BY LUIS C. SCHMIDT

PARTNER

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MEXICAN LAW PROVIDE PROTECTION TO DESIGNS USED AS TRADE DRESS FOR BOTH PRODUCTS AND SERVICES BY VIRTUE OF INDUSTRIAL DESIGN, COPYRIGHT OR TRADEMARK LAW, AS WELL AS BY UNFAIR COMPETITION.

Design is perhaps the most interdisciplinary subject in IP law. The notion of design embraces everything that humans can create by recording images, pictures or three-dimensional figures and doing so with pencils, brushes or even computers. Designs cover everything from the appearance of products intended to fulfil an industrial function to works of art, which are associated with pure aesthetics. Designs within that spectrum can thus incline more or less towards industry or aesthetics, or – as in the case of works of applied art – industrial function and aesthetics are linked into one indivisible notion.

Every field of IP law, whether based on novelty, originality or distinctiveness, has dealt with designs. First, patent law has conceived industrial design registrations to protect the ornamental aspects of products made for mass marketing. Second, copyright law has recognized that works of authorship should be entitled to protection regardless of their destiny, including non-functional media such as paper, cloth or wood. This protection extends to the shape of furniture, toys, wallpaper, fabrics or functional products. Ultimately, art works can be embodied in all sorts of material and thus be utilized for an array of different purposes. Third, trademark law has sometimes been driven to protect designs when these have been capable of performing as trademarks and distinguishing products in trade. This is where trade dress comes in.

INDUSTRIAL DESIGNS AND COPYRIGHT PROTECTION

Under Mexican law, designs that fulfil novelty or originality standards qualify for either industrial design or copyright protection. In addition, a novel or original form can be regarded as a distinctive trade symbol and thereby be the subject of additional trademark protection. The Law on Industrial Property sets the standards of protection for industrial designs limited to novelty and industrial application. Inventive step or inventiveness is not a legal requirement. The Law on Industrial Property has defined 'novelty applicable to industrial designs' to mean "independent creativity". However, this expression has been considered misleading since independent creation is a concept that has more to do with copyright than patent law. Under the Copyright Law, works of authorship need to be original. Mexico subscribes to the author's rights system and thereby follows an 'imprint of the author's persona' approach.

CUMULATIVE RIGHTS

The Mexican IP system is favourable to a cumulative protection formula, taking into account that it is sometimes not clear enough in prescribing when a particular shape or object deserves patent, copyright or trademark protection. On the other hand, neither the Law on Industrial Property nor the Copyright Law impose an express or implied prohibition on the cumulation of rights, or regard industrial design and copyright protection to be mutually exclusive.

However, Mexican trademark authorities have recently considered that if a particular shape has been the subject of industrial design or copyright protection, it shall not be possible that it further serves as a trademark. It is hard to know where this criterion comes from, inasmuch as Mexico does not follow a common law system that could be invoked to distinguish rights which derive from registered trademarks and trademarks in use. In other jurisdictions, courts have attempted to distinguish between statutory industrial design protection and common law trademark protection. Conflicts between statutory and common law rights have led courts to eliminate trademark protection for

designs. In Mexico, the idea that designs cannot be the subject of industrial design and trademark protection at the same time has principally affected three-dimensional trademarks, but also certain two dimensional marks.

The foregoing synthesizes the law applicable in situations when product shapes are ornamented with art works or industrial designs that can simultaneously:

- meet the standards of novelty or originality; and
- perform as trademarks.

UNFAIR COMPETITION

Despite the questions or concerns deriving from the cumulation of rights, the Mexican IP laws have ultimately allowed companies to rely on industrial design, copyright or trademark law to take action against imitators or copiers of designs that are used as the trade dress of a product or service. However, the challenge has been to select the best and most adequate action. Unfair competition has been available to companies in addition to, or in lieu of, patent, copyright or trademark actions in order to stop trade dress imitators or copiers.

Under the Law on Industrial Property, unfair competition has been viewed as an administrative infringement that is readily available against anti-competitive behaviour that takes place against fair practices in a given industry or against the Industrial Property Law. Such infringement can also be invoked against

imitators or copiers that lead consumers to confusion, error or deceit by making them believe or inferring that:

- two commercial establishments have been associated;
- products have been made under authorized specifications as dictated by legitimate third parties; or
- the sale of products or rendering of services was authorized by a legitimate third party.
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The scope of the foregoing rules has been regarded as broad enough to find that the unauthorized use of the design, decorative element, shape of a product or its packaging, bottle or container, as well as the design of the frontage of a commercial establishment, constitute unfair competition.

TRADE DRESS CAUSE OF ACTION

On January 25, 2006 the Mexican Congress approved amendments to the Law on Industrial Property, in order to insert an administrative infringement cause of action that targets trade dress. The new provision was part of a larger reform concerning franchising rights. Congress dealt with trade dress because:

- it uses design as a decoration or as an identification factor; and

- it is closely associated with franchising, in particular the franchising of businesses such as restaurants.

The provision reads as follows: “The following behaviours are [considered] administrative infractions: Using the combination of distinctive signs, operative or image elements that allow [the identification of] products or services that are identical or confusingly similar to other signs, operative or image elements protected by the Law on Industrial Property, which for the reason of use cause or induce the public to confusion, mistake or fraud, by making believe or infer[ring] the existence of a relationship between the holder of the right that is subject to protection and the non-authorized user. [The] use of [the] said operative and image elements represents unfair competition in terms of paragraph I of this article.”

That provision did not improve the existing unfair competition law. By inserting this language to the bill of amendments, Congress implemented a strict repetition of the pre-existing unfair competition regime that seemed to have worked fairly well. The amendments have only added confusion, considering that there are now two infraction provisions that IP right holders can invoke to pursue the same wrong. The only difference is that one of the infractions has a

more general scope than the other. However, the main problem is that by being so specific, the newer rule turned out to be mostly inapplicable.

For example, combining distinctive symbols to trigger confusion is something that is already punished under the Law on Industrial Property. In any event, it is hard to know whether 'distinctive symbols' are restrictively understood as those recognized in the Law on Industrial Property. Further, combining operative elements that distinguish products or services to trigger confusion cannot be regarded as an infraction of the law, simply because operative elements as such cannot distinguish. Lastly, combining images that distinguish products or services to trigger confusion has been also sanctioned under the law. As a matter of fact, it would be hard to know what would be the legal or practical differences between the words 'sign' and 'image', considering that images can be regarded as signs utilized in trade to distinguish products or services.

CONCLUSION

Notwithstanding the inconsistencies within the Law on Industrial Property, one can conclude that the statute affords protection to designs used as trade dress by virtue of industrial design, copyright or trademark law, as well as by unfair competition.

Protection is equally valid for:

- the designs of product shapes and their packaging; and

- the decorative or distinctive features of the façades, roofs, furniture or other elements of commercial establishments.

The question remains of what rules a court should apply in order to find that a trade dress depicting a given design resembles a pre-existing one that is sufficiently distinctive. This question becomes more sensible when the preexisting design has not been registered at the Trademark Office, or when registration cannot be obtained due to a lack of distinctiveness. The plaintiff would bear the burden of proving that the defendant used a trade dress consisting of a design protected either by copyright or industrial design law. In addition or in lieu, the plaintiff would need to show that the design has been utilized as the distinctive symbol of a product or to identify a business establishment. The foregoing can be proven by virtue of a trademark registration. However, in the absence of a registration, the plaintiff would need to:

- establish prior rights in the design; and

- prove that the same is distinctive enough to lead consumers to believe that the businesses are related or the products licensed.