

INFORMATIVE BULLETIN

Reforms to Mexican Industrial Property Law

Some years ago it had been commented in the IP field, that it was necessary that in Mexico take place changes that allow to include the protection of trademarks known as non-traditional trademarks, and in fact, finally on May 18 of this year, were officially published the reforms to the Mexican Industrial Property Law.

The changes contained in the reform emanate primarily from two factors, which are closely related, the first originates fundamentally by marketing reasons and the consequent modernization of the market, which derives from the industry need to create new expression media to capture the attention of the consumers, these media are based on sensory experiences, reaching that new distinction forms be produced, which require that the Industrial Property Law include them so that there is a corresponding adaptation to the new commercial reality; the second factor is based on the fact that Mexico is part of several International Treaties that oblige to our country to homologate domestic legislation with the legislation from other countries, in addition to the tendency for harmonize internationally the basic principles rules that governing Intellectual Property.

Non-traditional trademarks are actually signs that already be subject to protection in laws from other countries, such as: United States of America, Japan, United Kingdom, as well as in the European Union, the Andean Community, among others.

In the reforms, it is included the figure known as "secondary meaning", that is, the acquired distinctiveness, applied to those signs that initially lack distinctiveness because they are descriptive or generic, but in the future they acquire the differentiating capacity, this as a result of the efforts and investment of its owner, whether for the promotion, advertising, or effective use of the trademark.

According to the First transitory, the reforms would take effect 60 working days after its publication, this is, as from **August 10, 2018**.

The applications for trademark registration or advertising slogan or publication of commercial name, including the oppositions that have been filed, and which are in process at the time of the reforms entry into force, will be resolved in accordance with the provisions in force at the time of their submission. **(Second Transitory)**

We focus on the following issues contained in the reforms:

1.- The catalog of types of trademarks that can be protected is extended, including non-traditional trademarks, the current law only covers trademarks known as traditional trademarks, this is because within the definition of trademarks, the expression "visible" signs is included, which limits the protection for only those perceptible media by sight, which distinguish products or services from others of same type or class in the market.

The new definition of trademarks is wider, and has been redacted as follows: "any sign perceptible by the senses and capable of being represented in a manner that allows the precise and clear determination of the object protection, that distinguishing products or services from others of its same species or class in the market." **(Art. 88 I.P.L)**

The aforementioned definition opens the possibility for including the legal protection of sound trademarks, olfactory trademarks, hologram trademarks (provided that they are not of public domain and have distinctiveness).

In addition, is included the register as trademark the commercial image (trade-dress), understood as the plurality of operative or image elements, including the size, design, color, arrangement of the form, label, packaging or decoration that when be combined, distinguish products or services in the market.

The new figures included in the new catalog of signs that may constitute trademarks are the following **(Art. 89)**:

- a). The appellations, letters, numbers, figurative elements and combinations of colors, as well as the holographic signs (as long as they are not in the public domain and have distinctiveness).
- b). The sounds.
- c). The aromas.
- d). The plurality of operative elements; image elements, including, among others, the size, design, color, shape, label, packaging, decoration or any other that, when it combined, distinguish products or services in the market.
- e). The combination of the signs indicated in the first three clauses mentioned above.
- f). The descriptive signs, commonly used, generic, public domain, will be recordable as trademarks, provided they have acquired a distinctive character derived from the use that would have been made in the trade. **(Art. 90 antepenultimate paragraph)**

As we can see, it allows the registration of signs that initially lacked distinctiveness, but that over time come to acquire differentiating capacity.

g). The identical or similar trademarks in degree of confusion to others registered or previously requested, as well as the trademarks that are identical or similar to a commercial name, may be registered provided that the respective explicit and written consent is presented. **(Art. 90 last paragraph)**

It should be noted that coexistence agreements were already in place before the reforms, but the admission of these was always subject to the authority criterion and conditioned to the fact that there was no risk of the consumer being misled or confused, so some agreements were rejected by the Trademark Office.

With the current reforms, the authority is obliged to accept the coexistence agreements that the owners hold.

This change had been occurring since 2016, the year in which the opposition procedure was implemented in Mexico.

It is pending that the authority determines the manner in which the new trademarks recognized by the Law must be represented, for which reason it will be necessary to wait for the corresponding amendments to the Regulations of the Mexican Industrial Property Law, and for the new filing forms.

2.- The catalog of non-recordable trademarks is also extended, among which we find the following **(Art. 90)**:

a). The transliteration of non-recordable signs (previously the impediment was limited to translation into other languages, capricious spelling variation or the artificial construction of non-recordable words).

b). The geographical indications, appellations or signs of places, which are characterized by the manufacture or production of certain products or the provision of certain services; as well as those that are accompanied by expressions such as: "gender", "type", "manner", "imitation", "made in", "with manufacturing in" or similar that create confusion in the consumer or imply unfair competition. **(Important Note: This addition corresponds to the reform published on March 13, 2018, which, being a recent reform, is added in this section).**

c). It is included as a prohibition to register the surnames and names of famous people or with certain recognition or prestige, as well as the image and the identifiable voice, unless there is express consent.

The prohibition to register names, pseudonyms, the portrait and the signature of people, already contemplated the previous legislation, reason why this continues applying.

d). With regard to the titles of literary or artistic creations, the prohibition extends to the reproduction or imitation of the elements of said creations, when they have such relevance or recognition that they may be liable to deceive the public or induce error for unfounded belief that there is any relationship or association with said creations, unless the owner of the corresponding right expressly authorizes it.

The prohibition also covers the reproduction, whether total or partial, of literary or artistic creations, without the corresponding authorization of the copyright owner.

e). It is included as non-recordable signs, signs that reproduce or imitate appellations or elements that refer to plant variety protected, as well as animal breeds, that may cause confusion in the consumer public regarding the products or services to distinguish.

f). The bad faith is added as an impediment to the registration, and the following concept is included: It is understood by bad faith, among other cases, when the registration is requested in a manner contrary to good practices, usage and practices in the system of industrial property, commerce, or industry; or that it is intended to obtain an benefit or undue advantage on detriment of its legitimate owner.

3.- Although the collective trademarks were already protected in the previous legislation, with the reforms is implemented the obligation to have the rules of use to which the collective trademarks must fulfill. **(Art. 97 BIS)**

Once the collective trademark is registered, the members of the association or the company that owns the collective trademark may use together with it the term "Registered Collective Trademark". **(Art. 97)**

4.- The protection of certification trademarks (also known as guarantee trademarks) is included, which opens the possibility for individuals or companies to use as an additional trademark the certification trademark to guarantee to consumer that the products or services have special guarantee features.

In this case, the owner of the certification trademark (certifier), will be a company that will only be dedicated to certify that the products or services of third parties comply with certain characteristics, but the owner can not use the brand in products or services of the same nature or type as those he certifies.



In the rules of use will be determined the characteristics and technical specifications, which must comply with the products or services, as well as the way in which control of the certification will be exercised. **(Art. 98 BIS-2)**

Certification trademarks can not be licensed, and their use is reserved for people who meet the conditions determined in the rules of use. Only authorized users may use together with the certification mark the term "Registered Certification trademark". **(Art. 98 BIS-3)**

It includes the possibility that geographical indications can be protected as certification trademarks, without losing their nature, but in these cases, they can only be requested for registration by the corporations that directly participate in the extraction, production or processing of the product that is intended to protect; chambers or associations of manufacturers or producers linked to the product that is intended to cover with the indication; the dependencies or Federal Government entities, and the governments of the Entities of the Federation in whose territory or geographical zone is extracted, produces or elaborates the product that is intended to protect.

5.- The declaration of use of the trademark is implemented again, which must be presented during the following three months, counted as of the third year after the registration was granted. **(Art. 128)**

If the declaration of use is not presented within the aforementioned period, the registration will lapse.

6.- For the renewal of a trademark registration is established the obligation to file the declaration of actual and effective use of the trademark. **(Art. 133)**

We will have to wait for the amendments to the Regulations of the Industrial Property Law to know what are the requirements that must be met with the declaration of use, and if this should be accompanied by the corresponding evidences of use.

7.- With regard to the opposition procedure, the parties may make allegations, for which there is a period of 2 days, counted from the date on which the Trademark Office makes the proceedings available to the parties. **(Art. 120 BIS-2)**

8.- It is no longer necessary to indicate the nationality of the applicant **(Art. 113 Fraction I)**, this requirement is eliminated.

9.- Only changes in the title of a trademark are allowed to correct evident or form errors, which must be published in the Gazette. **(Art. 126)**



10.- Nullity Procedure: The previous law stated that it was considered that a record was obtained in bad faith when it was requested by the agent, the representative, the user or the distributor of the owner of a trademark registered abroad. Currently a separation is made, and bad faith is established as grounds for nullity independently, in addition the deadlines to enforce the nullity action are modified.

In nullity proceedings of a registry, there are 3 changes:

a). The nullity grounds foreseen by article 151 fraction V are extended, and this also applies when the trademark has been requested by any other person who has had a direct or indirect relationship with the owner.

b). Bad faith as grounds for nullity, in this case, for the purposes of bad faith, must take into account the definition established by Article 90 section XXII, of the Industrial Property Law, recently reformed.

It is understood by bad faith, among other cases, when the registration is requested in a manner contrary to good practices, usage and practices in the system of industrial property, commerce, or industry; or that it is intended to obtain an benefit or undue advantage to the detriment of its legitimate owner.

c). Deadlines: The previous law established 3 deadlines to enforce the grounds for nullity, this depends on the causes that were asserted, currently only 2 periods are foreseen, being as follows:

Five years: When the following causes are asserted:

II. - The trademark is identical or similar in degree of confusion, to another that has been used in the country or abroad prior to the filing date of the trademark application and applies to the same or similar products or services, provided that, whoever enforces the best right for previous use, prove that have used a trademark uninterruptedly in the country or abroad, before the date of presentation or, in the case, of the date of first use declared by which be registered.

III. - The registration would have been granted based on false information contained in its application.

IV.- That has been granted by mistake, inadvertence, or difference of appreciation, existing in force another that is considered not valid, because it is a trademark that is equal or similar in degree of confusion and that applies to same or similar services or products.



At any time: In the case of the following causes:

I. - It has been granted in contravention of the provisions of this Law or that which had been in force at the time of its registration.

V.- The agent, the representative, the user or the distributor of the owner, or any other person who has had a direct or indirect relationship with the owner of a trademark registered abroad, requests and obtains the registration, of the same or another similar in degree of confusion, in his name without the express consent of the owner of the foreign trademark, and

VI.- It was obtained in bad faith.

Finally, and in order for the reforms can be applied, it is necessary to reform the Industrial Property Law Regulation, as well as the corresponding adjustment to the tariffs and new forms, these modifications must be published before the Law comes into force.

BS & C IP Abogados Team



Calle Xontepec No. 39,
Col. Toriello Guerra
Deleg. Tlalpan, C.P. 14050,
Ciudad de México, México.



+ 52 (55) 70 89 34 69



bsyc@bsyc-abogados.com.mx
<https://www.bsyc-abogados.com.mx>