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Case Study: Trade Fair Brazil

✓ Background

The German SME Recht attended the 2018 Bernie Fit edition in Brazil, an annual trade fair where sporting goods and fitness are exhibited. Among other products, Recht presented a new Pilates reformer machine: the Zen model.

Although Recht had applied successfully for patent protection in Brazil for previous products in the past, it decided not to do so this time due to the extremely lengthy registration procedure which can last up to 10 years, and the low level of expected sales of this product.

Surprisingly, the Zen model became very popular and sold very well. At the start of 2019, one of Recht's competitors, the Brazilian Company S&F, displayed a machine (the Corporação model) that embodied an identical system for which the Brazilian SME had filed a patent application.

The 2019 edition of the Bernie Fit fair was about to take place and the German company asked a local IP lawyer what they could do.

⚙️ Actions taken

The IP lawyer analysed the case and figured out that:

- The Brazilian machine did not infringe any of Recht's Brazilian patents.
- S&F's patent application for the Corporação model was filed only one month after the 2018 Arnold Classic trade fair.
- S&F had been commercialising another machine for the last 10 years that was infringing an old patent owned by Recht in Brazil, which would expire in 8 years.

In the light of the above, Recht was advised to:

- Contact 2018 Bernie Fit's organisers in order to obtain as much evidence as possible concerning the exhibition of the "Zen model" at the fair, where S&F copied it.
- File a patent application in Brazil using the 12-month grace period.
- Try to negotiate with S&F and solve the conflict in an amicable way.
- In case the Brazilian company is not willing to reach an agreement:
 - File an opposition against the Corporação patent application, claiming lack of novelty.
 - Contact the trade fair organisers in order to inform them about the IP conflict.
 - Start legal actions against S&F for patent infringement of their older patent.

📊 Outcome

The German SME granted S&F a licence over the old patent and the Brazilian SME withdrew its patent application for the "Corporação model".

Additionally, Recht filed a patent application for the "Zen model". Thanks to the grace period, the novelty was not affected and a few years later the patent was finally granted.

📖 Lessons learned

- Seek professional IP advice to know whether or not to protect your innovations before exploiting your products and services.
- Do not disclose your invention without proper prior IP protection. Otherwise, it could be very difficult –if not impossible– to start legal actions against counterfeited or unauthorised copies of your products and it could affect further IPR applications (i.e. rejection of the patent application for lack of novelty).
- Conduct a brief due diligence on the rest of the attendees of the events you intend to go to, in order to detect and prevent potential IPR infringements.
- Stay in touch with trade fair organisers. They can help you in case of an IPR conflict by providing you with advice (arbitration or mediation service), evidence for further legal actions and assistance in the event that another attendee is clearly infringing your IPRs.
- Some countries provide applicants with a grace period and the duration could vary from country to country. Remember that in most Latin American countries, patented applications do not grant any rights, and enforcement actions can only be taken once the patent has been granted.

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