



## Intellectual Property Rights Toolkit Colombia

June 2011

With support from:



## **I. Message from Ambassador McKinley:**

I am pleased to present this guide to U.S. companies contemplating doing business in Colombia.

Colombia has a solid foundation for continued economic growth thanks to its relatively stable political environment and government policies that, over the past decade, have dramatically improved security. These improved circumstances combined with the implementation of the Andean Trade Promotion and Drug Eradication Act (ATPDEA) in 2001 have led to a significant increase in foreign direct investment and bilateral trade.

The U.S. government's principal objectives under Plan Colombia include strengthening the country's legal framework and bolstering the rule of law, while reducing illicit activities. In particular, the U.S. government targets illicit drug production and narco-trafficking. However, these successful efforts have created new challenges, as traffickers have turned to copyright piracy and counterfeit products to fund illicit activities. These infringements on intellectual property pose a threat to economic growth, which is central to preserving Colombia's improved national security.

Intellectual Property Rights (IPR) protection, therefore, is crucial for Colombia to continue attracting foreign direct investment and stimulating economic growth. Colombia has committed to implementing high standards of IPR protection through its legal framework and enforcement practices. If passed, implementation of the U.S.-Colombia Trade Promotion Agreement (US-CTPA; also commonly referred to as the U.S.-Colombia Free Trade Agreement, or FTA) will require Colombia to establish even stronger IPR protection measures.

### **Our Interagency Mission**

The U.S. Embassy in Bogota actively promotes improved IPR protection in Colombia and advocates vigorously on behalf of U.S. patent, trademark and copyright rights holders. My office, the U.S. Commercial Service, Economic Section, Foreign Agricultural Service, Immigration and Customs Enforcement Section and Public Affairs Section all work closely with U.S. companies, the Colombian government, and U.S. government agencies to advance IPR issues. The Embassy facilitates training for Colombian IPR enforcement officials and supports efforts to enforce penalties for IPR violators.

### **Support for U.S. Companies' IPR Priorities**

The most important thing you can do to protect your IPR in a foreign market is to be well prepared. This Toolkit gives you information to help you take steps to protect your rights in Colombia. It contains materials describing the scope of IPR issues in Colombia, suggestions about what you can do to protect your IPR, and steps you should consider after an infringement has occurred.

The Embassy stands ready to assist you in your business endeavors in Colombia. I hope the IPR Toolkit will be a useful resource.

Sincerely,

P. Michael McKinley

Ambassador

## **II. Message from the Executive Director of the Colombian American Chamber of Commerce (AmCham Colombia)**

The Colombian-American Chamber of Commerce (AmCham Colombia) is dedicated to promoting business and investment opportunities between Colombia and the United States. We have defined four fundamental pillars to ensure we meet our goal of facilitating business opportunities between the two countries. One of them is the respect for Intellectual Property Rights (IPR).

### **Our mission**

Our objective is to promote the importance of IPR among Colombians and to strengthen and promote respect for IPR protection at all levels, including government institutions, judges, prosecutors, customs agents, consumers and the private sector.

To achieve this, AmCham Colombia's Board of Directors has entrusted the IPR committee, led by Juan Pablo Concha of Baker & McKenzie to implement our strategy. In 2010, the IPR Committee comprised 60 members, all from the most prestigious law firms with expertise in IPR, and all representing clients with interests in IPR.

### **Our action plan**

In 2010, the IPR committee met regularly and organized the following events to raise the awareness of the importance of IPR.

- Seminar on "New Policies on Administration of Domain Site Names" with Eduardo Santoyo, Vice President of Corporate Affairs of Co Internet S.A.S, a local administrator of domain names.
- Seminar on "The implementation of TLT in Colombia" with Giancarlo Mercenaro, Deputy Superintendent for IP Affairs.
- Seminar on "Policies and Challenges for the National Copyright Directorate" with Juan Carlos Monroy, National Copyright Director. This event addressed the objectives, concerns, projects and initiatives of the National Copyright Directorate on matters related to intellectual property.
- Seminar on "Policies and Perspectives of the Delegation of Industrial Property in the new Santos administration" with José Luis Londoño Fernández, Delegate Superintendent for Industrial Property.

In addition, the IPR committee released the publication *Lessons in Trademark Law* at an event held at AmCham to commemorate World Intellectual Property Day. If you have any further questions regarding our IPR program, please do not hesitate to contact us at AmCham Colombia (57-1-587-7828) or [direstudios@amchamcolombia.com.co](mailto:direstudios@amchamcolombia.com.co).

Sincerely,

Camilo Reyes  
Executive Director  
AmCham Colombia

## Chapter One: Colombian Intellectual Property Rights (IPR)

### Overview: Colombia's Current IPR Environment

**The Colombian Government is committed to protecting Intellectual Property Rights (IPR) “to improve competitiveness, commerce and trade, especially with the U.S.A.”<sup>1</sup>**

More than five decades of armed conflict, drug trafficking, and organized crime have significantly threatened Colombia's control of its own territory and enforcement of its own laws. The Revolutionary Armed Forces of Colombia (FARC in Spanish) and anti-FARC Colombian paramilitary-armed groups compete actively in the lucrative business of national and transnational piracy for money laundering purposes, causing significant injury to IPR owners and the Colombian people. As financial markets and offshore centers are closely monitored, selling pirated and counterfeited products has become another option to launder money.

Smuggling is another complicating element and a long-standing problem for Colombia as its lengthy borders have always been difficult to control. Even today, smuggled goods include a significant amount of counterfeited products. In this context of lax law enforcement combined with competing national security priorities of insurrection and narco-trafficking, the Colombian government has traditionally been a weak implementer and enforcer of IPR laws and regulations.

Colombia's efforts to protect IPR began in 1998 when President Pastrana's administration launched the first of a series of initiatives as part of the Plan Colombia program. Plan Colombia has helped Colombia to achieve impressive security gains since 2002 which in turn has boosted economic growth, attracted significant foreign direct investment (FDI), and increased disposable income for consumers and businesses. The Colombian government has made securing FDI and improving investor confidence a key priority.<sup>2a</sup> In 2005, IPR protection became the focus of significant Colombian institutional and governmental reforms. Under the auspices of the National Commission for Competitiveness and Productivity,<sup>2</sup> the Colombian government is developing IPR public policy to enforce copyright law and “protect the products of human output in science, technology, industry, literary and artistic creation”.<sup>3</sup> Colombians have been moving aggressively to protect IPR under a set of international standards comprising copyrights, industrial property rights and plant breeder's rights.

President Santos has committed to reinforcing the country's reliability and image as a reliable international player by institutionalizing the protection of IPR. His Administration's National Development Plan is Colombia's first to address IPR issues. In 2008, the Supreme Court set guidelines for *“the development of national jurisprudence on the nature, scope and meaning of the criminal protection of copyrights.”*<sup>4</sup> This is an important decision and a significant change of course for Colombia.

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<sup>1</sup> Giancarlo Marcenaro Jimenez, Superintendent Delegate, Superintendence of Commerce and Industry (SIC), April, 2009

<sup>2a</sup> 2009 Presidential Corporate and Institutional Social Responsibility Initiative

<sup>2</sup> Política Nacional de Competitividad y Productividad y la Política de Ciencia, Tecnología e Innovación

<sup>3</sup> IPR Action Plan 2008/2009, p.1, Departamento Nacional de Planeación,

<sup>4</sup> Cassation ruling 29,188 released on April 30, 2008

Despite Colombia's improving legal framework for IPR protection, enforcement continues to be weak. Colombian judicial interpretations of patent, trademark and copyright issues have been scarce in practice and soft on offenders. Also, prosecutors and judges often lack specific subject matter knowledge. Colombia represents a substantial market for pirated books, movies, music, software and auto parts. Most pirated and counterfeited goods come from abroad, mainly from Asia and some neighboring countries. Colombia has not been a significant country of origin for pirated and counterfeit goods.

Under the "Special 301" trade statute, enacted in 1988, the Office of the United States Trade Representative (USTR) must identify foreign countries that deny adequate and effective protection of IPR or fair and equitable market access to U.S. persons that rely upon IPR protection. USTR must initiate an investigation under Section 301 of the Trade Act of 1974 for those foreign countries that have the most onerous or egregious IPR practices with the greatest adverse impact on U.S. products. Unlike a few Latin American countries, Colombia has never been subject to a 301 investigation based on its IPR practices. Colombia has been on the "Watch List" since 1989, spending one year (2002-2003) on the higher "Priority Watch List."

<u>Year</u>	<u>Type of Watch</u>	<u>Underlying Concerns</u>	<u>Type of IPR</u>	<u>Comments</u>
US-2001	Watch List <sup>5</sup>	Inadequate Copyright Laws; Cable Piracy; Pharmaceuticals	Copyrights; Patents	
2002	Priority Watch List	Pharmaceuticals; Ineffective Copyright and Trademark Laws; Cable Piracy; Rare Prosecutions	Copyrights; Trademarks; Patents	
2003	Watch List	Pirated Sound Recordings; Flea Markets; Piracy of Business Software and Videogame Software	Copyrights	
2004	Watch List	Pharmaceutical and Agricultural Chemical Products; Piracy of Music and Motion Pictures; Photocopying Piracy; Optical Disc Piracy	Patents; Trademarks; Copyrights	Music piracy alone estimated at \$51 million in Colombia in 2004
2005	Watch List	Optical Disc Piracy; Illegal Photocopying of Academic Textbooks, Business/Entertainment Software; Border Enforcement	Copyrights; Trademarks	
2006	Watch List	Enforcement; Inadequate Judicial System; Border Enforcement; Copyright Piracy; Optical disc Piracy; Business/Entertainment Software Piracy/Copyrights; Trademarks	Copyrights; Trademarks	U.S.-Colombia Trade Promotion Agreement concluded in Feb. 2006
2007	Watch List	Copyright Piracy; Judicial System; Border Enforcement	Copyrights; Trademarks	Recently completed negotiation of the U.S.-Colombia Trade Promotion Agreement
2008	Watch List	IP infringers, issuance of deterrent-level criminal sentences by courts, patent-infringing	Copyrights; Patents	

<sup>5</sup> Step 1: "Watch List", Step 2: "Priority Watch List", Step 3: "Priority Foreign Country" with possible trade retaliation from US

		pharmaceutical products; and, stronger IPR border enforcement		
2009	Watch List	Copyrights of book; optical media piracy; and, unauthorized copies of patented pharmaceutical product	Copyrights; Patents	
2010	Watch List	Lack of deterrent sentences; lack of a system to address patent issues expeditiously in connection with marketing approval of pharmaceutical products; lack of marketing approval for unauthorized copies of patented pharmaceutical products; and optical media piracy	Copyrights; Patents	Improved interagency coordination
2011	Watch List	lack of a system to address patent issues expeditiously in connection with marketing approval of pharmaceutical products; lack of marketing approval for unauthorized copies of patented pharmaceutical products; mechanism to address copyright infringement over the Internet; optical media piracy	Copyrights; Patents	IPR in Colombia's National Development Plan

**Source:** United States Trade Representative (USTR) Section 301 Annual Reports (2001-2011)

Though Colombia remained on the Watch List in 2011, the U.S. government commended Colombia for its continued actions to combat IPR violations. The Colombian government continued efforts to combat IPR infringement through enforcement actions, improved coordination and cooperation among its enforcement agencies and with rights holders, and took steps to address its patent backlog system. Concern still exists, however, that further IPR improvements are needed, including the need for additional resources and training to improve its enforcement efforts.

Statistics and data show piracy and counterfeiting are still widespread in 2011. However, the Colombian government has made great progress in improving IPR protection as part of its preparation for the implementation of the U.S.-Colombia Trade Promotion Agreement (CTPA), once approved by the U.S. Congress.<sup>6</sup> Colombian authorities, lawyers and international companies are working within a more modern legal framework that provides them with the tools for fair and active protection and enforcement of IPR. Colombia is also now considered a leader in technical standards references. Still, there is room for improvement in enforcement by the police, customs, and within the Colombian judicial system.

The United States will continue to monitor Colombia's compliance with its bilateral and multilateral obligations to protect against unfair commercial use, and unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products or agricultural chemical products. The United States will continue to encourage Colombia to develop procedures and remedies to provide an effective system to address patent issues expeditiously in connection with applications to market pharmaceutical products. Finally, the U.S is working with Colombia to achieve

<sup>6</sup> As of mid-2011, the CTPA has not been approved by the U.S. Congress and therefore does not at this time bind either Colombia or the United States.

progress on these pressing IPR issues both bilaterally and under the CTPA (when the agreement is passed by the U.S. Congress), in order to implement the commitments Colombia has made regarding IPR protection and enforcement, both in-law and in-practices.

## **The Best Protection is Prevention**

**The Colombian government is committed to “generating a culture of respect for copyrights and related rights in Colombia.”<sup>7</sup>**

The Colombian government recognizes that the best protection of IPR is the prevention of IPR violations through the development of a culture that respects IPR. There are regional and national aspects [that affect] creating this culture of respect.<sup>8</sup>

Andean Decision 486 is the applicable IP law for trademark, patent and other rights in the Andean Community, which includes Colombia, Ecuador, Peru and Bolivia. The Colombian legislature cannot legislate on substantive matters already regulated by Andean Decision 486; it can only regulate limited procedural aspects. In Colombia, Decision 486 is regulated by Decree 2591 of December 13, 2000 and the Superintendent of Industry and Commerce’s Special Circular (Circular Unica). Andean Decision 351 covers copyright, and has been in force in Colombia since January 1, 1994.

As a member of the World Trade Organization (WTO), Colombia committed to implement the obligations specified in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Within this framework, and in order to allow Peru to adopt its IP obligations under the U.S.-Peru Trade Promotion Agreement (PTPA), if passed, the Andean Community Commission modified Decision 486 via Andean Decision 689 of 2008.

On July 14, 2008, the Colombian “National Economic and Social Policy Council produced the document CONPES 3533 entitled “Foundations for a Plan of Action for Aligning the Intellectual Property System with National Competitiveness and Productivity for 2008-2010”, which outlines six concrete strategies to bring the intellectual property system in line with international standards, and which ensure the intellectual property system’s effectiveness and efficiency”<sup>9</sup>.

Colombia’s formal structures for the promotion of IPR are decentralized. The Colombian government has entrusted the Ministries of Interior, Justice, Commerce, Industry and Tourism as well as the Administrative Department of Science, Technology and Innovation (COLCIENCIAS)<sup>10</sup> the responsibility of setting the foundations for the promotion of an IPR culture with the Colombian Intellectual Property System. The Colombian government has made a significant effort at the national level since 2007 to “educate Colombian society in order to generate a culture of respect towards IPR

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<sup>7</sup> IPR Action Plan 2008/2009,p.3, Departamento Nacional de Planeación

<sup>8</sup> Andean Community ([www.comunidadandina.org/endex.htm](http://www.comunidadandina.org/endex.htm))

<sup>9</sup>World Intellectual Property Organization, WIPO/GRTKF/IC/16/INF/23, February 19, 2010.

<sup>10</sup> A 2008 governmental law gave COLCIENCIAS the status of technical ministry for the development of competitiveness and education in science.

protection,”<sup>11</sup> promoting the legal instruments available to the public nationally as well as for international investors. The government’s goal is to establish communications mechanisms and inter-institutional coordination to protect intellectual property and creation, and the knowledge of and utilization of IPR. The Superintendent of Industry and Commerce (SIC) promotes awareness and distributes information about copyrights and related topics in Colombia, including: coordinating conferences, workshops, seminars and congresses; training specialists and government officials and funding for studies and research.

### **Copyrights and Related Rights:**

Colombia provides a generally comprehensive legal framework for the protection of copyrights. Colombia is a signatory to the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention, and the Geneva Phonograms Convention. In addition to its international obligations (both copyright conventions and the WTO TRIPS agreement), Colombian IPR laws are influenced by the Andean Community rubric. The Andean Community Decision 351 on the protection of copyrights has been in effect in Colombia since January 1, 1994.

The Copyright Law (Law 23 of 1982, as amended through 2010), as well as its civil and criminal codes, includes some provisions for IPR enforcement, which have been used to combat infringement. For example, Colombia’s 1993 amendments to the Copyright Law significantly increased penalties for copyright infringement, specifically empowering<sup>12</sup> the Attorney General to impose penalties for copyright infringement, including incarceration for violations against patrimonial (economic) rights and fines for those who violate the technological protection measures or “digital locks” used by copyright owners to protect their works in the online environment.

### **Patents**

The Colombian law regarding patents is Andean Community Decision 486 of 2000. The Colombian legal framework includes the TRIPS Agreement (Trade-Related Aspects of Intellectual Property Rights), the Patent Cooperation Treaty, the Paris Convention on Industrial Property and the UPOV Convention. The patent regime in Colombia provides for: a 20-year protection period from filing for patents and reversal of the burden of proof in cases of alleged process patent infringement; a 10-year term from filing for industrial designs; and, protection for new plant varieties under Andean Decision 345. The law does not provide patent protection for new uses of previously known patented products. Regarding litigation, with a valid patent and effective counsel, preliminary injunctions and damages can be obtained.

### **Trademarks**

Trademarks, trade names and logos are protected under Colombian law (Andean Decision 486). The Trademark Law of Colombia grants protection to individuals and companies wishing to protect their trademarks and trade names in Colombia. Colombian trademark protection requires registration and use of a trademark in Colombia. Registration of a trademark must be accompanied with its use in order to

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<sup>11</sup> IPR Action Plan 2008/2009, p.18, Departamento Nacional de Planeación

<sup>12</sup> Law 1032 of June 22<sup>nd</sup>, 2006, re: legal protection for copyright owners’ through technological protection measures.



prevent parallel imports (products imported from another country without the authorization of the intellectual property owner). The registration of a trademark in Colombia is valid for a period of ten years and can be renewed indefinitely every ten years. Priority rights are granted to the first applicant for a trademark in another Andean Community country or another party to the Paris Convention, if filed within the priority time period. The United States Agency for International Development (USAID) has funded the SIC's efforts to update, register and digitalize over 85,000 patents and trademarks in 2008.<sup>13</sup>

### **Trade Secrets and Unfair Competition**

For a trade secret to be protected under Andean Decision 486, the information must not be common knowledge within industry circles and must have some commercial value. The party seeking trade secret protection must also have taken reasonable steps to prevent disclosure. There are no registration costs and no disclosure requirements to government agencies for trade secret protection.

More significantly, there is no period or restriction of time granted to trade secret protection. Provided the applicant complies with some requirements<sup>14</sup> to gain protection, there is no need to ask for approval by SIC or any other authority.

### **Pharmaceutical and Agricultural Chemical Data Protection**

Data protection for undisclosed information is a separate form of IP. Data protection for undisclosed information required for marketing approval of pharmaceutical and agricultural chemicals provides incentives to invest in costly and time-consuming safety and efficacy studies. Protection for data required to obtain marketing approval for pharmaceutical and agricultural chemicals containing new chemical entities is an obligation of the TRIPs Agreement. Colombia has implemented data protection for agrochemical and pharmaceutical products. If approved, the CTPA will also address protection against unfair commercial use of test data submitted for marketing approval of medicines and agricultural chemicals containing new chemical entities. Until 2002, the Colombian government did not protect against unfair commercial use of test data for a period of five years, as required by Andean Decision 486. In 2002, Decree 2085 was issued to regulate the protection of safety and efficacy test data for pharmaceuticals.

Since Decree 2085's introduction in November 2010 pharmaceutical products associated with new chemical entities have been protected. Under Decree 2085, data presented for health certification of pharmaceuticals is protected for a period of three years for registrations issued in 2002, four years in 2003, and five years in 2004 and beyond. As for patent linkage provisions, the Colombian Ministry of Health does not have authority to stop generic health registrations for patented medicines; however, a patent holder may seek to keep generics off of the market by initiating an infringement complaint. In May 2003, the Agricultural Ministry promulgated Decree 505 to provide similar protection for agricultural chemicals. Law 822 of July 2003 established additional norms in relation to the registration, control and sale of generic agrochemicals.

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<sup>13</sup> U.S. Agency for International Development (USAID), Regional Program, IPR, 2008

<sup>14</sup> Please see Chapter 6

## Colombia's IPR Enforcement System

The Colombian government has made a concerted effort in recent years to enforce its intellectual property laws. Coordination between the Colombian government and the private sector is good, resulting in greater enforcement activities, such as raids and arrests. Despite these improvements, intellectual property rights owners report that the level of intellectual property enforcement is still a major concern.

Copyright infringement rulings have increased but vigilance and enforcement remains inadequate. The legal framework needs improvement and law enforcement agencies need more training and funding in order to carry out its mission. Colombia has prosecuted IPR infringements based on Articles 270, 271 and 272 of the Colombian Penal Code as well as other specific laws and/or regulations. In 2008, the Attorney General's Office issued data on its IPR enforcement efforts.

Action	Copyrights	Industrial Property	Property Rights related to pharmaceuticals
Methodological Program	2,375	345	19
Filed/Precluded	1,072	132	45
Plea bargaining	91	5	9
Filing of allegations	631	75	15
Indictments	296	59	8
Conviction sentences	114	8	9

Moreover, Colombia has maintained its efforts to enforce the penal law related to IPR.

- According to **Decree 4540 of 2006**, for border control of IP, the Colombian National Office of Taxes and Customs (*Dirección de Impuestos y Aduanas Nacionales* – DIAN) implemented the directory of owners of trademarks and copyrights. This information is a useful tool for customs officers who work at ports of entry and secondary zones to identify and seize shipments suspected of containing counterfeit or pirated goods.
- Through **Memorandum 0004 in January of 2008**, the Regional Customs Offices in Colombia were instructed to enforce operations related to IP. In addition, all seizures of presumed pirated and counterfeit goods must be reported every six months by customs posts to the Colombian National Customs.
- According to **Circular 4 of December 2 of 2006**, the heads of Internal Control Offices of government agencies shall send an annual report on “verification, advising, monitoring, and results of copyright software compliance.” The reports are then forwarded to the National Office of Copyright, in accordance with Circular 13 of February 2, 2007.

## Colombia offers various legal tools for the enforcement of IPR

### Criminal action

Recent reforms of the Colombian legal system, switching from an inquisitive system to accusatorial proceedings, have changed legal mechanisms, formalities and public procedures. Originally, only identical imitation of registered trademarks or protected trademarks constituted a crime. Burdened with cases of homicides, thefts, and terrorism, the Attorney General's Office did not prioritize IPR infringements. Plaintiffs had to face discouraging delays and backlogs. The switch from written to oral submissions for a majority of legal formalities, in addition to shorter average times for

investigation, have led to more transparent and simplified procedures that are making the enforcement of IPR more efficient. According to the Colombian rules of reasoned judgment,<sup>15</sup> the Attorney General and the plaintiff's lawyer have the obligation of collecting all the evidence they consider necessary, which will be evaluated during a hearing.

The Attorney General's Office has created the "IPR National Unit" within the Office in charge of the investigation of crimes against IPR. Their contact information is:

### **Special National Unit against IPR and I.T. Crime**

Cr. 13 N. 73-50

Bogotá, D.C.

Phone: (57.1) 3216135 and 3216045.

This unit is independent, led by well-trained attorneys with the ability to enforce applicable laws. Copyright and trademark criminal cases have been investigated. Counterfeit goods have been seized and individuals have been investigated. The numbers are increasing. This unit enforces national laws regarding copyrights, trademarks, patents and trade secrets (few criminal patent infringements have been successfully prosecuted).

### **Civil Action:**

The process can currently be long, taking from three to five years. However, preliminary injunctions can normally be obtained within 2-3 months, and require the payment of a bond. Damages can be calculated using lost profits, unjust enrichment or a reasonable royalty formula. Civil judges are not trained properly on IP laws and, consequently, are hindered when making infringement determinations. Accordingly, hiring knowledgeable counsel is imperative in order to properly explain the case to the judge.

### **Public Outreach, Education and Training**

While all of the above information demonstrates Colombia's progress on the IPR front, the key challenge is creating a culture of respect for IPR in Colombia. Consumers need to understand the damage generated by unauthorized use of music and the damages caused to the creators, the artists, businesses, to the country, and the economy in general. The Colombian government's efforts include, for example, implementing various campaigns for IPR awareness in the country in order to change the current culture on IP. USAID has worked with the Colombian government to conduct multiple workshops for small and medium sized businesses (SMEs). The Ministry of Commerce, Industry and Tourism has launched a comprehensive IPR protection training and education effort with 7,096 people trained in 2008. The Attorney General's Office has lent its support to develop different training activities for prosecutors, experts and officers of the National Police. A "Second Phase of Training for Prosecutors" on issues related to fighting copyrights violations was held in Bogota in July and August 2008.

*For illustrative purposes only, a list of recent training programs sponsored by the Colombian government can be found in Appendix One, at the end of this document.*

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

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<sup>15</sup> Known in legal language as **sana critica**.

As intellectual property rights are private rights, the U.S. government can only provide limited direct assistance. Companies must understand how laws are applied and what administrative alternatives are available, and become familiar with local laws and enforcement venues, administrative or civil procedures, and criminal recourse. While the U.S. government can provide companies with information in navigating Colombia's legal system, it cannot provide legal advice or advocate on a company's behalf during infringement proceedings. Hiring local counsel will provide a company with the legal means with which to protect its intellectual property rights before and after infringement occurs.

If a company believes that infringement is occurring or has occurred, it may present a petition to the SIC to object to the filling of a trademark. The U.S. government cannot intervene in these cases. However, inquiries can be made about their status or contact can be initiated with government officials about concerns related to the legal remedies available 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 Colombian laws, and at advancing adequate legal and judicial protection for all parties.

To report an IPR related trade complaint or obtain more information about intellectual property rights, businesses can use both the [www.stopfakes.gov](http://www.stopfakes.gov) and STOP Hotline. On [www.stopfakes.gov](http://www.stopfakes.gov), businesses can file complaints and receive assistance about IPR-related trade problems, which are answered within ten days by a trade specialist from the ITA's Office of Intellectual Property Rights (OIPR). The Department of Commerce also has the 1-866-999-HALT hotline answered by U.S. Patent and Trademark Office (USPTO) IPR experts, who work with ITA's Office of Intellectual Property Rights to help businesses secure and enforce their IPR.

*The U.S. Embassy strongly emphasizes that the information provided in this document does not constitute legal advice and therefore should not be a substitute for advice of counsel. The purpose of this guide is to provide an overview of Colombia's IPR environment, available enforcement mechanisms, and Colombian government offices sharing jurisdiction over IPR protection and enforcement. We recommend that U.S. companies seeking to do business in Colombia or facing IPR infringement issues retain qualified U.S. and/or Colombian legal counsel and pursue their rights through Colombia's IPR enforcement regime.*

## Chapter 2: Industry Specific Issues

Copyright-based industries in Colombia generate employment and a positive trade balance second only to Mexico in Latin America.<sup>16</sup> The World Intellectual Property Organization (WIPO) and the Colombian Copyright Office published the Report on the Economic Contribution of Industries Protected by Copyright and Related Rights in Colombia,<sup>17</sup> assessing the economic weight of industries protected by copyright in Colombia. According to the report, the copyright industries input nationwide has been 3.3% of GDP, or 10% of total exports and 5.8% of the labor market since 2000. In 2006,<sup>18</sup> these industries generated one million jobs or six percent of the employed population of the country and up to 13% in the 13 largest cities. Notably, these “modern industries” generated more jobs in Colombia than in the traditional construction, financial services or coffee production sectors. The contribution to international trade is significant with U.S. \$2 million worth of exports in 2005 or 17% of all industrial exports of the country and 10% of all exports. However, the Center for Research on Latin America and the Caribbean (CERLAC)<sup>19</sup> stated that 53 % of the products sold in 2007 in this sector were pirated, the equivalent of taking away approximately 18,000 jobs from the Colombian real economy. The National Directorate for Copyrights<sup>20</sup>, a special unit of the Ministry of Interior and Justice, is responsible for registration and the protection of copyrights for books, movies, music, software, and other copyrightable subject matter. The Colombian Taxation Customs Office<sup>21</sup> (*Dirección de Impuestos y Aduanas Nacionales* – DIAN) conducts the seizure of pirated goods and counterfeits including clothing, CDs, DVDs, and posters.

### **Books**

Academic publishers, local and international alike, have been particularly hard hit by continued unauthorized photocopying of books and journals in educational institutions throughout Colombia. Rights holders and licensing bodies have led public awareness campaigns aimed at creating a culture of respect for intellectual property, but further public and private efforts are needed to make progress against a long-standing challenge.

Colombian law allows the reproduction of literary and artistic works for educational purposes under narrowly defined circumstances. The government of Colombia issued **Decree 1070** on April 7, 2008, acknowledging “the need to promote research; cultural diffusion; to safeguard the copyright, and to protect interests of owners and users of works protected by copyright.”<sup>22</sup> This decree specifies the obligations related to reproductions of literary and artistic works for education and business establishments and those of public and private institutions that offer educational programs.

### **Movies (Motion Picture Industry)**

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<sup>16</sup> Ministry of Culture and National Department of Administration and Statistics (DANE in Spanish)

<sup>17</sup> “La contribución económica de las industrias del derecho de autor y los derechos conexos en Colombia” in Spanish.

<sup>18</sup> Unidad de Divulgación y Prensa. Dirección Nacional de Derecho de Autor

<sup>19</sup> A Diagnosis of Copyright in Latin America, CERLAC, 2007

<sup>20</sup> <http://www.derechodeautor.gov.co>

<sup>21</sup> <http://www.dian.gov.co>

<sup>22</sup> Camilla Alba Rubio, executive coordinator, Convenio Anti-Piratería, interview, May 2009

The production of Colombia's cinematographic and audiovisual industry has steadily increased since 2000, receiving sustained international recognition, creating renewed IP interest. As the domestic industry has expanded, domestic pressure for IPR protection in the industry has increased. According to the Program for the Defense and Rights of Producers, Exhibitors and Distributors of Video in Colombia (PRACI), over five million copies of illegal movies were seized in 2007. Additionally, approximately 602 illegal video shops were raided that year. Of the 1002 persons arrested for copyrights violations, only 135 individuals were sentenced for the sale of pirated DVDs, CDs and posters<sup>23</sup>. Movie theaters lose spectators due to DVD piracy and legitimate DVD sales have dropped. The growth of optical disc piracy threatens the legitimate DVD market. Many DVD rental companies close every year for bankruptcy. Authorities continue to crack down but the problem remains extensive.

### **Music**

According to the Association for the Protection of Phonograms and Music Video Recordings Intellectual Rights (APDIF) (<http://www.apdifcolombia.com>), over 200 million songs were illegally downloaded from the Internet in 2007 in Colombia -- the equivalent of 20 million CDs. Piracy of music CDs is due to local, cottage-shop CD-R duplication, although digital piracy is growing. The Recording Industry Association of America (RIAA) reported that in 2010 there was a 17% overall market decrease of legitimate music sales in Colombia<sup>24</sup>. Faced with these economic losses, which have significantly reduced the potential of the market in the last decade, the music industry has devised strategies to address the threat of piracy, including the aggressive promotion of new artists, the production of high quality products, and the establishment of new channels of dissemination, such as cell phones. All of these efforts have helped to ensure the continued dynamism of the sector. In 2010, physical music sales dropped 30% to \$11.175 million whereas digital music sales increased 22% to \$6.4 million<sup>25</sup>.

To support anti-piracy efforts, the Colombian Copyright Office issued **Circular N° 13** on May 28, 2008. Through this circular, addressed to city mayors, the Colombian government established the guidelines on Copyrights and Related Rights compliance related to public communication of musical works, performances and phonograms in establishments open to public. On May 29, 2008, the Colombian government issued **Decree 1789**, reiterating that such establishments must remit payment of fees for the public performance of musical works according to copyright law (**Law 23 of 1982**) and other complementary regulations.

### **Software**

The Business Software Alliance (BSA) and the International Data Corporation (IDC) have conducted a series of surveys on global software piracy. According to their most recent survey (using 2010 data),<sup>26</sup> the overall global software piracy rate rose to 42%, which is among the highest levels encountered over the course of all eight studies. This

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<sup>23</sup> On behalf of a major U.S. media company, DIAN conducted 12 raids seizing over 60,000 posters in 2006.

<sup>24</sup> Communication between RIAA representatives and the U.S. Department of Commerce, June 2011.

<sup>25</sup> Communication between RIAA representatives and the U.S. Department of Commerce, June 2011.

<sup>26</sup> See BSA and IDC, *Eighth Annual Global Software Piracy Study*, issued May 12, 2011, available at <http://portal.bsa.org/globalpiracy2010/>

amounted to a record commercial value of \$52 billion for 2010 alone. According to this same study, Colombia remains tied (with Brazil) as the country in this region with the lowest software piracy rates (54%). In 2010, the countries with the highest piracy rates in this region were Venezuela (88%) and Paraguay (83%). The countries with the lowest rates were Colombia (54%), Brazil (58%), Mexico (58%), and Costa Rica (58%). The Colombian software piracy rate of 54% still meant a commercial value of pirated software in Colombia in 2010 amounted to U.S. \$272 million.

In 2006, Asia-Pacific Economic Cooperation (APEC) economies agreed that central government agencies should use only legal software and other copyrighted materials and should implement effective policies intended to prevent copyright infringement on their computer systems and via the internet. The Colombian government has mandated that government ministries may use only authorized, legitimate software. The office of the SIC issued **Circular Nº 005 of 2008** to encourage Intellectual Property System users to take advantage of the surge of new communications media and networks due to the progress and technological innovations of the telecommunications sector and of computer programs. The Ministry of Commerce, Industry and Tourism implemented a system that allows online notifications of administrative regulations to users. **Law 1723 of 2009** dated January 5, 2009 modified the Colombian penal code to create a new type of crime related to "Information and Data Protection." **Article 269E** protects information and data, describing as punishable the abusive access to a computer system, the unlawful obstruction of computer systems or telecommunication networks and the interception of computer data.

### ***Clothing***

Trademark infringement in the clothing industry is significant in Colombia. Large black markets and distribution centers exist in major towns. Street merchants sell small quantities of counterfeit products hidden in plastic bags or small boxes in the main cities. San Andresitos<sup>27</sup> in Bogota are the main recipient of counterfeit clothing. In 2008, six raids were conducted against unauthorized producers of tennis shoes with different trademarks as well as raids against distributors of counterfeit watches. Since 2007, Customs in Bogota and Cali have been very actively working cases related to counterfeit shoes, clothing and watches, seizing shipments full of products bearing registered trademarks. Raids are conducted, focusing on a variety of products including clothing, car mats, books and stationery, stuffed dolls, wallets, etc.

### ***Food and Beverages***

According to the U.S. Commercial Service Office in Bogota, trademark infringement was widespread within the food and beverage industry in 2008. The most counterfeited products are alcoholic beverages and tobacco. The market is also very large and growing for functional and value-added beverages (energy drinks, vitamin and flavored water). Any Colombian can buy, in small shops called San Andresitos, a bottle of Scotch without paying import duties that doubles the price. Occasional police raids have little impact on business in the San Andresitos operations resulting in tens of millions of dollars in lost customs duties. Despite Colombian government efforts, artificially low-priced contraband produces unfair competition and disrupts sales of legally imported products. The National Institute for the Supervision of Medications (INVIMA in Spanish)

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<sup>27</sup> Informal unions of small shops, which are named after a defunct free-trade zone

has seized in a single raid 700 tons of counterfeit food, liquors, and pharmaceuticals with a value of approximately U.S. \$2.6 million.

### ***Pharmaceuticals***

The Association of Colombian Pharmaceutical Industries (ASINFAR) has estimated that in 2004 U.S. \$ 60 million, or five percent of the total annual market of medicines sold, were of contraband origin, counterfeits or adulterated. In 2005, counterfeiting, theft and diversion of prescription medications jumped 16% worldwide.<sup>28</sup> Colombia was ranked second worldwide (the United States was first) regarding the growing concern about stolen and counterfeit medicines, as well as the practice of "diversion," in which drugs are illegally intercepted from their proper destinations and resold into the wholesale market. According to the CRECER project,<sup>29</sup> in rural areas there are more counterfeit pharmaceutical products than original products. Ten percent of these counterfeit products were found to be identical to the original product, while 60% did not contain any active ingredient and 30% contained the wrong active ingredient or the wrong dosage. Many private companies have joined with authorities to create the **National Committee Against Black Market Medication**<sup>30</sup> to eradicate the production and distribution of illegal medications through adulteration, smuggling, theft and alteration of legal channels of distribution. The committee has launched efforts towards educating the public to verify the packaging, containers, expiration dates as well as the product's branding. Consumers should be able to recognize legitimate, officially approved products with a sanitary registration. The purpose of the committee is to protect the health of Colombians and the reputation of the pharmaceutical industry from prejudices due to the smuggling of illegal medications. This committee is also involved in helping the authorities to monitor and control suspicious activities.

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<sup>28</sup> Source: Pharmaceutical Security Institute

<sup>29</sup> Project CRECER, U.S. International Agency for Development (USAID), June 2006

<sup>30</sup> Source: William Eduardo Fajardo Ariza, Baker & McKenzie, 2008



## Chapter 3: Copyrights

This section covers:

- Domestic Legislation and Treaties
- What is Protected?
- What is Not Protected?
- Registration Process
- Market Entry Planning
- Enforcement
- Colombian Customs
- Other Sources of Information

### Introduction

A creative work is protected upon creation. Unlike patents or trademarks, Colombian law does not require registration to obtain copyright protection.<sup>31</sup> Registration nonetheless allows the applicant to publicize his rights and to obtain a guarantee of authenticity and security in his legal title to the copyright.<sup>32</sup> In accordance with **Andean Community Decision 351**, the Colombian government gave La Dirección Nacional de Derecho de Autor (hereafter referred to as the Colombian Copyright Office) the responsibility to oversee the registration of books, music, software, movies, architectural works, and other copyrightable works for the benefit of rights holders.

### Domestic Legislation and Treaties

**Andean Community Decision 351 of 1993**, Common Provisions on Copyright and Neighboring Rights (El Régimen Común sobre Derecho de Autor y Derechos Conexos 351) and **Law 23 of 1982**<sup>33</sup> are the primary sources of authority on copyright laws in Colombia<sup>34</sup>.

- Law 1403 of 2010,
- Law 603 of 2000,
- Law 599 of 2000 (Penal Code),
- Law 44 of 1993, constituting the Colombian legal framework for the protection of copyrights and supplementing Law 23 of 1982,
- Decree 1360 of 1989, regulating the registration of software in the National Copyright Register,
- Decree 460 of 1995, governing the National Copyright Registry and Regulating Statutory Deposit.
- Decree 1162 of 2010, creating a sub-commission of copyrights and related rights with the National System of Copyright and Interagency Commission on Intellectual property,
- Decree 3942 of 2010, implementing inspection and monitoring on behalf of the state,

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<sup>31</sup> There is an optional registration process. See Registration Process.

<sup>32</sup> Law No. 23, Art. 193.

<sup>33</sup> Law 23 has been amended several times since 1982, most recently in 2010.

<sup>34</sup> Copyright Law 28/01/1982, No. 23 and Andean Community Decision 351 are available on the World Intellectual Property Organization website at [http://www.wipo.int/clea/en/search.jsp?cntryorg\\_id=25](http://www.wipo.int/clea/en/search.jsp?cntryorg_id=25)

- Resolution 303 of 2010, regulating the process of registration before the National Direction of Copyrights.

Colombia is a member of:

- World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (since 1995)
- Berne Convention for the Protection of Literary and Artistic Works (since 1988)
- Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (since 1976)
- Treaty on the International Registration of Audiovisual Works (since 1994)
- World Intellectual Property Organization (WIPO) Copyright Treaty (since 2002)
- WIPO Performances and Phonograms Treaty (since 2002)
- Geneva Convention (Unauthorized Duplication of Phonograms) (since 1994)

### **What is Protected?**

Pursuant to Articles 2 and 5 of Colombia's Copyright Law, 28/01/1992, No. 23, and Article 4 of Andean Community Decision 351, the protection of copyright covers all literary and artistic work, whatever may be the mode or forms of expression and purpose, including, but not limited to:

1. Books, pamphlets and other writings.
2. Lectures, addresses, sermons and all other works of the same nature.
3. Dramatic or dramatic-musical works.
4. Choreographic works and mime.
5. Musical compositions with words or otherwise.
6. Cinematographic works to which are assimilated works expressed by a process analogous to cinematography, including videogames.
7. Works of drawings, paintings, sculptures, engravings and lithography.
8. Photographic works to which are assimilated works expressed by a process analogous to photography.
9. Works of applied art.
10. Illustrations, maps, sketches, plans, three-dimensional works, art related to geography, topography, architecture or sciences.
11. Computer programs.
12. Translations, adaptations, arrangements of music and other transformations made to a work with the express authorization of the owner of the original work.
13. Collective works, such as anthologies.
14. Any production in the scientific, literary or artistic field that can be reproduced or executed by any form of printing or reproduction, or by phonographic, radiophonic or any other known or future means.

**Note:** the above list is not exhaustive. Other works, although not mentioned by law, can at any time be included as long as they fulfill the spirit of the definition of copyrights.

### **What is Not Protected?**

- Ideas
- Methods of operation and mathematical concepts
- Procedures

## **Term of Protection**

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 80 years. For collective works, computer programs, and audio-visual works protection lasts for 80 years after publication.

## **Exclusive Economic Rights**

Colombia's Copyright Law provides a list of exclusive rights granted to a copyright owner. The exclusive rights are set forth in Section 1 of Colombia's Copyright Law 28/01/1982, No. 23, and Articles 13-17 of Andean Community Decision 351.<sup>35</sup>

**Source:** Law No. 23; Andean Community Decision 351

## **Registration Process**

Although not required for protection, an author may register his or her work at the Colombian Copyright Office. Registration is highly recommended since it allows an applicant to publicize his or her rights and to obtain a guarantee of authenticity and security in the legal title to the copyright. It is also invaluable in any enforcement proceeding.

Colombia was the third country in South America, after Brazil and Chile, to start an on-line system of electronic application for registering a copyright. Registration at the Colombian Copyright Office is free for Colombians and foreigners with a legal representative in Colombia.

- Free online registration at <http://201.234.78.25/tr/>.
- Free legal support: a lawyer is always available on site or by phone for any inquiry (in Spanish only).
- Anti-piracy training: the Training, Research and Development department provides free workshops, seminars and webinars in Bogota and throughout the country. This department also provides support on launching national anti-piracy campaigns.

Upon registration, the Colombian Copyright Office sends or delivers a free certificate to the author. Certificates can be sent abroad by mail for a fee.

**Note:** a publisher must deposit in the Copyright Office a copy of any printed work that is published in Colombia within sixty working days following the publication of the work. (Article 207, Law No. 23). Failure to make this deposit shall be punished by a fine of ten times the commercial value of each non-deposited copy. Any person may report such a violation (article 207, Law No. 23).

## **Dirección Nacional de Derecho de Autor**

Calle 28 No. 13A-15 Piso 17

Tel: 3418177

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<sup>35</sup> Please visit WIPO at [www.wipo.int](http://www.wipo.int). For more details, please visit: [http://www.wipo.int/clea/en/search.jsp?cntryorg\\_id=25](http://www.wipo.int/clea/en/search.jsp?cntryorg_id=25)

Fax: 2860816

<http://www.derechodeautor.gov.co/htm/HOME.ASP>  
[info@derechodeautor.gov.co](mailto:info@derechodeautor.gov.co)

### **Step 1: Obtain Legal Counsel:**

Before registering a work, one should obtain qualified legal counsel in Colombia. Local counsel can help with some of the complications entailed in the registration process, such as fully understanding the application materials, including legal terminology, corresponding with the Colombian Copyright Office, and making any necessary amendments to the original application.

### **Step 2: Prepare the Paperwork**

As provided in Decree 460, an application should include details, such as:

- The name, address, telephone number, ID card 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.
- A sample of the work.

Applicants using the online registration system will be prompted for the required information.

### **Step 3: Review by the Copyright Office**

Following this submission, the Copyright Office will undertake a preliminary review of the application materials. If the application is successful, the applicant will receive a free certificate of registration within 15 working days.

### **Step 4: After Notification of Resolution**

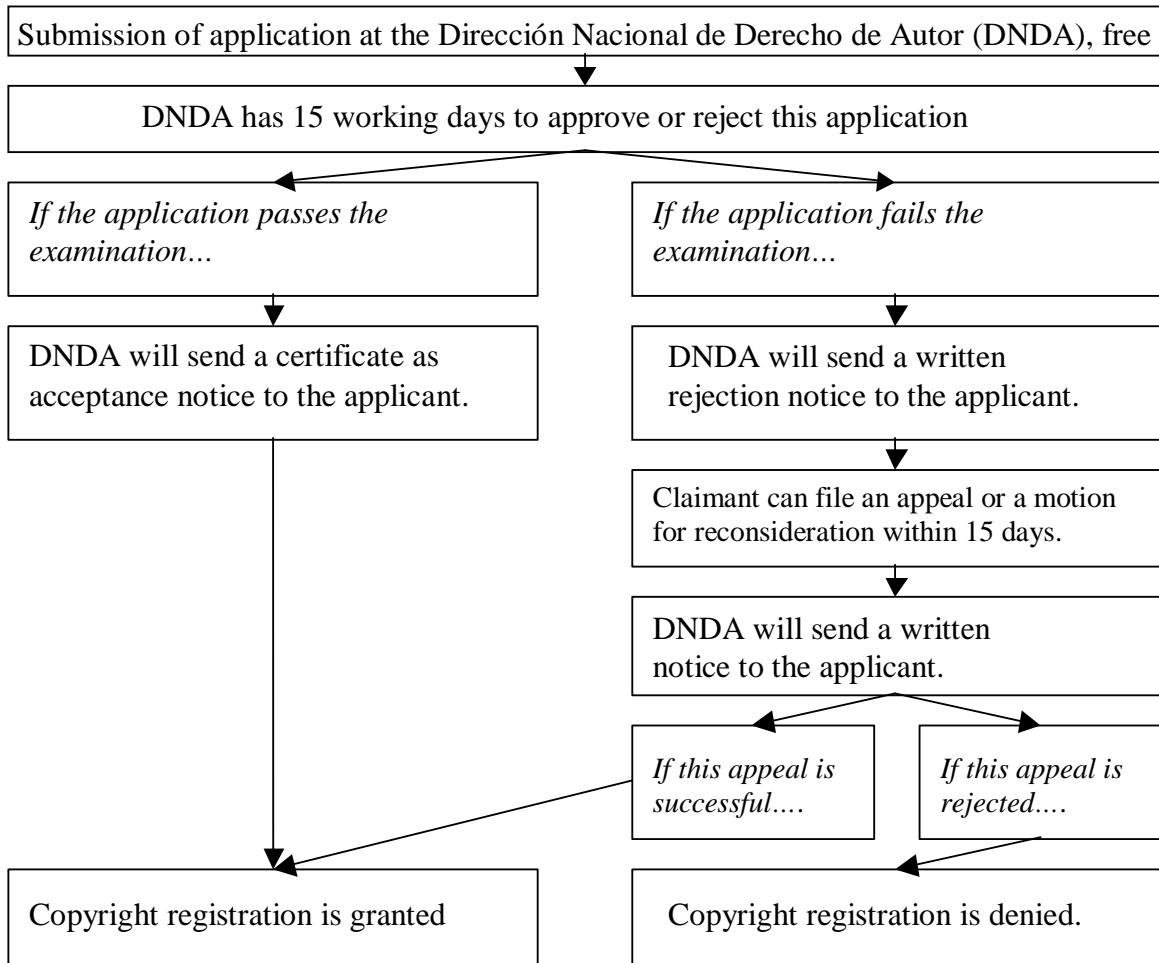
If an applicant's copyright application is unsuccessful, the applicant may file a Motion for Reconsideration (*Recurso de reconsideración*) or a Motion for Appeal (*Recurso de Apelación y/o Adhesión*) to the Head of the Copyright Office. The Motion for Reconsideration is free and must be filed within 15 days of the official notification of the decision. The appeal must be filed with the Copyright Office within 15 working days.

### **Sources:**

- Decree No. 460 of 1995, regulating the National Copyright Register and the Legal Depository
- Administrative Instruction No. 022, December 1998
- Decree No. 1360, June 1989, regulating the Registration of Software in the National Copyright Register

# Copyright Registration Process in Colombia

Chart reflects the steps recommended by the Colombian Copyright Office



## Market Entry Planning

Before entering the Colombian market, a company should conduct an audit of its 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 development of its trademark strategy as well as their international intellectual property strategy.

To assist with the intellectual property audit, businesses may want to use the U.S. Government's Online IPR Training Module, which is available free online at [www.stopfakes.gov](http://www.stopfakes.gov) in English, Spanish, and French. The Department of Commerce's Office of Intellectual Property Rights worked with the U.S. Patent and Trademark Office, the Small Business Administration, and the Foreign Commercial Service developed this online training program for businesses to learn how to evaluate, protect, and enforce their IPR.

In recent years, Colombia has adopted legislation and measures designed to improve copyright protection. Colombia's **Criminal Code of 2001** included copyright infringement as a crime, and subsequently increased jail terms from three to five years. Colombia has also created a Special Investigative Unit within the Attorney General's Office dedicated to intellectual property rights issues. This unit began operations in November 1999 and is working on cases covering different issues, including pirated books, CD's, and movies as well as cases against broadcasters of pirated television programming.

Notwithstanding these initiatives, piracy remains a problem in Colombia. According to Business Software Alliance (BSA) and the Colombian Unit against IP crimes, Colombia recorded 1.5 million seizures of pirated goods during the first semester of 2008. Medellin is by far the city with the worst IP crime violation rate in the country (1.2 million), followed by Bogota (209.9 thousand), Cali (60 thousand) and Barranquilla (10.6 thousands). These cases were related to illegal copies of CDs, DVDs, books, software and video games. In 2010, Colombia's software piracy rate dropped to 54%, among the lowest in Latin America, but still generated losses of U.S. \$ 272 million per year for manufacturers.<sup>36</sup>

Before entering the Colombian market, a company should conduct investigations in the marketplace. It is important to have distributors, importers, trained agents and private investigators comb the market to determine if pirated goods are actually being sold in the principal cities of the countries of interest. Fairs, flea markets, important stores and geographic regions known for the manufacture of the products of interest should be checked. Local lawyers who handle IP issues for legitimate owners can provide expertise and services that help monitor the local markets as well.

One should become familiar with local laws and enforcement remedies including civil procedures and criminal laws. Companies must understand how laws are applied.

If you plan to enter the Colombian market, you may wish to consider the following in order to protect your copyrighted work in the country:

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<sup>36</sup> Business Software Alliance (BSA), see footnote 28, above.

- Conduct product identification training for Colombian government officials, including but not limited to police officers, prosecutors, and custom officers.
- Develop a copyright enforcement program in coordination with local counsel.
- Organize or participate in public awareness campaigns in Colombia, including informative advertising directed to consumers.
- Join existing copyright industry organizations with regional offices in Latin America.

## **Enforcement Options**

The Colombian Copyright Office does not have any enforcement authority.

Copyright owners and licensees may choose to initiate a civil action to enforce their intellectual property rights. Civil municipal judges and circuit judges will hear this type of action, depending on the level of infringement.

There is also the possibility of criminal actions. Whether the activity qualifies for a criminal action should be discussed with local counsel or, at the **National Special Unit against Intellectual Property Crimes and Telecommunications**.

For more information, please contact:

### **National Special Unit against Intellectual Property Crimes and Telecommunications**

Cra.13 No. 73-50, 7<sup>th</sup> floor

Bogota, DC

Tel: (57.1) 3216135 / 3216045.

## **Administrative actions**

The Colombian Copyright Office is exclusively administrative and dedicated to the registration of works. Administrative enforcement actions are not available in Colombia.

## **Criminal Actions**

In January 2005, **Law 890 and Law 906** took effect, including constructive amendments to the Colombian criminal code of 2001 and the Colombian criminal procedures code, with regard to copyright enforcement. First, **Article 14 of Law 890** increased the prison sentences for all crimes in the criminal code. Second, Article 5 of **Law 890** modified **Article 64** of the criminal code, mandating that judges may grant parole only if the convict has completed two-thirds of the prison term and has shown good behavior. Granting parole is subject to the full payment of fines imposed and indemnification of the victim.

Colombia has pledged to enforce the prosecution of the violation of moral rights, economic or patrimonial rights, and technological protection measures. However, prosecution of cases remains weak. Of 1,132 individuals prosecuted in 2008, none of them served jail time. As a matter of fact, piracy is still considered a minor offense by Colombian criminal judges and appellate judges.

Copyright holders who suspect infringement of their rights can order their legal representative to seek 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*). *Consultation with local counsel is recommended to understand these different options.*

The judiciary can:

- Fine the infringers found guilty.
- Order the guilty party to agree not to export or import, in the future, infringing goods and order the guilty party to compensate the copyright owner for damages (*derechos devengados*).

Through these actions, the copyright holder may request customs authorities in ports of entry or the police elsewhere to:

- Undertake inspections of locations where infringement may be occurring.
- Put in place 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.

These actions should also include relevant details such as:

- The identification number of the copyright holder and the 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.

### **Sources:**

Law 1032 of 2006

Colombian criminal code of 2001

Law 23 of 1982, as amended by Law 44 of 1993

### **Colombian Customs**

When copyright holders have suspicions of possible infringement, they may present the Colombian Customs authority (*Dirección de Impuestos y Aduanas Nacionales – DIAN*) with detailed information as to the alleged infringement. If the customs authority agrees with their suspicions, the copyright holder may request that Colombian Customs prevent any further importation or exportation of the alleged pirated good. The Customs authority will then allow the copyright holders the opportunity to participate in an inspection of the alleged pirated goods. The original importer or exporter of the goods shall be given the same opportunity. While Colombian Customs has 48 hours to conduct this inspection, frequently they will wait until the importers of the suspect container pay the customs duties. In many cases, the importer will simply neither claim the suspect container, nor pay for its customs clearance. Thus the containers sit in Colombian Customs indefinitely without the copyright holder being able to determine the legitimacy of the suspect goods.

If an inspection is conducted, the Customs authority may still rule against the copyright holder's request and release the goods. However, if the Customs authority agrees to



suspend the release of the goods, it will notify both parties of its decision. The copyright holder has 10 business days to initiate infringement proceedings through the judicial system, or to have the suspension extended. If the copyright holder fails to act, this temporary suspension shall be lifted and the goods will be released.

#### **Sources:**

Law 4045 of 2007

Andean Community Decision 486 (regarding trademarks): Articles 250, 251, 252, 253, 254.

Furthermore, Colombia has recently implemented significant measures to support copyright holders:

- According to **Decree 4540 of 2006**, which establishes border control of IPR, the Colombian National Office of Taxes and Customs (*Dirección de Impuestos y Aduanas Nacionales* – DIAN) implemented the directory of owners of trademarks and copyright. This information supports the Customs officers' work at ports of entry and secondary zones. Customs officers can inform the right holders when products are presumed to be counterfeit trademark goods or pirated copyright goods.
- Through **Memorandum 0004 in January 2008**, the Regional Custom Offices in Colombia were instructed to enforce all operations related to intellectual property. In addition, Regional Custom Offices must make a report every six (6) months and send it to the Colombian National Customs Office specifying each case of alleged counterfeit trademark goods or pirated copyright goods.
- According to **Circular 4 of December 2, 2006**, the legal representatives and heads of Internal Control Offices shall send a report on “verification, advising, monitoring, and results of compliance of Copyrights every year to the National Office of Copyright, in accordance with **Circular 13 of February 2, 2007.**”

#### **Sources:**

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

Decree 4540 of 2006

Circular 4 of December 2 of 2006

Circular 13 of February 2, 2007

Memorandum 0004 in January of 2008

#### ***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, regulations and policies of Colombia. 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, completeness, or usefulness of any information, resource, or process contained 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 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](#) Colombia

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

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

### **Forms and Documents**

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

<http://www.derautor.gov.co/htm/registro/audiovisuales.htm>

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

<http://www.derautor.gov.co/htm/registro/audiovisuales.htm>

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

<http://www.derautor.gov.co/htm/registro/literarias.htm#formularios>

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

<http://www.derautor.gov.co/htm/registro/artisticas.htm#formularios>

[Application for the Registration of Phonograms](#)

<http://www.derautor.gov.co/htm/registro/fonogramas.htm>

[Application for the Registration of Acts and Collective Managing Partnership Contracts](#)

<http://www.derautor.gov.co/htm/registro/contratos.htm>

### **Legislation**

Colombian IP legislation:

Andean Community Decision 351 of 1993

Law 23 of 19

Law 603 of 2000

Law 599 of 2000 (Penal Code),

Law 44 of 1993, supplementing Law 23 of 1982

Decree 1360 of 1989

Decree 460 of 1995

### **Recent Cases Involving U.S. Copyright Holders**

[http://www.convenioantipirateria.org.co/index.php?option=com\\_content&view=article&id=189:jurisprudencia&catid=47:jurisprudencia&Itemid=109](http://www.convenioantipirateria.org.co/index.php?option=com_content&view=article&id=189:jurisprudencia&catid=47:jurisprudencia&Itemid=109)

[Les Miserables - Sentencia Corte de Apelaciones de Paris](#)

[Laudo Arbitral en Proceso entre Yolanda Rayo y otro y Sonolux del 28 de febrero de 2003](#)

[Sentencia C- 975 del 13 de noviembre de 2002](#)

[Sentencia T-729 de 2002 Bases de datos publicadas en Internet](#)

[Sentencia N° 242 hoteles](#)

## **Frequently Asked Questions**

### **Q: Is registration required for copyright protection?**

A: No, registration is not required but is beneficial because it gives public notice and provides a guarantee of authenticity. See steps above in “registration process.”

### **Q: Does copyright protection in Colombia protect moral rights?**

A: Yes, copyright protection encompasses moral and economic rights. See “Term of Protection” section above for more details.

### **Q: Can the Colombian Copyright Office enforce copyright rights?**

A: No, the Colombian Copyright office has not enforcement power. Any infringement claims must be done through civil actions. See above section on “Enforcement Options.”

## Chapter 4: Trademarks

This section covers:

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

### *Introduction*

Trademark ownership in Colombia is acquired on a system based on priority of registration, that is, a party must file an application and receive a trademark registration in order to acquire trademark protection. Trademark applications are filed with the Office of Distinctive Signs (i.e., the Colombian trademark office) at the **Superintendencia de Industria y Comercio (SIC)**. Trademarks are territorial in nature and must be obtained in Colombia in order to secure ownership. A U.S. trademark does not provide protection in Colombia.

All infringement action remains solely under the purview of the judicial branch.

In regards to protecting well-known marks, according to **Andean Community Decision 486**, the notoriety of a trademark is acknowledged only when it is well known among consumers within the Andean region. SIC allows the protection of well-known trademarks regardless of the countries where it may or may not be commercialized, as long as it is well known among Andean consumers.

In 2010, over 24,000 trademark applications were decided. As of 2009, 32 examiners and 7 lawyers are currently working full-time at the SIC. The SIC is looking at improving performance through reducing the application backlog and increasing its staff<sup>37</sup>. A major project is the digitalization of their files and upgrading of their technological platform.

It is noteworthy that in May 2009,<sup>38</sup> in an unusual motion, the 12<sup>th</sup> Circuit penal court of Medellin condemned a trademark infringer to 24 months of prison without parole for distributing counterfeit Coca-Cola. The judge also imposed 400 million COP or U.S. \$ 208,000 in damages to be paid to the multinational for legal damages. This sentence from the 12<sup>th</sup> Circuit penal court of Medellin is very encouraging.

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<sup>37</sup> Interview of Giancarlo Marcenaro Jiménez by Dorian Mazurkevitch, IPR Consul for Latin America, USPTO, Bogota, June, 2009

<sup>38</sup> Asuntos Legales, La República, May 16, 2009

## **Superintendencia de Industria y Comercio (SIC).**

Carrera 13 No. 27 - 00 Pisos 5 y 10

Bogotá – Colombia

Tel: (57 1) 587 00 00

Fax: (57 1) 587 02 84

<http://www.sic.gov.co>

E-mail:[info@sic.gov.co](mailto:info@sic.gov.co)

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

### **Legislative Background**

Under **Law 59 of 1936** Colombia ratified the 1929 General Inter-American Convention for Trademark and Commercial Protection of Washington ("Pan-American Convention"). Andean Community countries (Bolivia, Ecuador, Peru and Colombia) share a common Trademark Law (Decision 486)<sup>39</sup>.

Andean countries, including Colombia, are members of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the Paris Convention for the Protection of Industrial Property.

### ***Relevant Domestic Legislation and Treaties***

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

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

Colombia is a member of the following – IP treaties:

- [Paris Convention for the Protection of Intellectual Property](#)
- [Agreement on Trade-Related Aspects of Intellectual Property \(TRIPS\)](#) (since 1995)
- [World Intellectual Property Organization Convention](#) (since 1980)
- General Inter-American Convention for Trademark and Commercial Protection (Pan-American Convention of 1929)

Colombia is not currently part of the following intellectual property treaties which focus on trademarks:

- [Madrid Agreement Concerning the International Registration of Marks](#)
- [Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks](#)
- [Trademark Law Treaty](#)

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<sup>39</sup> Venezuela separated from the Andean Community and therefore is not applying Decision 486.

- [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 Colombia 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 goods and services. If the U.S. – Colombia Trade Promotion Agreement (US-CTPA) enters into force, Colombia will be obligated to join the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol). Colombia has pledged to meet this requirement and has taken the pertinent steps to fulfill its obligation. In 2009, SIC was successful in presenting the Madrid Protocol to the Colombian Congress for ratification. This bill is still going through the full ratification process, which includes judicial review.

### ***Coverage - What Can Be Registered Under Colombian Trademark Law?***

According to Andean Community Decision 486, Colombian Trademark Law protects the name and surname of a manufacturer, industrialist, merchant or agriculturist, or the firm name, the trade name or title of a legal entity. A trademark must be directly related to a specific commercial activity, taking into account the products manufactured or marketed, or the services furnished.

A trademark may cover:

- Words or a combination of words.
- Pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels, and emblems.
- Sounds.
- 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. For protection of well-known marks, the Colombian trademark office requires evidence and proof of notoriety of a trademark according to **Article 228 of Andean Community Decision 486**.

One can register four types of trademarks in Colombia: 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 the goods and/or services with which 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 the 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 Colombian Trademark Law?***

Colombian law prohibits certain symbols and signs from being registered as trademarks.

The following symbols and signs, among others, 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 shapes.
- 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, Colombian law also denies trademark protection to 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, Afro-Colombian 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 Colombia. Trademark applications include complicated aspects such as: understanding the short and long-term costs of registration and other specific trademark issues such as 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 the SIC, and making any necessary amendments to the original application. 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 the 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. Also, before filing a trademark application, one should conduct a search (Búsqueda de Antecedentes) to determine if the mark or a close variation has previously been registered.

### **Step 3: Perform a Pre-Application Trademark Search**

SIC recommends that an applicant undertake a preliminary trademark search to ensure that there are no conflicting prior registrations. This service is offered online and is quick. The Office of Distinctive Signs can send a listing of existing and conflicting registered trademarks (el Servicio de Búsqueda de Antecedentes). To undertake this search, one needs to pay a fee<sup>40</sup> of 25,000 Colombian Pesos (COP) or U.S. \$ 13 to the SIC<sup>41</sup>.

*[Please note that all fees in this document are for information only and subject to change at the beginning of each year by SIC. For current fee information, please visit SIC's website:*

[www.sic.gov.co/propiedad/gral\\_propiedad.php?modulo=Informacion\\_Interes/Pagos&alto=1900](http://www.sic.gov.co/propiedad/gral_propiedad.php?modulo=Informacion_Interes/Pagos&alto=1900)

### **Step 4: Select the International Trademark Classification**

Colombia uses the International Trademark Classification System (commonly known as the Nice Classification). Under this international system, Colombia 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 must register the mark to reflect this intention.

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<sup>41</sup> US/COP rate of 2000, September 2009



### **Step 5: Application for Priority Registration under an International Agreement**

To claim priority under the Paris Convention, the applicant may file a certified copy of the first application and its translation within 6 months after the application filing date. The applicant may file a letter of priority along with a photocopy of the first application, pay a fee, and attach it to the application form. Please see note under “Step 3” relating to fees. The applicant can benefit from a Priority Registration (Revendicación de Prioridad) for six months in any other Paris Convention member country.

### **Step 6: Prepare the Required Paperwork**

All applications for a Colombian trademark must be in Spanish and include:

- 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.
- Identification of goods and/or services covered by the trademark.
- If the trademark is a drawing, one should attach 5 (5 X 5 cm) reproductions of the original sign.
- International classification.
- Proof of payment of fees.

### **Step 7: Submit the Application**

The Trademark Office at the SIC grants the registration of trademarks. To officially begin the trademark registration process, the applicant must pay an application fee of 688,000 COP or U.S. \$ 354 to SIC. Please see note under “Step 3” relating to fees.

### **Step 8: Review by the Office of Distinctive Signs (Trademark Office) at SIC**

SIC will undertake a preliminary review of the application materials. 15 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 138, 139 and 140 of the Andean Community Decision 486. SIC may request that the applicant correct or modify their application to comply with these articles. If the 30-60 day timeframe elapses and the application still does not meet the requirements, it will be rejected by the SIC and lose its priority position. The applicant has five working days in order to dispute the initial rejection. SIC notifies its requirements online at:

<http://www.sic.gov.co/index.php?idcategoria=13759&ts=85c4ef2f7a943600c97b5903247567b7&inf0>

### **Step 9: Publication and Opposition**

Upon acceptance, the SIC will publish the trademark application in the “Gaceta de la Propiedad Industria” including *logotype or packaging* designs whenever needed.

Within thirty working days of this publication, third parties with a legitimate interest may file an opposition to the trademark application. This opposition must include:

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

Opposition fees costs 650,000 COP or U.S. \$ 333 and opposition fees 287,000 COP or U.S. \$ 150.<sup>42</sup> Please see note under “Step 3” relating to fees.

To support this opposition, the third party may submit evidence of similar trademark applications filed within the Andean Community. After the SIC 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 Superintendent Delegate will hear the appeal.

### **Step 10: Notification of Resolution**

If no party files an opposition to the mark, the SIC may grant or reject the trademark registration within 6 to 7 months. 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 and/or a Motion for Appeal at the Head of the Office of Distinctive Signs. The Motion for Reconsideration must be filed within five days of the official notification of the decision. The appeal must be also filed with the SIC within **five working days**. The Superintendent’s delegate will hear the appeal and make a final decision.

### **Step 11: Renewal**

A trademark registration lasts for ten years, but is subject to cancellation for lack of use if not used within three consecutive years. To renew the trademark, a party must pay a renewal fee of 643,000 COP or U.S. \$336 to submit a renewal application at the Office of Distinctive Signs at SIC. The applicant may submit this renewal application up to six months prior to the expiration. Furthermore, while ideal to file application renewal at the ten-year mark, the SIC grants the applicant a six months grace period to file the renewal at a higher cost of 805,000 COP or U.S. \$420. Please see note under “Step 3” relating to fees. After this grace period of six months, the trademark is considered abandoned and the trademark holder no longer has the ability to renew the mark. Following the renewal application submission, the SIC will evaluate the application and give its decision within 2 to 15 working days if there are no questions for the trademark holder (Article 12 and 13). Otherwise, the trademark holder has two months to answer any questions presented by SIC.

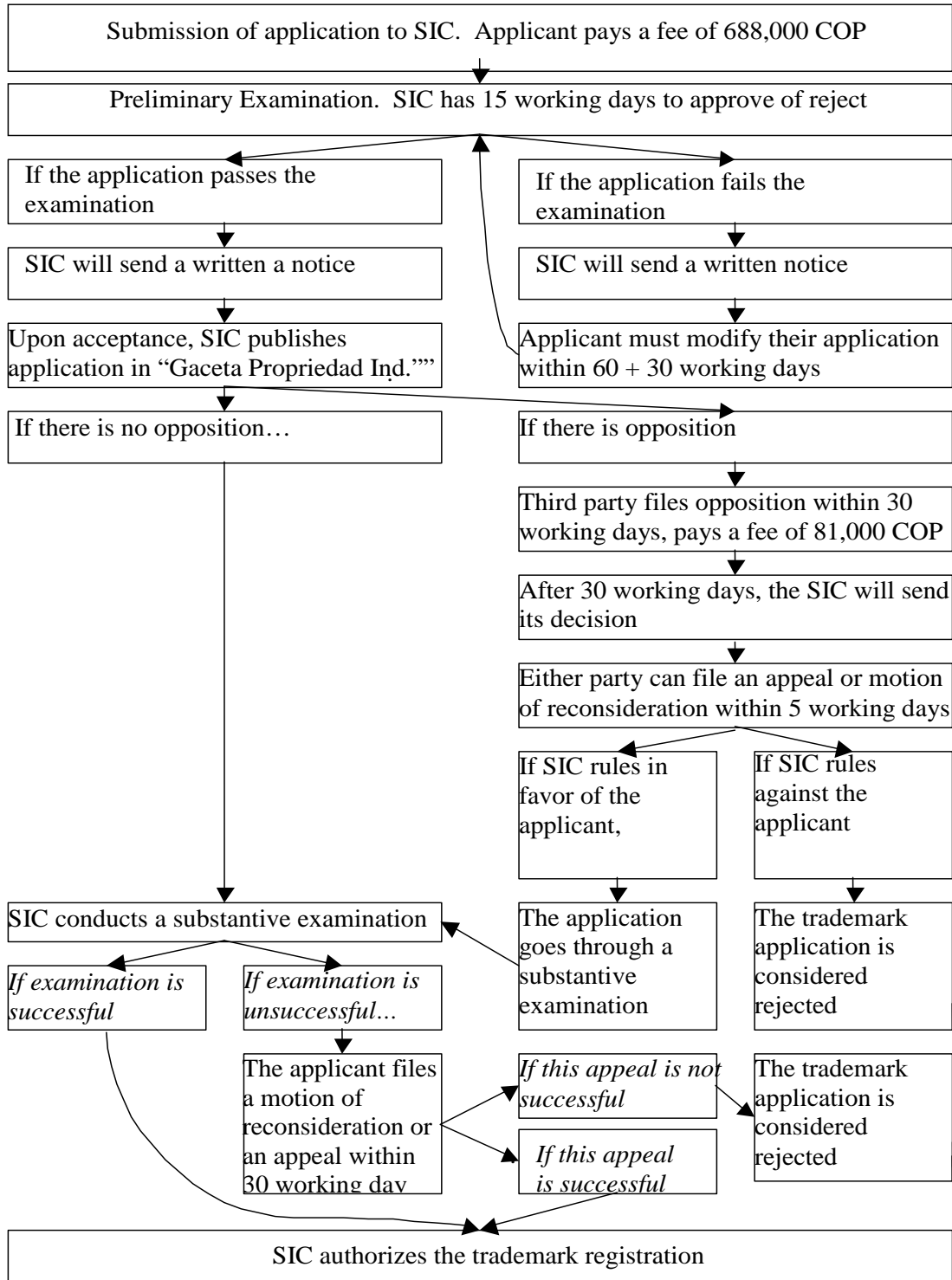
**Source:** Andean Community Decision 486

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<sup>42</sup> An objection is different from an opposition in that the latter is presented by interested third parties.

# Trademark Registration Process in Colombia

Source: Colombian Trademark Office



Note: Chart reflects charts issued in booklets produced by SIC, available at its office upon request.

## **Market Entry Planning**

Before entering the Colombian market, a company should conduct an audit of its 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 development of its trademark strategy as well as their international intellectual property strategy.

To assist with the intellectual property audit, businesses may want to use the U.S. Government's Online IPR Training Module, which is available free online at [www.stopfakes.gov](http://www.stopfakes.gov) in English, Spanish, and French. The Department of Commerce's Office of Intellectual Property Rights worked with the U.S. Patent and Trademark Office, the Small Business Administration, and the Foreign Commercial Service developed this online training program for businesses to learn how to evaluate, protect, and enforce their IPR.

The company should also research the legal and regulatory environment well in advance of its market entry into Colombia. During this research, the firm can uncover any discrepancies between the stated laws and the actual enforcement of these laws in Colombia. 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 Colombia's intellectual property statutes differ from the United States'. The company should continue to monitor the intellectual property situation while conducting business in Colombia. For example, the company may hire a trademark agent to monitor publications of trademark applications in La Gaceta de Propiedad Intelectual. 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 its intellectual property and use every legal means available to prevent the possibility of trademark infringement. A company should consider registering its trademark as part of an international strategy, including Colombia and Colombia's trading partners. To protect its trademark once an infringement occurs, the company will have to invest considerable resources such as time and money to address the infringement through the SIC's lengthy administrative process and the overwhelmed Colombian court system.

## **Enforcement Options - How to Address Infringement**

According to the trademark laws, the trademark holder may institute legal action with the courts against those persons who are infringing upon or damaging their trademark.

### **Types of Actions Against Infringers:**

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

- Stop all violations of the trademark, including:
  - Withdrawing all products and packaging, from all commercial channels, related to the infringement;
  - Destroying the infringing products and related materials;

- Prohibiting the export or import of the infringing products or related materials;
- Compensating the owner for damages.

**Source:** Andean Decision 486

### **Administrative Action**

The SIC only has an administrative role with no enforcement power, so it only offers a few administrative options for trademark holders who suspect infringement of their goods. These options include: an infringement action (denuncia), a nullification action (nulidad de registros), and a cancellation action (cancelación de registros) with the Trademark Office.

A motion to initiate one of these actions should 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 SIC will rule on the merit of the motions by issuing a notification, and take administrative action on 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 the Colombian courts.

### **Judicial Recourse**

As SIC only has an administrative role with no enforcement power, the only enforcement avenue available to a holder of an infringed trademark is to bring forth legal action in the Colombian courts. If an alleged infringer is found guilty, Colombian criminal law allows the judge to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 average days' wages). The guilty party must also agree not to work in the same field that the infringement occurred for a period of time. The court bases these fines upon the seriousness of the crime, and frequency of the infringing action. Unfortunately, judges in Colombia often suspend the prison sentences of guilty infringers as well as the work restrictions.

### **Civil Action**

Civil enforcement is available to pursue trademark enforcement in Colombia. Civil litigation affords the plaintiff the possibility of obtaining a preliminary injunction that will last throughout the litigation.

Damages in civil litigation, when infringement is found, may be awarded based on lost profits or actual damages, unjust enrichment or a reasonable royalty.

## Colombian Customs

When trademark holders suspect possible infringement, they may send an application to the Colombian Customs authority (DIAN) with detailed information as to the alleged infringing goods and request that Customs suspend the release of suspect merchandise. If the Customs authority approves the application, Colombian Customs will proceed to suspend the release of imports or exports of the suspect goods. The customs authority will then allow the trademark holder the opportunity to participate in the inspection of the allegedly infringing goods. The importer or exporter of the goods shall be given the same opportunity. Customs authorities in Colombia have been very cooperative in identifying suspect shipments and notifying the SIC as well as trademark owners or their legal representatives.

If an inspection is undertaken the Customs authority may still rule against the trademark holder's request and release the goods. However, if the Customs authority agrees to suspend the release of the goods, it will notify both parties of its decision. The trademark holder has 10 business days to initiate infringement proceedings through the judicial system, or to have the suspension prolonged. If the trademark holder fails to act, this temporary suspension shall be lifted and the goods will be released.

### Source:

Law 4045 of 2007

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, regulations and policies of Colombia. The United States Government will strive to update and improve this IPR Toolkit as information becomes available and as resources allow. Additionally, 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 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 of any private sector web site, product, or service.*

### General Intellectual Property Links

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

### SIC Forms and Documents

[http://www.sic.gov.co/index.php?modulo=pdf/Formatos/Propiedad/Formatos\\_Signos&ta m=900](http://www.sic.gov.co/index.php?modulo=pdf/Formatos/Propiedad/Formatos_Signos&ta m=900)

### Including:

[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

[Colombian IP Legislation](#): Law 603 of 2000, Law 599 of 2000 (Penal Code), Title VIII, Decree 460 of 1995, Decree 162 of 1996, Law 23 of 1982; Decree 1360 of 1989, Law 23 of 1987

[Andean Community Decision 486- Common Regimen Concerning Industrial Property](#) (Decisión 486- Régimen Común sobre Propiedad Industrial) (December 2000)

### Recent Trademark Cases Involving U.S. Firms

None

### Frequently Asked Questions

#### **Q: Does Colombia protect well-known trademarks?**

A: **Law 59 of 1936** 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, the SIC 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 Colombia?**

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 the SIC. See Enforcement for more information.

#### **Q: What enforcement measures may be imposed against the infringer by the SIC?**

A: The SIC only has an administrative role with no enforcement power. Administrative actions that the SIC can take with respect to trademarks are discussed above under "Administrative Action." The Colombian judiciary has enforcement powers and may impose fines, penalties and incarceration in criminal actions. The severity of the fines 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. The courts use these fines as a means to dissuade future infractions

from the infringing party and unrelated third parties. The police (DIJIN) and customs (DIAN)<sup>43</sup> may also seize and destroy any infringing products and the equipment used in their manufacture.

**Q: What are the minimum and maximum criminal penalties?**

A: If found guilty, Colombian criminal law allows the judge to impose imprisonment (between 2-8 years) and/or indemnification fines (between 30-120 an average day's wages). The judge bases these fines on the seriousness of the crime, and frequency of the infringing action. Unfortunately, Colombian judges have habitually suspended the prison sentences for 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 a period of time. Along with imprisonment sentences, this penalty has not yet been enforced in Colombia.

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<sup>43</sup> (Dirección de Impuestos y Aduanas Nacionales de **Colombia** – **DIAN**)



## Chapter 5: Patents

*This section covers:*

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

### Introduction

**“The Colombian government has made significant improvements in its patent protection including enacting new patent legislation as well as three Andean pact decisions to improve IP protection over previous decisions.”<sup>44</sup>**

The Colombian government believes that protecting patent registrations will boost national competitiveness and innovation. SIC’s Superintendent delegate is working to make the application process easier and quicker so that more applications can be processed.

Since 2007, the U.S. Agency for International Development (USAID) has helped the Superintendent of Industry and Commerce (SIC) to strengthen its IPR regulatory framework, technical support and the registration process. The SIC computerized and digitized over 89,000 patent registrations in 2008, thereby reducing its patent backlog.

Patents, like trademarks and industrial design rights, are territorial in nature. The protection provided to patented inventions depends upon the laws where protection is obtained. For example, a United States patent generally protects the patent holder only within the United States and a Colombian patent provides protection in the territory of Colombia. Obtaining patent protection in foreign jurisdictions is the responsibility of the inventor.

Since February 2001, Colombia has been a signatory to the Patent Cooperation Treaty (PCT) under which a person can file a single international application to obtain a filing date in all of the PCT contracting parties.

Moreover, the Colombian patent system also allows applicants to claim the priority of an earlier filed application in another Paris Convention country within twelve months after filing their earlier application.

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<sup>44</sup> Michael Kantor, U.S. Trade Representative, 1995

A domestic patent application must be filed in Colombia before the Patent Office (“Division de Nuevas Creaciones”) within SIC to obtain patent protection. Since 2009, an SIC decision to grant or deny a patent of invention can be appealed, including those of the Delegate Superintendent. If a patent holder suspects infringement, it may file an infringement action to seek injunctive relief and damages before a Colombian Circuit Court or the criminal system.

### **Superintendencia de Industria y Comercio (SIC).**

Carrera 13 No. 27 - 00 Pisos 5 y 10

Bogotá – Colombia

Tel: (57 1) 587 00 00

Fax: (57 1) 587 02 84

<http://www.sic.gov.co>

E-mail: [info@sic.gov.co](mailto:info@sic.gov.co)

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

### **Legislative Background**

The current intellectual property system can be traced back to 1975 with the adoption of Andean Decision 85. Prior to this, and going back to at least the 19th century, intellectual property rights were codified in local constitutional and statutory provisions. Colombia acceded to the Paris Convention for the Protection of Industrial Property in 1996. As a WTO member, Colombia has accepted the TRIPS Agreement (1995). Colombia is also a PCT contracting party (2001).

Today, general provisions governing patent protection are contained in Decision 486 of 2000 of the Andean Community Commission. In Colombia, Decision 486 is regulated by Decree 2591 of 2000 as well as by the SIC’s Sole Circular (“Circular Única”). Decision 486 establishes the new legal framework for patent protection, superseding Decision 344 of 1993.

Some issues specific to Andean Decision 486 include:

- New uses of a patented product or process may not be patented.
- SIC requests that a copy of any foreign patent or patent application for the same invention should be filed.
- Patent license agreements cannot be registered if they do not meet Andean licensing provisions or when they infringe provisions on restrictive commercial practices of the Andean Community.
- The reasons for patent nullity are extended to include essential or procedural defects in the invention. Actions to nullify a patent under these grounds must be filed within five years from the date the patent was granted or two years from the date the defects became known (see Art. 77). Annulment actions seeking to invalidate a patent on other more common grounds, e.g. novelty, inventive level, best-mode, may be brought at any time.

The patent regime in Colombia currently provides for 20-year protection from filing for patents and a 10-year term from filing for industrial designs. If passed by the U.S. Congress, the CTPA will also require the establishment of procedures and remedies to prevent the marketing of pharmaceutical products that infringe patents.

**Source:**

Decision 486 of 2000 of the Andean Community Commission  
Decree 2591 of 2000  
SIC Sole Circular ("Circular Única")  
Decree 2085 of 2002  
Law 822 of July 2003  
Resolution 770 of March 27, 2003

***Domestic Legislation and Treaties:***

[Decree 2085 of 2002](#) on the protection of confidential data

**Decree 2591 of 2000 and the SIC Sole Circular on implementing Decision 486 of 2000**

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

Andean Community Decision 345 (1994) Common protection of the rights of breeders of different plant 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).

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

- [World Intellectual Property Organization \(WIPO\) Convention](#) (Since September 1980).
- [Paris Convention \(Industrial Property\)](#) (since September 1996)
- [World Trade Organization \(WTO\)](#) (since January 1995)
- [Patent Cooperation Treaty \(PCT\)](#) (since February 2001)

Colombia is not a party to the following patent or industrial design-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)
- [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 Colombian Patent Law?**

In Colombia, patents rights are granted by the Colombian government to inventors of products or processes in any technological field, enabling them to prevent third parties from using, offering for sale, selling, manufacturing or importing the patented invention.

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 to the public, however, under Article 17 of Decision 486, inventors are allowed a one-year grace period relating to disclosure of their inventions. To be considered “inventive,” the product or process must not be obvious to those persons skilled in the technical field concerned. Finally, inventions are considered “industrially applicable” when the subject matter of the invention may be produced or used in any type of industry.

Decision 486 offers two forms of patent protection - invention patents (patente de invención) and utility models or “petty patents” (modelo de utilidad). An invention patent (similar to the U.S. patent) has a term of 20 years from the date of application. Colombian utility model patents have a term of 10 years from the date of application.

### **Coverage- What Cannot be Patented Under Colombian Law?**

According to Decision 486, Article 15, the following works do not qualify as inventions:

- 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 isolated, including the genome or germ plasma 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.

Decision 486 also excludes the following inventions from patentable subject matter: plants (although plant breeders’ rights are available under Decision 345), animals, biological processes for the production of plants or animals, diagnostics, therapeutics, or surgical methods for the treatment of human animals, and second uses.

**Source:** Andean Community Decision 486: Articles 20 and 21.

### **Patent Prosecution Process<sup>45</sup>**

In Colombia, the grant, prosecution and administration of patents is carried out by the New Creations Division of SIC. SIC acts as the Colombian Patent and Trademark Office. This agency was given control of the government’s IPR policy effective January 2000. Still in need of more funding and personnel, SIC’s patent office believes that the number of new patent applications has increased since 2007 with 1,886 patent requests for new creations presented in 2010. SIC is now providing electronic registration services for patents. In Colombia, the approximate processing time for patents in all fields averages 3 to 4 years, and 5 to 7 years for pharmaceutical products.<sup>46</sup>

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[http://www.sic.gov.co/propiedad/gral\\_propiedad.php?modulo=propiedad/Nuevas\\_Creaciones/Patentes/Que\\_es/Patente&alto=700](http://www.sic.gov.co/propiedad/gral_propiedad.php?modulo=propiedad/Nuevas_Creaciones/Patentes/Que_es/Patente&alto=700)

<sup>46</sup> Source: Interview of Superintendent, SIC, June 2009

The Colombian Agricultural Institute (ICA) is in charge of the issuance of plant variety protection and agro-chemical patents. The Ministry of Social Protection is in charge of the issuance of pharmaceutical patents.

### **Step 1: Obtain Qualified Counsel**

Before seeking patent protection, one should seek qualified legal counsel in Colombia. Although one may file a patent application in one's own name, local practice can be complex.

### **Step 2: File before your Foreign Filing Priority Date**

As a member of the Paris Convention, Colombia honors the "right of priority" (Invocación de prioridad) for applications filed in other member countries as long as the Colombian application is filed within twelve months from the first filing date. To guarantee this right of priority, one should attach a photocopy of this prior application with the Colombian application and pay 151,000 Colombian pesos (COP)<sup>47</sup> additional of the payment of the final taxes and title to the SIC.

*Please note that all fees in this document are for information only and subject to change at the beginning of each year by SIC. For current fee information, please visit SIC's website.*

*[www.sic.gov.co/propiedad/gral\\_propiedad.php?modulo=Informacion\\_Interes/Pagos&alto=1900](http://www.sic.gov.co/propiedad/gral_propiedad.php?modulo=Informacion_Interes/Pagos&alto=1900)*

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

Although not obligatory, a preliminary patent search is highly recommended to ensure that there are no prior conflicting registrations. The SIC 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.

### **Step 4: Prepare the Required Paperwork**

Colombian patent applications require substantial documentation for the application. All applications must be in Spanish and include, among other information:

1. Name and address of the applicant, and if it is a company, place of incorporation.
2. Name, address and citizenship of the inventor(s).
3. Application, invention title, abstract of the invention, utility model or design.
4. Specifications, invention, Utility Model or Design Text Description (in Spanish).
5. Claims.
6. Formal drawings.
7. Legalized (via Apostille) assignment document if applicant is different than the inventor.
8. Unless a PCT national phase application, a certified copy of any priority document.
9. Power of Attorney.

**Please note:** the patent filing can be presented with the information from 1, 2, 3 and 4, with a copy of the original foreign patent information including priority information like

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<sup>47</sup> The U.S.\$/COP exchange rate was 2,300 in May 2009.

date and number. The certified priority document should be presented within 16 months from the priority filing date.

#### **Step 5: File the application before the SIC**

Application must be submitted to the Patent Office for a formality review (Solicitud exámen de patentabilidad de invención). The cost of a patent application is 452,000 Colombian pesos or approximately U.S. \$ 230.

*Please note that all fees are for information only and subject to change at the beginning of each year by SIC. For current fee information, please visit SIC's website at [www.sic.gov.co/propiedad/gral\\_propiedad.php?modulo=Informacion\\_Interes/Pagos&alto=1900](http://www.sic.gov.co/propiedad/gral_propiedad.php?modulo=Informacion_Interes/Pagos&alto=1900)*

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

The Patent Office will then review the patent application. If the patent application is incomplete, the applicant will be requested to file the missing documents. The applicant must submit additional documents (Prorogate a términos o plazo adicional) at a cost of 81,000 Colombian pesos (U.S. \$ 42) each. Failure to properly reply within two months will result in abandonment. If the Patent Office feels that the patent application has merit, it will send a notification and a summary of the invention for publication to the documentation and information center of the SIC. The notification can be found in the section "Notificaciones" at <http://www.sic.gov.co>.

#### **Step 7: Publication and Oppositions**

Eighteen months after the date of filing the application, the SIC will publish the application in the "Gaceta de Propiedad Industrial" which is available online. The applicant may request expedited publication, provided that all requirements are fulfilled, at 6 or 12 months from the date of publication. Within 60 working days of this publication, those parties with a legitimate interest may file an opposition against the patent registration. The objection period can be extended to another 60 days if needed, by both parties. This objection must include a description of the patent application in question and basis for opposition. The Patent Office may request that the applicant revise the application and/or present further documents to support it. The applicant may file a reply, but there is no obligation to do so. Although, a reply from applicant will support his case with SIC

#### **Step 8: Substantive Examination (Examen de Fondo)**

Within six months of an application's publication, the applicant must pay 452,000 COP or U.S. \$ 236 for the substantive examination of the application. Failure to pay will result in an abandoned application. 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, SIC will contact the patent applicant and request further documents to support the application. Documents must be submitted within 60 days (plazo adicional), and may be extended one time for 30 days at the request of the applicant. Failure to respond within the specified time to an office action will result in an abandoned application. The final decision is made within 48 months from filing.

### Step 9: Decision to grant or deny claims

After the substantive examination, the SIC will issue a resolution either granting or rejecting the pending claims. This notification is available online at “Notificación en línea”. SIC may grant some claims and reject others. The patent will automatically come into force **five working days** after the resolution is notified, unless a reconsideration action is filed. Aside from annuity payments, there are no notice of allowance or grant fees due. The SIC will then issue a patent certificate to the applicant. Please keep in mind that this document has no legal purpose. Only the resolution issued online is what evidences the patent grant for legal purposes.

### Step 10: Request for Reconsideration and Appeal

An applicant dissatisfied with the Patent Office’s decision has **5 working days** to file for reconsideration against the resolution from the date of notification. The applicant may appeal the Patent’s Office decision by filing a Motion for Reconsideration (Recurso de Reposición). The Superintendent will then evaluate the appeal. His decision is normally final. The applicant may also, within four months after the SIC issues its final decision, seek judicial review before the Council of State, the Supreme Court charged with reviewing administrative acts.

### Step 11: Pay Annual Fees (Anualidades)

Once a patent issues, the owner must pay annuities by the end of the month on which the patent was filed (e.g. if the patent was filed March 15, payment must be made each year on or before March 31). The patent holder has a six-month grace period to pay these fees, with a 25% surcharge.

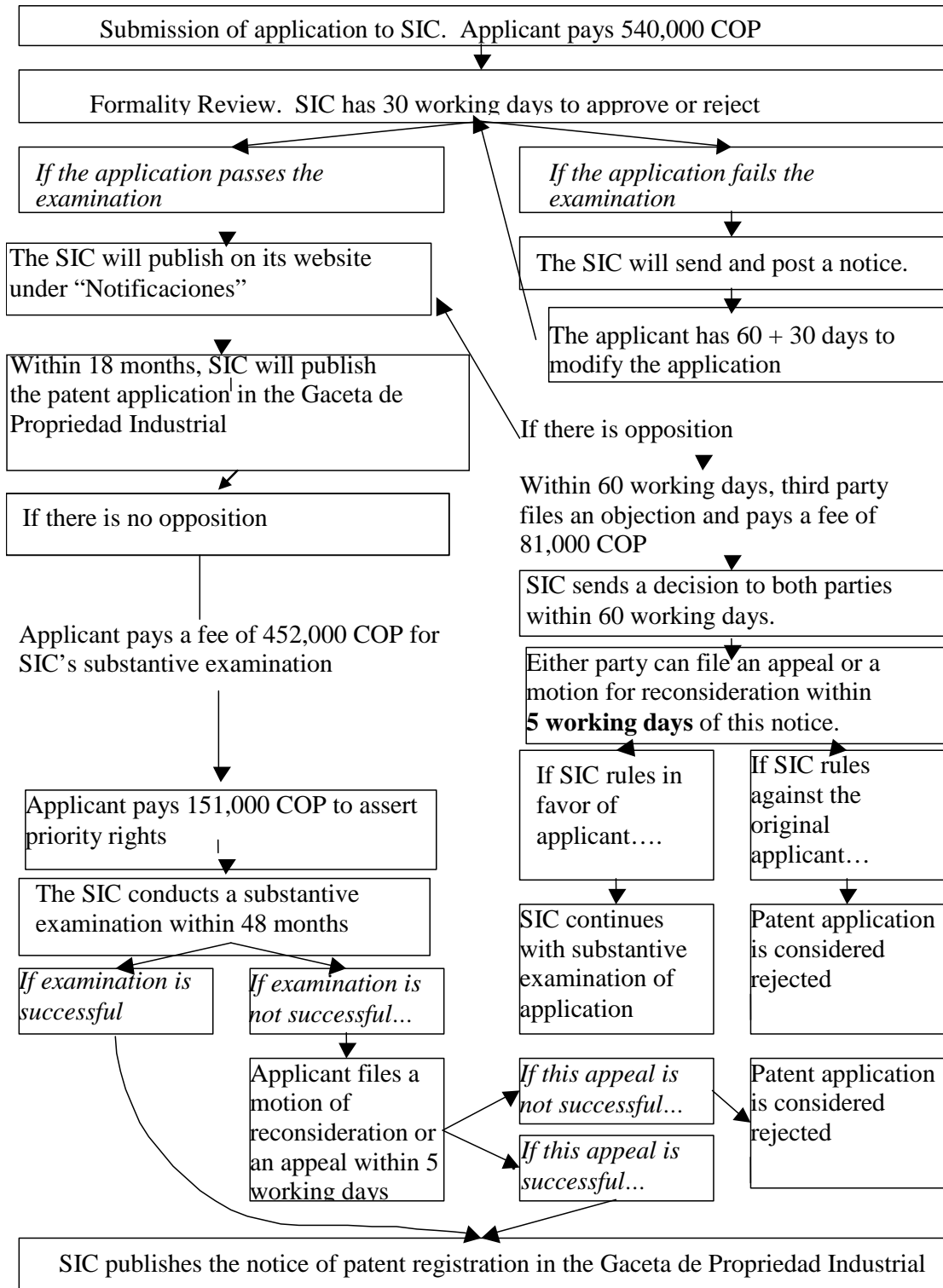
280.000 COP	Payment:	Patent maintenance annual fee from the fourth to eight years
420.000 COP	Payment:	Patent maintenance annual fee from the ninth to twelfth years
651.000 COP	Payment:	Patent maintenance annual fee from the thirteenth to sixteenth years
872.000 COP	Payment:	Patent maintenance annual fee from the seventeenth to twentieth years

Failure to pay these annual fees will result in the patent falling into the public domain.

**Please note** that all fees in this document are for information only and subject to change at the beginning of each year by SIC. For current fee information, please visit SIC’s website: <http://www.sic.gov.co/index.php?idcategoria=33&ts=7ed2d3454c5eea71148b11d0c25104ff>

# Patent Registration Process in Colombia

Source: Colombian Patent Office



Note: Chart reflects chart issued in Booklets produced by SIC, available at its office upon request.



## **Market Entry Planning**

Before entering the Colombian market, a company should conduct an audit of its 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 development of its trademark strategy as well as their international intellectual property strategy.

To assist with the intellectual property audit, businesses may want to use the U.S. government's Online IPR Training Module, which is available free online at [www.stopfakes.gov](http://www.stopfakes.gov) in English, Spanish, and French. The Department of Commerce's Office of Intellectual Property Rights worked with the U.S. Patent and Trademark Office, the Small Business Administration, and the Foreign Commercial Service developed this online training program for businesses to learn how to evaluate, protect, and enforce their IPR.

For companies entering Colombia, perhaps the most important decision will be whether or not to extend their patent portfolio to include Colombia. Factors that should also play into the decision whether or not to file in Colombia are: whether the technology is being licensed to a local partner, whether manufacture and export will take place in Colombia, and whether the technology can be easily copied by local competitors.

A company should also research the legal and regulatory environment with local trade associations, industry groups, lawyers, security experts, and other related companies. Moreover, a company should be aware of how Colombia's intellectual property law differs from United States law. For example, therapeutic methods can be patented in the U.S., but not in Colombia. Colombia also does not recognize "second use" patents.

Ultimately, a company will need take protective and preventive measures to prevent any unauthorized use of its intellectual property itself. To protect its patent once an infringement occurs, the company will have to invest considerable resources to address the infringement through the Colombian court system.

### ***Enforcement Approaches- How to address Infringement?***

Under the Colombian legal system, a patent holder may pursue civil and/or criminal actions to enforce its intellectual property rights. As the Colombian patent office (New Creations Division of the SIC) only has an administrative role with no enforcement power, the patent holder may choose to bring an action for claims or damages before the civil courts and, in certain flagrant circumstances, may also file a criminal complaint with the Colombian Attorney General. Since 2009, granting or denying a patent of invention by SIC can be appealed, including those of the Delegate Superintendent, which used to be final.

Potential plaintiffs should also note that defendants may, and in many cases do, bring invalidity actions against the allegedly infringed patent via an Annulment Action before the Council of State.<sup>48</sup> Although a strong presumption of validity exists, the

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<sup>48</sup> Source: Carlos R. Olarte, OlarteRaisbeck

determination of validity normally involves expensive and lengthy litigation and exposes the patent owner to a significant discovery burden. Additionally, defendants have also recently filed counterclaims based on unfair competition based on abuse of dominant position in the market where there is a perception of frivolous or vexatious litigation based on a weak patent. Because of this, potential plaintiffs are warned to use an abundance of caution when preparing and executing litigation strategies (e.g. cease and desist letters).

### **Actions against Infringers**

The July 2006 amendments to the **Colombian Criminal Code** include patent infringement as an offense, including 3 to 8 years of jail and a fine. The infringement must be carried out without the consent of the patentee, occur within the country wherein the patent is valid and take place during the duration of the patent.

Infringement of a patent occurs when:

- a) A patent is a product:
  - Making the product
  - Offering for sale, selling, or using the product; or importing it for these purposes
- b) A patent is a process:
  - Using the process, or
  - Carrying out any of the acts that are specified under paragraph (a) above with respect to a product obtained directly by that process.

**Source:** Andean Community Decision 486

### **Administrative Action**

The SIC does not carry out enforcement actions.

### **Judicial Recourse**

The civil or criminal route is available to pursue patent enforcement in Colombia. Although somewhat unorthodox for many U.S. companies, the criminal route has been used with some degree of success in Colombia for cases involving willful infringement. It is an avenue of recourse that should be explored with counsel, although the civil route is the more typical route.

Civil litigation affords the plaintiff the possibility of obtaining a preliminary injunction that will last throughout the litigation. A preliminary injunction will normally be granted where the plaintiff can present evidence of the infringement (normally an expert's affidavit). In most cases the defendant will not participate during this initial phase and can only request that the decision granting the preliminary injunction be reviewed once it has been carried out.

Damages in civil litigation, when infringement is found, may be awarded based on lost profits and actual damages, unjust enrichment or a reasonable royalty. Judges are typically very open to granting broad discovery requests as part of the evidence gathering stage.

Under Colombian IP law, a judge may order the following measures:

- a) Cessation of all acts that constitute the infringement;
- b) Compensation for damages (including attorney's fees and court costs);
- c) Withdrawal from commercial channels of all infringing goods;
- d) Prohibition against the importation or exportation of the infringing goods;
- e) Adoption of the necessary measures to avoid continuation or repetition of the infringement, including destruction of the goods; and,
- f) The temporary, or definitive, closure of the business belonging to the defendant or the accused.

**Source:** Andean Community Decision 486: Article 238-244

In a criminal case, if infringement is determined, the authorities may levy a fine (multa), (between 30-120 average daily wages) upon the infringing party or prison term, from five to eight years. The severity of this fine or prison term depends upon the level of infringement, the nature of the cooperation by the infringer during the proceedings, and whether the infringer is a recidivist. The fines are turned over to the original patent holder.

**Source:**

Criminal code of July 2001  
Amendments of the Criminal Code of July 2006

### ***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, regulations or policies of the Republic of Colombia. 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. Department of Commerce, its employees, and its contractors, assume no legal liability for the accuracy, completeness, or usefulness of any information, resource, or process contained herein.

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### ***General Intellectual Property Links***

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

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

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

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

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

## **List of Lawyers Specializing in Intellectual Property**

### **Brigard & Castro**

Contact:  
Juan Pablo Cadena  
Socio Gerente  
Tel: (571) 744 22 00 Ext. 297  
E-mail: [jcadena@bc.com.co](mailto:jcadena@bc.com.co)

### **Baker & McKenzie**

Contact:  
Alvaro Correa Ordez or Juan Pablo Concha  
Avenida 82 No. 10-62 Piso 6  
[juan.concha@bakernet.com](mailto:juan.concha@bakernet.com)  
Tel: (571) 6341500

### **Parra Rodriguez & Cavelier**

Contact:  
Ernesto Cavelier Franco  
Carrera 9 No. 74-08 Of. 504  
[ernesto.cavelier@prc-laws.com](mailto:ernesto.cavelier@prc-laws.com)  
Tel: 3764200 / 3764477

### **Olarte Raisbeck**

Contact:  
Carlos R.Olarte, Ian Raisbeck  
[carlos.olarte@olarteraisbeck.com](mailto:carlos.olarte@olarteraisbeck.com)  
[ian.raisbeck@olarteraisbeck.com](mailto:ian.raisbeck@olarteraisbeck.com)  
[www.olarteraisbeck.com](http://www.olarteraisbeck.com)  
+57 (1) 601-7700  
Diagonal 34 No. 5-28

### **Cavelier**

Oscar Correa  
[oscarcorrea@cavelier.com](mailto:oscarcorrea@cavelier.com)  
Carrera 4 No. 72 – 35  
Tel.: (57-1) 347 3611 Ext. 2269

### **Prieto & Carrizosa**

Natalia Nossa  
[nnoassa@prietocarrizosa.com](mailto:nnoassa@prietocarrizosa.com)  
Carrera 9 # 74-08  
Tel: (571) 3268600

### **Lloreda Camacho & CO**

Carolina Hanssen  
[chanssen@lloedacamacho.com](mailto:chanssen@lloedacamacho.com)  
Calle 72 No. 5-83 Piso 5  
Tel: (57)-(1)-326-4270 / (57)-(1)-606-9700

**OlarteMoure**

Carlos R. Olarte

[carlos.olarte@olartemoure.com](mailto:carlos.olarte@olartemoure.com)

Diagonal 34 No. 5-28

T: +57 (1) 601-7700

**Clarke, Modet & C<sup>o</sup> Colombia**

Marcela Ramírez

[mramirez@clarkemodet.com.co](mailto:mramirez@clarkemodet.com.co)

Cra. 11 N<sup>o</sup> 86 - 53 Piso 6, Bogotá

Tel.: + 57 1 618 1088 ext. (102)

**The SIC Forms and Documents**[Application for a Patent Registration of an Invention or a Utility Model](http://www.sic.gov.co/pdf/Formatos/Propiedad/PI02-F01.pdf)

<http://www.sic.gov.co/pdf/Formatos/Propiedad/PI02-F01.pdf>

[Application for an Industrial Design Registration](http://www.sic.gov.co/pdf/Formatos/Propiedad/PI02-F01.pdf)

<http://www.sic.gov.co/pdf/Formatos/Propiedad/PI02-F01.pdf>

[Application for the Registration of an Integrated Circuit Design](http://www.sic.gov.co/pdf/Formatos/Propiedad/PI02-F02.pdf)

<http://www.sic.gov.co/pdf/Formatos/Propiedad/PI02-F02.pdf>

**Frequently Asked Questions****Q: Can the rights of a patent holder be lost or nullified?**

A: A patent holder can lose its patent rights if it fails to follow the SIC procedures. For example, if the patent holder fails to pay the patent annuities on time, 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 request a compulsory license based on failure to work the patent. The patent holder would nevertheless receive a reasonable royalty and could still practice the invention.

**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 for both invention and a utility model patents for the same subject matter. However, a patent for invention and a patent for a utility model cannot be obtained for the same invention. As a result, the applicant will eventually be required to choose between the two types of protection. Please note that most inbound American applications come through the PCT route, which does not provide for utility models.

**Q: Can a patent be lost to compulsory licensing?**

A: According to Andean Community Decision 486, a patent may be subject to compulsory licensing if the patent owner 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. Compulsory licenses have never been issued in Colombia.

## Chapter 6: Trade Secrets and Unfair Competition

This section covers:

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

### ***Introduction***

A trade secret is, in the general sense, any confidential information with commercial value, reasonably protected from disclosure by its rightful holder. It could be a formula, process, device or compilation of information used in a business representing an advantage over competitors. No registration requirement or any other formality is necessary in order to be protected by trade secret law. The duty not to divulge or use trade secrets arises from operation of the law and can further be defined by a contractual relation under the *pacta sunt servanda* doctrine.

Pursuant to Andean Decision 486, Art. 260, a trade secret is any undisclosed information that a natural person or legal entity legitimately holds and can use in any productive, industrial or commercial activity if the secret:

- As a whole or in the precise configuration and combination of its elements, is not generally known or readily accessible to persons within the circles that normally deal with the kind of information in question;
- Is of commercial value due to its secrecy, and;
- Was the subject of reasonable measures on the part of its legitimate holder to maintain it as a secret.

The information constituting a business secret may relate to the nature, characteristics or purpose of goods, to production methods or processes or to means or methods of distributing or marketing goods or rendering services.

Examples of trade secrets could include:

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

**Source:** Article 260 of Decision 486, Cartagena Agreement

### **Domestic Legislation and Treaties**

[Article 260 of Decision 486](#)

[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?**

Colombia has been a World Trade Organization (WTO) member since April 30, 1995 and must comply with WTO provisions regarding trade secrets so that persons have the possibility of preventing disclosure to, acquisition by, or use by third parties in a manner contrary to honest commercial practices. The Andean Community of Nations also includes legislation on trade secrets according to WTO obligations.

Infringement will exist if a trade secret is acquired by means contrary to proper business practice; for example, where the acquisition is the result, among other things, of industrial espionage, non-fulfillment of a contract or other obligation, breach of trust, disloyalty, failure to fulfill a duty of loyalty or the instigation of others to engage in any of those acts.

Under Decision 486, infringement consists of:

- Exploiting, without the authority of the lawful holder, a business secret to which access has been subject to an obligation of confidentiality arising from contractual or employment relations;
- Communicating or disclosing a business secret without the authority of its lawful holder, with a view to securing an advantage for oneself or a third party or prejudicing the said holder;
- Acquiring a business secret by means that are unlawful or contrary to fair business practice;
- Exploiting, communicating or disclosing a business secret acquired through unlawful or unfair business practices;
- Exploiting a business secret obtained from another person while knowing, or negligently failing to know, that secret was acquired by a person who did not have authority from its lawful holder to communicate it;
- Communicating or disclosing the business secret acquired while knowing or negligently failing to know that the secret was acquired by a person without authority to disclose it for one's own advantage or that of a third party, or in order to prejudice the legitimate holder of the business secret;
- Disclosing or using information protected by a confidentiality agreement; and,
- Acquiring information by illegal means including theft, bribery or espionage.

### **Source:**

Article 262, Andean Community Decision 486  
Article 16 of Law 256 of 1996

### **How to Address Infringement**

Under the Colombian legal system, trade secrets infringement can be addressed through civil and/or criminal actions. Administrative actions are available through SIC's Bureau of Unfair Competition. In Colombia, the SIC is solely an administrative institution with no enforcement power. As such, the SIC cannot levy indemnification fines upon the infringing party. Consequently, the owner of a trade secret may choose to bring an

action for claims or damages before the civil courts or alternatively may also request the Colombian Attorney General to start criminal proceedings.

If strong evidence is available, the owner of a trade secret may decide to proceed with SIC's Bureau of Unfair Competition (Division de Competencia Desleal). In an unfair competition action, SIC will analyze the case and proceed as a civil judge. The advantage of bringing a case to the SIC is that the SIC is more knowledgeable and can speed up the process. However preliminary injunctions are difficult for SIC to fulfill.

### **How to Protect Trade Secrets**

There are several steps<sup>49</sup> that right holders can use to protect their trade secrets. The company should decide whether the information, drawing, model, project or list has the characteristics of a trade secret. Internal measures must be implemented so that the employees keep privileged information confidential including:

- Limited access to the information;
- Clear restrictions regarding the use and the disclosure of the information;
- Employment contracts must contain clauses specifying to the employee the confidentiality requirements attached to the handling of the information.

In general, it is recommended to always work with binding confidentiality agreements which do not permit contractors and external advisers to disclose secret information.

### **Administrative enforcement**

The Intellectual Property Office at the SIC recommends addressing any trade secret infringement through its Bureau of Unfair Competition. This type of action must be framed as an unfair competition action, allowing SIC to act in a quasi-judicial capacity.

The SIC does not provide any administrative actions against infringement of trade secrets (denuncia), inspective visits (visita inspectiva), or restraining orders (medida cautelar).

**Source:** Legislative Decree 823

### **Judicial Recourse**

According to trade secrets law, the owner of a trade secret may take legal action against those who have infringed upon their trade secrets. The conditions, scope, and protection of a trade secret depend on existing statutory mechanisms and case law. The courts may require very significant and possibly costly efforts to preserve secrecy and grant a favorable ruling for the trade secret holder. If found guilty, Colombian criminal law allows the judiciary to sentence the infringer to imprisonment (between 2-8 years.) and/or the payment of indemnification fines (between 12 and 24 average month's wages). (Article 278.1.2 of the Criminal Code)

Currently, no infringers have served any jail time as there have not been any cases with a final decision to date.

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<sup>49</sup> Secret Empresarial, Juan Pablo Concha, Archivo, Revista ANDA, January-April, 2009



Trade secrets holders must provide to their legal representative:

- 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.

Perhaps the most difficult cases regarding misappropriation of trade secrets involve cases where a key employee departs from the company, taking sensitive and valuable information over to a competitor.<sup>50</sup> Disclosure of this sensitive information may be defended as the communication of experience gained by the employee during his tenure. In Colombia, it is complicated to distinguish between the employee's experience and a trade secret. Preventing the loss of this information is further compounded by the fact that non-competition covenants cannot be enforced in Colombia since they violate the constitutional right to work. Given the foregoing, an employer must carefully and periodically define the scope of any key employee's access to trade secrets.

### **Legal Basis:**

Article 308 of the Criminal Code  
Article 278.1.2 of the Criminal Code

### **Types of Actions Against Infringers:**

Affected companies may request that the courts order the infringing party to:

- Stop all violations of the trade secret;
- Withdraw, from commercial channels, all products and packaging related to the infringement;
- Destroy the goods and related materials;
- Temporarily shut down the infringing activity, and;
- Public announcing the infringer's activity.

***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, regulations or policies of the Republic of Colombia. 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. Department of Commerce, its employees, and its contractors, assume no legal liability for the accuracy, completeness, or usefulness of any information, resource, or process contained herein.*

### **Other Sources of Information**

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### **General Intellectual Property Links**

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<sup>50</sup> Source: Carlos R. Olarte, OlarteRaisbeck

[Andean Community Section on Intellectual Property \(Spanish\)](#)  
[Andean Community Decision 486: Common Intellectual Property Regime \(English\)](#)  
[List of Lawyers Specializing in Intellectual Property \(please see section: Legislation\)](#)  
[WIPO Intellectual Property Handbook: Policy, Law and Use](#)  
[WIPO: Trade Secrets are Gold Nuggets: Protect Them](#)  
[WIPO: Trade Secrets: Policy Framework and Best Practices](#)

## **Reference Materials**

*Links to websites outside the U.S. government or the use of trade, firm or corporation names are provided for the convenience of the user. These links and their use do not constitute official endorsement or approval by the U.S. 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](#)  
United States [Copyright Office, Library of Congress](#)  
[United States International Trade Commission](#)

## **The Colombian American Chamber of Commerce**

The Colombian American Chamber of Commerce is comprised of U.S. and Colombian businesses from different industry sectors. Members' interests include investing in the development and the protection of Intellectual Property Rights.

The [Intellectual Property Committee](#) encompasses the following sectors:

Film Industry  
Pharmaceutical  
Recording Industry  
Information Technology  
Consumer Products  
Crop Protection

Contact us: [jpr@amcham.org.co](mailto:jpr@amcham.org.co)

## **Frequently Asked Questions**

### **Q: Does the trade secret need to be registered for protection?**

A: No registration requirement or any other formality is necessary in order to be protected by trade secret law (See Introduction above).

### **Q: What kind of judicial recourse is available?**

A: The holder of an infringed trade secret may proceed with a civil action, a criminal action (possible via the Colombian Attorney General), or an unfair competition action via SIC's Bureau of Unfair Competition.

**Q: What is required for trade secret protection?**

A: Like United States law, three basic elements are required: the secret must not be generally known or readily accessible, it is of commercial value due to its secrecy, and it was the subject of reasonable measures to maintain it as a secret (see introduction above).