

## Trade Dress Protection in Brazil – A Glimpse at the Beverage Market

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*Trade dress* is by definition a set of elements that comprise the visual identity of a particular product or service, distinguishing it and individualizing it from others, in order to make consumers choose it over a competitor product. Hence, *trade dress* can be a relevant business differential, providing a competitive advantage in the race to conquer difficult consumer markets.

In Brazil, trade dress protection is supported in several regulations, all under the unfair competition concept. The Industrial Property Act no. 9279/96 (Section 195, III), and the Paris Convention (Section 10-bis, 3, paragraph 1º), both contain provisions against fraudulent practices for misleading or creating confusion, by any means with products or services of a competitor. In addition, article 5, XXIX of the Brazilian Federal Constitution grants protection to inventions, creations, trademarks, company names and other distinctive signs.

The Industrial Property Act (IP Law no. 9279/96) lists a series of prohibited practices when defining ‘unfair competition’. In particular, Article 195(III) establishes that any “fraudulent means to divert, for your own or a third party’s benefit, a competitor’s clientele” is considered as an illegal act.

Trade-dress protection in Brazil has also been widely acknowledged by the Courts and case law has been an important source of its doctrinal foundation, not only before State Courts, but also in the Superior Court of Justice. The decision below, for instance, gives a good indication regarding the scope of trade dress protection in Brazil. The trade dress concept was defined as a:

*“Set of characteristics, which may include, among others, a color or color scheme, shape, packaging, product configuration, signs, phrases, layout, styling and size of letters, graphics, drawings, emblems, textures and ornaments generally able to identify a particular product and differentiate it from the others” (Rio de Janeiro Appellate Court, Appeal no. 0090918-04.2007.8.19.0001. Twelfth Civil Court, Appellate Judge Lucia Miguel S. Lima. Decision rendered on January 27, 2009).*

The main condition for the protection of an unregistered trade dress is attesting that the features have been used consistently in the local market, so that they have become distinctive, and that their adoption by a competitor is likely to cause confusion or divert clients away from it. Therefore, the features must be distinctive and non-functional, and must have achieved a role as a source identifier, regardless of a formal registration.

In the beverage industry, for instance, trade dress protection embraces the shape of the bottle; coloring combination of the label, the bottle and its lid; the marks involved; stylization of the mark and all the written information in the labeling; and all other visual elements that distinguish a particular product from another.

As highlighted below, several decisions have granted trade dress protection for beers, vodkas and wines against competitors that sell identical products with confusingly similar bottles, or with visual elements that could create a misleading connection with a competitor product or service.

In the case of *Duvel Moortgat v. Cervio Comércio e Indústria de Bebidas Ltda – EPP*, the Rio de Janeiro Court of Appeals found that the Defendant’s beer, called “Deuce”, infringed the Plaintiff’s beer trade dress, called “Duvel”, since the Defendant’s bottle could cause confusion and false association in view of its visual similarities with the Plaintiff’s bottle, such as the typeface, label layout, colors (white and red), meaning of name when translated into Portuguese – i.e. devil – bottle shape, and type of beer, besides the fact that both had Belgian origin.



(DUVEL v. DEUCE | Lawsuit no. 0254911-82.2014.8.19.0001 – Rio de Janeiro State Court)

In fact, even after some layout changes made by the Defendant during the 1st instance procedure, the Rio de Janeiro Court of Appeals considered that the similarities still prevailed on the Deuce bottle and, due to the resemblance between both trademarks (Duvel x Deuce), which were designated in the same market field, several customers would possibly already have been diverted from buying Plaintiff’s beer, characterizing this as an unfair competition practice.

In another case, the Rio de Janeiro Court of Appeals ordered *101 Brasil Indústria de Bebidas Ltda* to refrain from commercializing its “Kislla Summer Beach” vodka in any bottle which trade dress was similar to the “Skol Beats” vodka commercialized by the Plaintiff, Ambev S.A, one of the biggest beverage companies in the world.



(SKOL BEATS vs. KISLLA SUMMER BEACH | Lawsuit nº 0071156-50.2017.8.19.0001 – Rio de Janeiro State Court)

By focusing its analysis on the similarities rather than differences (which is the accurate method for analyzing potentially infringing products) between Skol Beats and Kislla Summer Beach visual aspects, the Court concluded that the indisputable resemblance between both products created the possibility of causing confusion to customers, due to the combination of blue and silver colors on both bottles, the same visual arrangement and the use of similar elements, such as the product arrow, as well as the phonetic resemblance between the terms “beach” and “beats”.

In the case of *Jurupinga Dinale Indústria e Comércio de Bebidas Ltda. – EPP v. Passarin Indústria e Comércio de Bebidas Ltda.*, the São Paulo Court of Appeals considered that the whole set of the Defendant's products, a type of Portuguese drink called "Jeropiga 2001", could cause confusion to customers with respect to Plaintiff's white wine, called "Jurupinga Dinalle".



(JURUPINGA DINALLE vs. JEROPIGA | Lawsuit no. 4001048-52.2012.8.26.0309 – São Paulo State Court)

According to São Paulo State Court, by analyzing both products side by side on the market, a regular customer could easily get confused in view of the clear similarity between Jeropiga and Jurupinga. Besides having similar marks, both drinks' colors are identical, the label backgrounds have similar colors and the images of bottles, barrels and bunches of grapes are both printed in similar colors.