

NEW LEGISLATION ON LEGALLY FIXED RECOVERY OF DAMAGES

It has always been a problem for trademark owners, the burden to prove damages within a trademark infringement action.

The Colombian Government has issued decree No. 2264 of November 11, 2014, establishing discretionary legally fixed damages derived from trademark Infringement.

Decree 2264 of November 11, 2014, is a piece of legislation that was lacking for completing the protection of trademark right owners in Colombia.

Within an infringement action, before civil authorities, the possibility to recover damages was always very hard, as the amount of damages to be recovered was subject to the evidence the plaintiff could gather to support the requested economic reward.

With regard to trademark infringement cases, the current legislation provides that in order to calculate damages, the following types of compensation among others, shall be taken into consideration:

Actual quantifiable injury and lost profits.

Amount of profits obtained by the infringer derived from the infringement

The price that the infringer would have paid in order to achieve a trademark license.

The current national legislation needed to be completed with the possibility of requesting the judge in a trademark infringement action, to apply legally set parameters for determining the amount of damages to be recovered. The burden to prove the types of damages established above, made it almost impossible to compensate the infringement unless by proving actual confusion of consumers and sales derived from this confusion.

Decree 2264 establishes those parameters in the following manner:

1. The plaintiff together with the trademark infringement complaint can choose to estimate and prove its damages, or to let the judge apply the legal parameters of economic recovery.

2. The legal recovery parameters are fixed in a minimum of 3 to a maximum of 100 monthly minimum wage, for each trademark infringed. It can go up to 200 monthly minimum wage, when:

- The infringed trademark is declared notorious by the judge.
- It was demonstrated the bath faith of the infringer
- When the life or health of people is involved
- and when there is repeated infringement.

3. It is discretionary to the judge to estimate the amount of damages within the parameters set above, taking into consideration the proves within the process, showing the duration of the infringement, its scope, the quantity of infringing goods and the geographical extension of the infringement.

It has to be noted that within the proofs to be taken into consideration to estimate the amount of damages, it is not required to prove actual confusion of the trademarks by consumers.

The benefit of the recent decree is that the plaintiff can choose to take advantage of the fixed legal parameters of compensation, or if knowing to be able to prove higher amount of damages, to take the burden to prove the same within the process.



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Margarita combines the practice in both trademark and patent departments of the firm. She has a broad knowledge of Colombian patent prosecution and has advised for almost two decades on the consecution of patent rights in Colombia, nationally and via PCT. She also manages all administrative litigation on trademarks and other distinctive signs with a very high rate of success.