

BY [LUIS C. SCHMIDT](#)

PARTNER

TRADE MARK YEARBOOK 1998, MANAGING INTELLECTUAL PROPERTY

Mexico can be counted within a large group of countries that grant protection to famous marks based on the principles of confusion. Some others, such as the US and Benelux, follow the concept of dilution. Whereas the former has the purpose of protecting famous marks against use or registration made by third parties of identical or similar marks, dilution rather protects the trade mark from the standpoint of the uniqueness of the mark itself.

The Mexican Law on Industrial Property (LIP) provides trade mark infringement actions, and in a minor context, unfair competition actions for repressing the non-authorized use of famous marks. Accordingly, among the provisions of the LIP as amended in 1994, there is one that deals specifically with the protection of famous marks.

FAMOUS MARKS UNDER MEXICAN LAW

The LIP understands as "notorious" marks those with which a particular sector of the public or commercial circuits in Mexico are acquainted as a result of commercial activities carried on in Mexico or abroad, by any person that employs the mark in connection with their products or services, as well as the knowledge that the public has of the mark in the territory of Mexico, resulting from publicity or advertising given to the mark anywhere in the world. There is however a standard that needs to be met; an infringer's non-authorized use or registration of the famous mark should lead the public or commercial circuits to confusion, risk of association, or disparagement.

The IMPI has the power to decide about the famous status of a mark. This would be true while prosecuting and rejecting trade marks, as well as when resolving trade mark infringement causes of action. A question arises as to

whether the IMPI would be additionally empowered to grant special registrations for famous marks. A specific reference cannot be found in the LIP. However, from the interpretation of the statute it can be concluded that it would allow IMPI to determine whether trade marks have reached the status of being well-known. This could be made *sua sponte* or by the request of a party with a so-called legal interest.

Lastly, the LIP does not make a distinction between famous or high reputed marks and well-known marks. It simply refers to notorious marks as one single concept. It is possible to draw a dividing line between notorious marks known to everyone and to particular sectors. However, such a division would have a mere academic purpose, without a practical effect, as being a single concept, notorious and well-known marks would be protected equally.

MEXICO COMPARED TO THE US

We shall now make a comparative analysis between the Mexican and US systems. The US is undoubtedly the jurisdiction where the theory of dilution was originally developed.

Under the US Dilution Act, marks need to be distinctive. Distinctiveness should be inherent. However, marks that have acquired distinctiveness can be diluted as well. Under the LIP, there is nothing that would initially impede non-distinctive marks from becoming famous and deserving protection as a result, as long as they acquire distinctiveness. However, the question arises at the same time as to whether the law would protect such marks on the basis of trade mark infringement or unfair competition.

The Dilution Act requires marks to be famous to qualify for this type of protection. The LIP would require that situation as well.

The US courts follow an eight factor test to determine the level of fame of a mark. Neither IMPI nor Mexican courts rely on any particular standards.

The US Dilution Act requires that the fame of the mark extends throughout a substantial portion of the US territory. The LIP establishes that marks have to be famous in Mexico, which would initially refer to the entire country. However, this is also not clear and the question would arise what would happen if a mark

is known in part of the country. It is important to consider that more than 50% of the consuming population of Mexico lives in Mexico City, Guadalajara, Monterrey, Puebla, Ciudad Juárez and Tijuana.

The US Dilution Act may extend its protection to trade dress. Under LIP it would not be possible to protect trade dress through trade mark infringement actions unless the trade dress is registrable as a mark and has been actually registered. Enforcement of trade dress rights would anyway be available through unfair competition actions.

Under the US Act, it appears not to be clear whether the famous and diluting marks must be identical or similar. This would not represent a question under LIP as it is precisely the standard of confusion that prevails in trade mark infringement actions, including famous marks.

The US Dilution Act has created a language applicable to dilution, which differs from the traditional concepts of trade mark infringement. This would not be the case of the LIP as it does not recognize the concept of dilution.

The US Dilution Act divides dilution into blurring and tarnishment. The LIP would protect the blurring of a famous mark by virtue of trade mark infringement or cancellation actions. Trade marks could be protected against tarnishment by applying the principles of unfair competition. The LIP provides expressly that third parties are prohibited from disparaging products, services, activities or establishments of others. From the foregoing, it could be concluded that the LIP provides protection equivalent to dilution by tarnishment without the need for the "distinctiveness" or "famous" status of marks to be examined.

The concept of use that is employed in the US Dilution Act is flexible enough not to be restricted to sales. For example, domain names, which are not used in the context of the Lanham Act, may be protected by virtue of the principles of dilution. The LIP would require sales of products or services to occur in order for trade mark infringement actions to become available. Domain names and other symbols that are not used in the traditional context required by the LIP, may still be protectable under the principles of unfair competition.