



Doing Business in Costa Rica

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AGENDA

- Understanding Costa Rica's distributor law and Distributor Contracts
- Intellectual Property
- Product Registration Process



**DISTRIBUTOR LAW AND
DISTRIBUTOR CONTRACTS**

- Law 6209, since 1978.
- Protection for distributors and representative of foreign companies but was amended by Law number 8629, in order to implement the commitments assumed under CAFTA.

**DISTRIBUTOR LAW AND
DISTRIBUTOR CONTRACTS**



Before 2007 Amendment	2007 After Amendment
<p>(i) An exclusivity that was assumed, even without an agreement;</p> <p>(ii) A representation for an indefinite period of time;</p> <p>(iii) A mandatory formula to calculate the indemnity compensation that any foreign company was required to pay when terminating a relationship with a Costa Rican company; and</p> <p>(iv) The obligation to resolve any dispute under the Costa Rican laws and jurisdiction.</p>	<p>a) Exclusivity only applies when it is clearly provided in the contract; it shall not be presumed.</p> <p>b) All contracts can be terminated upon expiration of their term of effectiveness, which is now considered a lawful cause of termination, and if the party follows the termination procedure, there will not be any compensation.</p> <p>c) The compensation is not calculated based on a pre-set or mandatory formula to calculate the indemnity compensation; the compensation shall be based on the real damages.</p> <p>d) The law introduces presumption of arbitration as a dispute resolution method.</p>



A Foreign Company may terminate a distribution contract without further responsibility when:

- The distributor committed crimes against the property and good name of the foreign Company.
- A civil judge has determined the negligence or inability of the distributor regarding its obligations towards the foreign company, and the decrease or the prolonged and substantial stagnation of the sales for reasons attributable only to the distributor.
- When there is a violation of the distributor of a professional secrecy and fidelity to the foreign company, by revealing facts or technical knowledge concerning the organization, its products or its operation.
- Any other serious misconduct of the distributor regarding their duties and legal or contractual obligations with the foreign company

- The termination of the contract according to the deadline established by the parties or if notice of termination is given within the stipulations of the contract. If no deadline has been established, then termination of the contract must be notified to the distributor, at least 10 months in advance.
- When negotiating a distributorship agreement, it is necessary to state what the solution of controversies method will be, otherwise, it will be presumed that the parties intended to settle any disputes through a binding arbitration that may take place in Costa Rica. It is also important to state that the presumption of intent to submit a dispute to arbitration shall not apply when a party objects to arbitration.

INTELLECTUAL PROPERTY



- The Trademark gives the right to use the brand only in Costa Rica.
- Brands can be words, letters, numerals, prints, cartoons...
- Nice Classification of Goods and Services.
- Ownership
 - Trademarks: 10 years, renewable for equal periods.
 - Trade name: indefinite period.
- Is voluntary.

GENERAL ASPECTS

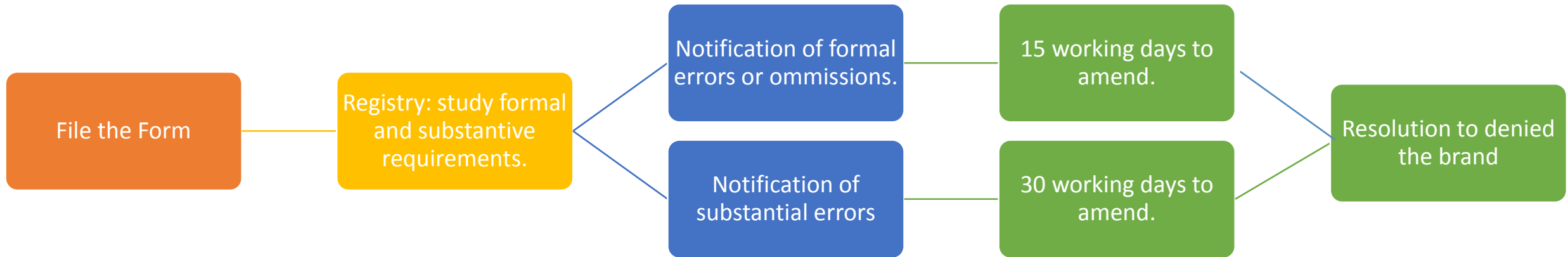


6 MONTHS



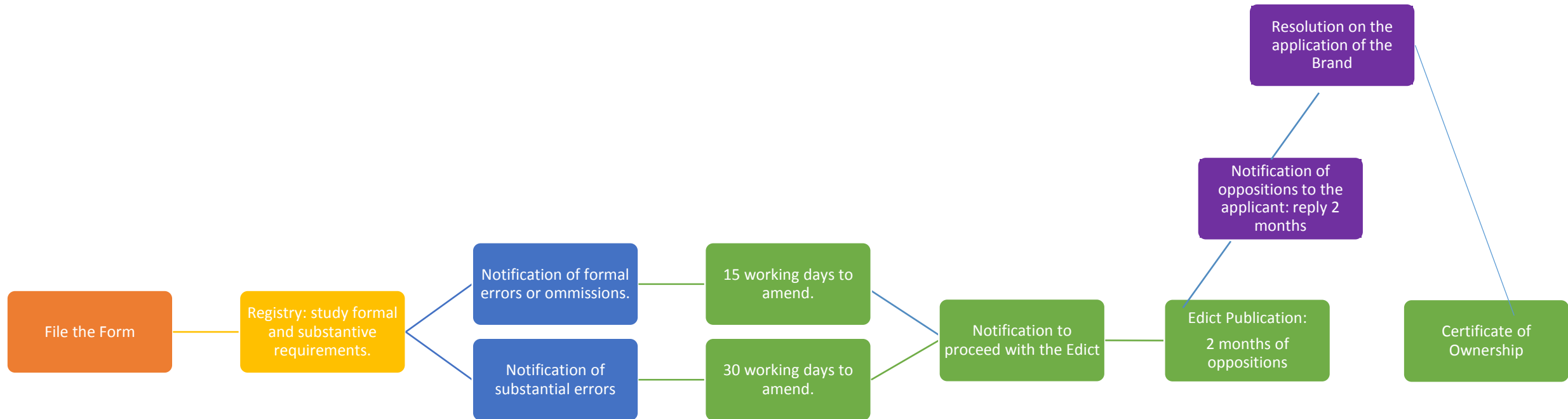
APPLICATION PROCESS





APPLICATION PROCESS

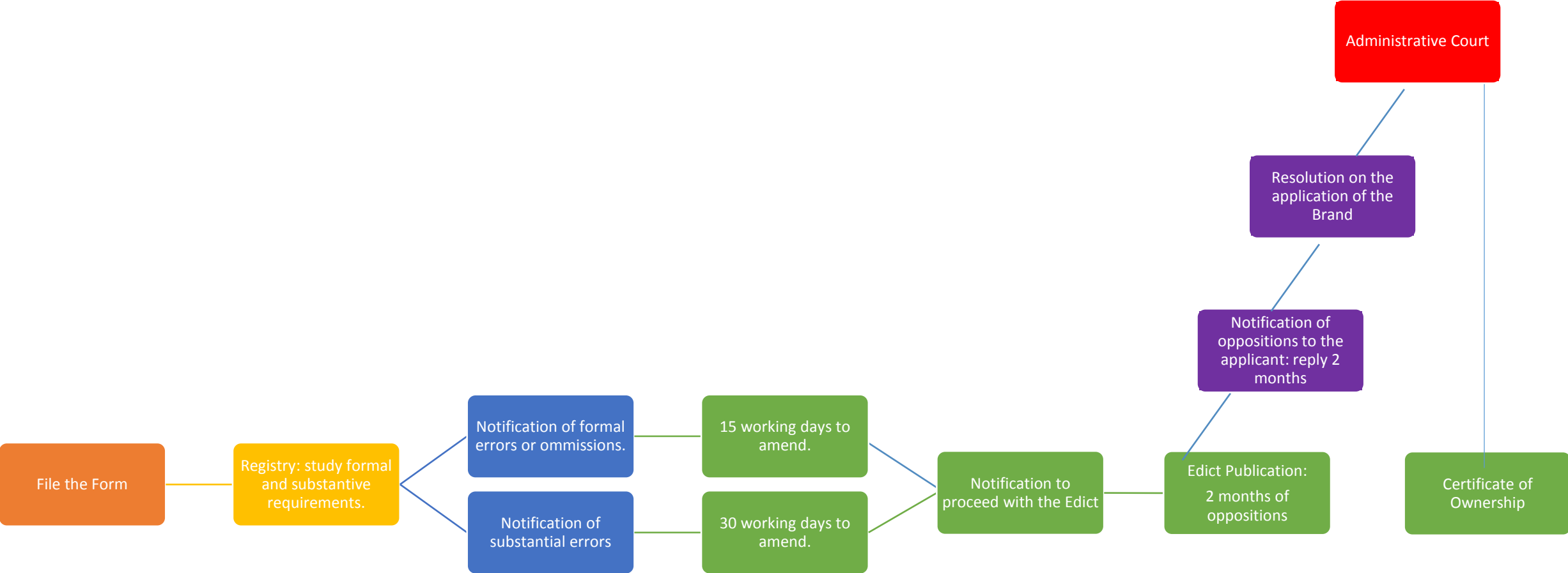
1 YEAR



APPLICATION PROCESS



2 YEARS



APPLICATION PROCESS



WHY BATALLA?

- Previous investigation.
 - Proceed with the registry.
 - Start legal actions.
- Correct Nice classification.
- Draft of POA.
- Defense if oppositions are filed.
- Appel of negative resolutions.
- Structure of other defense when similarities.



PRODUCT REGISTRATION PROCESS

- Ministry of Health
- Food, medicines, diet supplements, cosmetics, biomedical equipment and materials, pesticides for domestic and industrial use, natural medicinal products, alcoholic beverages, hygiene products, tattoo inks and dangerous chemicals.
- Granted for 5 years.
- The MH fee varies depending on the product.
Digital signature.
- National company.

GENERAL ASPECTS



WHY BATALLA?

- Know-how.
- Relationship with chemical and chemical engineer.
- Good Relationship with the MH.
- Knowledge of specific laws that could apply.

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