

Analyst: Apple could pay for Brazil iPhone brand

December 27 2012, by Stan Lehman

Apple Inc. likely will have to pay a Brazilian company for the right to use the iPhone brand in Latin America's biggest country, a Brazilian telecommunications analyst said Thursday.

Brazil's Gradiente SA started selling Android smartphones with the <u>iPhone</u> brand last week after winning the legal right to use the name in Brazil.

"The most likely scenario" is that the two companies will reach an agreement whereby Apple will pay Gradiente for the use of the brand," said Eduardo Tude, president of Brazilian telecommunications consultancy Teleco.

He said Apple will probably agree because it "doesn't want to stop selling its product in Brazil."

Apple spokeswoman Maria Parra Rodriguez said the company would not comment on the matter.

Last week, Gradiente said it filed its request to use the iPhone brand in 2000 when it realized "there would be a <u>technological revolution</u> in the world of cellphones with the convergence of voice and <u>data transmission</u> and reception via <u>mobile Internet</u>."

In 2008 Brazil's government gave Gradiente the right to use the brand on its cellphones. Brazil's trademark office said Gradiente requested



permission to use the brand before Apple did and has the exclusive right to use it through 2018.

Gradiente president Eugenio Staub said by telephone that Apple had not contacted his company "even after knowing we were given the right to use the iPhone brand."

Asked if Gradiente would let Apple pay for the right to use the iPhone name, Staub said "at this point we have nothing planned."

Gradiente said in a statement issued last week that "this company will adopt all the measures used by companies around the world to preserve its <u>intellectual property rights</u>."

On its website Gradiente says that its iPhone sells for 600 reals (\$300). It runs the relatively old 2.3 version of Android and its features include a 3.7-inch touch-sensitive screen, Bluetooth, dual chip capability, 3G, Wi-Fi and camera. Its appearance is similar to that of Apple's iPhone.

The Brazilian company said it did not use the iPhone name until now because its "priority was to conclude a corporate restructuring process that ended earlier this year."

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