

## TAX REDUCTION FOR FOREIGN VENTURE CAPITAL

Beside other tax reductions for foreign capital, the Provisional Measure (MP) No. 281, published on 15.feb.2006, reduced from 15% to *Zero* the aliquot of the withholding income tax over "the proceeds earned on the redemption of quotas of Investment Funds in Participations, Investment Funds in Quotas of Investment Funds in Participations and Investment Funds in Emerging Companies", (art.2) when the respective proceeds "are paid, credited, delivered or remitted to the beneficiary resident or domiciled overseas, whether individual or collective, which/who realizes financial operations in Brazil according to the norms and conditions established by the National Monetary Council" (art.3).

This tax reduction, which actually represents a tax exemption, aims to raise the level of foreign venture capital investment in Brazil. Although this incentive is a good opportunity for the foreign investors and the innovation emerging companies, the discrepancy on the treatment between national and foreign capital certainly will arise a huge discussion.

[Read the Provisional Measure 281/2006.](#)



## CURITIBA WILL HELD COP-8 AND MOP-3

The third meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety (COP/MOP-3) and the eighth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP-8) will be held here in Curitiba, Brazil, from 13 to 17 March 2006 and 20 to 31 March 2006 respectively.

The Conference of the Parties (COP) is the governing body of the Convention on Biological Diversity – CBD. COP ordinary meetings are held every two years in a rotation system between continents. MOP (Meeting of the Parties) is the acronym used within the scope of the CBD, to designate the ordinary meeting held by countries that are members of the Cartagena Protocol on Biosafety.

Saiba mais sobre os eventos e sobre a Convenção:

<http://www.biodiv.org>;

<http://www.cdb.gov.br> e

<http://www.cop8mop3.com.br/cms/english>

### WHAT IS THE CONVENTION ON BIOLOGICAL DIVERSITY – CBD?

The Convention on Biological Diversity – CBD is one of the major outcomes of the United Nations Conference on Environment and Development (UNCED) (Rio 92), held in Rio de Janeiro, on June 1992.

CBD has defined important global legal and political milestones that are the guidelines for managing biodiversity worldwide: the Cartagena Protocol on Biosafety that establishes rules focusing on transboundary movement of any living genetically modified organism (GMO); the Bonn Guidelines that steers the setting up of national legislation to regulate the access to genetic resources and ensuing benefit-sharing (to fight biopiracy); the Addis Abeba Principles and Guidelines for the Sustainable Use of Biodiversity. Also, it outlined the Principles and Guidelines of the Ecosystem Approach for Biodiversity Management and started the negotiation of the Access to Genetic Resources and Benefit-Sharing.

### THE CDB AND THE INTELLECTUAL PROPERTY RIGHTS

Because the range of issues being negotiated under the Convention is so large, there is significant potential for CBD decisions to conflict with existing treaties and international trade laws. For example, negotiations regarding the potential regime on access to genetic resources and benefit-sharing and rules focusing on transboundary movement of any living GMOs needs to be done in close collaboration with the TRIPS council and WIPO.

## DIGITAL INCLUSION

"The best way to predict the future is to create it." - Peter F. Drucker (1909 – 2005)

On the 2005-2006 New Year, instead of giving to its customers, collaborators and friends the "usual new years' card and gift", ABREU, MERKL office held the project "Creating the future!" by which we had donated computers to non-profit social assistance organizations. Our desire is to help people to create their future today!



Nanotechnology is still an emerging field. But the results of researches already are reaching our daily life. A home refrigerator may utilize nano scale silver particles coating which have anti-bacterial properties, or sunglasses may use a nanofilm to avoid reflex and protect from UV. Those clothes of your dreams that are spill resistant, release stain and are even more comfortable than the regular ones are also available due to nano researches. Behind those and a thousand other products were spent years of researches that resulted in over 5,000 patent applications.

Usually, emerging technologies represent huge challenges for Patent Offices. The Offices must be ready to adapt to the new technical field in order to properly classify and exam the patent applications. The classification aids future R&D in determining what has already been done and identifying the trends. In addition, when the document is well classified it is more probable that it will be examined by a technician skilled in the related art.

The patent exam is crucial in any technical field. For instance, when a patent with too broad claims is issued, it may block new developments by discouraging third parties to invest in related researches. Nevertheless, in nanotechnology those issues are more complex due to the interdisciplinarity involved. The examiner is supposed to know about all related fields in order to exam a patent correctly, and in some nano-inventions it may mean a single person knowing about, for instance, chemistry, biology, electronics and mechanics. Besides, the examiner must comprehend nanotechnology!

In fact, both the European (EPO) and US Patent Office (USPTO) have already admitted that they do not fully understand nanotechnology<sup>1</sup>. One possible solution would be patent exams being accomplished by a team of examiners. However, this solution would result in another problem, the lack of people. Most Patent Offices around the world are being overloaded by an increasing number of patent applications and the number of examiners being trained is not meeting the demand, in particular in developing countries like Brazil.

Trying to soothe those problems, both the IPC (International Patent Classification), which is used by most of the Patent Offices around the world, and the USPTO classification had included nanotechnology related subclasses. A different approach was chosen by the EPO, which, in 2003, created a "Nanotechnology Working Group" for training examiners, selecting non-patent literature and helping the classification of patent applications and the identification of new trends.

Besides, the IPC has been reformed, entering into force this year, and the EPO working group has created a tag system for nanotechnology, both initiatives are supposed to help the identification of the applications, which should get the nano landscape much better. However the EPO tagging system, the IPC Reform and USPTO new subclasses (established in November of 2005) are too recent to determine whether or not they are achieving the proposed goals.

<sup>1</sup>A. P. Halluin & L. P. Westin, "Nanotechnology: The Importance of Intellectual Property Rights in an Emerging Technology". *Journal of Patent and Trademark Office Society (JPTOS)*. Volume 6, N° 3 (2004)

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