

COLGATE:

Case study: Seizure of personal care products due to copyright infringement.

COLGATE-PALMOLIVE COMPANY (hereinafter COLGATE) is a multinational company founded in the early 19th century in New York by Englishman William Colgate. The company was initially engaged in the manufacture of starch, soap and candles, however over the years it has become one of the most recognized companies worldwide for the manufacture, distribution and sale of oral hygiene, personal hygiene and household cleaning products.

Among its best-known trademarks is its namesake “COLGATE”, which identifies toothpastes, toothbrushes and oral hygiene products, and of which it holds the intellectual property rights for its exclusive use.

Likewise, COLGATE holds the copyrights regarding the “DOUBLE ACTION”, toothbrush packaging design, which is duly registered in the United States. Such right is universal and its protection may be extended to our country by virtue of the Berne Convention.

The case

During the COVID-19 pandemic, there were established nationwide restrictions that affected the mobility not only of people but as well of goods circulating in the country (imports, exports, etc.).



COLGATE-PALMOLIVE COMPANY is the owner in **Uruguay** of the word and device trademark, number **500.823**, which protects the products within international class 3, 5, 21.

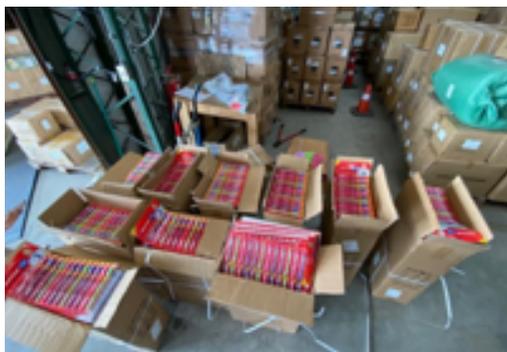


COLGATE-PALMOLIVE COMPANY is the owner in **USA** of the trademark “Double Action Toothbrush Pack”, registration N° **VA 2-102-566**.



Notwithstanding this, the National Customs Directorate continued to perform controls and thus, in October 2020, the Intellectual Property, Money Laundering and Drug Trafficking Division (DIPILAN), following a complaint filed by COLGATE, inspected at the MIDOMUX SA customs warehouse a container from China, whose consignee was a Uruguayan company, based in the city of Rivera.

Once the opening of the container was performed, there were found toothbrushes identified with the trademark “SMELL FRESH DUAL ACTION”, which were in infringement of COLGATE’s copyrights, since their design imitated the one of COLGATE’s original toothbrushes called “DOUBLE ACTION”.



Infringement

The infringement committed falls under the provisions of Article 44 of Law No. 9.739, as amended by Law No. 17.616, since the seized brushes constitute an unlawful reproduction that imitates the original design of COLGATE’s brushes, regarding to which said company holds the universal copyright.

Article 44, paragraph D of Law No. 9.739, as amended by Law No. 17.616:
“Constitute, among others, special cases of illicit reproduction (...) D) The adaptations, alterations, and imitations that involve a disguised reproduction of the original”.



Action brought

Once the merchandise was inspected, COLGATE proceeded to file a complaint for infringement of its intellectual and industrial property rights, before the Criminal Prosecutor's Office of Montevideo for Narcotics of 2nd Rotation, in charge of Dr. Stella Llorente. The merchandise was impounded in the customs warehouse, initiating the investigations to clarify the facts.

In order to prove the copyright infringement, COLGATE prepared an expert report, highlighting the main indicators:

- ▶ The packaging of the seized "Smell Fresh Dual Action" toothbrushes has the same red, white and yellow color scheme as the packaging of the original "Colgate Double Action" toothbrushes.
- ▶ The " Smell Fresh" name on the seized toothbrushes appears in a very similar font style (including initial capitalization and use of italics) in the same color (white) and position as "Colgate" is shown on the original "Colgate Double Action" packaging.
- ▶ In addition, "DUAL ACTION" is conceptually identical to "DOUBLE ACTION" in meaning as well as being visually similar.
- ▶ The seized "Smell Fresh" brushes replicate the "Mode of Action", "Improved" and "New" icons from the original "Colgate Double Action" packaging.

The competent prosecutor concluded by order No. 922.619, dated February 11, 2021, that *"(...) Since it was not possible to find in the local market products with identical characteristics to those seized in order to carry out the expert examination by the Scientific Police ,the law firm representing the plaintiffs proved by means of expert evidence requested by the party, (...) conclusively the infringement of the intellectual property rights of Colgate-Palmolive Company pursuant to the provisions of article 2 of Law No. 9. 739 as amended by Law 17.616, as well as the provisions of article 81 of Law 17.011. Therefore, and considering the requests made by the plaintiff, the destruction of the seized merchandise is ordered (...)"*.

Sustainable destruction of infringing merchandise

In compliance with this order, we proceeded to coordinate the destruction of the infringing products, using sustainable techniques that allowed us to recycle most of the waste generated.



/// Step 1

The merchandise was taken to the WERBA destruction plant, where, in compliance with environmental regulations, the infringing products were shredded and rendered totally unusable.



/// Step 2

The waste generated was taken to the URUPLAC recycling plant, where it was classified according to its components and raw material was generated for the production of new products.



/// Step 3

Using specialized machines, plates were made that are then used to manufacture products for construction (roofing and wall sheets), for agriculture (plates for animal protection), and for recycling containers, among others.

Some of these products are donated to educational institutions and others are sold on the domestic market.

By means of the sustainable destruction of counterfeit products, we seek to contribute to the circular economy, trying that the waste generated in today's destruction becomes the raw material for the creation of a product in the future.

In order to carry out this type of destruction, we reached an agreement with the company URUPLAC whereby we could hand over our waste for them to transform it into a new recycled material.



URUPLAC is an Uruguayan company that has been involved in recycling for more than 20 years. The company was created in 2012 due to the concern of the partners in seeking a recycling alternative to potentially reusable products not processed in Uruguay due to the lack of productive alternatives through mechanical recycling. Their motivation embodies an ecological action in addition to a responsible economic alternative.

The company's goal is to be a triple-impact company that solves social issues in waste management, environmental issues by making possible the packaging recyclability, and productive issues in terms of generating a new product in the market.



Conclusions

- ▶ The Court upheld the case law regarding the feasibility of taking infringement actions based on copyright . There were found poorly disguised reproductions of the originals, which unlawfully and publicly imitated and reproduced the design of the COLGATE brushes (as indicated in article 44 of law 9.739), resulting in unjust damage to the company that owns the copyrights.
- ▶ As a result of the proceedings, a significant amount of counterfeit toothbrushes destined for the domestic consumer market were destroyed. Unlike other products, these are directly linked to health, and therefore require greater control by the authorities and rigorous application of the rules by the justice system.

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