

# Law No. 1294/1998 on Marks\*

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## **Title I Marks**

### *Chapter I Marks for Products and Services*

**1.** Marks are any signs used to distinguish products and services. They may consist of one or more words, mottos, emblems, monograms, seals, vignettes, reliefs, names, fanciful

word forms, letters and numbers in distinctive shapes or combinations, and arrangements of colors, labels, containers and wrapping. They may also consist of the shape, presentation or packaging of products or their containers or wrapping or the mode or place in which the corresponding products or services are provided. This list is merely indicative.

**2.** The following may not be registered as trademarks:

(a) signs or distinguishing devices that are contrary to the law, public order, morality or proper behavior and which may mislead or give rise to confusion as to the origin, method of manufacture, characteristics or suitability and purpose of the products or services to which they refer;

(b) armorial bearings, distinguishing marks, emblems, names, whose use is reserved to the State, other legal persons under public law or international organizations, unless they themselves apply for the mark;

(c) the usual shape of a product or its container, the shape required for the product or service to which they refer or which give the product or service a functional or technical advantage;

(d) a single color;

(e) marks which consist solely of a sign that is the generic name or designation of the product or service to which they refer or which may be used in trade to identify or describe some characteristic of the product or service;

(f) signs identical or similar to a registered mark or a mark already applied for by a third party for the same products or services, or for other products or services if they might cause confusion or be associated with this mark;

(g) signs which constitute a reproduction, imitation, translation, transliteration or transcription in full or in part of an identical or similar distinctive sign, well known to the public in the corresponding sector and belonging to a third party, irrespective of the products or services to which the sign is applied, if its use and registration are liable to cause confusion or a risk of association with this third party or mean taking advantage of the reputation of the sign or weakening its distinctive character, irrespective of the manner or way in which the sign was made known;

(h) signs which infringe the copyright or industrial property right of a third party;

(i) signs which have been applied for or registered by persons who have no legitimate interest or who knew or should have known that the sign belonged to a third party;

(j) names, nicknames, pseudonyms or photographs that may bear a relation to living persons, without their consent, or deceased persons, without the consent of their heirs down to the fourth degree of consanguinity, or signs which affect a third person's personal rights, unless with his consent; and

(k) signs which consist of or contain a geographical indication, as defined in this Law.

**3.** The nature of the product or service to which the mark is to be applied shall under no circumstances constitute an obstacle to its registration.

*Chapter II*  
*Registration, Registration Formalities and Right*  
*of Ownership of Marks*

**4.** Applications for registration of marks shall be filed with the Industrial Property Directorate, which shall issue the corresponding receipt.

**5.** For the purposes of registration, applications shall be in writing and shall include the following:

(a) name, domicile and signature of the applicant and of his agent or attorney, where applicable;

(b) name of the mark or its reproduction in the case of figurative, mixed or three-dimensional marks; for other signs, a graphic representation thereof;

(c) specification of the products or services that are to be distinguished by the mark, with an indication of their class; and

(d) a power of attorney or a general or special power if the applicant does not appear in person. The applicant or his attorney shall elect domicile in the capital of the Republic of Paraguay. Legal persons shall be represented by an attorney, who shall be an approved industrial property agent.

**6.** In the public interest, the Industrial Property Directorate may refuse to register an identical mark or a mark that is very similar to another mark registered for the same product or service, notifying the applicant accordingly, even if the owner of the registered mark gives his consent. Where total rejection is not justified, the registration applied for may be granted for only some of the products or services indicated in the application or may be restricted to certain products or services.

**7.** Registration of marks shall only be granted for a single class of the official nomenclature. Registration of marks in several classes shall require a separate application for each class.

**8.** Specification of the products shall not be required where registration of a mark is sought for all the products included in one of the classes of the official nomenclature. In the case of applications for service marks, specification shall be compulsory.

**9.** Owners of registrations may at any time request that the list of products or services covered by the registration of the mark be curtailed or restricted or that a material error in the registration granted be rectified.

**10.** Where the designation on a label or drawing whose registration is being sought shows the name of a product or service, the mark shall only be valid for the product or service indicated thereon.

**11.** The Industrial Property Directorate shall assign a date of filing to the application. As a minimum, the latter shall contain the identification and address of the applicant, together with the requirements specified in subparagraphs (b) and (c) of Article 5, which shall distinguish the mark.

**12.** The right of priority to obtain registration of a mark shall be determined by the date and time of filing with the Industrial Property Directorate. Priority may be claimed in the application for registration on the basis of a prior registration application for the same mark and the same products or services as a result of any filing in a State bound by a treaty or agreement to which Paraguay is also a party.

**13.** Following completion of the legal requirements and at the expiry of the prescribed periods, if none of the impediments to registration laid down in this Law applies, the Industrial Property Directorate shall register the mark subject to payment of the relevant taxes and fees. If registration is refused, the decision shall be substantiated.

**14.** The Industrial Property Directorate shall issue a certificate of registration of the mark containing the relevant information, as well as the information required by the regulatory provisions.

**15.** Registration of marks pursuant to this Law shall give their owners the right to exclusive use of the mark and the right to take the necessary action and measures before the competent judicial authorities against any person who infringes their rights. It shall also grant the right to oppose the registration or use of any other sign which may directly or indirectly cause confusion or any association between the products or services, irrespective of the class in which they appear, provided that they are related to each other.

**16.** For marks consisting of a label or other sign composed of a series of elements, exclusive protection shall not extend to the elements contained therein which are commonly used or are necessary in trade.

**17.** Free circulation of products bearing marks, lawfully introduced into the market in any country by the owner or with his authorization, based on registration of the mark, may not be prevented, provided that the products, together with their containers and packaging, have not been altered, modified or damaged.

**18.** Owners of marks for products or services registered abroad shall enjoy the guarantees provided by the Law after the marks have been registered in Paraguay.

Owners or their duly authorized agents shall be the only persons entitled to apply for registration.

**19.** Registration of marks shall be valid for 10 years and may be extended indefinitely for further 10-year periods, provided that their renewal is requested within the year preceding their expiry and subject to completion of the same formalities as those required for registration. The new term shall be computed from the date of expiry of the preceding registration.

Renewal may be requested within a grace period of six months after expiry, subject to payment of the surcharge specified, in addition to the corresponding renewal fee.

*Chapter III*  
*Publication of Applications for the Registration*  
*and Renewal of Marks*

**20.** Applications shall be published immediately after filing and the formal examination. The substantive examination shall be conducted after expiry of the period allowed for opposition. Applications for renewal shall also be published.

**21.** The periods referring to publication in this Law shall be computed from the working day following the latest publication. The regulations shall determine the manner of publication and the content of the corresponding notification.

*Chapter IV*  
*Abandonment of Applications for Registration*  
*and Loss of the Right of Priority*

**22.** The abandonment of any application for registration of a mark during a period of 90 days shall lead to loss of the right of priority, which shall pass sequentially to subsequent applicants.

**23.** The period of 90 days shall be computed from the date of the last act performed. Where the application for registration has been opposed and a final decision thereon has been taken, the period shall be computed from the date on which the decision became enforceable.

**24.** For the purposes of its declaration, abandonment shall be determined solely by the expiry of the period fixed if the interested party has not pursued the procedure for registering the mark.

**25.** Express renunciation of an application for registration shall lead to loss of the right of priority.

**26.** In the case of applications for renewal of marks, the time limit for abandonment shall be 180 days computed from the date of expiry of the registration or from the last act performed subsequent to expiry and the procedure shall be that set out in this Chapter insofar as it applies.

*Chapter V*  
*Use of Registered Marks*

**27.** Use of marks shall be compulsory. At the request of the party concerned, registration of a mark may be cancelled in the following cases:

(a) where its use has not commenced within five years immediately following its registration;

(b) where its use has been suspended for more than five consecutive years;

(c) where, during the periods specified in the two preceding subparagraphs, it has been used with substantial changes in its original distinctive character, as defined on the relevant registration certificate;

Cancellation shall not apply where use of the mark, or where applicable non-use, has been justified by means of a final and enforceable judicial decision in previous proceedings within the same period of five years specified in subparagraphs (a) and (b). Cancellation shall not apply where absence of use is due to substantiated reasons of *force majeure*.

Registered marks not used in one class shall not be cancelled if the same mark has been used when marketing a product or supplying a service in the other classes.

Proceedings for cancellation due to failure to use shall be brought before the civil and commercial judicial authorities. Persons who obtain a favorable decision on cancellation shall have a preferential right to registration if they file an application within three months following the date on which the decision in question became final.

**28.** Owners of registered marks shall be responsible for proving use of the mark. Use shall be substantiated by any means of proof allowed by the law which shows that the mark has been publicly and effectively used.

**29.** Registered marks shall be deemed to be used when the products or services which they distinguish have been put on sale or are available on the market under the corresponding name, in the quantity and form which correspond to the nature of the products or services, the modes of sale, and taking into account the size of the market.

Advertising the entry into the market of the products or services shall also be deemed use of the mark, provided that such use actually occurs within four months following the start of the advertising campaign.

**30.** Use of registered marks must be in the form in which they are registered, but if such use differs in detail or in secondary elements this shall not be grounds for canceling registration. Use in relation to one or several products or services in a class shall imply justification of use for all the products or services in the class.

## *Chapter VI* *Licenses to Use Marks*

**31.** Owners of registered marks may grant written licensing contracts to use a mark, either for all or for some of the products or services it covers.

**32.** Licenses to use marks shall be registered with the Industrial Property Directorate in order to have legal effect against third parties as of registration. Applications for registration shall be accompanied by a copy of the contract for the license to use the mark or an excerpt thereof, which shall be in Spanish or translated into Spanish. An abstract of the substantive

elements shall be published in accordance with the Regulations. For the purposes of verifying proof of use, registration of the license to use shall not be relevant.

**33.** Registration of a license to use a mark may be requested by the licensor or the licensee, without prejudice to the terms of the contract.

**34.** For the purposes of registration, a contract for a license to use a mark shall obligatorily contain terms that guarantee the owner's control over the quality of the products or services that are the subject of the license, without prejudice to the control that might be exercised by the competent authority in order to protect consumers.

**35.** Clauses in contracts on the use of marks which impose restrictions on the licensee other than those derived from registration of the mark shall be null and void.

**36.** In cases of non-compliance with the provisions of this Law, in a substantiated decision, the Industrial Property Directorate shall refuse to register the license to use.

**37.** Licensees shall have the right to use the mark throughout the term of the licensing contract and its renewals in the whole of Paraguay, unless otherwise specified in the contract, and shall indicate on the products and services concerned that the mark has been licensed.

**38.** Unless otherwise specified in the licensing contract, if the license granted is exclusive, the licensor may not grant other licenses for the same territory, the same mark and the same products or services and may not himself use the mark in the same territory for the same products or services. Franchising contracts, inasmuch as they refer to licenses for marks, shall be governed by the provisions in this Chapter.

## *Chapter VII*

### *Assignment and Transfer of Rights in Marks*

**39.** Rights in registered marks or marks that are the subject of registration applications may be assigned or transferred in respect of all or some of the products or services for which the application has been filed or the mark registered.

**40.** Registered marks may be transferred independently of the enterprise which owns the right. Transfer of the enterprise shall include the transfer of its marks, unless otherwise specified.

**41.** Marks composed of the trade name of their owner or an essential part of the name may only be transferred together with the enterprise or firm identified by the trade name.

**42.** Assignment or transfer shall be null and void if its purpose or effect is to mislead the public, particularly as to the nature, source, method of manufacture, characteristics or suitability for the purpose of the products or services to which the mark applies.

**43.** Assignment or transfer of registered marks within Paraguay shall be effected by a notarial act. Assignment or transfer of a mark outside Paraguay shall be effected through a document having legal effect in the country where this act takes place.

**44.** Assignment or transfer of marks shall have legal effect against third parties as of its registration with the Industrial Property Directorate. Applications shall be published in accordance with the Regulations, following which the mark shall be registered subject to payment of the corresponding taxes and fees. Certificates shall be issued at the request of the interested party.

**45.** Any change of name, domicile, alteration of legal status, merger or any other change concerning the owner of the mark shall be registered with the Industrial Property Directorate in order to have effect against third parties.

### *Chapter VIII* *Opposition to Registration*

**46.** Opposition to registration of a mark shall be substantiated in writing and submitted to the Industrial Property Directorate within 60 working days computed from the first working day following the latest publication.

**47.** Opposition lodged shall be notified to the applicant or his attorney in an official document and the latter shall be given a period of 18 working days in which to respond. If facts need to be ascertained, a period of 40 working days computed from the date of notification to the parties in an official document shall be allowed for submitting evidence. Documentary evidence may be furnished or supplemented at any time during the period allowed for producing evidence. After expiry of the time-limit for response or, where applicable, the expiry of the period allowed for producing evidence, without further procedure the case shall be resolved, even if the opposition has not been contested. If one or more oppositions have been lodged, they shall be resolved in a single act by means of a substantiated decision.

**48.** Where opposition or cancellation proceedings find that a person who has not registered a mark has a better right to its registration, the person concerned shall apply for registration of the mark within 90 days of the date on which the final decision became effective. Failure to do so shall result in loss of the right of priority.

**49.** The heads of the relevant sections shall in the first instance settle all non-contentious matters within their competence. The head of the section for contentious matters shall in the first instance settle disputes within the competence of the Industrial Property Directorate. In all cases, decisions shall be substantiated.

**50.** If the head of the relevant section has not taken a decision within 40 working days, any of the interested parties may directly lodge an appeal and bring the case before the head's superior.

**51.** Appeals may be lodged against decisions by heads of section within five working days. If the appeal is allowed, the complainant shall express his grievances to the Director of the Industrial Property Directorate, who shall take a substantiated decision, after having informed the other party, and this shall exhaust the administrative channels.



**52.** If a counter-claim in opposition proceedings claims cancellation for failure to use a mark, the competent civil and commercial judicial authorities shall immediately be notified in order to permit the transfer of the case to these authorities in accordance with the ordinary laws of legal procedure.

*Chapter IX*  
*Exhaustion of Rights*

**53.** The right to ownership of a mark shall be exhausted in the following cases:

- (a) if the owner renounces the right;
- (b) upon expiry of the term if registration is not renewed; and
- (c) as a result of a legal declaration of nullity or cancellation due to failure to use the registration.

**54.** The judicial authorities shall be competent to hear actions brought for cancellation of a registration in the following cases:

- (a) if registration is contrary to the provisions of this Law; and
- (b) if it has been obtained by unlawful means or by a person who had no right to it or to the detriment of a person who had a better right.

**55.** Action for cancellation shall proceed even in the absence of opposition and its period of limitation shall be five years after the date of granting the relevant registration. Action for cancellation shall not lapse if an action was committed in bad faith or if the registration granted is null and void.

*Chapter X*  
*Exhaustion of Administrative Channels*

**56.** In all contentious matters, administrative channels shall automatically be exhausted if no further act in the proceedings has taken place within six months following the latest act.

*Chapter XI*  
*Geographical Indications*

**57.** Geographical indications are any signs which identify products as having originated in a country, region, locality or any other place, if the special characteristic of the product or its reputation can mainly be attributed to its geographical origin.

**58.** Only producers, manufacturers or craftsmen carrying out their activities in the place designated by the geographical indication may use the indication in trade for the product it identifies. They shall have the right to prevent the geographical indication being used to identify products of the same type which do not originate in the place designated by the indication.

**59.** Use of a geographical indication in trade shall mean its use in advertising or any other trade documentation relating to the sale, presentation or offer of products or services.

**60.** Any interested party may bring legal proceedings to prevent the use of any means which, in designating or presenting any product, indicate or suggest that the product comes from a geographical region other than its actual place of origin, or any other use which constitutes an act of unfair competition.

### *Chapter XII* *Collective Marks*

**61.** Collective marks are any signs used to distinguish the origin or any other characteristic common to products or services from different enterprises which use the mark under the supervision of its owner.

**62.** Legally authorized firms may register collective marks for use by their members.

**63.** Registration of collective marks shall be requested by their owners, with a specific indication of the character of the mark and accompanied by the regulations on its use.

**64.** Publication of applications for registration of collective marks shall also include an excerpt from the regulations on use, showing the essential conditions of use.

**65.** Owners of collective marks shall inform the Industrial Property Directorate of any change in the regulations on use of the mark. Such changes shall have effect against third parties as of their registration and publication.

**66.** Collective marks shall be subject to the other provisions of this Law relating to marks.

### *Chapter XIII* *Certification Marks*

**67.** Certification marks are marks used for products or services whose characteristics or quality have been certified by the owner of the mark.

**68.** Any domestic or foreign enterprise or institution under public or private law or any State, regional or international organization, may become the owner of a certification mark.

**69.** Where the owner of a registered certification mark is a State organization, registration shall be indefinite and shall be exhausted upon dissolution or extinction of the owner.

**70.** Certification marks may only be transferred with the entity which owns the registration.

**71.** Certification marks shall be subject to the other provisions of this Law relating to marks.

## **Title II Trade Names**

### *Sole Chapter*

**72.** Trade names may consist of the designation, the name of the businessman, the company name adopted, the sign or abbreviation lawfully used for a particular trade activity, and for the purposes of this Law they shall constitute property.

**73.** Trade names shall be sufficiently different to any other name previously adopted or used by another person for the same or a like economic activity.

**74.** Signs which by their nature or by the way in which they may be used are contrary to morality or public order, or which might mislead or cause confusion in trade circles and among consumers as to the identity or nature of the enterprise designated by the name, may not constitute trade names.

**75.** The exclusive right to a trade name shall be acquired through its first public use in trade. It shall not be necessary to register a trade name in order to exercise the rights granted under this Law.

**76.** Owners of trade names shall have the right to prevent use in trade of a sign identical to the protected trade name or the use of a similar sign if it is liable to cause confusion or a risk of association with the owner's enterprise, products or services, or may cause unjust economic or commercial prejudice to the owner due to improper advantage being taken of the reputation of the name or the owner's firm.

**77.** The right to a trade name shall expire if the firm using it is wound up or ceases activity.

**78.** Unless otherwise provided, the sale of a firm shall include the transfer of its trade name.

**79.** Trade names may only be assigned or transferred together with the enterprise or part thereof designated by the name.

## **Title III Unfair Competition**

### *Sole Chapter*

**80.** Acts contrary to good practice and honest dealing in industry or trade shall constitute unfair competition.

**81.** The following in particular shall constitute acts of unfair competition:

(a) acts liable to cause confusion or a risk of association with other products, services, firms or enterprises;

(b) false descriptions of products or services through the use of words, symbols or other devices that might mislead the public as to the nature, quality or usefulness thereof.

(c) false geographical indications on products or services by means of words, symbols or other devices that might mislead the public;

(d) direct or indirect use, or imitation, of a geographical indication, even where the true origin of the product is indicated, or where the indication is in the form of or accompanied by expressions such as “kind”, “type”, “make”, “imitation” or the like;

(e) use or dissemination of false indications or claims capable of denigrating or discrediting other products, services or enterprises;

(f) use or dissemination of indications or claims liable to mislead or cause confusion as to the origin, manufacture, suitability for use or consumption or other characteristics of the firm’s own or other products or services;

(g) use of a marketed product by a third party in order to mould, trace or duplicate the product slavishly for commercial purposes, utilizing the efforts or reputation of others; and

(h) improper use of the mark.

**82.** Producers, manufacturers or businesspersons who might suffer prejudice as a result of unfair competition shall have the right to bring legal proceedings before the civil and commercial courts to ensure cessation or prevent repetition of the acts and to obtain compensation for the damage and prejudice caused.

**83.** The limitation period for bringing an action for unfair competition shall be two years after reliable information on the acts has been obtained or four years after the latest act, whichever expires first.

## **Title IV**

### *Chapter I*

#### *Civil and Criminal Proceedings for Infringement*

**84.** Owners of the right to exclusive use of a registered mark or trade name may bring proceedings before the judicial authorities against any person who infringes their right. The following shall constitute infringement of the right of the owner of a registered mark:

(a) affixing or placing a mark or similar distinctive sign on products for which the mark has been registered or on products related to the services for which the mark has been registered, or on containers, wrapping, or packaging for such products;

(b) removing or altering the mark for commercial purposes after it has been affixed or placed on the products;

(c) manufacturing labels, containers, wrapping or other materials which reproduce or contain the mark or trade name, and marketing or possessing such materials;

(d) filling or reusing containers, wrapping or packaging bearing the mark or trade name for commercial purposes;

(e) using in trade an identical or similar sign to the mark or trade name for any products or services if such use may cause confusion or a risk of association with the owner of the registration;

(f) using in trade an identical or similar sign to the mark or trade name for any products, services or activities if they might cause unjust economic or commercial prejudice to the owner because they weaken the distinctive character or the commercial or advertising value of the sign or take undue advantage of the reputation of the sign or its owner; and

(g) publicly using an identical or similar sign to the mark or trade name, even for non-commercial purposes, if this might weaken the distinctive character or the commercial or advertising value of the sign or take undue advantage of its reputation.

**85.** The final judgement in a case of infringement may order that the following measures be taken *inter alia*:

(a) cessation of acts constituting the infringement;

(b) payment of costs and court costs, as well as compensation for damages;

(c) the attachment or confiscation of the infringing products, including containers, wrapping, labels, printing or advertising material and other materials resulting from the infringement, as well as materials and devices mainly used to commit the infringement;

(d) a ban on the import or export of the infringing products, materials or devices; and

(e) the measures required to prevent the continuation or repetition of the infringement, including the destruction of the products, materials or devices used for this purpose, and a minimum fine of 500 to 2,000 days' wages to be paid to the Industrial Property Directorate.

**86.** For products bearing a falsified mark, the simple deletion or removal of the mark shall not suffice to allow these products to be put on sale.

**87.** At any time during the proceedings, the competent judicial authority may order the defendant to furnish information in his possession concerning persons who have taken part in producing or marketing the infringing products or services.

**88.** The limitation period for action for infringement shall be two years after the owner has been reliably informed of the infringement or four years after the latest infringement was committed.

**89.** The following shall be liable to an obligatory term of one to three years in a penitentiary and a minimum fine of 1,000 to 3,000 days' wages:

(a) persons who falsify or adulterate a registered mark;

(b) persons who fraudulently imitate a registered mark;

(c) persons who knowingly stock, put on sale, sell or offer for sale or distribute products or services bearing a mark that is falsified, fraudulently imitated or unlawfully affixed;

(d) persons who, with fraudulent intent, affix or cause to be affixed on a product or service a declaration or any false designation regarding the nature, quality, quantity, number, weight or measure, the manufacturer's name, the place or country in which the product or service has been manufactured or supplied; and

(e) persons who knowingly put on sale, sell or offer for sale products or services bearing any of the false declarations mentioned in the preceding subparagraph.

**90.** The penalty defined in the preceding Article shall also apply to persons who make fraudulent use of a trade name.

**91.** For an offence to have occurred, it shall not be necessary for the falsification, imitation or fraudulent affixing of the mark to apply to all the goods, affixing on a single specimen shall suffice.

**92.** The penalty laid down in Article 89 shall also apply to persons who, through fraudulent or malicious conspiracy or any other unfair method, try to divert the customers of a commercial or industrial establishment for their own profit or for that of a third party.

**93.** The offences listed in Articles 89 and 90 are liable to public criminal proceedings.

**94.** The limitation period for criminal proceedings shall be two years. The provisions in the Criminal Code shall apply in suppletive form where there are no specific provisions in this Law.

## *Chapter II* *Precautionary Measures*

**95.** In proceedings for infringement of a right provided in this Law, owners of marks may request the judge to order immediate precautionary measures in order to prevent the committing of an offense, obviate its consequences, obtain or retain evidence, ensure the effectiveness of the proceedings or compensation for damages. Precautionary measures may be requested prior to initiating the proceedings, at the time of or subsequent to their initiation.

**96.** Precautionary measures shall consist of the following:

(a) immediate cessation of the infringing acts;

(b) attachment or confiscation of the products, wrapping, labels and other materials which bear the infringing sign and the equipment and other devices used to commit the offense. In criminal courts, these shall be destroyed if an expert taking part in the judicial proceedings to which the preventive measure relates confirms that they are infringing objects, without it being necessary to await the final judgement.

(c) suspension of the import or export of the products, materials or devices referred to in subparagraph (b); and

(d) suspension of the effects of registration and use of the mark while the judicial proceedings are taking place.

**97.** Precautionary measures shall be ordered where it is established that the right is credibly claimed and that any delay would be prejudicial. The judge may order the deposit of a sufficient bond or security.

**98.** Precautionary measures shall automatically become without effect if the relevant proceedings are not initiated within 15 working days from the imposition of the measure.

**99.** Precautionary measures or other measures to be imposed at the border shall be applied by the customs authorities at the time of import, export or transit of the infringing products and the materials or devices mainly used to commit the offense.

### *Chapter III* *Measures at the Border*

**100.** Owners of registered marks who have substantiated reasons for assuming that the import or export of products infringing their rights is imminent may request the customs authorities to suspend the import or export at the time of shipment. The conditions and guarantees applicable to precautionary measures shall also apply to such requests and orders.

**101.** Persons requesting the imposition of measures at the border shall furnish the customs authorities with the information necessary and a sufficiently clear description of the goods to allow them to be recognized.

**102.** After the applicable conditions and guarantees have been met, the customs authorities shall order or reject suspension and shall notify the applicant accordingly. The decision by the customs authorities shall not constitute the final judgement.

**103.** After suspension has been imposed, the customs authorities shall immediately notify the importer or exporter of the goods and the person requesting the measure accordingly.

**104.** If, within 10 working days computed from the date on which he was notified of the suspension, the person requesting the measure has not informed the customs authorities that legal proceedings for infringement have been initiated or that a judge has ordered precautionary measures to extend the suspension, the suspension shall be lifted and the goods released.

**105.** Following initiation of the legal proceedings for infringement, the person affected may request the judge to reconsider the suspension order and shall be given a hearing for this purpose. The judge may modify, annul or confirm the suspension.

**106.** In order to show cause for the extension of the suspension of the goods held by the customs authorities or to justify the infringement proceedings, the judge shall allow the owner

of the right to inspect the goods. The importer or exporter of the goods shall be given the same right. When permitting inspection, the judge may take the necessary steps to protect any confidential information, where appropriate.

**107.** When it has been proved that an offense has been committed, the name and address of the consignor, the importer or exporter and the consignee of the goods shall be notified to the plaintiff, together with the volume of goods suspended.

**108.** Products bearing false marks which have been seized by the customs authorities shall not be re-exported in the same state nor made subject to a different customs procedure.

**109.** Owners of registered marks may register the mark with the Directorate General of Customs to allow the latter to verify the legitimacy of the products to be shipped. The register of the Directorate General of Customs shall be regulated by the Executive.

**110.** After a mark has been registered with the Directorate General of Customs, the owner may ask to be notified of requests for the shipment of products bearing the registered mark not manufactured by him. The owner may also require that the shipment of such products be suspended until their legitimacy has been proved.

**111.** Registration with the Directorate General of Customs shall not be compulsory in order to exercise any of the rights under this Law.

## **Title V**

### **Industrial Property Agents**

**112.** The profession of industrial property agent is hereby recognized for matters within the competence of the Industrial Property Directorate.

**113.** Qualification as a lawyer and registration in the Register of Agents of the Industrial Property Directorate shall be required in order to exercise the profession.

**114.** Persons who are not qualified lawyers but were registered as industrial property agents prior to the enactment of this Law may continue to exercise the profession. Nevertheless, in contentious proceedings, they shall act under the supervision of a lawyer.

**115.** Powers of attorney in order to act in administrative proceedings in matters within the competence of the Industrial Property Directorate, irrespective of their place of issue, shall be registered in the register authorized for this purpose by the Industrial Property Directorate. Powers issued abroad to agents for the purpose of procedures before the Industrial Property Directorate shall not require consular legalization and certification by a notary shall suffice.

**116.** Powers issued to industrial property agents by letter, telegram, fax, telex or electronic mail shall empower them to act according to their mandates, provided that attestation of the powers is submitted within 60 working days.

**117.** All procedures before the Industrial Property Directorate shall require the participation of an industrial property agent as sponsor or attorney and the formalities established for registration applications shall also be observed insofar as they apply.



## **Title VI**

### **Fees**

**118.** The Ministry of Industry and Trade, through the Industrial Property Directorate, shall impose fees calculated on the basis of one day's minimum wages for an unskilled worker in Asunción, according to the following table:

...\*

**119.** Revenue generated by payment of the fees determined in the preceding Article and the fines prescribed in this Law shall be deposited in a special account opened at the Central Bank of Paraguay, in the name of the Ministry of Industry and Trade, and verified by the Ministry of Finance. As of the year following the enactment of this Law, the revenue shall be included in the General Budget of the State and the Industrial Property Directorate shall be responsible for programming its investment.

## **Title VII**

### **Industrial Property Directorate**

**120.** The Industrial Property Directorate, under the Ministry of Industry and Trade, shall be the competent authority for administrative matters relating to marks, and shall be governed by this Law and other relevant legal provisions or regulations issued by the Executive.

**121.** The Industrial Property Directorate shall be under the responsibility of a Director appointed by the Executive upon a proposal by the Ministry of Industry and Trade.

**122.** The Industrial Property Directorate shall publish an official bulletin containing announcements of legal acts prescribed by this Law, registrations granted and their renewals, final legal decisions and judgments concerning the revocation, cancellation or annulment of registrations. This bulletin shall only be for information purposes; it shall not imply any notification and shall be without prejudice to any other publication determined in the Regulations.

**123.** The Director of the Industrial Property Directorate shall be a Paraguayan citizen, be at least 30 years of age and a lawyer, and be of recognized moral probity. He may not carry out any additional remunerated activity other than teaching.

## **Title VIII**

### **Appeals and General Provisions**

**124.** Interlocutory or final decisions shall be subject to the following appeals:

- (a) review or reversal before the authority which took the decision; and
- (b) appeal to a higher authority.

The lodging of an appeal shall be optional for the person concerned, but an appeal may not be lodged prior to review or reversal.

**125.** Appeals for review may be made and substantiated in writing, within five working days of notification, against any decision taken by a head of section to reject an application for registration or renewal in any non-contentious procedure and the decision thereon shall not be final. If the head of section has not taken a decision within 15 working days, the persons concerned may lodge an appeal with the Director of the Industrial Property Directorate. It shall be assumed that there has been a tacit decision to reject review and the decision by the Director shall confirm or overturn the rejection.

**126.** Appeals for reversal may be made and substantiated in writing, within five working days of notification of the procedure, against any procedural decisions which do not cause irreparable damage taken by a head of section in a contentious procedure, and the decision shall be final.

**127.** Appeals may be made to the Director of the Industrial Property Directorate against decisions by heads of section. The appeal shall be lodged with the head of section within five working days of notification.

**128.** Substantiation for appeals shall be submitted to the Director of the Industrial Property Directorate within 18 working days of notification. The substantiation shall be transmitted to the other party for response within the same period.

**129.** Decisions by the Director of the Industrial Property Directorate shall exhaust administrative channels. Contentious-administrative complaints may be made to the judicial authorities within 10 working days against decisions by the Director of the Industrial Property Directorate.

**130.** If the Director of the Industrial Property Directorate has not taken a decision within 40 working days, interested parties may appeal directly through contentious-administrative channels. It shall be assumed that there has been a tacit decision to reject the plaintiff's contentious-administrative claims and the judicial decision shall confirm or overturn the tacit decision.

**131.** All the procedural time-limits laid down in this Law shall be absolute and cannot be extended. All notifications shall be in the form of an official document.

**132.** Matters relating to marks shall be deposited in the archives of the Industrial Property Directorate. If they are handed over to the courts, they shall be returned at the end of the case.

**133.** Applications for the registration or renewal of marks being processed upon the date of entry into force of this Law shall continue to be dealt with according to the previous regime, but registration and renewal granted shall be subject to the provisions of this Law.

**134.** Marks and other distinctive signs registered in accordance with the previous regime shall be governed by the provisions of this Law and the corresponding regulatory provisions, which shall apply as of the date of entry into force of the Law.

**135.** This Law shall apply to all contentious proceedings initiated subsequent to its entry into force and to all contentious proceedings that are pending, with the exception of procedures, formalities and time-limits that have been initiated, which shall be governed by the regulations in force at the time they were initiated.

**136.** The provisions of substantive and formal codes in civil and criminal matters shall be applied in suppletive form.

**137.** The Executive shall issue the Regulations for this Law.

**138.** Law No. 751/79 “Marks”, Law No. 1258 of October 13, 1987, “Amending Law No. 751/79 “Marks”, Law No. 259 of November 16, 1993, “Amending and Supplementing Article 77 of Law No. 751/79 “Marks”, Article 262, subparagraph XII, and Article 356 of Law No. 879 of December 2, 1981, “Code of the Judicial Structure”, and all other provisions contrary to this Law, are hereby repealed.

**139.** For communication to the Executive.

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\* *Spanish title:* Ley N° 1.294. — De Marcas.

*Entry into force:* October 1, 1998.

*Source:* *Gaceta Oficial de la República del Paraguay*, N° 186 (BIS), *Sección Registro Oficial*, Asunción, September 30, 1998.

*Note:* Translation by the International Bureau of WIPO.

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\* Table not reproduced here (*Editor's note*).