

WELLA:
Counterfeit cosmetics.

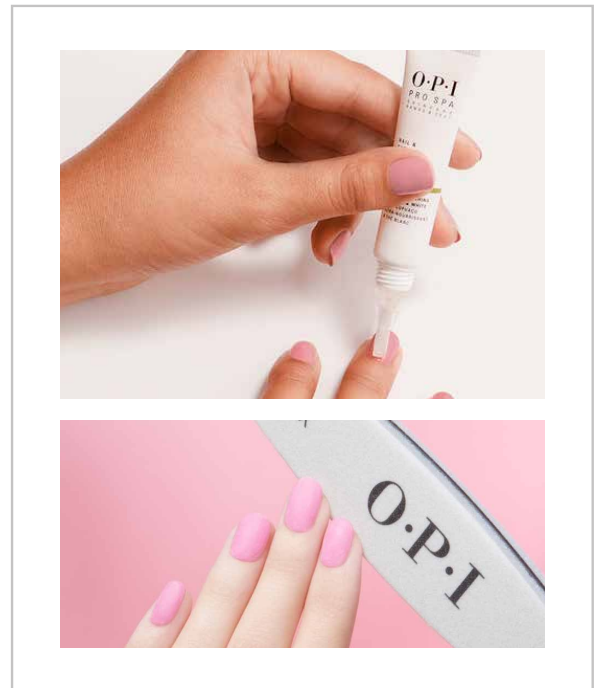
Introduction

OPI, a division of Wella Operations US LLC, is regarded as a world leader in the professional nail care industry. Standing for quality, safety and innovation in its products and services, OPI is present in more than 100 countries worldwide and offers a complete line of professional products including nail treatments, finishing products, lotions, manicure/pedicure products, files and acrylics.

Trademark infringement

On June 2022, OPI became aware that several formally constituted stores in the city of Asunción and in the metropolitan area were selling products that infringed OPI’s registered trademarks in Paraguay.

The infringement involved certain products such as OPI nail files, which were fraudulently imitated with the OPI trademark printed on them. In addition to infringing OPI’s trademark rights, the product caused confusion among consumers and a potential risk of damage to their health due to the quality of the product purchased.



OPI Products, Inc., is the holder in Paraguay of the following trademarks:

Word, granted under N°. **396514**, to protect all the goods in class 3. **OPI**

Word and device, granted under N°. **444916** to protect services in class 35. **O·P·I**

Word and device granted with the N°. **444877** to protect the services in class 44. **O·P·I**

Actions taken

As a result, and after a thorough private investigation, six formal stores were notified by notary public to cease the infringing activity immediately, to provide information on the origin, to undertake in writing not to repeat the infringement, and to hand over the remaining stock of products for their destruction.

Therefore, we were able to obtain relevant information on the origin of the products, which led us to a formal wholesaler that would be the main supplier of the stores that had been notified. We proceeded to carry out a preliminary investigation, it has been reliably verified that the store was indeed commercializing on a large-scale product in violation of the OPI trademark, and a notarial notice was issued to said store to the effect that they immediately cease the infringing activity, provide information of origin, commit in writing not to repeat the infringement, and deliver the remaining stock of products for their destruction.

Results

Those in charge of the store have contacted the firm in order to settle the controversy out of court, for which we have proceeded to sign a settlement agreement that mainly provided the following points:

- ▶ Immediate cease of the infringing activity
- ▶ Acknowledgement of OPI's intellectual property rights.
- ▶ Deleting all advertising alluding to the offering of products in violation of the OPI trademark.
- ▶ Hand over the infringing products for the subsequent destruction
- ▶ Commitment of not repeating the infringement in the future



Art. 184.b of Law 3440/08:

“Whoever: 1. counterfeits, adulterates or fraudulently imitates a registered trademark of the same or similar protected products or services; 2. has in deposit, makes available for sale, sells or offers to sell or circulate products or services with a counterfeited, adulterated or fraudulently imitated trademark, shall be punished with imprisonment of up to five years.”

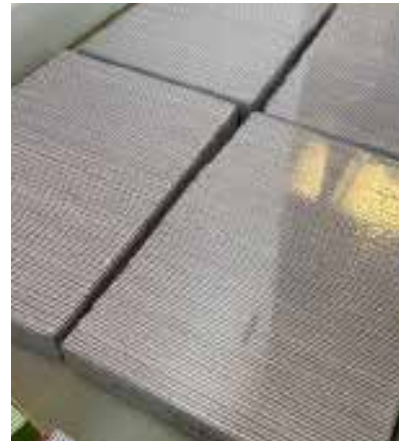
- ▶ Signing of a penalty clause in case of non-compliance with the agreement.

The out-of-court agreement has the effect of res judicata for the parties pursuant to the provisions of article 1501 of the Paraguayan Civil Code, which implies that it is an effective and efficient means to settle disputes out of court, with the parties making reciprocal concessions in order to resolve or prevent judicial litigation.

Art. 1495 of the Paraguayan Civil Code: *“By the settlement agreement the parties, by means of reciprocal concessions, put an end to a litigation or prevent it. By means of it is possible to create, modify or extinguish, in addition, legal relations different from those that were the object of the litigation or reason for the controversy.”*

Art. 1501 of the Paraguayan Civil Code: *“The settlement extinguishes the rights and obligations that the parties have waived, and shall have the same status with respect to them and their successors as res judicata.”*

Handed and destroyed products



Conclusions

Alternative dispute resolution by means of private negotiation and settlement agreements has proven to have excellent results in the fight against piracy and infringement of intellectual property rights, being an effective and efficient way in terms of the results obtained.

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