

**Intellectual Property Rights Toolkit
Peru**

November 2006

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i. Message from Ambassador Struble

Intellectual property is the cornerstone of economic development, especially in the digital age. Government protection of intellectual property rights (IPR) fosters creativity, provides incentives for companies to develop new and better products, attracts investment, allows artists and artisans to make a living, and increases tax revenues. Using intellectual property without paying for it or without permission is just as much stealing as shoplifting. It is a costly crime that must be consistently punished. Roughly 7% of annual global trade involves illegitimate goods – more than \$600 billion. Counterfeiting, can be anything from selling a no name shoe under the Nike name, costs U.S. businesses about \$250 billion annually. The U.S. Government is committed to improving IP protection worldwide and leads global, regional and bilateral initiatives on a range of IP issues.

Our Interagency Mission . . .

The U.S. Embassy in Lima is actively engaged in promoting IPR improvements in Peru and advocating on behalf of U.S. patent, trademark and copyright holders. The Embassy's Front Office, Foreign Commercial Service, Economic Section, Foreign Agricultural Service, and Public Affairs Section work closely with U.S. companies, the Peruvian Government, and Washington agencies to advance IP issues. In addition to monitoring the eventual implementation of the PTPA, the Embassy provides training for Peruvian IPR enforcement officials and supports efforts to increase penalties for IPR violators and to assign a judge to focus solely on IP cases.

Our IPR Action Plan . . .

Peru has made important strides on intellectual property protection: raids and seizures of pirated and counterfeit goods are up, IPR legislation is stronger, and two special prosecutors are dedicated solely to IPR crimes. Upon entry into force, the U.S.-Peru Trade Promotion Agreement's (PTPA) state-of-the art IPR chapter will further improve IPR protection in Peru in numerous ways, including by:

- ✓ Establishing new dispute resolution mechanisms;
- ✓ Requiring a transparent on-line system for the registration and maintenance of trademarks, as well as a searchable database;
- ✓ Extending terms of protection for copyrighted works;
- ✓ Ensuring that governments use only legitimate computer software;
- ✓ Restoring patent terms to compensate for delays in granting the original patent;
- ✓ Protecting test data and trade secrets from unfair commercial use for a period of 5 years for pharmaceuticals and 10 years for agricultural chemicals;
- ✓ Requiring a system to prevent the marketing of pharmaceutical products that infringe patents;
- ✓ Criminalizing end-user piracy;
- ✓ Authorizing the seizure, forfeiture, and destruction of counterfeit and pirated goods and the equipment used to produce them;

- ✓ Mandating both statutory and actual damages for copyright infringement and trademark piracy; and
- ✓ Granting U.S. suppliers non-discriminatory rights to bid on contracts from Peruvian government ministries, agencies and departments.

Our Mission IPR Priorities . . .

The most important thing you can do to protect your intellectual property in a foreign market is to be well prepared. The Intellectual Property Toolkit gives you the information you need to take the necessary steps to protect your intellectual property in Peru. I hope you will find our Toolkit helpful. It contains materials describing the scope of the IPR problem in Peru; suggestions on what U.S. companies can do to protect their IPR, and steps you should consider after an infringement comes to your attention. I wish each of you great success in your business endeavors in Peru and assure you that the Embassy stands ready to assist you in any way that we can.

Sincerely,

J. Curtis Struble
Ambassador

ii. Message From The Amcham IPR Committee President

Members of multiple sectors representing American interests in Peru have gathered in the AMCHAM's IP committee, to voice experiences, share concerns, and develop an action plan to strengthen the respect for intellectual property in the country. Despite some efforts from the national authorities, different types of violations of IP rights are seen in the entertainment, pharmaceutical and software industry. These violations range from the widespread existence of piracy, to counterfeiting; from lack of patent granting to lack of mechanisms to enforce the existing regulation, among others.

Our team charter...

Our mission is to develop a shared agenda with all the country stakeholders interested in the development and respect of IP in Peru, focused on understanding the most important barriers and developing an efficacious action plan.

Our IPR action plan...

Our action plan is comprised of activities intended to increase awareness of the current status in the country and the benefits of respecting IP. These activities are mainly informational sessions catered to government officials, administrative authorities and the lay public.

Our yearly AMCHAM IP symposium...

Every year, the AMCHAM IPR committee organizes a major symposium involving important national authorities, the Switzerland and U.S. Ambassadors, important administrative officials and selected members of the Peruvian business sector. The symposium has a plenary and two workshops (one led by the software industry and one by the pharmaceutical industry).

Final remarks...

Peru poises interesting opportunities for companies willing to commit efforts and investment to the market. Challenges are not minor but the sum of the efforts of the Peruvian leaders who see IP as a milestone for the development of the country, the U.S. Embassy and the private sector is yielding improvements that encourage us about the prospects of the country.

Sincerely,

Gustavo Pesquin

Chapter One: Protecting your Intellectual Property Rights (IPR) in Peru

This section includes:

- Peru's Current IPR Environment
- The Best Protection is Prevention
- Peru's Enforcement System
- What the U.S. Government Can Do in IPR Infringement Cases

Peru's Current IPR Environment

While Peru has signaled its commitment in recent years to stronger IPR protection (i.e. by strengthening its legal framework), it still falters in the enforcement of these obligations. In many industries, piracy and counterfeiting of products approaches levels greater than 90%. This widespread piracy in areas such as digital duplication, illegal copying, and the manufacturer of fake goods has all but forced out many legitimate businesses. U.S. exporters lose millions of dollars annually to this piracy. For example, U.S. industries protected by copyrights suffered trade losses of greater than \$95 million in 2005 in Peru alone.

Factors that enable this wide-spread infringement and undermine enforcement measures include: limited resources and training of customs, police, and INDECOPI officials, limited public awareness as to the economic and social damages caused by IPR infringement, corruption among customs and police, and Peru's heavily burdened judiciary.

The Best Protection is Prevention

As noted, Peru has ratified many international conventions (including the WIPO, Paris, and WTO conventions), and has passed many laws (including the 1996 Copyright Law, the Industrial Property Law, and the Andean Community Decision 486). To seek protection under these laws, a company must register certain aspects (patents, and trademarks) of its intellectual property with Peru's Intellectual Property Office (INDECOPI). Furthermore, while not required, INDECOPI suggests that one register one's copyrights with their office in order to assist in potential enforcement actions. A brief summary of this toolkit's chapters on Peru's copyright, patent, trademark, and trade secrets laws follows. For more information, it is recommended that you review the relevant chapters of this toolkit section with your legal counsel.

Copyrights: Peruvian law does not require an author to register to obtain the right to copyright protection in Peru. Instead, one receives this right of protection upon creation of their work.¹ Unlike patents and trademarks, this protection only covers the *form of expression* of the ideas, rather than the *ideas* themselves. Peruvian Legislative Degree 822 and the Andean Community Decision 351 give the Office of Rights of the Author (*La Oficina de Derechos de Autor*) at INDECOPI the responsibility to protect these

¹ There is an optional registration process. See Registration Process.

creations. Unfortunately, this office has done little to enforce these rights and the practice of piracy runs rampant throughout Peru. This piracy has saturated the market with cheap music, DVDs, books, and software, and has all but forced out legitimate sellers of these materials.

Patents: The first instances of registration and protection of inventions in Peru came during the Spanish colonial government. After its independence, Peru passed its first formal law in 1869. This law has been updated many times since with its most recent modifications coming with the passage of the Legislative Decree 823- Industrial Property Law in 1996 and the Andean Community Decision 486 in 2000. To comply with the U.S.-Peru Trade Promotion Agreement (USPTPA), Peru will need to further modify its patent protection, by ratifying or acceding to the Patent Cooperation Treaty of 1970. Peru is also required to make a reasonable effort to pass the Patent Law Treaty of 2000. Like most countries including those of the European Union, Peru follows a first-to-file system for patents, which means patents are granted to those that file first even if the filers are not the original inventors. This system is unlike the United States' unique system, which recognizes the "first to invent" rule. In Peru, the Office of Inventions and New Technologies (*la Oficina de Invencciones y Nuevas Tecnologías*) governs the patent application process and protection of these patents against infringement. Its mixed enforcement powers allow it to cease infringements and destroy infringing goods, but not the ability to levy indemnification fines upon the guilty party. Most patent infringement cases in Peru occur in the pharmaceutical industry.

Trademarks: Spain's colonial occupation of Peru brought with it the idea of private property. The first law specific to trademarks came in 1892 with the Law of Trademarks. This law has been updated many times since, with its most recent modifications coming with the passage of the Legislative Decree 823- Industrial Property Law in 1996 and the Andean Community Decision 486 in 2000. To comply with the U.S.-Peru Trade Promotion Agreement (USPTPA), Peru will need to further modify its trademark protection, by ratifying or acceding to the Trademark Law Treaty of 1994. Peru is also required to make a reasonable effort to pass the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of 1989. Peru has a "first-to file" system that requires no evidence of prior use or ownership, leaving registration of popular foreign marks open to third parties. U.S. firms seeking to distribute their products in Peru are advised to register their marks and/or logos with the Office of Distinct Signs (*la Oficina de Signos Distintivos*) at INDECOPI. This office controls the registration process as well as opposition, cancellation, nullification, and protection of trademarks. The office is regulated by the Industrial Property Law 823, the Andean Community Decision 486, the Paris Convention for the Protection of Intellectual Property, and the Law concerning the functions of INDECOPI.

Trade Secrets and Unfair Competition: An agency of INDECOPI's Office of Inventions and New Technologies, the Commission on Unfair Competition (*la Comisión de Competencia Desleal*), provides for the protection against illegal disclosure, acquisition, or use of a firm's trade secrets. To be protected the information must not be common knowledge within industry circles and must have some commercial value. The

firm must also have taken previous steps to prevent any illegal information disclosure. Finally, the firm should decide whether their trade secret is patentable and if so, whether undertaking the patent process makes sense for this secret. Distinct advantages of trade secret protection include: no registration costs, no disclosure requirements to government agencies, no limits on time, and no delays in implementation (i.e. it takes immediate effect.)

Peru's IPR Enforcement System

In 1992, Peru passed Law No. 26017 or the General Law of Industrial Property. This law expanded the scope of intellectual property control and created the new organization called INDECOPI. This law also divided responsibilities within this new organization by creating the Office of Distinct Signs (for trademark protection), the Office of Inventions and New Technologies (for patent protection), and the Court for the Defense of Competition and Intellectual property (appeals court). Along with the Office of the Rights of the Author (for copyright protection), these offices govern the administrative enforcement of intellectual property infringement cases.

When a company believes infringement of their intellectual property rights is occurring, they can first seek an administrative response from INDECOPI. According to Peru's laws, INDECOPI will investigate the claim, temporarily stop the production and/or sale of the good, and determine appropriate administrative and/or indemnification fines if infringement has occurred. Unfortunately, INDECOPI has struggled with the effectiveness of its enforcement and piracy exists across many sectors of the Peruvian economy. If a company receives a favorable administrative ruling, they may seek damages within the Peruvian judiciary system. Often the judiciary fails to deliver any deterrent sentences upon the infringing parties.

Administrative Enforcement

The National Institute for the Defense of Competition and Intellectual Property (known by its Spanish language acronym INDECOPI) has the power to investigate claims of infringement, fine the infringer, and seize and destroy infringing products and equipment used in their manufacture. In many cases, INDECOPI cannot award compensatory damages to the rights holder. Instead, INDECOPI levies fines in order to deter future infringement and to pay for its organization's costs. INDECOPI is divided into four offices, the Office of the Rights of the Author (Copyright Office), the Office of Inventions and New Technologies (Patent Office), the Office of Distinct Signs (Trademark Office), and the Intellectual Property Court.

These offices can be reached at

INDECOPI

Calle de la Prosa 138
San Borja,
Lima, Peru

Tel: (51) 1-224-7800, (51) 1-224-7777
Fax: (51) 1-224-0348
Websites: <http://www.indecopi.gob.pe>

What the U.S. Government Can Do in IPR Infringement Cases

Because intellectual property rights are private rights, the U.S. government can only provide limited direct assistance. While the U.S. government can provide companies with information in navigating Peru's legal system, it cannot provide legal advice or advocate on a company's behalf during infringement proceedings. Hiring local counsel will allow the company legal means with which to protect its intellectual property rights before and after infringement occurs.

If the company has determined that infringement is occurring, they may decide to initiate action within INDECOPI's administrative track. If requested, the U.S. government will monitor the case. The Department of Commerce also maintains a database of IPR disputes that U.S. companies bring to our attention. The U.S. government cannot intervene in these cases. However, we can inquire about their status or contact government officials about concerns related to the legal remedies to IPR holders in general. As with other types of commercial disputes, the U.S. government's efforts in assisting with IPR disputes are aimed at achieving a fair and timely resolution in accordance with international commitments and Peruvian laws, and in advancing adequate legal and judicial protection for all parties.

To report an IPR related trade complaint, or get more information, call 1-866-999-4258. In addition, the Department of Commerce's Trade Compliance Center (TCC) actively monitors and tracks trade barrier complaints filed by U.S. companies. The TCC also maintains a trade barrier toolkit on its website, which provides comprehensive advice on dealing with trade problems. Companies seeking to file a trade barrier complaint with the TCC may do so at the [TCC website](#).

We strongly emphasize that the information provided above by no means constitutes legal advice and should not be a substitute for advice of counsel. Its intended purpose is to provide an overview of Peru's IPR environment, available enforcement mechanisms, and Peruvian government offices sharing jurisdiction over IPR protection and enforcement. We recommend that U.S. companies seeking to do business in Peru or facing IPR infringement issues retain qualified U.S. and/or Peruvian legal counsel and pursue their rights through Peru's IPR enforcement regime.

Chapter 2: Industry Specific Issues

Books

Piracy of books remains a problem in Peru. Organized operations photocopy these copyrighted works (fiction, non fiction, text books, and trade books) and illegally distribute them at a fraction of the original price. This distribution occurs at newspaper stands, book fairs, and on street corners often within blocks of Peruvian government buildings or university campuses. Like other forms of piracy, book piracy has damaged the legitimate efforts of the local book industry. According to the IIPA, this piracy amounted to a trade loss of \$9 million in 2005. Peru has recently enacted legislation (Law No. 28086) to curb this piracy, improve access, and to promote the value of the legitimate book industry. This law also created another organization (el *Consejo Nacional de Democratización del Libro y de Fomento de la Lectura or PROMOLIBRO*) to aid in the improvement of the book industry within Peru.

Clothing

Unfortunately, trademark infringement in the clothing industry still persists in Peru. Large black markets and distribution centers and independent shops continue to sell large volumes of counterfeit clothing. These stores sell a wide variety of counterfeit goods ranging from jeans, pants, shirts, socks, undergarments, shoes, suits, and ties. Like other areas, INDECOPI often raids these distribution centers and seizes the goods. Often, instead of destroying the goods, INDECOPI attempts to remove the infringing trademark and donate the good to charity. In an extreme case, INDECOPI seized 500,000 pairs of jeans infringing Levi Strauss's trademark. It continues to store these jeans, as it has been unable to ensure that these jeans will reenter the economy. Besides counterfeit products, copyright holders often face challenges to their mark from applicants that seek to register similar trademarks. When successful, these applications dilute the value of the trademark.

Food and Beverages

Trademark infringement also occurs within the food and beverage industry. This infringement occurs by deliberate counterfeiting, registering in bad faith, and manufacturing an extremely close imitation. Counterfeiting often occurs with beverages such as Coca-Cola and Pepsi Cola. Infringers manufacture a product similar in appearance, inferior in quality, and cheaper in price. Registration in bad faith occurs when the applicant attempts to register a trademark similar to a well-known mark of a food and beverage industry company. For example, applicants frequently attempt to register trademarks that vary only slightly from beverage trademarks of Coca Cola and Red Bull's trademarks. Because these bad faith registrations are generally denied, the infringer may decide to not attempt this registration. Instead the infringer will simply manufacture extremely close imitations of well-known marks. These imitations, like Coa Colo and Coco Cola instead of Coca Cola, often create confusion for the customer and dilute the value of the trademark.

Movies (Motion Pictures Industry)

Like other copyright protected goods, piracy within the motion pictures sector continues to increase to an estimated 75% of the market. Pirated optical discs and DVDs of movies, concerts, and television shows are widely available throughout Peru. Cable TV piracy also persists in cities outside of Lima. These counterfeit products are distributed in both formal and informal street markets, newspaper stands, on street corners, home delivery, through rental stores, and through large black market distribution centers. One can find thousands of illegally copied or produced DVDs in each of these large distribution centers. Often these DVDs consist of poorly made, pre-theatrical release pirated products. In 2005, INDECOPI and Peru's Tax and Customs Authority (SUNAT) conducted more than 60 raids on these large-scale distribution centers. These raids have not deterred these distribution centers as all of these centers continue to distribute pirated products. According to Jose Vega, General Manager of Blockbuster Peru, the motion picture industry lost \$5 million dollars in 2005 to this movie piracy.

Music

Piracy within the music industry severely dwarfs all legitimate activity and increased to 98% in 2005. This piracy has saturated the market with cheap cassettes, cds, and cd-rs, selling for around \$2 each. Like the motion picture industry, these counterfeit products are distributed in a variety of channels including formal and informal street markets, newspaper stands, on street corners, home delivery, and through large black market distribution centers. This piracy has resulted in a collapse of the legitimate recording industry. For example, in 2004 Sony Music and Warner Music closed operations in Peru. SUNAT estimates that ten blank cd-rs are legally imported for every single cd sold. INDECOPI estimates that only 10% of these imports were used for legal purposes. Besides these legitimate imports, millions of blank cd-rs are smuggled into the country through Tacna in Chile for the production of pirated cds. In 2005, the local recording industry and INDECOPI seized 2 million cd-rs and 500,000 blank cd-rs. These raids have had little impact on piracy as the seized product is quickly replaced and deterrent punishment of the venders has been non-existent. Estimates suggest that approximately 20 million pirated cd-rs are sold in Peru every year.

Pharmaceuticals

The pharmaceutical sector faces two intellectual property infringement issues in Peru. First, both Peruvian and foreign pharmaceutical firms introduce generic versions of pharmaceuticals still protected under patents in Peru. Hospitals, pharmacies, and doctor's offices often purchase these substitutes, costing the actual patent holder thousands of dollars. While these patent holders may use INDECOPI's administrative process to protect their patents, the process often costs them both in time and lost sales. Besides the introduction of generic substitutes, frequently unscrupulous companies introduce counterfeit versions of the original pharmaceutical. These fake medicines are produced and packaged to look like the original pharmaceutical. For example, the counterfeiters

often stamp each tablet with the original company's brand and package them in blister packs. Despite their similar appearance however, they often are made with incorrect ingredients, and no or insufficient active ingredients under unsanitary conditions. Obviously, these faulty products both dilute the company's trademarks and worse cause severe harm to the consumers' health. In 2005, the Peruvian police attempted to constrain the sale of these pharmaceuticals through 54 raids and seizures. One raid in 2005 produced four tons of counterfeit pharmaceuticals after many epileptic and diabetic patients were hospitalized after taking medicine that contained feces and dangerous bacteria.

Software

Piracy within the software sector has targeted both the business and entertainment segments. Many small and medium sized organizations illegally duplicate business software for use within their organizations. Other times, individuals or organizations purchase illegal copies of business software at semi-organized bazaars. Vendors sell illegal entertainment software in the same channels as other pirated copyright goods. Actions within Peruvian government's procurement of software have also negatively impacted their overall attempts at curbing piracy within the Peruvian business software industry. In 2003, the Peruvian government published the Government Software Legalization Degree, which stated that all public entities must use legal software. It set a deadline of March 31, 2005 for its agencies to provide an inventory of their software and to erase all infringing software. Unfortunately, in May 2005, it postponed the enforcement of these agency obligations until December 2006. In 2005, estimated piracy levels of business software were 73% and trade losses due to this piracy were \$40 million.

Chapter 3: Copyrights

This section covers:

- Introduction
- Historical Legislation
- Domestic Legislation and Treaties
- What is protected?
- What is not protected?
- Registration Process
- Market Entry Planning
- Enforcement Approaches- How to Address Infringement?
- Types of Actions Against Infringers
- Peruvian Customs
- Other Sources of Information

Introduction

A work is protected upon creation. Unlike patents or trademarks, Peruvian law does not require registration to obtain copyright protection.² Legislative Degree 822 and the Andean Community Decision 351 give the Office of Rights of the Author (*La Oficina de Derechos de Autor*) at INDECOPI the responsibility to protect these creations. Rampant piracy has all but eliminated the market for legitimate vendors of music, movies, and software.

For additional information, please see the [Ask the Experts](#) section below.

Domestic Legislation and Treaties

[Legislative Decree 822](#)- Copyright Law (*Decreto Legislativo 822- Ley Sobre El Derecho de Autor*)

[Andean Community Decision 351](#)- Common Provisions on Copyright and Neighboring Rights (*El Régimen Común sobre Derecho de Autor y Derechos Conexos 351*)

[Law No. 28086](#): Law of the Democratization of the Book and the Development of Reading

[Law No. 28289](#): Amendments to Articles 217, 218, and 219 of the Criminal Code

[Law No. 28571](#): Amendments to Articles 188 and 189 of Legislative Degree 822 (*Ley Que Modifica Los Artículos 188º Y 189º Del Decreto Legislativo N° 822*)

[Government Software Legalization Decree](#)- (*Decreto Supremo No. 013-2003-PCM*)

Peru is a member and/or has ratified the following agreements:

- [Berne Convention for the Protection of Literary and Artistic Works](#) (Since 1988)
- [Brussels Convention Relating to the Distribution of Program-Carrying Signals Transmitted by Satellite](#) (Since 1985)

² There is an optional registration process. See Registration Process.

- [Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms](#) (Since 1985)
- [Rome Convention for the Protection of Performers, Producers, of Phonograms and Broadcasting Organizations.](#) (Since 1985)
- [WIPO Copyright Treaty \(WCT\)](#) (Since 2002)
- [WIPO Performances and Phonograms Treaty \(WPPT\)](#) (Since 2002)

What is Protected?

Copyright protection covers:

- Written and Oral works
- Musical, dramatic, choreographed, and cinematographic works
- Fine Art (including drawings, paintings, sculptures, engravings, and lithographs)
- Architecture
- Photography
- Applied Art
- Illustrations, maps, sketches, plans, diagrams and three-dimensional works
- Computer software
- Anthologies or compilations of assorted works

What is not Protected?

Protection does not extend to:

- Ideas
- Methods of operation and mathematical concepts
- Procedures
- Official texts like laws, jurisprudence, and official translations

Copyright holders maintain both moral and economic rights. Moral rights last indefinitely. In most cases, economic rights last for the life of the author plus 70 years. For collective works, computer programs, and audio-visual works protection lasts for 70 years after publication.

Economic rights include the right to perform, authorize, or prohibit:

- The reproduction,
- Communication to the public,
- Distribution,
- Importation, and
- Translation, adaptation, arrangement, or other transformation of their work.

Source: Andean Community Decision 351 and Legislative Decree No. 822

Registration Process³

Although not required for protection, an author may register their work with INDECOPI. This registration allows the applicant to right to publicity and proof of priority of their copyright. Registration might assist in any subsequent enforcement proceedings.

Step 1: Obtain Legal Counsel

Before registering a work, one should obtain qualified legal counsel in Peru. Registrations include complicated aspects including: making a search to ensure that the copyright has not previously been registered understanding application materials including legal jargon, corresponding with INDECOPI, making any necessary amendments to the original application, monitoring applications by third parties, and monitoring the sector for possible infringements.

Step 2: Determine Whether the Copyright is Eligible for Registration

An intellectual property agent will help one understand if their work is eligible for copyright registration. For further information, see “Coverage...” for what is eligible for protection. Also, before filing copyright application, it is advisable that one conduct a copyright search (Búsqueda de Antecedentes Fonéticos) to determine if their copyright or a close variation has been registered.

Step 3: Prepare the Required Paperwork

This application include details such as:

- The name, address, telephone number, national identity number, and the nationality of the author
- The name, address, telephone number, and the national identity number of the legal representative
- Title of the work
- Example of the work.

Step 4: Submit the Application

In Peru, the Office of the Rights of the Author (hereafter known as the Copyright Office) grants the registration of copyrights in Peru. To officially begin the copyright registration process, the applicant must pay 5% of the UIT at the offices of INDECOPI.⁴ After paying the application fee, the applicant presents an official application to INDECOPI.

³ This process applies to the registration of literary, scientific, and technical works. The registration for other types of works may vary. With this in mind, many companies retain qualified legal counsel to apply to protect their copyrighted material.

⁴ In 2006, the UIT is 3400 Nuevos Soles (NS).

Step 5: Review by the Office of the Rights of the Author

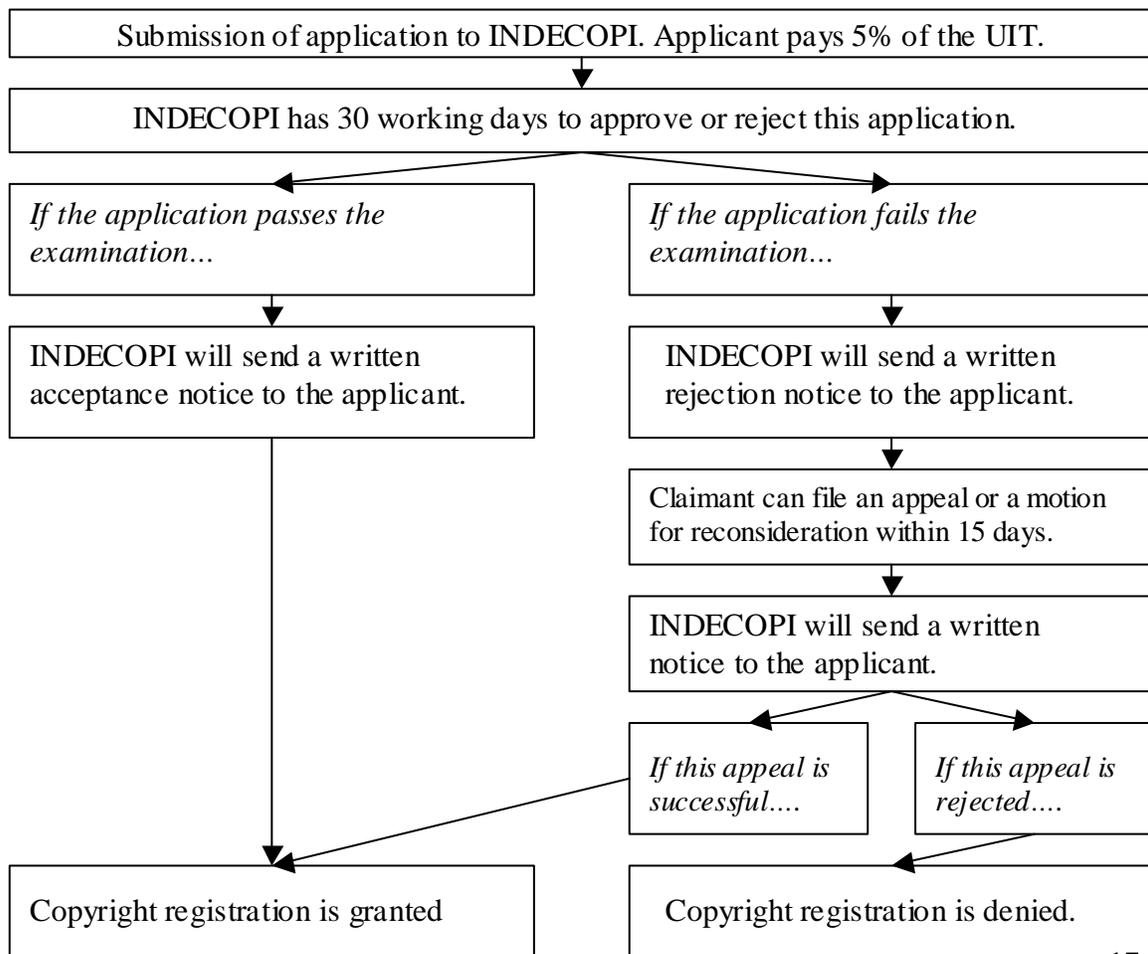
Following this submission, the Copyright Office will undertake a preliminary review of the application materials. Fifteen working days after paying the application fee and submitting the document, the applicant will receive either an approval or rejection of their application.

Step 6: After the Notification of Resolution

If an applicant's copyright application is unsuccessful, they file a Motion for Reconsideration (*Recurso de reconsideración*) or a Motion for Appeal (*Recurso de Apelación y/o Adhesión*) at the Head of the Copyright Office. The Motion for Reconsideration costs 9% of the UIT and must be filed within 15 days of the official notification of the decision. The appeal, costing 14.00% of the UIT, must be filed with the Copyright Office within 15 working days. This appeal will be heard by INDECOPI's Intellectual Property Court (*La Sala de Propiedad Intelectual del Tribunal*).

Source: Andean Community Decision 486, Article 147; Law Decree 822

Copyright Registration Process in Peru



Market Entry Planning

In recent years, Peru has adopted legislation (Legislative Degree 822, Government Software Legislation Decree), created commissions (High Level Multi-Sector Commission against Contraband and Piracy), and signed treaties (WCT, WPPT, USPTPA) all in part designed to better protect copyrights in Peru. Unfortunately, despite this stronger statutory protection and due to a lack of enforcement, Peru continues to face a severe piracy problem. According to the International Intellectual Property Alliance, total piracy losses for the music, software, motion picture, and publishing industry topped \$98 million in 2005. In Peru, one can easily find cheap pirated material including music cds, DVDs, business and entertainment software, and books in Peruvian shops, formal markets, newspaper stands, private businesses, and government agencies.

Before entering the Peruvian market, a company should conduct an audit of their intellectual property. In this audit, the company will gather internal company materials such as business plans, publications, strategies, and technical publications. This audit will assist the company in the developing their copyright strategy as well as their international intellectual property strategy.

A company should also research the legal and regulatory environment well in advance of their market entry of Peru. During this research, the firm can uncover any discrepancies between the stated laws and the actual enforcement of these laws in Peru. It may also uncover potential products that will likely infringe upon the copyrights. Trade associations, industry groups, lawyers, security experts, and other companies can help one in uncovering the real market from the theoretical. Moreover, the company should be aware of how Peru's intellectual property statutes differ from the United States'.

Ultimately, a company should take a protective and preventive stance to prevent any unauthorized use of their intellectual property. Use every legal means available to prevent the possibility of copyright infringement before it happens. To protect their copyright once an infringement occurs, the company will have to invest considerable resources such as time and money to address the infringement through INDECOPI's lengthy administrative process and the overwhelmed Peruvian court system.

Enforcement Approaches- How to Address Infringement?

Under the Peruvian legal system, a copyright holder may chose among administrative, civil and criminal actions to enforce their intellectual property rights and may also request Peruvian customs to takes measures against an infringing party. Most cases of copyright infringement are settled through the administrative channels offered by the Copyright Office (Office of the Right of the Author) within INDECOPI. Moreover, unlike in patent and trademark administrative actions, the Copyright Office may also force the infringing party to pay compensation to the copyright holder. When administrative channels have been exhausted, the copyright holder may also bring an

action for claims or damages before the civil courts and may also request that the Public Prosecutor's Office institute criminal proceedings.

Administrative Actions

INDECOPI offers several administrative options for copyright holders who suspect infringement of their goods. These options include: an infringement action (*denuncia*), a nullification action (*procedimiento de nulidad*), an inspective visit (*visita inspectiva*), a restraining order (*medida cautelar*), and mediation action (*solicitud de mediación*) with the Copyright Office.

Through these actions, the copyright holder may request that INDECOPI:

- Undertake inspections of locations where infringement may be occurring
- Force an immediate suspension of the alleged activity and cease the production and sale of all potentially infringing goods
- Destroy all infringing goods and materials used in their manufacture
- Fine the infringers found guilty within the Copyright Office's administrative process
- Order the guilty party to agree not to export or import further infringing goods and order the guilty party to compensate the copyright owner for damages (*derechos devengados*)

Depending upon the type of action requested, these motions cost between 5-10% of the UIT. These motions should also include relevant details such as:

- The identification number of the copyright holder and their attorney
- A description of the copyright being infringed upon
- A description of the alleged infringement including details such as the infringing party's name, business identification number, business name, business address, location and methods of the infringing activity, and all other relevant details.

After conducting an investigation, the Copyright Office will rule on the merit of the motions by issuing a notification, and if necessary enact these motions within 30 business days. Either party involved has the right to appeal the Copyright Office's decision. This appeal must be filed with INDECOPI's Intellectual Property Court within 5 days of this notification and costs 14% of the UIT.

Despite these clearly defined administrative procedures, INDECOPI often fails to act effectively against infringers, especially the large-scale infringers at markets, like Polvos Azules, El Hueco, and Polvos Rosados. Merchants at these establishments often fight the police and INDECOPI's attempts at entering the premises where the infringement is occurring. Bribes and payoffs often give the merchants advanced warning of these raids. When goods are successfully seized, the merchants simply replace their inventory and carry on with business as usual.

If the Copyright office rules infringement has occurred, it may levy a fine (*multa*) up to 150 UIT upon the infringing party. The severity of this fine depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, previous history of the defendant, and the general precedent of previous fines. INDECOPI uses these fines as a means to dissuade future infractions from the infringing party and unrelated third parties.

Unlike patent and trademark denouncements, the Copyright Office may also force the infringing party to pay compensation (*derechos devengados*) to the copyright holder. According to the 1996 Copyright Law (Article 217), these compensatory damages must exceed the value of comparable and legitimate copyrighted products. Unfortunately, INDECOPI often levies these compensatory fines at a rate considerably less than this amount. For example, in the case of software infringement, the Copyright Office often assesses the compensatory damages at 20% of the legitimate value of the software, instead of the full value. It justifies these damages based upon an interpretation of historical book publishing net profits. Finally, despite the ability to determine these fines, INDECOPI lacks the ability to enforce these fines and to collect these compensatory damages once levied. This inability often forces the copyright holder to seek damages in the burdened Peruvian court system.

Legal Action

If a copyright holder receives a favorable ruling in their motions, they may choose to bring forth further legal action in the Peruvian court system. If found guilty within the legal system, Peruvian criminal law allows the judiciary to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages) upon the infringer. The judiciary bases these fines upon the seriousness, and frequency of the infringing action. Unfortunately, the judiciary always suspends the imprisonment sentences of guilty infringers. Currently, no copyright infringers have served any jail time. The guilty party must also agree not to work in the same field that the infringement occurred for one year after they finish their incarceration.

Source: Legislative Degree 822, Law 28289

Peruvian Customs

When copyright holders have suspicions of possible infringement, they may present the Peruvian customs authority (SUNAT) with detailed information as to the alleged infringement. If the customs authority agrees with their suspicions, the copyright holder may request that Peruvian customs prevent any further importation or exportation of the alleged counterfeit good. The customs authority will then allow the copyright holders the opportunity to participate in the inspection of the alleged counterfeit goods. The original importer or exporter of the goods shall be given the same opportunity. While Peruvian customs has 48 hours to enforce this inspection, frequently they will wait until the importers of the suspect container pay the customs duties. In many cases, the importer will simply not claim the suspect container, nor pay for its customs clearance. Thus the

containers sit in Peruvian customs indefinitely without the copyright holder nor the Copyright Office being able to determine the legitimacy of the suspect goods.

If a customs inspection is realized, the customs authority may still rule against the copyright holder's motions. In this case, the customs authority orders a temporary suspension and then notifies both parties of its decision. The copyright holder has 10 business days to dispute this ruling through an initiation of infringement proceedings. If the copyright holder fails to act, this temporary suspension shall be lifted and the goods will be released.

Source: Andean Community Decision 486: Articles 250, 251, 252, 253, 254.

Other Sources of Information

Ask the Experts

***Disclaimer:** Inclusion of material in this IPR Toolkit does not constitute legal advice and is not a substitute for advice of legal counsel and is subject to change according to the laws of Peru. The United States Government will strive to update and improve this IPR Toolkit as information becomes available and as U.S. government resources allow. Additionally, the U.S. Government, the U.S. Department of Commerce, its employees, and its contractors, assume no legal liability for the accuracy or, completeness, or usefulness of any information, resource, or process contained disclosed herein.*

***Links to External Web Sites:** Links to web sites outside the U.S. Federal Government or the use of trade, firm, or corporation names within the U.S. Department of Commerce web sites are provided for the convenience of the user. Such links or use does not constitute an official endorsement or approval by the U.S. Government of any private sector web site, product, or service.*

General Intellectual Property Links

[Andean Community Section on Intellectual Property \(Spanish\)](#)

[Andean Community Decision 351](#)

[Business Software Alliance Peru](#)

[International Intellectual Property Alliance \(IIPA\)](#)

[WIPO Intellectual Property Handbook: Policy, Law and Use](#)

[Special Commission against Counterfeiting and Piracy \(Comisión de Lucha contra la Falsificación y la Piratería\)](#)

INDECOPI Forms and Documents

[Application for the Registration of Audiovisual Works and Moving Images](#)

[Application for the Registration of Software and Databases](#)

[Application for the Registration of Literary Works](#)

[Application for the Registration of Artistic Works and Applied Art](#)

[Application for the Registration of Phonograms](#)
[Application for the Registration of Acts and Collective Managing Partnership Contracts](#)
[Application for the Registration of Catalogs, Albums, Albums, Collections and Similar Works](#)
[Application for the Modification of a Registration](#)
[Application for the Registration of Artistic Interpretations](#)
[Application for the Registration of Authors, Editors, and Producers](#)
[Application for the Registration of Licenses, Contracts to Cease Rights or Transfer Patrimonial Rights](#)
[Paper to Withdraw Rights](#)

Legislation

[Peruvian IP Legislation](#)

Recent Cases Involving U.S. Copyright Holders

[Marvel Characters Inc. vs. Fox International S.A.C.](#)
[Disney Enterprises Inc. vs. Fox International S.A.C.](#)
[Lost International, LLC vs. Lidia Marchena Cabada](#)
[Microsoft Corporation vs. Asociación Educativa Centro Universal de Informática-CUINF](#)
[Time Warner Entertainment Company, LP and Others Vs. Rosario Del Pilar and Others](#)

Frequently Asked Questions

Q: Does a U.S. copyright holder receive copyright protection within Peru?

A: Peru and the U.S. have both signed various international copyright treaties and have pledged to protect copyrights within their territories. These copyrights begin at the creation of the work. Peru also has an optional registration process that may aid a copyright holder in any subsequent enforcement actions.

Q: How long does copyright protection last in Peru?

A: Copyright protection lasts 70 years in the case of collective authors or the life of the author plus 70 years in the case of an individual author.

Q: Where should a copyright holder file a complaint alleging copyright infringement?

A: Once a company suspects infringement, they should file an infringement action with INDECOPI. After receiving a successful judgment from INDECOPI, they may then seek damages within the Peruvian judiciary.

Q: What administrative remedies may be imposed against the infringer?

A: INDECOPI may levy a fine (*multa*) up to 150 UIT upon the infringing party. The severity of this fine depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, previous history of the defendant, and the general

precedent of previous fines. INDECOPI uses these fines as a means to dissuade future infractions from the infringing party and unrelated third parties. These fines rarely surpass 10 UIT. In the case of copyrights, INDECOPI may order that the infringer pay compensatory damages to the copyright holder. INDECOPI may also cease and destroy any infringing products and the equipment used in their manufacture.

Q: What are the minimum and maximum criminal punishments?

A: If found guilty within the legal system, Peruvian criminal law allows the judiciary to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages) upon the infringer. The judiciary bases these fines upon the seriousness, and frequency of the infringing action. Unfortunately, the judiciary always suspends the imprisonment sentences of guilty infringers. Currently, no copyright infringers have served any jail time. The guilty party must also agree not to work in the same field that the infringement occurred for one year after they finish their incarceration.

Chapter 4: Trademarks

This section covers:

- Introduction
- Historical Legislation
- Domestic Legislation and Treaties
- Coverage- What Can be Registered Under Peruvian Trademark Law?
- Coverage- What Cannot Be Registered Under Peruvian Trademark Law?
- Trademark Registration Process
- Market Entry Planning
- Enforcement Approaches- How to address Infringement?
- Types of Actions Against Infringers
 - Administrative Action
 - Legal Action
- Peruvian Customs
- Anti-Counterfeiting Campaigns
- Other Sources of Information

Introduction

Peru has a "first-to file" system that requires no evidence of prior use or ownership, leaving registration of popular foreign marks open to third parties. U.S. firms seeking to distribute their products in Peru are advised to register their marks, logos, and/or translations with the Office of Distinct Signs (*la Oficina de Signos Distintivos*) at INDECOPI. . Many companies register Spanish language translations and Internet domains [Question: are domain names registrable as trademarks in Peru? In the U.S., a domain name would also have to function as a trademark to be registered.] Related to the trademark with this office as an extra precaution. The Office of Distinct Signs controls the registration process as well as opposition, cancellation, nullification, and protection of trademarks. The office is regulated by the Industrial Property Law 823, the Andean Community Decision 486, the Paris Convention for the Protection of Intellectual Property, and the Law concerning the functions of INDECOPI.

For additional information, please see the [Ask the Experts](#) section below.

Historical Legislation

Spain's colonial occupation of Peru brought with it the idea of private property, and the protection of this property with marks through branding. For example, when necessary sheep, horses, llamas, and pigs were all branded. The first law specific to trademarks came in 1892 with the Law of Trademarks. Under this law, trademark holders could register a variety of distinct signs and symbols including names, emblems, and drawings. While the original registration lasted for only 10 years, the trademark holder could renew the protection indefinitely. This law also established fines (between 25-500 soles) and jail sentences (between 40 days and 6 months) for trademark infractions.

Peru's original trademark law was modified in 1959 with the passage of the Industrial Promotion Law No. 13270 (*Ley de Promoción Industrial No 13270*). This new law created the Industrial Register and the Industrial Newspaper. It also began to protect company slogans, and set forth rules regarding the combat of unfair competition and false origins.

It has been updated many times since with its most recent modifications coming with the passage of the Legislative Decree 823- Industrial Property Law in 1996 and the Andean Community Decision 486 in 2000. To comply with the U.S.-Peru Trade Promotion Agreement, (USPTPA), Peru will further need to further modify its trademark protection, by ratifying or acceding to the Trademark Law Treaty of 1994. Peru is also required to make a reasonable effort to pass the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of 1989.

Domestic Legislation and Treaties

[Legislative Decree 823- Industrial Property Law](#) (*Decreto Legislativo 823- ley de propiedad industrial*) (April 1996)

[Andean Community Decision 291-Common Treatment of Foreign Capital and Trademarks, Patents, Licenses, y Privileges](#) (*Decisión 291- Régimen Común de Tratamiento a los Capitales Extranjeros y sobre Marcas, Patentes, Licencias y Regalías.*) (March 1991)

Andean Community Decision 351

[Andean Community Decision 486- Common Regimen Concerning Industrial Property](#) (*Decisión 486- Régimen Común sobre Propiedad Industrial*).

Peru is a member of the following trademark related treaties:

- [Paris Convention For the Protection of Intellectual Property](#)
- [Trade Related Aspects of Intellectual Property \(TRIPS\)](#)
- [World Intellectual Property Organization Convention](#)

Peru is not part of the following trademark related treaties:

- [Madrid Agreement Concerning the International Registration of Marks](#)
- [Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks](#)
- [Trademark Law Treaty](#)
- [Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks](#)
- [Singapore Treaty on the Law of Trademarks](#)

While Peru is not a formal signatory to the Nice Agreement, its membership in the Andean Community requires it to recognize and follow the Nice Agreement principles concerning the classification of trademarks. With the passage of the USPTPA, Peru has also agreed to ratify or accede to the Trademark Law Treaty by January 1, 2008. Also,

due to this treaty, Peru has agreed to make all reasonable efforts to ratify or accede to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

Coverage- What Can be Registered Under Peruvian Trademark Law?

According to Andean Community Decision 486, a trademark can cover the following:

- Words or a combination of words;
- Pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels, and emblems;
- Sounds and smells;
- Letters and numbers;
- A color demarcated to give it a specific shape, or a combination of colors;
- The shape of a product its packaging or wrappings;
- Any combination of the signs or means indicated in the items above.

Source: Andean Community Decision 486, Article 134

A mark is eligible for trademark registration if it is distinctive and easily distinguishable, and does not conflict with prior rights of third parties.

One can register four types of trademarks in Peru: A Trade Name (*Nombre Comercial*), an Advertising Slogan (*Lema Comercial*), a Collective Mark (*Marca Colectiva*), or a Certification Mark (*Marca de Certificación*). These trademarks are initially registered for ten-year periods and may be renewed for subsequent ten-year periods.

Trade Names (*Nombre Comercial*) are marks that distinguish the good or service and indicate the origin of the good or service. These trade names are typically separated into product trademarks and service trademarks.

Advertising Slogan (*Lema Comercial*) are words, phrases, or captions that complement a protected trademark. The applicant needs to specify which trademark the slogan is associated with. When a trademark is sold, these advertising slogans are also transferred to the buyer.

Collective Marks (*Marca Colectiva*) are symbols owned by an association and indicate the membership in that group. The applicant needs to state conditions in which the trademark will be used.

Certification Marks (*Marca de Certificación*) are symbols that certify that a good or service meets certain standards of quality, origin, materials used, or features.

Source: Andean Community Decision 486, Article 175-179; Art 180-184; 185-189; 190-199

Coverage- What Cannot Be Registered under Peruvian Trademark Law?

Peruvian law prohibits a wide variety of symbols and signs from being registered as trademarks.

The following symbols and signs cannot be registered as trademarks. Symbols that:

- Are lacking in distinguishable characteristics
- Consist entirely of everyday shapes or packing or consist exclusively of shapes that attribute a functional or technical advantage of the product.
- Consist of a sign that has become the common, everyday designation or technical designation for the good
- Consist of a color without borders
- Create confusion as to the national or geographical origin, nature, manufacturing methods, characteristics, or qualities of the goods
- Contain a protected name for wines and spirits
- Imitate heraldic elements such as coats of arms, flags, emblems, and official government signs and stamps.
- Imitate a protected plant species.
- Are deemed against the law, morality, public order or good manners

Source: Andean Community Decision 486, Article 135

Moreover, Peruvian law also prevents trademark protection of signs that may negatively affect the rights of third parties. It is prohibited to register signs that create confusion and that:

- Are identical or similar to a trademark filed or registered earlier by a third party
- Are identical to a protected name, label, emblem, or advertising slogan.
- Affect the identity or prestige of legal entities
- Violate intellectual or copyright protection
- Consist of the name of indigenous, African American or local communities without their consent.
- May contribute to unfair competition

Source: Andean Community Decision 486, Article 136, 137

Trademark Registration Process

Step 1: Obtain Qualified Counsel

Before seeking trademark protection, one should seek qualified legal counsel in Peru. Trademark applications include complicated aspects such as: understanding the short and long-term costs of registration and Peruvian specific trademark issues, conducting a search to ensure that the trademark has not previously been registered, ensuring that one applies for protection in the appropriate class (es), understanding application materials including legal jargon, corresponding with INDECOPI, making any necessary amendments to the original application, and monitoring the sector for potential infringements. Moreover, this complexity increases as one often finds it necessary to seek trademark protection in multiple countries simultaneously because any disclosure in one country may result in a loss of trademark registration in another. A qualified trademark attorney will be able to counsel one or direct one to overseas counsel to assist with these matters.

Step 2: Determine Whether the Mark is Eligible for Registration

A trademark agent will help one understand if their trademark is eligible for registration. For example, applications with generic or descriptive terms, marks that may be deceptive or considered immoral, or marks bearing national symbols such as flags may be rejected. For further information, see “Coverage...” for what can and cannot be covered. Also, before filing trademark application, one should conduct a search (*Búsqueda de Antecedentes*) to determine if their mark or a close variation has been registered.

Step 3: Perform a Pre-Application Trademark Search

The Department of Commerce recommends that an applicant undertake a preliminary trademark search to ensure that there are no conflicting prior registrations. The Office of Distinct Signs (hereafter Trademark Office) offers this service (*el Servicio de Búsqueda de Antecedentes*). To undertake this search, one needs to pay INDECOPI 1.25% of the UIT and submit a search request. If one wants to search more than one class, there is an additional fee per class. With the request, one must submit information about the proposed trademark and the classes to be searched. This search may take minutes or days, depending upon the type of search (phonetic or drawing) undertaken.

Step 4: Prepare the Required Paperwork

This application includes details such as:

- The name, address, telephone number, national identity number, and the nationality of the applicant
- The name, address, telephone number, and the national identity number of the legal representative

- Description and reproduction of the trademark, and economic activities covered by the trademark. If the trademark is a drawing, one should attach 5 (5 X 5 cm) reproductions of the original sign.

If one has registered the trademark previously outside of Peru, one should indicate the previous registration number, date, and country of registration. One should also include certified copies of these previous foreign registrations.

Step 5: Select the Number of Classes

Peru uses the International Trademark Classification System (commonly known as the Nice System for classification for marks). Under this international system, Peru categorizes goods and services into 45 classes, with 34 classes for goods and 11 classes for services. A trademark must be registered in connection with at least one particular class of goods or services. However, if one intends to sell a product in other classes in the future, one should register the mark to reflect this intention.

Step 6: Application for Priority Registration under an International Agreement

If an applicant has recently applied for registration of their trademark under the Paris Convention, they may file a letter of priority along with a photocopy of the first application and attach it to the application form. As part of the USPTPA, Peru has also agreed to make a reasonable effort to pass the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of 1989. With ascension to the Madrid Protocol, applicants may file one international application in one language and seek an international registration for trademark protection in all member states.

Step 7: Submit the Application

In Peru, the Trademark Office grants the registration of trademarks. To officially begin the trademark registration process, the applicant must pay 13.70% of the UIT at the Trademark Office.⁵ After paying the application fee, the applicant presents an official application to INDECOPI.

Step 8: Review by the Office of Distinct Signs (Trademark Office)

The Trademark Office will undertake a preliminary review of the application materials. Fifteen working days after paying the application fee and submitting the document, the applicant will receive an approval or rejection of their initial application. This approval merely indicates that the applicant is moving forward in the application process and that this application complies with articles 135 and 136 of the Andean Community Decision 486. In the case of rejection, INDECOPI may request that the applicant correct or modify their application to comply with Articles 135 and 136. If after 60 days, the application still does not meet the requirements, it shall be rejected by the Trademark Office and shall lose its priority position.

⁵ In 2006, the UIT is 3400 Nuevos Soles (NS).

Step 9: Publication and Opposition

Within three months of the acceptance of the initial application, the applicant must go to the office of the newspaper *El Peruano*, and request the publication of their trademark application. If they fail to publish their application within this period, the Trademark Office will consider their application abandoned.

If their trademark application consists of a logotype, or packaging, one should include a miniature depiction (3 cm X 3 cm).

Within thirty working days of this publication, third parties with a legitimate interest may file an objection for the invalidation of the trademark registration. This objection must include:

- A description of the trademark application in question
- Supporting evidence for the opposition

This objection costs 9.70% of the UIT.

To support this opposition, the third party may submit evidence of similar trademark applications filed within the Andean Community. After the Trademark Office issues its notification of the resolution, either party may file a Motion for Reconsideration (*Recurso de reconsideración*) or a Motion for Appeal (*Recurso de Apelación y/o Adhesión*) at the Trademark Office. The Motion for Reconsideration costs 10% of the UIT and must be filed within 15 days of the official notification of the decision. The appeal, costing 14.00% of the UIT, must be filed with the Trademark Office within 15 working days. The appeal will be heard by INDECOPI's Intellectual Property Court (*La Sala de Propiedad Intelectual del Tribunal*).

Step 10: Notification of Resolution

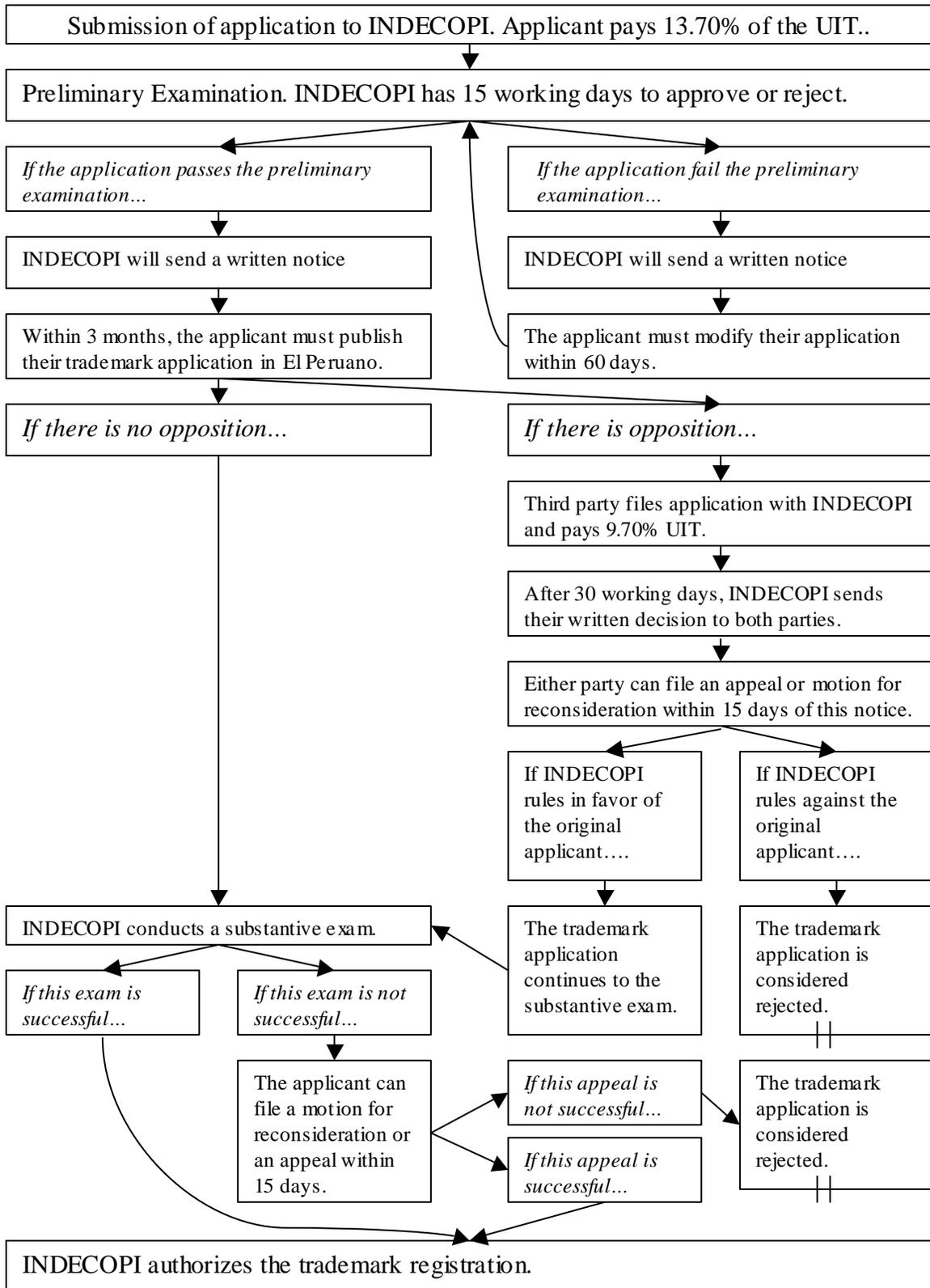
If no party files an opposition to the mark, the Trademark Office may grant or reject the trademark registration. It will send a notification to the applicant at this time. If the application is not successful, the applicant may again file a Motion for Reconsideration or a Motion for Appeal at the Head of the Office of Distinct Signs. The Motion for Reconsideration costs 10% of the UIT and must be filed within 15 days of the official notification of the decision. The appeal, costing 14.00% of the UIT, must be also filed with the Trademark Office within 15 working days. The appeal will be heard by INDECOPI's Intellectual Property Court.

Source: Andean Community Decision 486, Article 147; Legislative Degree 823

Step 11: Renewal

A trademark registration lasts for ten years, but is subject to cancellation for lack of use if not used within 3 consecutive years. To renew the trademark, one needs to pay 12.5% of the UIT and submit a renewal application at the offices of INDECOPI. The applicant can submit this renewal application up to six months prior to the expiration. Furthermore, while ideal to file application renewal at the ten-year mark, INDECOPI grants the applicant a 6 months grace period to file the renewal. After these additional 6 months, the trademark is considered abandoned and the trademark holder no longer has the ability to protect this mark. Following the renewal application submission, INDECOPI will evaluate the application and give their decision within 30 working days. After the notification, one can present a Motion for Reconsideration a Motion for an Appeal (costing 9% of the UIT) within 15 working days of INDECOPI's notification.

Trademark Registration Process in Peru



Market Entry Planning

Before entering the Peruvian market, a company should conduct an audit of their intellectual property. In this audit, the company will gather internal company material such as business plans, publications, strategies, and technical publications. This audit will assist the firm in the developing of their trademark strategy as well as their international intellectual property strategy.

The company should also research the legal and regulatory environment well in advance of their market entry of Peru. During this research, the firm can uncover any discrepancies between the stated laws and the actual enforcement of these laws in Peru. It may also uncover potential products that will likely infringe upon the trademark. Trade associations, industry groups, lawyers, security experts, and other companies can help one in uncovering the real market from the theoretical. Moreover, the company should be aware of how Peru's intellectual property statutes differ from the United States'. The company should continue to monitor the intellectual property situation while conducting business in Peru. For example, the company may hire a trademark agent to monitor publications of trademark applications in El Peruano. This monitoring will allow them to potentially oppose applications before they become officially licensed.

Ultimately, the company should take a protective and preventive stance to prevent any unauthorized use of their intellectual property. Use every legal means available to prevent the possibility of trademark infringement. Consider registering your trademark as part of an international strategy, including Peru and many of Peru's trading partners. By registering early, the company may be able to prevent competitors from indirectly infringing upon their trademark in Peru. To protect their trademark once an infringement occurs, the company will have to invest considerable resources such as time and money to address the infringement through INDECOPI's lengthy administrative process and the overwhelmed Peruvian court system.

Protection

If you discover that your trademark is being infringed, do something immediately to protect and enforce your rights. Investigations, raids, seizures and well as civil litigation and criminal prosecutions are some of the tools available. Before deciding which tools to use, however, ask yourself the following preliminary questions:

- Is the trademark registered or otherwise capable of being protected in Peru?
- Is the harm in Peru or overseas?
- What is the source of the harm? Competitors? Employees, agents or contractors?

See the section on Enforcement.

Enforcement Approaches- How to Address Infringement

According to the rights of trademark, the trademark holder may bring forth legal action with INDECOPI against those persons that are infringing upon or damaging their trademark rights.

Types of Actions Against Infringers:

The trademark holder may request that INDECOPI order the infringing party to:

- Stop all violations of the trademark, including:
 - Withdrawing all products and packaging related to the infringement
 - Destroying the products and related materials
 - Agreeing not to export or import the products or related materials.

Compensating the owner for damages

Administrative Action

INDECOPI offers several administrative options for trademark holders who suspect infringement of their goods. These options include: an infringement action (*denuncia*), a nullification action (*nulidad de registros*), an inspective visit (*visita inspectiva*), a restraining order (*medida cautelar*), and a cancellation action (*cancelación de registros*) with the Trademark Office.

Depending upon the type of action requested, these motions cost between 5-15% of the UIT. These motions should also include relevant details such as:

- The identification number of the trademark holder and their attorney
- A description of the trademark being infringed upon
- A description of the alleged infringement including details such as the infringing party's name, business identification number, business name, business address, location and methods of the infringing activity, and all other relevant details.

After conducting an investigation, the Trademark Office will rule on the merit of the motions by issuing a notification, and if necessary enact these motions within 30 business days. Either party involved has the right to appeal the Trademark Office's decision. This appeal must be filed with INDECOPI's Intellectual Property Court within 5 days of this notification and costs 14% of the UIT.

If INDECOPI rules infringement has occurred, it will levy a fine (*multa*) up to 150 UIT upon the infringing party. The severity of this fine depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, and precedent of previous fines. The original trademark holder does not receive compensation from these fines. Instead, INDECOPI uses the fines as a means to dissuade future infractions from the infringing party and unrelated third parties

Source: Legislative Decree 823

Legal Action

If a trademark holder receives a favorable ruling in their motions, they may choose to bring forth further legal action in the Peruvian court system. If one is found guilty within the legal system, Peruvian criminal law allows the judiciary to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages) upon the infringer. The judiciary bases these fines upon the seriousness, and frequency of the infringing action. Unfortunately, the judiciary in Peru always suspends the imprisonment sentences of guilty infringers. Currently, no trademark infringers have served any jail time in Peru. The guilty party must also agree not to work in the same field that the infringement occurred for one year after they finish their incarceration.

Source: Legislative Degree 823, Law 28289

Peruvian Customs

When trademark holders have suspicions of possible infringement, they may present the Peruvian customs authority (SUNAT) with detailed information as to the alleged infringement. If the customs authority agrees with their suspicions, the trademark holder may request that Peruvian customs prevent any further importation or exportation of the infringing good. The customs authority will then allow the trademark holders the opportunity to participate in the inspection of the infringing goods. The original importer or exporter of the goods shall be given the same opportunity. While Peruvian customs has 48 hours to enforce this inspection, frequently they will wait until the importers of the suspect container pay the customs duties. In many cases, the importer will simply not claim the suspect container, nor pay for its customs clearance. Thus the containers sit in Peruvian customs indefinitely without the trademark holder nor the Trademark Office being able to determine the legitimacy of the suspect goods.

If a customs inspection is realized, the customs authority may still rule against the trademark holder's motions. In this case, the customs authority orders a temporary suspension and then notifies both parties of its decision. The trademark holder has 10 business days to dispute this ruling through an initiation of infringement proceedings. If the trademark holder fails to act, this temporary suspension shall be lifted and the goods will be released.

Source: Andean Community Decision 486: Articles 250, 251, 252, 253, 254.

Other Sources of Information

Ask the Experts

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General Intellectual Property Links

[Making a Mark: An Introduction to Trademarks for Small and Medium-sized Enterprises WIPO Intellectual Property Digital Library](#)

INDECOPI Forms and Documents

[Application for Registration of a Trademark Name](#)
[Application for the Registration of an Advertising Slogan](#)
[Application for the Registration of a Product Trademark](#)
[Application for the Registration of a Service Trademark](#)
[Application of the Modification of a Registration](#)
[International Classification of Products and Services](#)

Legislation

[Peruvian IP Legislation](#)
[Legislative Decree 823- Industrial Property Law](#) (Decreto Legislativo 823- Ley de Propiedad Industrial) (April 1996)
[Andean Community Decision 486- Common Regimen Concerning Industrial Property](#) (Decisión 486- Régimen Común sobre Propiedad Industrial)(December 2000)
[Paris Convention for the Protection of Intellectual Property](#) (Convenio de París para la protección de la propiedad industrial) (March 1883)
[Law Concerning the Organization and Functions of the National Institute for the Defense of Competition and the Protection of Intellectual Property.](#) (Law 25868)- (Decreto Ley 25868- Ley de Organización y Funciones del Instituto Nacional de defensa de la competencia y de la protección de la propiedad intelectual- indecopi.) (November 1992)

Recent Trademark Cases Involving U.S. Firms

[The Coca Cola Company vs. La Unión de Cervecerías Peruanas and Backus y Johnston S.A.A.](#)
[Carlos Saba Bulos vs. Deere & Company](#)
[The Gillete Company vs. Importaciones Fercar E.I.R.L and Sofia Trading Import & Export S.A.C.](#)
[Drogueria Britania S.A. vs. The Procter & Gamble Company](#)

[Eli Lilly and Company vs. Micro Labs, Ltd.](#)
[The Coca-Cola Company vs. Renato Antonio Tupayachi Rodríguez](#)
[Kellogg Company vs. Amay Commercial Inc.](#)

Frequently Asked Questions

Q: Does Peru protect well-known trademarks?

A: Peruvian Legislative Decree 823 and the Andean Community Decision 486 prevent the registration and/or the unauthorized use of well-known marks by unrelated third parties. According to this legislation, INDECOPI takes into account several factors concerning well-known marks including: the degree to which it is known in the relevant sector, the duration, extent, and geographical scope of its use and publicity, sales, and the amount of marketing investments.

Q: What is the duration of trademark protection in Peru?

A: Like most other countries, the initial term of trademark protection lasts 10 years. This term can be extended indefinitely.

Q: Where should a trademark holder file a complaint alleging trademark infringement?

A: After hiring local counsel, the trademark holder should file an infringement action with INDECOPI. See Enforcement for more information.

Q: What administrative corrective measures may be imposed against the infringer by INDECOPI?

A: INDECOPI may levy a fine (*multa*) up to 150 UIT upon the infringing party. The severity of this fine depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, previous history of the defendant, and the general precedent of previous fines. INDECOPI uses these fines as a means to dissuade future infractions from the infringing party and unrelated third parties. These fines rarely surpass 10 UIT. In the case of trademarks, INDECOPI may not order that the infringer pay compensatory damages to the trademark holder. If the trademark holder seeks damages, they must bring suit within the Peruvian judiciary. INDECOPI may also cease and destroy any infringing products and the equipment used in their manufacture.

Q: What are the minimum and maximum criminal punishments?

A: If found guilty within the legal system, Peruvian criminal law allows the judiciary to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages) upon the infringer. The judiciary bases these fines upon the seriousness, and frequency of the infringing action. Unfortunately, the judiciary always suspends the imprisonment sentences of guilty infringers. Currently, no trademark infringers have served any jail time. The guilty party must also agree not to work in the same field that the infringement occurred for one year after they finish their incarceration.

Chapter 5: Patents

This section covers:

- Introduction
- Historical Legislation
- Domestic Legislation and Treaties
- Coverage- What Can be Patented Under Peruvian Patent Law
- Coverage- What Cannot be Patented Under Peruvian Law?
- Patent Registration Process
- Market Entry Planning
- Enforcement Approaches- How to address Infringement?
- Actions Against Infringers
 - Administrative Action
 - Legal Action
- Peruvian Customs
- Other Sources of Information

Introduction

As with other intellectual property rights, the protection of patents and the patent holder depends upon the laws on where the economic activity occurs. For example, a United States patent protects the patent holder only within the United States. This patent holder cannot seek U.S. government protection of their patent in a different country where infringement is occurring. Obtaining patent protection in foreign jurisdictions is the responsibility of the inventor. As Peru is not yet a signatory to the Patent Cooperation Treaty, a domestic patent application must be filed in Peru with the Patent Office (*la Oficina de Inveniones y Nuevas Tecnologías*) within INDECOPI in order to obtain patent protection. If a patent holder suspects infringement, they may first file an infringement action with INDECOPI, and if successful later seek damages within the Peruvian judiciary.

For additional information, please see the [Ask the Experts](#) section below.

Historical Legislation

In Peru, the first recognized instances of the registration and protection of inventions came during the occupation by Spain. After its subsequent independence, Peru continued to recognize certain forms of patents and passed its first patented related law in 1869. This law, named the law of privileges (*Ley de Privilegios*), gave the inventor the right to exploit his/her invention for ten years. This law was modified in 1896, centralizing the administration functions in the Ministry of Industry and establishing formal requirements for the application.

In 1959, Peru again modified its intellectual property laws, with the passage of Law No. 13270. This law created the National Institute of Technical Norms and Certification (*Instituto Nacional de Normas Técnicas y Certificación* (INANTIC)) and established

rules for conducting examination of the patent application. This law also allowed the patent holder to extend the patent's length for five more years (beyond the original ten). INANTIC was later replaced by the National Institute of Technological Investigation and Technical Norms (*Instituto Nacional de Investigación Tecnológica y Normas Técnicas* (ITINTEC)) with the passage of the General Industry Law No. 18350 and subsequent legislation of 19262 and 19565.

In 1992, Peru passed Law No. 26017 or the General Law of Industrial Property. This law expanded the scope of intellectual property control and replaced ITINTEC with a new organization called INDECOPI. This law also created the Office of Distinct Signs (for trademark protection), the Patent Office (for patent protection), and the Court for the Defense of Competition and Intellectual property. In 1996, Peru repealed Law No. 26017 with the goal of unifying its national laws with that of the Andean Community and incorporating international standards (such as the Paris Convention and the GATT accord).

Source:

Domestic Legislation and Treaties:

[Legislative Decree 823- Industrial Property Law](#) (*Decreto Legislativo 823- ley de propiedad industrial*) (April 1996)

[Andean Community Decision 291-Common Treatment of Foreign Capital and Trademarks, Patents, Licenses, y Privileges](#) (*Decisión 291- Régimen Común de Tratamiento a los Capitales Extranjeros y sobre Marcas, Patentes, Licencias y Regalías.*) (March 1991)

[Andean Community Decision 344](#) Common Protection of the rights of different Vegetable Varieties (*Decisión 345- Régimen Común de Protección a los derechos de los Obtentores de Variedades Vegetales*)

[Andean Community Decision 486-](#) Common Regimen Concerning Industrial Property (*Decisión 486- Régimen Común sobre Propiedad Industrial*).

Peru is a member and/or has ratified the following agreements:

- [World Intellectual Property Organization \(WIPO\) Convention](#) (Since September 1980).
- [Paris Convention \(Industrial Property\)](#), (Since April 1995)
- [World Trade Organization \(WTO\)](#) (Since January 1995)
- [Trade Related Aspects of Intellectual Property \(TRIPS\)](#) (Since January 1995).

Peru is not part of the following patent related treaties:

- [Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure](#) (1977), as amended in 1980;
- [Patent Law Treaty](#) (2000)

- [Patent Cooperation Treaty](#) (1970), as amended in 1979
- [Hague System for the International Registration of Industrial Designs](#)

With the passage of the U.S.-Peru Trade Promotion Agreement (USPTPA), Peru has agreed to ratify or accede to the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. It has also agreed to ratify or accede to the Patent Cooperation Treaty by January 1, 2008. Also, due to the USPTPA, Peru has agreed to make all reasonable efforts to ratify or accede to the Patent Law Treaty and the Hague System for the International Registration of Industrial Designs.

For additional information, please see the [Ask the Experts](#) section below.

Coverage- What Can be Patented Under Peruvian Patent Law?

In Peru, patents are granted for inventions, whether they are goods or processes. These inventions must be “new, involve an inventive step, and be industrially applicable.” To be considered “new,” an invention must not have been previously made available and in the public domain. To be considered “inventive,” the good or process must not be obvious to those persons familiar with the technical field. Finally, to be considered “industrially applicable,” the product or service must be able to be produced within industry.

Peruvian law offers three forms of patent protection- invention patents (*patente de invención*), utility models (*modelo de utilidad*), and industrial design patents (*diseño industrial*). First, an invention patent (similar to the U.S. utility patent) has a term of 20 years from the date of application. Second, both utility model patents and industrial design patents have terms of 10 years from the date of application.

Coverage- What Cannot be Patented Under Peruvian Law?

According to Peruvian Law, the following works do not qualify for patent protection:

- Discoveries, scientific theories, and mathematical methods;
- Any living thing, either complete or partial, as found in nature, natural biological processes, and biological material, as existing in nature, or able to be separated, including the genome or germ plasm of any living thing;
- Literary and artistic works or any other aesthetic creation protected by copyright;
- Plans, rules, and methods for the pursuit of intellectual activities, playing of games, or economic and business activities;
- Computer programs and software, as such; and,
- Methods for presenting information

Source: (Andean Community Decision 486: Article 15)

Patent Registration Process

Step 1: Obtain Qualified Counsel

Before seeking patent protection, one should seek qualified legal counsel in Peru. Patent applications and registrations include complicated aspects including: making a prior art search, writing descriptive claims in legal jargon, corresponding with the Office of Inventions and New Technologies (hereafter Patent Office), making any necessary amendments to the original application, and monitoring the sector for potential infringements. Moreover, this complexity increases as one often finds it necessary to seek patent protection in multiple countries simultaneously because any disclosure in one country may result in a loss of patentability in another. A qualified patent attorney will be able to counsel one or direct one to overseas counsel to assist with these matters.

Step 2: Determine whether you have a Priority Claim

As a member of the Paris Convention, Peru honors the “right of priority” (*Reivindicación de Prioridad*) for applications filed in other member countries. For instance, if one filed a patent application outside of Peru, one has twelve months to file the application in Peru. This later application will be regarded as if it had been filed on the same day as the original or first application. This right of priority gives the applicant an extra twelve months to decide in which countries to request patent protection. To guarantee this right of priority, one should attach a photocopy of this prior application with the Peruvian application and should pay 3.64% additional of the UIT (*Unidad Impositiva Tributaria*) to INDECOPI.⁶

Step 3: Perform a Prior Art Search (La Búsqueda de Antecedentes)

A preliminary patent search is highly recommended to ensure that there are no prior conflicting registrations. INDECOPI offers a prior art search service (*el Servicio de Búsqueda de Antecedentes*.) One submits this search request with the Patent Office. The cost of the search varies depending upon the type of patent application. The results of this search will be available after 10 working days. This search also helps the applicant to demonstrate the novelty of their invention within the prior art.

Step 4: Prepare the Required Paperwork

Peruvian patent applications are complicated and require substantial documentation by the application. All applications must be in Spanish and include:

- The name, address, and nationality of the applicant
- The name, address, and nationality of the inventor
- The name, and address of legal counsel
- The title and description of the invention

⁶ In 2006, the UIT was 3400 Nuevo Soles (NS).

- Summary of the purpose of the invention
- Prior Art
- Relevant Technical Drawings
- Copy of Prior Patent Filings.

Step 5: Submit the Initial Application for a Formality Review

After completing the paperwork, one needs to submit their application for a formality review with the Patent Office. The cost of a patent application is 32.50% of the UIT (*Unidad Impositiva Tributaria*). This cost is broken into two parts. For the formality review, one must pay only 18% of the UIT. If one's patent application advances to the physical examination step (Step 8), one will need to pay the remainder of 14.5% of the UIT.⁷

Step 6: Preliminary Examination (*Examen de Forma*)

The Patent Office will review the patent application within 30 working days of its filing. If the patent application is incomplete, this office will notify the applicant and request that they modify the original application. In this case and if the applicant has not modified their original petition within two months, the Patent Office will consider it abandoned. If Patent Office feels that the patent application has merit, it will send the applicant an Advice Order (*la Orden de Aviso*) and a summary of the invention for publication.

Step 7: Publication and Oppositions

Within 3 months of receiving this Advice Order, the patent applicant must publish the patent application in the daily newspaper, [El Peruano](#). The applicant must coordinate and pay for this publication directly with the offices of *El Peruano*. Failure to publish their application will result in an abandoned application.

Within 60 working days of this publication, those parties with a legitimate interest may file an objection against the patent registration. This objection must include:

- A description of the patent application in question
- Supporting evidence for the opposition

This objection costs 7.50% of the UIT. The Patent Office will notify the original applicant of these objections and may request that the applicant revise the application and/or present further documents to support it.

If the person opposing the patent application has previously filed a similar patent application in another Andean Community country, they may choose to file a patent application in Peru in support of their opposition. After the notification of the resolution,

⁷ During the application process, INDECOPI may also require the applicant to submit additional documents (*los plazos*). It is important that applicants keep their contact information current. Failure to respond to additional requests for information may result in an abandoned application.

either party may file a Motion for Reconsideration (*Recurso de reconsideración*) or a Motion for Appeal (*Recurso de Apelación y/o Adhesión*) at the Patent Office. The Motion for Reconsideration costs 10% of the UIT and must be filed within 15 days of the official notification of the decision. The appeal, costing 14.00% of the UIT, must be filed with the Patent Office within 15 working days. The appeal will be heard by INDECOPI's Intellectual Property Court (*La Sala de Propiedad Intelectual del Tribunal del Indecopi*).

Step 8: Substantive Examination (Examen de Fondo)

Within six months of an application's publication, the applicant must pay for the substantive examination of the invention. Failure to pay will result in an abandoned application. During the substantive examination, INDECOPI verifies that the application contains a novel idea, requires a level of inventiveness, and has industrial applications. During this review, the office reviews the technical data of the patent application and consults with experts as to the validity and feasibility of the patent application's claims. If the examiner requires additional information or clarification, they will contact the patent applicant.

Step 9: Granting of Patent Right (*La Concesión de la Patente*)

After this substantive examination, INDECOPI will either grant and/or reject the protection of an application's claims. For instance, INDECOPI may deem some claims valid, while other claims (in the same application) invalid, and thus without protection.

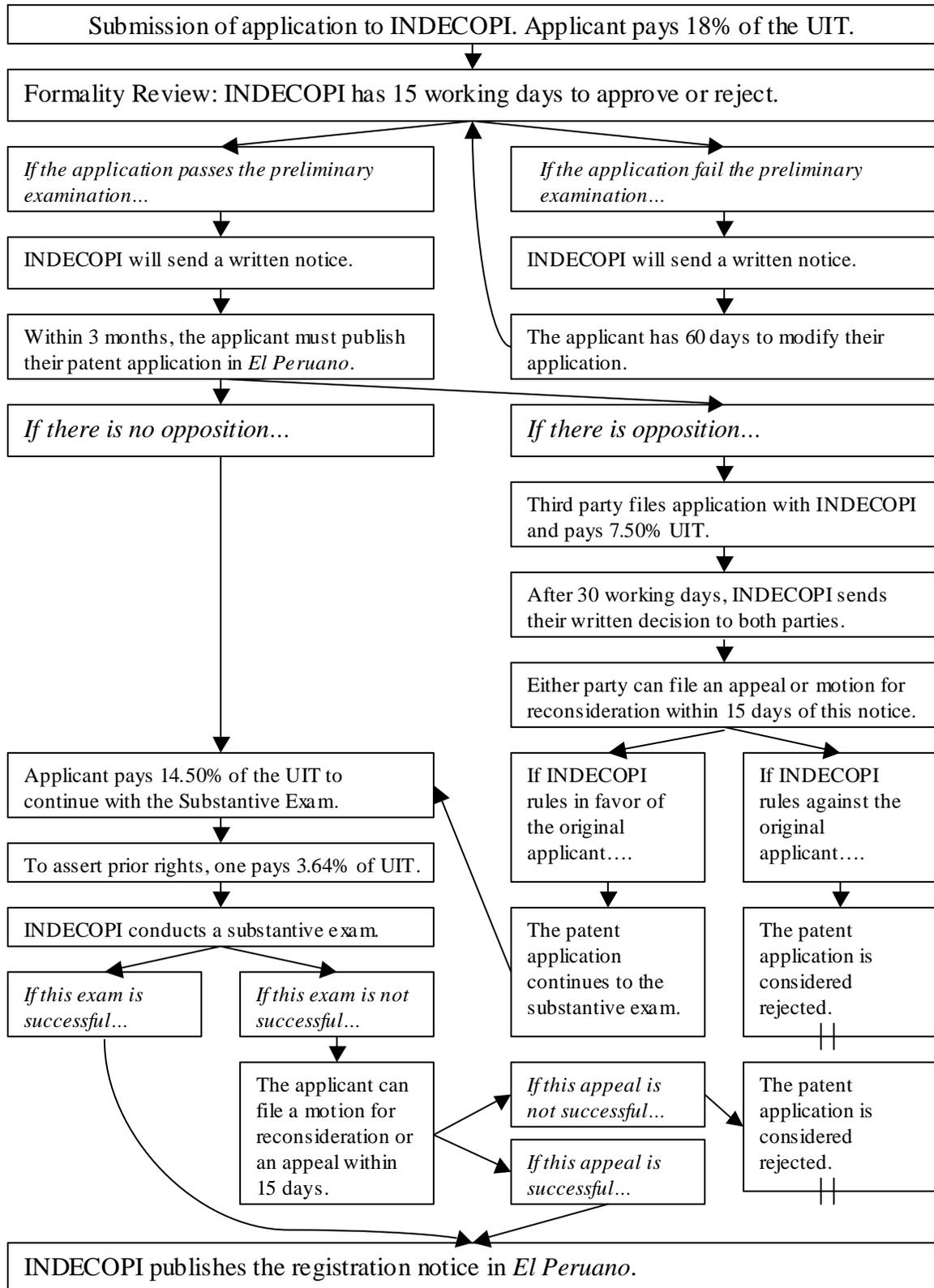
Step 10: Rejection and Reexamination

An applicant dissatisfied with the Patent Office's decision has 15 days to appeal the decision from the date of the rejection. They may appeal their decision by filing a Motion for Reconsideration (*Recurso de Reconsideración*), costing 9% of the UIT, or an Appeal or an (*Recurso de Apelación y/o Adhesión*), costing 16.21% of the UIT.

Step 11: Pay Annual Fees (Anualidades)

To protect patents, one must begin paying annual fees three years after the initial patent application. These fees cost 6.5% of the UIT. The patent holder has a six-month grace period to pay these fees. Late maintenance fees cost 9.75% of the UIT. Failure to pay these annual fees will result in the patent falling into the public domain and no longer being protected by INDECOPI. These annual fees are not required for either utility or industrial design patents.

Patent Registration Process in Peru



Market Entry Planning

Before entering the Peruvian market, a company should conduct an audit of their intellectual property. In this audit, the company should gather internal company material such as business plans, publications, strategies, and technical publications. This audit will assist the company in developing their patent strategy as well as their overall international intellectual property strategy. Due to regulations, time constraints, and registration costs the company may choose to not patent their invention in the Peruvian market. For example, the company may choose to keep this knowledge as a trade secret. (See Trade Secret section). If one considers patenting their invention, they should file patent applications concurrently in each country they expect to do business. Peru's expected accession to the PCT will make these international filings easier.

In addition to applying for the patent, a company should take reasonable measures to protect their secret information from either accidental or intentional internal and external disclosure. For example, the company should utilize non-disclosure agreements in negotiations, presentations, and contracts with their suppliers, customers, board members, employees, and contractors. The company should share sensitive information on a "need to know" basis and restrict the excessive and unnecessary disclosure of technical data. Similarly, the company should develop contingency plans for the preservation of this data in the case of potential man made or natural disasters. This disaster planning will ensure the continuity and protection of proprietary information.

A company should also research the legal and regulatory environment well in advance of their market entry of Peru. During this research, the firm can uncover any discrepancies between the stated laws and the actual enforcement of these laws in Peru. Trade associations, industry groups, lawyers, security experts, and other related companies can help the company in differentiating the actual market conditions from the theoretical marketplace. Moreover, the company should be aware of how Peru's intellectual property statutes differ from the United States'. For example, therapeutic methods can be patented in the U.S., but not in Peru. Peru also does not recognize "second use" patents.

Ultimately, the SME should take a protective and preventive stance to prevent any unauthorized use of their intellectual property. Use every legal means available to prevent the possibility of patent infringement. To protect their patent once an infringement occurs, the company will have to invest considerable resources such as time and money to address the infringement through INDECOPI's lengthy administrative process and the overwhelmed Peruvian court system.

Enforcement Approaches- How to address Infringement?

Under the Peruvian legal system, a patent holder may choose among administrative, civil and criminal actions to enforce their intellectual property rights and may also request Peruvian customs to take measures against an infringing party. When choosing an administrative action, it is again worth noting that the Patent Office (Inventions and New Technologies Office), as is the case with the Trademark Office, within INDECOPI lacks the ability to levy indemnification fines upon the infringing party that would compensate the patent holder. Consequently, the patent holder may choose to bring an action for claims or damages before the civil courts and may also request that the Public Prosecutor's Office institute criminal proceedings when administrative channels have been exhausted,

Actions Against Infringers

Administrative Action

To protect their patent rights, the patent holder may file a denouncement (*denuncia*) and/or a request for an Inspective Visit (*Visita Inspectiva*) with INDECOPI.

Through these filings, the patent holder may request that the Patent Office

- Stop any further infringement of the patent
- Decommission, remove, or immobilize all suspect products
- Adopt necessary methods so that the custom authorities prevent the entrance into the country of these suspect products.
- Close temporarily the establishment

Source: (Andean Community Decision 486: Article 238-244); INDECOPI

The denouncement, and the Inspective Visit application each cost 5% of the UIT. These applications should include:

- The applicant's and/or his attorney's identification number
- The Patent Certificate Number that is being infringed upon
- The address of those persons infringing upon the patent right
- A description of the infringement including the location, the methods, and other relevant information.

These applications may also request a restraining order (*medida cautelar*) against the alleged infringer. With this order, INDECOPI will seize the material to prevent further sales, and associated documents to prevent their destruction. After conducting an investigation, the Patent Office will rule on the merit of the denouncement within 30 business days. Either party has the right to appeal this decision. This appeal must be filed with the Intellectual Property Court within 5 days of the Resolution Notification and costs 14% of the UIT.

If INDECOPI rules infringement has occurred, it will levy a fine (*multa*) up to 150 UIT upon the infringing party. The severity of this fine depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, and precedent of previous fines. The original patent holder does not receive compensation from these fines. Instead, INDECOPI uses the fines as a means to dissuade future infractions from the infringing party and unrelated third parties.

Source: DL 823

Legal Action

If a patent holder receives a favorable ruling in their motions, they may choose to bring forth further legal action in the Peruvian court system. If found guilty within the legal system, Peruvian criminal law allows the judiciary to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages) upon the infringer. The judiciary bases these fines upon the seriousness, and frequency of the infringing action. Unfortunately, the judiciary always suspends the imprisonment sentences of guilty infringers. Currently, no infringers have served any jail time. The guilty party must also agree not to work in the same field that the infringement occurred for one year after they finish their incarceration.

Source: Legislative Degree 823, Law 28289

Peruvian Customs

When patent owners have suspicions of possible infringement, they may present the customs authority with detailed information as to the alleged infringement. If the customs authority agrees with their suspicions, the patent owner may request that Peruvian customs prevent any further importation or exportation of the counterfeit good. The customs authority will then allow the patent owner the opportunity to participate in the inspection of the alleged counterfeit goods. The original importer or exporter of the goods shall be given the same opportunity.

After this inspection, the customs authority may rule against the patent owner's original request. In this case, the customs authority orders a temporary suspension and then notifies both disputants of their decision. The patent owner has 10 business days to dispute this ruling through an initiation of infringement proceedings. If the patent holder fails to act, the temporary suspension shall be lifted and the goods will be released.

Source: Andean Community Decision 486: Articles 250, 251, 252, 253, 254.

Other Sources of Information

Ask the Experts

***Disclaimer:** Inclusion of material in this IPR Toolkit does not constitute legal advice and is not a substitute for advice of legal counsel and is subject to change according to the laws of the Republic of Peru. The United States Government will strive to update and improve this Toolkit as information becomes available and as U.S. government resources allow. Additionally, the U.S. Government, the U.S. Department of Commerce, their employees, and its contractors, assume no legal liability for the accuracy, completeness, or usefulness of any information, resource, or process contained disclosed herein.*

***Links to External Web Sites:** Links to web sites outside the U.S. Federal Government or the use of trade, firm, or corporation names within the U.S. Department web sites are provided for the convenience of the user. Such links or use does not constitute an official endorsement or approval by the U.S. Government of any private sector web site, product, or service.*

General Intellectual Property Links

[Andean Community Section on Intellectual Property \(Spanish\)](#)

[Andean Community Patent Manual \(Spanish\)](#)

[Andean Community Decision 486: Common Intellectual Property Regime \(English\)](#)

[List of Lawyers Specializing in Intellectual Property](#)

[WIPO Intellectual Property Handbook: Policy, Law and Use](#)

[WIPO Publication: Managing Patent Costs: An Overview](#)

INDECOPI Forms and Documents

[Application for a Patent Registration of an Invention or a Utility Model](#)

[Application for an Industrial Design Registration](#)

[Application for the Registration of Collective Knowledge of Indigenous Towns](#)

[Application for the Registration of a Integrated Circuit Design](#)

[Application for the Registration of a Certificate of Obtainer](#)

[INDECOPI Invention Manual](#)

Legislation

[Peruvian IP Legislation](#)

Recent Patent Cases Involving U.S. Firms

[Eli Lilly and Company vs. Distruidora Internacional de medicamentos s.a.c.](#)

[Pharmacia Corporation vs. Asociación de Industrias Farmacéuticas de origen y capital nacionales \(ADIFAN\)](#)

[Warner-Lambert Company LLC vs. Ranbaxy- PRP \(Perú\) S.A.C.](#)

[Ranbaxy- PRP \(Peru\) S.A. C. vs. Warner-Lambert Company LLC Ortho-McNeil Pharmaceutical, Inc.](#)
[Eli Lilly and Company & Eli Lilly and Company Limited vs. Ozone Organics E.I.R.L. Pfizer Products Inc. vs Asociación de industrias farmacéuticas de origen y capital nacionales \(ADIFAN\)](#)

Frequently Asked Questions

Q: What is prior art?

A: Prior art consists of the state of knowledge, understanding, and awareness of a specific field. An inventor undertakes a prior art search to ensure that their patent application does not conflict with prior registrations. Similarly, this search helps the applicant to demonstrate the novelty of their invention within the relevant field. For more information, visit http://www.wipo.int/sme/en/documents/prior_art.html.

Q: What is the UIT?

A: In 2006, 1 UIT (Unidad Impositiva Tributaria) unit is equal to S/.3400. Peru's legislature changes this amount annually.

Q: What is the Patent Cooperation Treaty?

A: The Patent Cooperation Treaty (PCT) is a simplified procedure for an applicant to apply for and eventually obtain patents in multiple countries. In essence, it allows applicants to file a single patent application in one country and, for up to thirty months, retain the option of filing corresponding applications in a large number of other countries. In addition, the applicant can take advantage of this additional time, up to 30 months, to test the market and/or product to determine whether to proceed with additional patent applications in other countries, and to raise capital to fund the filing of national phase applications.

Q: Can the rights of a patent holder be lost or nullified?

A: A patent holder can lose their exclusive right to the patent if they fail to follow INDECOPI procedures. For example, if the patent holder fails to pay the patent annuities on time, the rights of the patent holder to protect the patent will be lost. In this case, the patented product or procedure would fall into the public domain. If the patent holder fails to commercially exploit the patent within a three-year stretch, another party can file to have the patent nullified. To apply for nullification, the claimant needs to submit basic biographical information, the patent number in question, and reasons behind the nullification request. This application costs 20% of the UIT. After 30 working days, INDECOPI rules on the application. The applicant can present a motion for reconsideration (9% of the UIT) or an appeal (14% of the UIT) within 15 working days of the notification.

Q: Is it possible to apply both for an invention and utility model patent for the same subject matter?

A: It is possible to apply both for invention and a utility model patents for the same subject matter. However, the same invention cannot be protected by both a patent for

invention and a patent for a utility model. As a result, the applicant will eventually be required to choose between the two types of protection.

Q: Can a patent be lost to compulsory licensing?

A: According to Andean Community Decision 486, a patent may be lost to compulsory licensing if it fails to meet certain requirements. For instance, if after 3 years, the patent owner fails to manufacture, sell, or grant a reasonable licensing agreement, an interested party may apply for compulsory licensing of the original material. Despite the legal capacity, compulsory licenses have never been issued in Peru.

Chapter 6: Trade Secret and Unfair Competition

This section covers:

- Introduction
- Domestic Legislation and Treaties
- Enforcement Approaches- How to address Infringement?
- Types of Actions Against Infringers
- Administrative Action
- Legal Action
- Other Sources of Information

Introduction

An agency of INDECOPI's Office of Inventions and New Technologies, the Commission on Unfair Competition (*la Comisión de Competencia Desleal*), provides for the protection against illegal disclosure, acquisition, or use of a firm's trade secrets. To be protected the information must not be common knowledge within industry circles and must have some commercial value. The firm must also have taken previous steps to prevent any illegal information disclosure.

Examples of trade secrets include:

- Compilations of customer data
- Organizational designs and blue prints
- Business strategies, methods, and marketing plans
- Information about Research and Development Activities

Source: Law 26122; Legislative Decree 823; TRIPS Article 39.2, WIPO: Trade Secrets are Golden Nuggets: Protect Them.

Domestic Legislation and Treaties

[Law 26122](#)

[Legislative Decree 691](#)

[Legislative Decree 823- Industrial Property Law](#)

[Trade Related Aspects of Intellectual Property \(TRIPS\)](#)

[Andean Community Decision 486](#)- Common Regimen Concerning Industrial Property (*Decisión 486- Régimen Común sobre Propiedad Industrial*).

What Constitutes Infringement?

Under Peruvian law, infringement consists of:

- Disclosing or using information protected by a confidentially agreement
- Acquiring information by illegal means including theft, bribery or espionage.

Source: Andean Community Decision 486: Art 162, Law 26122, WIPO: Trade Secrets: Policy Framework and Best Practices.

How to Address Infringement

Precautionary Measures

There exists several precautionary measures that one can use with respect to their trade secrets. First, the firm should decide whether their trade secret is patentable and if so, whether undertaking the patent process makes sense for this secret. Distinct advantages of trade secret protection include: no registration costs, no disclosure requirements to government agencies, no limits on time, and no delays in implementation (i.e. it takes immediate effect.) Unfortunately, trade secrets have distinct disadvantages as well. For example, competitors that inspect a product and derive any trade secrets through reverse engineering are entitled to these secrets. Moreover, this competitor may patent this trade secret as their own, thereby depriving the original inventor of its continued use. Finally, while trade secrets lack initial registration costs, they still include the heavy maintenance costs of protecting the secrets against disclosure.

Besides considering the patent process for their trade secret, the firm may choose to use confidentiality and non-disclosure agreements. These agreements legally bind and provide means of sanctioning the employee or anyone else with access to the information from illegal disclosure.

Administrative enforcement

According to the rights of trade secret, the owner may bring forth legal action with INDECOPI against those persons that have infringed upon their trade secrets.

Types of Actions Against Infringers:

The company with trade secrets may request that INDECOPI order the infringing party to:

- Stop all violations of the trade secret, including:
 - Withdrawing all products and packaging related to the infringement
 - Destroying the products and related materials
 - Closing temporarily the infringing establishment
 - Having a condemnation against them published.

Administrative Action

INDECOPI offers several administrative options for holders of trade secrets who suspect infringement of their secrets. These options include: an infringement action (*denuncia*), an inspective visit (*visita inspectiva*), and a restraining order (*medida cautelar*) filed with the Commission for the Repression of Unfair Competition.

Depending upon the type of action requested, these motions cost between 9.70-36.24% of the UIT. These motions should also include relevant details such as:

- The identification number of the trade secret holder and their attorney
- A description of the alleged infringement including details such as the infringing party's name, business identification number, business name, business address, location and methods of the infringing activity, and all other relevant details.

After conducting an investigation, the Commission will rule on the merit of the motions by issuing a notification, and if necessary enact these motions within 30 business days. Either party involved has the right to appeal the Commission's decision. This appeal must be filed with INDECOPI's Intellectual Property Court within 5 days of this notification and costs 18.12% of the UIT.

If INDECOPI rules infringement has occurred, it will levy a fine (*multa*) up to 100 UIT upon the infringing party. The severity of this fine depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, and precedent of previous fines. The original trade secret holder does not receive compensation from these fines. Instead, INDECOPI uses the fines as a means to dissuade future infractions from the infringing party and unrelated third parties

Source: Legislative Decree 823

Legal Action

If a trade secret holder receives a favorable ruling in their motions, they may choose to bring forth further legal action in the Peruvian court system. If found guilty within the legal system, Peruvian criminal law allows the judiciary to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages) upon the infringer. The judiciary bases these fines upon the seriousness, and frequency of the infringing action. Unfortunately, the judiciary always suspends the imprisonment sentences of guilty infringers. Currently, no infringers have served any jail time. The guilty party must also agree not to work in the same field that the infringement occurred for one year after they finish their incarceration.

Source: Legislative Degree 823, Law 28289

Other Sources of Information

Ask the Experts

***Disclaimer:** Inclusion of material in this IPR Toolkit does not constitute legal advice and is not a substitute for advice of legal counsel and is subject to change according to the laws of the Republic of Peru. The United States Government will strive to update and improve this Toolkit as information becomes available and as U.S. government resources allow. Additionally, the U.S. Government, the U.S. Department of Commerce, their*

employees, and its contractors, assume no legal liability for the accuracy, completeness, or usefulness of any information, resource, or process contained disclosed herein.

Links to External Web Sites: *Links to web sites outside the U.S. Federal Government or the use of trade, firm, or corporation names within the U.S. Department web sites are provided for the convenience of the user. Such links or use does not constitute an official endorsement or approval by the U.S. Government of any private sector web site, product, or service.*

General Intellectual Property Links

[Andean Community Section on Intellectual Property \(Spanish\)](#)

[Andean Community Decision 486: Common Intellectual Property Regime \(English\)](#)

[List of Lawyers Specializing in Intellectual Property](#)

[WIPO Intellectual Property Handbook: Policy, Law and Use](#)

[WIPO: Trade Secrets are Gold Nuggets: Protect Them](#)

[WIPO: Trade Secrets: Policy Framework and Best Practices](#)

Legislation

Peruvian IP Legislation

Reference Materials

Links to websites outside the US government or the use of trade, firm or corporation names are provided for the convenience of the user. Such links or use do not constitute official endorsement or approval by the US government of any private sector website, product or service.

U.S. Government

[United States Department of State](#)
[United States Department of Commerce](#)
[United States Trade Representative](#)
[United States Patent and Trademark Office](#)
[United States International Trade Commission](#)
[United States Strategy Targeting Organized Piracy \(STOP!\)](#)
[Department of Justice, Computer Crime and IP Section](#)
[DHS/Customs and Border Protection](#)
[Copyright Office, Library of Congress](#)
[United States International Trade Commission](#)

American Chamber of Commerce

The American Chamber of Commerce represents different industry sectors that give added value to economy including investment in the development and the protection of Intellectual Property Rights.

The [Intellectual Property Committee](#) is comprised of the following sectors:

Film Industry
Pharmaceutical
Recording Industry
Information Technology
Consumer Products
Crop Protection

Contact us: ipr@amcham.org.pe

List of Peruvian / U.S. Law Firms with operations in Peru

- [Barreda Moller](#)
- [Bernizon, Loret de Mola & Benavides Abogados](#)
- [Clark, Modet & Co. Peru](#)
- [Duany, Matto & Carrasco Abogados](#)
- [Estudio Aurelia Garcia Sayán Abogados](#)
- [Estudio Francisco Espinosa Bellido Abogados](#)
- [Fernández Dávila & Bueno Abogados](#)
- [Ferrero, Lema, Solari & Santivañez Abogados](#)
- [KPMG – Grellaud y Luque Abogados](#)
- [Miranda & Amado Abogados](#)
- [Muñiz, Ramírez, Pérez-Taiman & Luna Victoria Abogados](#)
- [Payet, Rey, Cauvi Abogados](#)
- [Estudio Rosselló](#)
- [Estudio Hernández](#)
- [Estudio Aramburú, Camino, Boero & Asociados](#)
- [Estudio Osterling](#)
- [Rodríguez Mariátegui & Vidal - Abogados](#)
- [Estudio Olaechea Sociedad Civil](#)
- [Barrios Fuentes Urquiaga, Abogados](#)
- [Pérez Vasquez & Asociados Estudio de Abogados](#)
- [Rey & De Los Ríos, Abogados](#)
- [Estudio Rubio, Leguía, Normand y Asociados](#)
- [Estudio Ferrero Abogados S.C.R.L](#)
- [Estudio Bellido, Saco-Vértiz & Bellido S.C.R.L.](#)
- [Estudio Llona & Bustamante Abogados](#)
- [Estudio Yori Abogados](#)
- [Estudio Villegas S.A.C.](#)
- [Carrera, Pinatte & Baca-Alvarez Abogados S. Civil de R. L.](#)
- [Mazza-Martínez & Assoc., P.A.](#)
- [Santistevan de Noriega & Asociados Abogados-Consultores](#)
- [Rebaza, Alcázar De las Casas Abogados Financieros](#)
- [Estudio Echeopar](#)
- [Piérola & Asociados S. Civ. R.L.](#)
- [American Law Link](#)
- [Panez, Chacaliaza & Asociados](#)
- [Rodrigo, Elías & Medrano, Abogados S. Civil De R.L.](#)

- [Abelman, Frayne & Schwab](#)
- [Alston & Bird LLP](#)
- [Blakely Sokoloff Taylor & Zafman LLP](#)
- [Cowan, Debaets, Abrahams, Sheppard, LLP](#)
- [Thompson Hine LLP](#)
- [Watts Hoffmann Co., L.P.A.](#)
- [Gibson Dunn & Crutcher LLP](#)
- [Shearman & Sterling LLP](#)
- [Skadden Arps Slate Meagher & Flom](#)
- [Dowell & Dowell, PC.](#)

Industry Organizations

- [American Bar Association](#)
- [Association of American Publishers](#)
- [Biotechnology Industry Organization](#)
- [Business Software Alliance \(BSA\)](#)
- [Business Software Alliance Peru](#)
- [Entertainment Software Association](#)
- [International Anti-Counterfeiting Coalition](#)
- [International Federation of Pharmaceutical Manufacturers & Associations](#)
- [International Federation of the Phonographic Industry \(IFPI\)](#)
- [International Intellectual Property Alliance \(IIPA\)](#)
- [International Research-Based Pharmaceutical Manufacturers Association \(IRPMA\)](#)
- [International Trademark Association](#)
- [Motion Picture Association](#)
- [Music Publishers Association](#)
- [Pharmaceutical Research and Manufacturers of America \(PhRMA\)](#)
- [Pharmaceutical Security Institute](#)

International Organizations

- World Trade Organizations, resources on TRIPS
- World Intellectual Property Organization

Abbreviations

AMCHAM- American Chamber of Commerce of Peru (*Cámara de Comercio Americana del Perú*)

Copyright Office- Office of the Rights of the Author

GATT- General Agreement on Tariffs and Trade

IIPA- International Intellectual Property Alliance

INDECOPI- National Institute for the Defense of Competition and the Protection of Intellectual Property (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual*)

IP- Intellectual Property

IPR- Intellectual Property Rights

Patent Office- Office of Inventions and New Technologies

PCT- Patent Cooperation Treaty

PROMOLIBRO- (*el Consejo Nacional de Democratización del Libro y de Fomento de la Lectura*)

SUNAT- Tax and Custom's Authority (*Superintendencia Nacional de Administración Tributaria*)

TCC- Trade Compliance Center within the Department of Commerce

Trademark Office- Office of Distinct Signs

TRIPS- Trade Related Aspects of Intellectual Property

UIT- Unidad Impositiva Tributaria

USPTPA- United States-Peru Trade Promotion Agreement

WCT- WIPO Copyright Treaty

WIPO- World Intellectual Property Organization

WPPT- WIPO Performances and Phonograms Treaty

WTO- World Trade Organization

