

Legal 500

Country Comparative Guides 2024

Ecuador

Intellectual Property

Contributor

Meythaler & Zambrano
Abogados



José Rafael Meythaler Baquero

President and Main Partner | jmeythaler@lmzabogados.com

Sebastián Meythaler Galarza

Head of the IP Litigation Department and Deputy Head of the Litigation Department | smeythaler@lmzabogados.com

This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in Ecuador.

For a full list of jurisdictional Q&As visit legal500.com/guides

Ecuador: Intellectual Property

1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

(a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how);

As a background, it is important to note that Ecuador, as a member of the World Trade Organization (WTO), is a signatory of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the WIPO Copyright Treaty. Additionally, Ecuador is a member of the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations, the WIPO Treaty on the Interpretation or Execution of Phonograms, and the International Union for the Protection of New Varieties of Plants (UPOV).

Based on the rights enshrined in the aforementioned agreements, Ecuador, as a member country of the Andean Community, has adopted the Common Industrial Property Regime, Common Regime on Copyright and Related Rights, and Common Regime for the Protection of the Rights of Consumers of Plant Varieties.

At a national level, Intellectual Property rights are governed by the Constitution and the Organic Code of the Social Economy of Knowledge, Creativity, and Innovation, in accordance with the aforementioned Agreements, with certain limitations.

Given this context, the analysis of the protection of intellectual rights described below is based on both national and Andean legislation.

Ecuadorian and Andean laws protect all product and process patents as inventions. Additionally, legislation safeguards trade secrets and confidential information, which are not necessarily classified as inventions.

For clarity, the following definitions outline each type of right:

- **Invention patent:** This protects the exclusive rights to a product or a process with novelty character, industrial application and inventive level granted in to the inventor so that he can exploit it commercially for a specified period.
- **Trade secrets:** This refers to undisclosed information that a natural or legal person legitimately possesses. It can be used in any productive, industrial or commercial activity, and is liable for being transmitted to a third party, to the extent that said information is secret, has commercial value, and has been subject to reasonable measures to maintain its confidentiality.

(b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees);

National and Andean legislation protects the trademark rights, such as trademarks, commercial slogans, trade names, certification marks, collective marks and country brands. It also protects other ways to identify a product that are not necessarily a brand, distinctive appearances, geographical indications, specifically denominations of origin and traditional speciality guarantees. Additionally, legislation safeguards traditional knowledge as ancestral and local knowledge of traditional cultural expressions. Finally, all rights are protected against any act of unfair competition.

(c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

National and Andean legislation protects copyright, plant varieties, industrial designs, layout designs of semiconductor circuits, topographies, utility models and traditional knowledge.

Confidential information and/or know-how is protected in all cases.

2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?

The duration of intellectual property rights is as follows:

Invention Patent: 20 years from the filing date or the date that the priority is claimed. This right cannot be extended beyond its term.

Utility Model: 10 years from the filing date. This right cannot be extended beyond its term.

Copyrights: Economic rights are protected for the lifetime of the author plus seventy years after their death.

Broadcasting Rights: 50 years from January first of the year following the year in which the broadcast was made.

- **Phonograms:** 70 years from January 1st of the year following the year in which the phonogram was published.
- **Artists and performers:** 70 years from the first of January of the year following that which the interpretation was performed
- **Patrimonial community's rights:** 70 years from the date of registration of such work.
- **Patrimonial rights in photographic works:** 70 years from the date of publication.
- **Audio-visual works:** 70 years from the date of publication.

Layout diagram: 10 years from the first commercial exploitation anywhere in the world or from the date of application for registration.

Industrial design: 10 years from the filing date or the date priority is claimed.

Brand name, trade name, a designation of origin: 10 years from the date of grant. These rights can be renewed in successive periods.

Country Brand: Valid indefinitely until it is changed.

Plant Variety: 18 years for varieties of vines and forest,

fruit and ornamental trees; 15 years for the other varieties from the date of the certificate.

Business secret: The protection will be applied all the time in which the conditions exist to keep it a secret.

3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?

The right holder is who requests it; a natural or legal person. If the right to protection is claimed, the owner is the person who requested the first registration, unless the latter has transferred his rights to a third party.

In the case of copyright created during employment or under commission, ownership will correspond to the authors. However, the establishment will have a free, non-transferable and non-exclusive license for non-commercial use of the work for academic purposes.

For inventions made during research or academic activities at higher education institutions or public research institutes, ownership and benefits derived from the patent must be negotiated between the institution and the inventors, including professors, researchers, or students.

In the case of a patent developed in compliance with a contract, the ownership belongs to the principal or the employer, unless otherwise stipulated.

4. Which of the intellectual property rights described above are registered rights?

Patents Trademark and trade name with the first use Designation of origin. Traditional specialties guaranteed. Layout. Plant of varieties. Utility models. Industrial designs. Copyright: If the creator of the work requests registration.

5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?

Intellectual property rights can be applied for by the creator or his designated attorney.

Regarding designations of origin or country brands, the application is made by the interested party.

The registration process is as follows:

1. Submit a request to the competent authority (SENADI – National Secretariat for Intellectual Rights) along with the payment of the official fee.
2. Formal examination: Analysis of the submitted documentation to ensure it meets legal requirements (15 days).
3. Publication of the application in the official gazette.
4. Submission of oppositions by third parties within 30 days (for trademarks and designs) or 60 days (for patents) extendable from publication.
5. If an opposition is filed, the applicant will be notified within 30 days (for trademarks and designs) and 60 days (for patents) to assert their arguments and present evidence.
6. In the case of patents, within 60 days of the publication, an examination of the invention will be requested. If the national office finds that it is not patentable, it will notify the applicant to submit the necessary amendments. The patentability examination may be carried out two or more times at the request of the interested party.
7. In the case of trademarks, only one registration examination is performed, which takes up about 6 months.
8. Once this term has expired or the opposition is not presented, the background or registrability examination will be developed.
9. Resolution
10. Legal Resources

If the resolution is not favourable, a subjective appeal may be filed. If the resolution is favourable, the title of the requested right is issued.

6. How long does the registration procedure usually take?

Regarding trademarks, the registration procedure takes about 5 months if there are no oppositions and if the form and background exams are favourable.

Concerning patents, the registration procedure takes around two years if no opposition is filed and if the form and patentability exams are favourable.

If oppositions are filed or the exams are not favourable, it could take up to 3 years to register trademarks or industrial designs; and it could take about 10 years to register a patent.

7. Do third parties have the right to take part in or comment on the registration process?

Yes, as long as the third parties have submitted their opposition to the registration of the right.

8. What (if any) steps can the applicant take if registration is refused?

Administrative steps: The applicant can challenge the unfavourable resolution by administrative appeals and reviews.

Judicial steps: Once the administrative procedure is exhausted, it is possible to file a subjective appeal before the contentious-administrative court within a period of 90 days after the notification of the administrative decision.

9. What are the current application and renewal fees for each of these intellectual property rights?

RIGHT	FEE APPLICATION IN USD		FEE RENOVIATION IN USD
Trademarks	\$208,00		\$208,00
Patent-utility model	\$136,00		None
Industrial Design	\$526,46		None
Variety Plant Right	Group A	\$992,15	None
	Group B	\$1.240,19	None
Copyright	\$20,00		None
Invention Patent (up to claim 10)	\$495,33		None

To promote and encourage the protection of intellectual rights, as well as traditional knowledge, the competent authority offers discounts on service fees up to 90%, upon submission of documents that enable its quality of:

1. MIPYMES (Micro, small or medium companies)
2. Independent researchers
3. Higher education institutions
4. Public sector entities
5. Small and medium-sized farmers and countrymen organizations of agricultural production.
6. Popular economy and solidarity-based companies
7. Artisans

10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?

Trademarks are the only rights that can be renewed. If the fees are not paid, the trademark registration would not be renewed. As a measure to remedy the lack of payment within six months after its expiration, you can request the renewal of the brand without any surcharge. If not paid within six months there is no way to renew the brand.

If the applicant does not renew the trademark, he could request the trademark again with preference rights.

It is worth mentioning that in the case of patents, a lack of payment of maintenance fees causes the rejection of the registration. The applicant has a grace period to pay the fee within the next 6 months but with a penalty of 50% of the fee value.

11. What are the requirements to assign ownership of each of the intellectual property rights described above?

The assignment of the ownership of each intellectual property right described in section A is done by a favourable resolution of the competent entity -SENADI- in favour of the registration applicant. That resolution is sufficient proof of the ownership of the right.

12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?

Yes, it is necessary to submit a contract of the assignment agreement. If not registered, the original owner remains recognized as the holder before the competent national authority.

13. What are the requirements to licence a third party to use each of the intellectual property rights described above?

A license agreement between the parties must state that it is not abusive and is for the mutual benefit of both parties.

14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?

Yes, the license agreement must be presented before the competent authority- SENADI-, who will check if its clauses are legal.

15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?

No, there is no difference in enforcement rights between

exclusive and non-exclusive licenses.

16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?

Offenders may face imprisonment for six months to one year, forfeiture, and a fine ranging from eight to three hundred times the unified basic salary of a general worker (up to USD 127,500). The affected party must file a private accusation for criminal sanctions.

17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.

The other enforcement options available in our jurisdiction are border measures, precautionary actions, administrative tutelage actions, lawsuits, intellectual property office proceedings, administrative proceedings and alternative dispute resolutions either before administrative entities or judicial courts.

18. What is the length and cost of such procedures?

Before administrative entities, it takes from about three months to fifteen years.

Before judicial courts, from three months to two years if no appeals are filed. Appeals may extend the process by up to three more years.

Only administrative procedures cost. The appeal has an official cost of \$ 272, the extraordinary appeal for review \$ 272 and the appeal for replacement \$ 170.

19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.

The Administrative Courts, the criminal and civil judges have jurisdiction regarding intellectual property matters in Ecuador. Most trials have a single hearing in which the

judgment is delivered, but others have two in which the judgment is delivered during the second. Judgments delivered by civil and criminal judges can be appealed, but those delivered by the Administrative Court cannot.

The time of judgment depends on the dates the judges decide to hold the hearing, which is usually around three to five months after filing the lawsuit, or after the first hearing (if applicable). These actions can take up to 6 years.

20. What customs procedures are available to stop the import and/or export of infringing goods?

Border measures and precautionary actions either before administrative entities or judicial courts.

21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.

No, non-court options are not mandatory, though courts will often encourage private settlement.

22. What options are available to settle intellectual property disputes in your jurisdiction?

The parties may reach an agreement at any stage of the process, and conciliation is a mandatory phase of any judicial dispute. The settlement ends the dispute, and the judge merely approves the agreement.

23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?

Intellectual Property rights infringements occur when rights are used by a third party without the authorization of the holder.

Useful evidence is as follows:

- audit certificates demonstrating the infringement,
- an advertisement that used a product or service protected by intellectual property rights,

- expert reports validating unauthorized use,
- samples of the infringing product,
- other relevant documents.

24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

The Court acquires information through the right holder who initiates the legal action for the infringement of his intellectual rights. The information/evidence is presented to the authority through documentation and testimony

a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence?

There are no technical judges in Ecuador and none have technical knowledge. Judges may appoint an expert witness, but this is highly unusual because they are presented to the court by the parties. The parties appoint their expert witnesses.

b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

All evidence is incorporated into the trial by the parties during the hearing. That evidence is under the judge's custody, for protection.

25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?

Documentary evidence is submitted to the Court when presenting the lawsuit. If not, the evidence is only announced in the lawsuit and submitted during hearings.

Cross-examination is available and usually used by both parties.

26. What defences to infringement are available?

Defences include administrative tutelage actions, precautionary measures and lawsuits.

27. Who can challenge each of the intellectual property rights described above?

Anyone who has a legitimate interest or the intellectual property competent authority regarding compulsory licenses and administrative tutelage procedures.

28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?

During the registration process and at any time during the subsistence of the right.

29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?

The forum for challenging each of these rights is the competent authority through the action of nullity or cancellation of the right or a compulsory license request.

Some of the reasons to determine disability are loss of the object for which it was granted, when the owner has stopped using the right for a certain time or when the protection of the right has expired.

In the case of patents and utility models:

- If the object of the patent is not an invention.
- If the patent was granted for a non-patentable invention.
- If the invention does not comply with the patentability requirements.
- If the patent does not sufficiently disclose the invention.
- If the claims included in the patent were not entirely supported by the description.
- If the granted patent contained a broader disclosure than in the initial application, extending protection beyond the original scope.
- If the patent has been granted with any other violation of the law that has substantially induced its concession;

- Lack of use or exploitation for more than 3 years
- Lack of annual maintenance payment.

Scheme layout:

- If it does not result from its creator's effort,
- The registered object does not qualify as a layout design,
- The registration was granted for a layout design submitted more than two years after its creation.

Industrial design:

- If the registration object does not qualify as an industrial design;
- If the industrial design is not new;
- The registration was granted for a subject excluded from protection as industrial design;

Trademark:

- When the acquisition was granted based on false data or misleading documents that were essential for its granting;
- When the brand does not distinguish a product or service or has become generic,
- When reproducing or imitating a previously granted right.
- Lack of use for more than three years.

Plant variety production:

- If the variety subject to the breeder's right did not meet the requirements of novelty, distinctness, stability and homogeneity at the time of granting the certificate;
- If it had been granted to someone not entitled to it;
- If the access contract copy has not been presented, when the variety has been obtained or developed from genetic resources or derived products originating from Ecuador or any Andean Community member country;
- If the reasons for nullity established in the law for administrative acts were set;
- If it has been granted with any other violation of the law that has substantially induced its concession or has been obtained based on false or erroneous data, information or documents.
- Lack of annual maintenance payment

30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?

The competent intellectual property authority has the

power to grant compulsory licenses for the use of intellectual rights under the following circumstances : (i) when the right holder has affected free competition negatively, (ii) when the right holder of a musical piece has granted the authorization to perform or record that musical piece to another and there is no possibility that a third person can obtain an authorization to perform it, (iii) when a literary or artistic work is not translated into Spanish or any other intercultural language of the national territory, (iv) when a literary or artistic work is not available in the national market and several years have passed since its publication (three years for scientific or technological work; five years in general content work; and seven years for novels, poetry or art books); and, (v) when an audio-visual work, videogram or any other audio-visual fixation is not available or accessible in the national market and has passed at least a year since its diffusion on any format.

Regarding patents, the intellectual property competent authority can also grant compulsory licenses due to lack of use of a patent for three years since it was granted or four years since it was requested (the highest); while regind plant varieties, when the breeder of a plant variety cannot exploit a breeder's certificate without violating the rights resulting from an invention patent, a compulsory

license might be granted to use that patent if it is necessary to exploit that plant variety (compulsory licenses can also be granted regarding plant varieties if those are necessary to exploit an invention patent). Compulsory licenses might also be granted for layout designs due to a lack of exploitation.

31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described above?

Available remedies include judgments of damages and settlements on which it is agreed to receive compensation for the infringement.

32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?

Enforcement proceedings have no cost. The judge might order the offender to pay for the costs incurred by the winning party, although it does not occur frequently.

Contributors

José Rafael Meythaler Baquero
President and Main Partner

jmeythaler@lmzabogados.com



Sebastián Meythaler Galarza
Head of the IP Litigation Department
and Deputy Head of the Litigation
Department

smeythaler@lmzabogados.com

