests for the renewal of the registration of a sign, or on the recording of license agreements and amendments to the register entry, without prejudice to any legal action that may be appropriate.

161. The Nice International Classification of Goods and Services shall determine whether the goods or services are similar to or different from each other.

Chapter III
Rights Conferred by Registration

162. The right to the exclusive use of a mark shall be acquired by registration thereof with the competent office.

163. Marks shall be used in the form in which they have been registered. Differences in the use of the mark, namely use in a form different from that in which it has been registered, shall be allowed only if they are the result of amendment or adaptation of secondary features that do not alter the distinctive character of the mark.

164. The owner of a registered mark may prevent traders from removing the reference to the mark from the product or its packaging.

165. The rights in the mark may be pledged or made the subject of other rights. The mark may likewise be attached, independently of the enterprise or business that makes use of it, and be the subject of the measures connected with attachment procedures. For the aforementioned rights and measures to be binding on third parties, they shall be entered in the appropriate register.

166. The mark may be licensed for all or some of the goods or services for which it has been registered.

167. Where the mark is licensed, the licensor shall be responsible to consumers for the quality or suitability of the licensed goods or services as if it were he who had produced or rendered them.

168. For the recording of licenses, transfers and other acts that affect the registration of a mark, the procedure provided for in Article 142 of this Law shall be applied.

169. Registration of a mark shall confer on the owner thereof the right to proceed against any third party who, without his consent, performs any of the following acts in relation to goods or services identical or similar to those for which the mark has been registered:

(a) use or affixing of the mark or a sign resembling it in a manner liable to mislead the public or create situations capable of prejudicing the owner of the mark;

(b) sale, offering for sale, stocking or marketing of goods bearing the mark, or the offer of services thereunder;

(c) importation or exportation of goods bearing the mark;

(d) use of a sign in trade that is identical or similar to the registered mark in relation to goods or services different from those for which the mark has been registered, where the use of the sign in connection with the said goods or services might mislead or confuse the public, cause the owner an unfair economic or commercial prejudice or cause the distinguishing power or commercial value of the said mark to be diminished;

(e) any other act that could, by its nature or purpose, be considered comparable or assimilated to those specified in the subparagraphs of this Article.

170. Provided that they are acting in good faith and that the use does not constitute use as a trademark, third parties may, without the consent of the owner of the registered mark, make use of the following in market dealings: their own name, address or pseudonym, a geographical name or any other specific designation relating to the kind, quality, quantity, purpose, value, place of origin or time of production of goods or rendering of services or other characteristics thereof, provided that such use is confined to identification or information purposes and is not liable to mislead the public as to the source of the goods or services.

Registration of the mark shall not confer on the owner thereof the right to prohibit a third party from using the mark to advertise legitimately marked goods or services, offer them for sale or mention the existence or availability thereof, or from using the mark to indicate the compatibility or suitability of spare parts or accessories that can be used with goods bearing the registered mark, provided that such use is made in good faith, is confined to the purpose of informing the public and is not liable to mislead or confuse it as to the corporate origin of the goods concerned.

The owner of the registered mark may take appropriate action against third parties who make use, without his consent, of an identical or similar mark or sign to distinguish goods or services in the market that are identical or similar where the identicalness or similarity misleads the public.

171. The rights conferred by the registration of a mark shall not allow the owner thereof to prohibit a third party from making use of it in relation to the branded goods of the said owner, his licensee or any other person authorized for the purpose where those goods have been sold or otherwise lawfully placed on the national market of any country by those persons, provided that the characteristics of the goods have not been altered or adapted in the course of the marketing thereof.

Chapter IV *Cancellation of Registration*

172. The competent office shall cancel the registration of a mark at the request of any interested party where, without just reason, the mark has not been used by either the owner thereof or his licensee during the three consecutive years prior to the date on which the cancellation action is brought. Cancellation of a registration for non-use of the mark may also be sought as a defense in an infringement proceeding or in the case of observations or an invalidation request filed in relation to the unused mark.

The following shall be considered admissible evidence of use of the mark:

(1) proof of payment or commercial invoices showing the regularity and volume of marketing at least during the year prior to the date on which the action seeking cancellation of the mark for non-use was brought;

(2) inventories of merchandise bearing the mark, the existence of the said merchandise being certified by a firm of auditors in a manner that shows the regularity of production or sales at least in the course of the year preceding the date on which the action seeking cancellation of the mark for non-use was brought;

(3) any other suitable form of proof attesting the use of the mark.

The burden of proof of use of the mark shall be on the owner of the registration. The registration may not be cancelled when the owner thereof proves that the non-use is due to *force majeure*, unforeseen circumstances or restrictions on imports or other official constraints imposed on the goods and services protected by the mark.

The competent office shall likewise cancel the registration of a mark, at the request of the lawful owner, where the mark is identical or similar to another that was well known, within the meaning of the legislation in force, at the time of the application for registration.

173. The request for cancellation of the registration of a mark shall be filed with the competent office and shall comply, where appropriate, with the requirements laid down in Article 147 of this Law. The provisions of Article 159 of this Law may likewise be applied.

174. On receipt of a request for cancellation, the competent office shall serve notice on the owner of the registered mark to make such response as he considers appropriate to prove use of the mark within a period of 30 working days following such notification. On expiry of the period referred to in this Article, the competent office shall decide whether or not to cancel the registration of the mark, which fact shall be notified to the parties in a duly reasoned decision.

175. The competent office shall notify the request for cancellation to the owner of the registration at the address specified in the cancellation request or at the address that the owner has given in the corresponding application for registration or request for renewal.

Where the owner of the registration cannot be notified as provided in the foregoing paragraph, notification by edict under the provision of the Code of Civil Procedure shall be appropriate. The cost of notification shall be borne by the person seeking cancellation.

176. It shall be understood that a mark is in use when the goods or services that it distinguishes have been placed or are available on the market under that mark in the quantities and form that are normally appropriate, due regard being had to the nature the goods and services and the methods that are to be used for the marketing thereof.

Use of a mark in a form different from that in which it was registered but only in respect of details or elements that do not alter its distinctive character shall not afford justification for cancellation of the registration for non-use, or lessen the protection to which the mark is entitled.

177. The registration of a mark shall not be cancelled for non-use in the following cases:



(a) where the mark has been used according to the provisions of the international agreements and treaties on the subject to which Peru is party by a person authorized by the owner of the mark, even where the said authorization has not been registered with the competent office;

(b) where genuine goods have been placed on the market and distributed under the registered mark by traders or importers different from the owner of the registration.

178. A request for cancellation of a mark as a means of defense shall be filed together with the receipts attesting payment of the prescribed fees.

179. A person who wins a favorable decision shall have a preferential right to registration if he applies for it within the three months following the date on which the decision ending the procedure for cancellation of the mark becomes final.

180. The owner of the registration of a mark may renounce his rights in the registration. Partial renunciation shall be admissible only in respect of the goods or services for which registration was granted.

Renunciation shall not be allowed if there are registered third-party rights in the mark, except where the written consent of the owners of the said rights is filed.

Chapter V Invalidation of the Registration

181. The competent office may, either *ex officio* or at the request of an interested party, declare the registration of a mark invalid, after the parties have been heard, where:

(a) registration has been granted in violation of any of the provisions of this Law;

(b) registration has been granted on the basis of information or documents that have previously been declared false or inaccurate by the competent national authority, are contained in the application and are essential;

(c) registration has been obtained in bad faith.

The following, in particular, shall be cases of bad faith:

(1) where a representative, distributor or user acting on the authority of the owner of a mark registered abroad applies for and obtains the registration in his name of that mark or another capable of being confused with it without the express consent of the owner of the foreign mark;

(2) where the application for registration has been filed or the registration obtained by a person whose customary activity consists in the registration of marks for marketing purposes.

Invalidation actions under this Article may be initiated at any time.

182. The request for invalidation of the registration of a mark shall be filed with the competent office and shall comply with those of the formalities provided for in Article 147 of



this Law as are appropriate. The provisions of Article 159 of this Law may likewise be applied.

The request for invalidation shall not be allowed where the matter at issue has been the subject of observations on the same grounds and involving the same parties or other parties deriving their rights from them.

183. On receipt of the request for invalidation, the competent office shall serve notice on the owner of the mark, applying the provisions of Article 175 of this Law, to him for that purpose, to avail himself of his right of defense within a period of 30 days. On expiry of that period, the competent office shall settle the request for invalidation.

184. Marks registered by a person who, on applying for registration, knew or should have known that they belonged to a third party shall be invalid.

Title X Lapse of Registration

185. The registration of the mark shall lapse where the owner fails to request renewal by the legal time limit, including the period of grace, in accordance with the provisions of this Law.

Title XI Well-Known Marks

186. This Law recognizes the right of the owner of a well-known mark to special protection for the purpose of avoiding improper exploitation of the notoriety of the mark by third parties having no rights therein, or the weakening of its distinguishing power or market or advertising value.

187. Without prejudice to the relevant provisions on the causes of ineligibility of signs for registration, the special protection specified in the foregoing Article shall enable the owner of the well-known mark to prevent third parties from using as their own a sign that constitutes a reproduction, imitation, translation, transliteration or transcription, whether complete or partial, of the mark recognized as well known, independently of the goods or services to which the sign is applied, where such use:

(a) is liable to cause a risk of confusion as to the origin of the product or service, or to cause a risk of association with the goods or services identified by the well-known mark;

(b) clearly shows that the third party will derive an improper or undue advantage from the notoriety of the sign;

(c) is liable to cause a weakening of the distinguishing power or market or advertising value of the well-known mark or to discredit or diminish the prestige of the said mark.

188. In order to determine whether a mark is well-known, due regard shall be had to the following criteria among others:

- (a) the extent of knowledge thereof in the relevant sector of the public as a distinctive sign for the goods or services for which it has been granted registration;
- (b) the scale and scope of the dissemination and of the advertising or promotion of the mark;
- (c) the antiquity of the mark and the constant use thereof;
- (d) analysis of the production and marketing of the goods distinguished by the mark.

Title XII Advertising Slogans

189. An advertising slogan shall be understood to be the word, phrase or legend used to complement a mark. Advertising slogans are protected under the provisions of this Law.

190. The application for the registration of an advertising slogan shall specify the mark filed for registration or registered with which it is to be used.

191. During the currency of the registration of the advertising slogan, the owner may apply to the competent office to have the advertising slogan linked to another mark registered in his name and in the same class, being the subject to that end to the procedure laid down in Article 142 of this Law.

192. An advertising slogan shall be granted registration for a renewable period of 10 years counted from the decision by which the rights are granted.

The cancellation, invalidation or lapse of the registration of the mark to which the advertising slogan is linked shall likewise cause the cancellation, invalidation or lapse of the advertising slogan itself, even where the period specified in the foregoing paragraph has not expired.

193. Advertising slogans that contain references to similar goods or marks or to expressions liable to prejudice such goods or marks may not be registered.

194. An advertising slogan must be transferred together with the mark or sign with which it is associated.

195. The provisions appearing under Title IX of this Law shall be applicable as appropriate to this Title.

Title XIII Collective and Certification Marks

196. Collective mark shall be understood to mean any mark that serves to distinguish the origin or any other common characteristic of goods or services from different enterprises that make use of the mark under the control of the owner.

197. Associations of producers, manufacturers, providers of services, organizations or legally established groups of persons may apply for the registration of a collective mark to distinguish the goods or services of their members on the market in relation to those who do not form part of the said associations, organizations or groups of persons.

198. The application for registration shall state that a collective mark is applied for and shall be accompanied by:

(a) a copy of the statutes of the association, organization or group of persons applying for registration of the collective mark;

(b) a copy of the rules that the applicant for the collective mark uses for the control of the goods or services;

(c) a mention of the conditions on which and the manner in which the collective mark is to be used on or for the said goods or services;

(d) a list of members;

(e) any other requirements that the competent office may specify.

Once registration of the collective mark has been secured, the association, organization or group of persons shall inform the competent office of any change that occurs in any of the documents referred to in this Article.

199. The collective mark may be transferred to third parties provided that authorization has been given by the association, organization or group of persons and the consent of the competent national office has been obtained. In any case, the use thereof shall be reserved for the members of the association, organization or group of persons.

The collective mark may not be licensed to persons other than those authorized to use it in accordance with the rules for its use.

200. The certification mark authenticates the origin, components, quality and other characteristics of the goods or services made or provided by persons duly authorized by the owner of the mark. Appellations of origin may not be registered as certification marks.

201. The application for registration of a certification mark shall be accompanied by a copy of the rules of use, which shall state the quality, components, origin or any other characteristics of the goods or services concerned. The rules of use shall likewise specify the supervisory arrangements that the owner of the certification mark is obliged to make, and the sanctions for non-compliance.

202. The owner of the certification mark may not use the mark to distinguish the goods or services that he himself manufactures or supplies.

203. Any proposal for amendment of the rules of use of the collective or certification mark shall be brought to the notice of the competent office. The competent office shall, at the request of the owner of the collective or certification mark, examine whether the amendments



conform to the requirements laid down by law. The amendment of the rules of use shall be effective as from the entry thereof in the appropriate register.

204. Actions arising from the registration of a collective or certification mark may be brought by the owner thereof, unless otherwise provided in the rules of use. The owner of a collective or certification mark may represent the interests of the persons authorized to use the mark in claiming compensation for any damages that may have been suffered owing to unauthorized use thereof.

205. The invalidation, cancellation and lapse of a collective or certification mark shall be governed by the provisions applicable to marks for goods and services. The registration of a collective or certification mark shall in addition be cancelled where any of the following situations arises and an agreed decision so states:

(a) the owner of the mark has authorized or tolerated the use thereof in a manner contrary to the rules of use or in breach of the said rules;

(b) the owner of a certification mark has used the mark for goods or services that he himself, or a person having economic connections with him, manufactures or supplies.

206. The requirements, obligations and rights specified in this Law in connection with marks for goods and services shall be applicable to collective and certification marks.

Title XIV Trade Names

207. Trade name shall be understood to mean the sign that serves to identify a natural person or legal entity in the exercise of his or its economic activity.

208. The protection granted to trade names by this Law shall consist in:

(a) prohibition of the use or adoption of a trade name identical or similar to another adopted and used by another person in so far as there is a risk of confusion or association;

(b) prohibition of the use or registration of a sign whose main distinctive feature consists entirely or essentially of a trade name adopted and used earlier by another person in so far as there could be a risk of confusion or association.

209. Actions for the protection of a trade name, whether registered or not, shall be prosecuted in accordance with the provisions of Title XVI of this Law.

210. The right to the exclusive use of a trade name shall arise from the first use thereof in trade, and shall end with the final closure of the establishment or the cessation of the activity that it distinguishes. The trade name may only be transferred together with the entire enterprise or establishment that has been using it. The transfer of an enterprise or establishment shall imply transfer of the right to the exclusive use of the trade name, unless otherwise agreed.

211. Any person may apply for registration of a trade name that he is using to distinguish the economic activity in which he is engaged. The application for registration shall record and prove the date on which the trade name was first used, and shall specify the economic activity. The competent office, on granting registration, shall accord the applicant the date of first use of the trade name.

212. The competent office shall be empowered to enact provisions on the evidence that has to be filed to prove use of the trade name.

213. The following shall appear in the publication of the application for registration of the trade name, which the applicant shall effect at his own expense in the Official Gazette *El Peruano*:

- (a) the number of the application;
- (b) the name and country of domicile of the applicant;
- (c) a reproduction of the sign;
- (d) the class to which the economic activity distinguished by the trade name belongs;
- (e) a description of the sign, in the case of composite or figurative signs;
- (f) the date of first use of the trade name.

214. Registration of the trade name shall be granted for a period of 10 years, calculated from the decision granting the rights, and shall be renewable for further 10 year periods.

215. Only the owner of a trade name may use it and register it as a mark. Conversely, only the owner of a registered mark may use it and have it registered as a trade name.

216. Where the owner of a trade name that is being used or is registered intends to assert rights based thereon, he shall prove the use or knowledge of the use thereof in Peru, by the relevant consuming public, to distinguish economic activities identical or similar to those distinguished by the sign on account of which the legal action has been initiated.

217. All matters concerned with trade names shall be governed by the provisions laid down for trademarks and service marks, where applicable and in the absence of any special provision.

Title XV

Appellations of Origin

218. The Peruvian State is the owner of Peruvian appellations of origin, and licenses shall be granted for the use thereof.

219. Appellation of origin shall be understood to mean an appellation that uses the name of a region or geographical location within the country that serves to designate a product originating therein the quality or characteristics are exclusively or essentially attributable to the natural and human factors specific to the said region or location.

220. Every appellation of origin shall be protected against:

(a) unauthorized use of the appellation of;

(b) use to distinguish goods not included in the declaration of protection in so far as similar goods are involved or where the use takes undue advantage of the reputation of the appellation;

(c) any other practice liable to mislead consumers as to the true origin of the product.

221. Protected appellations of origin cannot become generic appellations.

222. Those appellations may not be declared appellations of origin that:

(a) do not conform to the definition contained in Article 219;

(b) are contrary to proper practice or public policy or are liable to mislead the public as to the source, nature, method of manufacture or characteristics or qualities of the goods concerned;

(c) are common or generic terms used to distinguish the product concerned, in the sense that they are considered such both by those familiar with the subject matter and by the general public.

223. The declaration of protection of an appellation of origin shall be made *ex officio* or at the request of persons demonstrating a legitimate interest, understood as being natural persons or legal entities directly dedicated to the extraction, production or development of the product or products to be covered by the appellation of origin. The State, departmental, provincial or municipal authorities shall likewise be considered interested where appellations of origin from their respective areas are involved.

224. The application for a declaration of protection of an appellation of origin shall be filed in writing with the competent office, and shall state:

(a) the name, domicile, residence and nationality of the applicant or applicants, and also the legal interest;

(b) the appellation of origin applied for;

(c) the geographical area of the production, extraction or development of the product to be identified by the appellation, demarcated according to geographical features and political divisions;

(d) a detailed description of the product or products to be identified by the appellation applied for, and also the characteristics thereof;

(e) any other information required by the competent office.

225. On accepting the application for processing, the competent office shall ascertain, within the following 30 working days, whether it complies with the requirements laid down under this Title, thereafter observing the procedure for publication of the application and

submission of observations laid down in this Law for the registration of trademarks and service marks.

226. The declaration of protection of an appellation of origin shall be published once in the Official Gazette *El Peruano* and in any other nationally circulated daily newspaper.

227. The terms of the declaration of an appellation of origin may be amended at any time according to the same procedure as is provided for the original declaration. The request for amendment shall specify the changes requested and the reasons for them.

228. The term of validity of the declaration conferring exclusive rights of use in relation to an appellation of origin shall be determined by the subsistence of the circumstances in which it was made, at the discretion of the competent office, which may declare the term of validity at an end if the circumstances no longer obtain. Nevertheless, interested parties may apply for it again when they consider that the circumstances justifying its protection have been restored, without prejudice to the administrative appeals provided for in this Law.

229. The authorization for the use of an appellation of origin declared protected by the competent office shall be applied for at the said office by persons who:

(a) devote themselves directly to the extraction, production or development of the goods identified by the appellation of origin;

(b) conduct that activity within the territory specified in the declaration;

(c) comply with other requirements laid down by the competent national offices.

230. The application to obtain authorization for use shall contain and be accompanied by the following:

(a) the name and address of the applicant;

(b) such powers of attorney as may be necessary;

(c) the documents attesting the existence and representation of the legal entity filing the application;

(d) the appellation of origin that is to be used;

(e) certification of the place or places in which the product is extracted, produced or manufactured; this shall be attested by the record of an inspection visit conducted by an authorized body;

(f) certification of the characteristics of the product to be identified by the appellation of origin, including its components or ingredients, the methods by which it is produced or manufactured and the factors connecting it with the geographical area protected; this shall be attested by the record of the inspection visit conducted and the certificate issued by an authorized body;

(g) certification that the relevant Peruvian Technical Standard is complied with, where appropriate;

(h) proof of payment of the prescribed fees.

231. Where the production and manufacture of the product to be identified by an appellation of origin do not take place in the same geographical area, the applicant shall be required to attest that both areas, namely that in which the raw material is produced and that in which the product is manufactured, are authorized areas included in the declaration of protection of the appellation of origin.

232. If the application for authorization of use does not comply with the requirements laid down in this Law, the competent office shall serve notice on the applicant to comply with them, and shall grant him a non-renewable period of 15 days for the purpose.

233. The authorization shall be granted or refused by the competent office within a period of 15 working days counted from the filing date of the application.

234. Authorization of the use of a protected appellation of origin shall have a term of 10 years which may be renewed for further 10 year periods according to the procedure laid down in this Law for the renewal of marks.

235. The right of exclusive use of appellations of origin shall originate with the declaration issued by the competent office to that effect. Use of the said appellations by unauthorized persons shall be considered a punishable offense, including in cases where they are accompanied by qualifying terms such as “type,” “style,” “imitation” and other similar terms capable of confusing the consumer.

236. The appellation of origin shall be used on the terms on which the authorization of use was granted. Where it is not, the authorization of use shall be cancelled, either *ex officio* or at the request of a party.

237. The competent office may, either *ex officio* or at the request of a party, declare the authorization of use of a protected appellation of origin invalid, after having heard the parties, if it has been granted in violation of this Law.

238. Persons who have been using an appellation of origin prior to the date of the declaration thereof shall be allowed a period of one year within which to request authorization to use it.

239. The State shall, by the conclusion of bilateral or multilateral conventions, promote the recognition abroad of Peruvian appellations of origin, granting protection to foreign appellations of origin, the principle of reciprocity, by registration in a special section of the register of appellations of origin.

Title XVI

Actions for Infringement

240. Without prejudice to any civil and criminal actions that may be available, an owner of industrial property rights may institute infringement proceedings against any person who infringes those rights. Infringement proceedings may also be instituted where there is an

immediate risk of the rights of that owner being violated. Proceedings may be instituted *ex officio* on a decision of the competent office. They shall in any event be subject to the procedure laid down in Title V of Legislative Decree No. 807, with the exception of Article 22 of that legislation.

To that end, it shall be understood that, where reference is made in the said Title V to the Commission, it shall be construed as a reference to the head of the office, and where reference is made to the Technical Secretary, it shall be construed as a reference to the official designated by the competent office.

241. Precautionary measures shall be ordered on behalf of and on the responsibility of the complainant.

242. Infringements of industrial property rights shall give rise to the imposition of the penalty of a warning or a fine, without prejudice to any measures that may be ordered to effect the cessation of the infringing acts or to prevent them from taking place.

The fines that the competent office may introduce for infringements of industrial property rights shall be in an amount not exceeding 150 UIT (tax units). The imposition and graduation of fines shall be determined by the competent office. Recidivism shall be considered an aggravating circumstance, with the result that the sanction applied shall not be less severe than the previous sanction.

If the condemned party fails to comply within a period of three days with the order served on him in the ruling that puts an end to the procedure, he shall be liable to a sanction of up to the maximum of the permitted fine, according to the criteria referred to in the foregoing Article, and enforced collection shall be ordered. Where the condemned party persists in his failure to comply, the competent office may continue to double the fine imposed without limitation until such time as the ruling is complied with, without prejudice to the possibility of the person responsible being reported to the Public Prosecutor with a view to the initiation by the latter of the appropriate criminal procedure.

243. The complainant shall be liable for any prejudice caused to the presumed infringer in the event of reported offenses relying on incorrect facts or false evidence.

244. Infringement actions shall be statute-barred after two years counted from the date on which the infringing act or circumstance ceased.

245. After administrative remedies have been exhausted, civil proceedings may be used to seek indemnification for any damages. Civil actions shall be statute-barred after two years following the conclusion of the administrative proceedings.

246. Indemnification for damages shall compensate for losses sustained and also for loss of profits attributable to the violation. The amount of earnings not realized shall be determined according to the following among other criteria:

(a) the profits that the owner would have realized through use or exploitation of the right had the violation not occurred;

- (b) the profits actually realized by the infringer as a result of the violation;
- (c) the price that the infringer would have had to pay the owner for the grant of the license that would have enabled him to engage in rightful use.

Title XVII

Appeals

247. Except in cases of infringement action, decisions handed down by competent offices may be the subject of a request for reconsideration within 15 days following the notification thereof; the request shall be accompanied by new documentary evidence.

248. Except in cases of infringement action, an appeal may be lodged only against the decision handed down by competent offices and concluding the instance concerned within 15 days following the notification thereof. Appeals may not be lodged against first-instance decisions that impose provisional or precautionary measures.

249. Appeals shall be substantiated before the authority that handed down the decision, with the submission of new documents, with a different interpretation of the evidence adduced or with questions strictly of law. On verification of the requirements laid down in this Article and in the Single Text on Administrative Procedures (TUPA) of INDECOPI, the competent offices shall allow the appeal and refer the proceedings to the second administrative instance.

Title XVIII

Procedure Before the Court

250. When the proceedings have been received by the Intellectual Property Chamber of the INDECOPI Tribunal for the Defense of Competition and Intellectual Property, the file on the appeal shall be communicated to the other party so that he may put forward his arguments within a period equivalent to that which the appellant was allowed for the lodging of his appeal.

251. No evidentiary material other than documents shall be allowed. Notwithstanding the foregoing, any of the parties may request the right to speak, at the same time specifying whether his statement will bear on matters of fact or of law. The allowing or refusal of the request shall be left to the discretion of the Chamber of the Tribunal, depending on the importance and implications of the case. Where the parties are summoned to an oral exchange, this shall take place with the persons who were present at the hearing.

Complementary Provisions

First. The acts of unfair competition provided for in Decree-Law No. 26122 that refer to industrial property rights duly entered in the appropriate register and also to a trade name, whether so entered or not, shall be considered violations of industrial property and liable to the actions provided for in Title XVI of this Law.



Second. It shall be understood that, for the purposes of the provisions in Articles 29 and 30 of Legislative Decree No. 807, the provisions of subparagraphs (a) and (b) of Article 38 of Legislative Decree No. 716 shall be applicable to the non-complying party as appropriate.

The provision contained in the foregoing paragraph shall likewise be applicable to procedures conducted before the Commission for Repression of Unfair Competition.

Final Provisions

First. The use of the expression “marca registrada,” “M.R.” (registered mark) or another equivalent expression together with signs that are not registered as marks with the competent office of Peru shall be prohibited. The adoption of such identification signs that are not registered trademarks shall be punished by the competent office by confiscation of the goods and destruction of the identification signs.

Second. The provisions of Title XI of this Law shall be applicable to all the component elements of industrial property, as appropriate.

Third. Before initiating criminal action for the offenses referred to in Articles 222, 223, 224, 225 and 240 of the Criminal Code, the Public Prosecutor shall seek a technical report from the competent office of INDECOPI, which shall be submitted within a period of five days. The merits of the said report shall be pronounced upon by the court or the judge when the decision is handed down.

Fourth. Decree-Law No. 26017 and any other provisions contrary to this Law are repealed.

Fifth. Resolution No. 442-94-EF/SAFP is repealed.

Sixth. This Law shall enter into force 30 days following its publication in the Official Gazette *El Peruano*.

Transitional Provisions

First. Rights in the various forms of industrial property that have been granted under the legislation existing prior to the entry into force of this Law shall subsist throughout the time for which they were granted. Applications for patents, trademarks and other forms of industrial property subject to this Law that have been filed prior to the entry into force thereof shall be processed according to the provisions of the new legislation in the State in which they have been filed.

Second. The rights conferred by this Law on the owners of certification marks shall be understood as being applicable to the guarantee marks granted under Decree-Law No. 26017. Guarantee mark registrations shall be renewed as certification mark registrations in accordance with the provisions of this Law.



Third. Registrations of trade names granted prior to the entry into force of this Law shall be renewed at the appropriate time in accordance with the provisions of the latter. The owners shall at the appropriate time declare and prove the date of first use and the activities in connection with which the use occurred.

Fourth. The procedural provisions contained in this Legislative Decree shall be applicable to procedures initiated following the entry into force thereof.

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- * *Spanish title:* Ley de Propiedad Industrial.
Entry into force: May 24, 1996.
Source: *El Peruano*, April 24, 1996, pp. 139122 *et seq.*
Note: Translation by the International Bureau of WIPO.

** Added by the International Bureau of WIPO.