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1 Ownership of marks

Who may apply?

Trademarks in Mexico are regulated under Mexico's current Law of Industrial Property (LIP), which was enacted on 27 June 1991 and further amended on 2 August 1994, and also under the Regulations to the LIP.

Article 87 of the LIP establishes who may use and therefore own a trademark registration, stating: 'industrialists, merchants, or service providers may use trademarks in industry, in commerce or in the services they render'. Nevertheless, the right to their exclusive use is obtained through their registration with the Mexican Institute of Industrial Property (IMPI).

In Mexican practice, any kind of person or entity is entitled to apply for a trademark registration before the IMPI.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

In accordance with article 89 of the LIP, all visible signs can be protected provided that they are sufficiently distinctive and able to identify the products or services to which they apply or are intended to apply with respect to those in the same class.

This definition is followed in Mexican practice and, for that reason, olfactory and auditory trademarks cannot be protected in Mexico. However, three-dimensional signs can be protected as trademarks as these are visible signs.

The limitations as to what cannot be protected as a trademark are established in article 90 of the LIP, which is a list of prohibitions and the only legal source for rejecting a trademark application. These prohibitions include:

- marks that are identical or confusingly similar to previously registered marks or marks for which registration is pending, applied to the same or similar products or services;
- descriptive and generic marks;
- geographic indications and names of places that are characterised by the manufacture of certain products; and
- three-dimensional forms of common usage or because said form is imposed by its nature or industrial function.

The legal standards for the examiners to determine the issue of confusing similarity are not provided in the law, but rather in precedent case law issued by the Mexican federal courts.

Notorious and famous trademarks

On 19 April 2005, the Mexican Senate approved a decree whereby some articles of the LIP were amended and new articles were introduced, all of them concerning well-known trademarks (hereinafter, the reform). The reform was published in the Federal Government Gazette of 16 June 2005 and came into force on 17 June 2005.

The reform can be summarised as having two important aspects:

- the introduction of two levels, namely first-level 'notorious trademarks' and

higher-level 'famous trademarks'; and

- the authority for IMPI to issue a declaration certifying that a trademark is 'notorious' or famous.

This distinction is caused by the fact that the level of awareness is greater for some trademarks than for other trademarks and thus the scopes of protection need to be established differently. Under this rationale, trademarks that are generally well known in Mexico are placed at the higher level and called 'famous trademarks', whereas those trademarks that are relatively unknown in Mexico are placed at the first level and called 'notorious trademarks'.

Under these principles, a trademark will be deemed 'notorious' when a particular sector of the public or trade circle in Mexico knows of the trademark as a result of commercial activities developed in Mexico, or abroad, by a person who uses this trademark in connection with its products or services, or as a result of the promotion or advertising thereof. In turn, a trademark will be deemed 'famous' when a majority of the public knows of it.

The second relevant aspect of the reform is that the IMPI is provided with the authority to issue a declaration certifying that a trademark is a 'notorious' or a 'famous' trademark in Mexico. This declaration must be implemented by a certificate from the IMPI, which shall be issued after certain requirements are met by the petitioner.

Thus, the declaration by the IMPI must be understood as a juridical act whereby a question of fact, namely whether a trademark is 'notorious' or 'famous' in Mexico, is recognised for all legal purposes. Further, the declaration will be issued independently of the authority kept by IMPI to estimate if a trademark is 'notorious' or 'famous' within the context of trademark litigation proceedings (either infringement or cancellation proceedings) or as a result of the examination of a trademark application.

In other words, before the reform, the IMPI had the authority to estimate whether a trademark was a well-known trademark only in relation to litigation proceedings, as derived from the evidence filed by the owner of the well known

trademark, or else related to the prosecution of an application for registering a trademark that is identical or confusingly similar to a trademark that the IMPI has deemed as well-known in Mexico. Under the 2005 provisions, the IMPI is authorised to declare that a trademark is 'notorious' or 'famous' in Mexico independently from the context of trademark litigation or trademark procurement.

The IMPI has published the tariff for fees related to the Declaration of Notorious and Famous Trademarks, effective as of 14 September 2007. This was a welcome development, as owners of 'notorious' and 'famous' trademarks in Mexico had been waiting to apply to the IMPI for the issuance of declarations, which could not be made until the tariff was issued.

3 Common law trademarks

Can trademark rights be established without registration?

As explained above, according to Mexican law, the exclusive right to use a trademark is achieved by registering that mark with the IMPI. However, the LIP also provides that use of an unregistered mark in Mexico will permit its owner to benefit from certain rights against third parties.

Rights derived from use of a mark are granted by the LIP by way of certain actions and defences against another party who has registered the same or a similar mark.

The specific actions and defences granted by the LIP are provided by articles 92 (section I) and 151 (section II):

Article 92

The registration of a trademark, shall not produce effects against:

- I. A third party who in good faith uses in the national territory the same

trademark or another so similar as to cause confusion, for the same or similar products or services, provided the third party has begun the uninterrupted use of the trademark before the filing date of the application or the first date of use declared. The third party shall have the right to apply for the trademark, within three years following the day the registration was published, in which case, such third party must previously request and obtain the declaration of nullity of the existing registration, and [...] The performance of any activity contemplated in this article will not constitute an administrative infringement or offence in terms of this Law [...]

Article 151

The registration of a trademark shall be deemed null when: [...]

II. The trademark is identical or so similar as to cause confusion to another that has been used in the country or abroad prior to the date of filing of the trademark registration and it applies to the same or similar products or services, provided that whoever proves a better right over the trademark for prior use evidences the uninterrupted use of the trademark in the country or abroad, before the filing date or, as the case may be, of the date of first use declared by he who registered it.

It is important to highlight that while a defence based on prior and continued use of a mark has no statute of limitation, any cancellation action based on the prior and continued use of a mark must be initiated within three years of the date on which the issue of the Trademark Gazette containing the trademark to be challenged was put into circulation.

4 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

If the trademark registration for a word mark does not face any objection as to

its inherent registrability or any anticipation of a similar or identical prior registered mark, completing registration could take at least three months. In the case of a design trademark, it could take at least five months. The reason for this difference in time for registration is because searches for prior registrations regarding designs are conducted manually by the IMPI.

The attorneys' fees for filing a trademark application are around US\$500, rising to US\$1,000 if the application faces any objection. The government fees for filing a trademark application are around US\$250. If objections are faced, further fees could be accrued in the region of US\$125.

5 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed?

Mexico adopted the Nice Classification in 1989 and became party to the Nice Agreement on 21 March 2001, so the local system does not differ from the International Classification System as to the goods and services that can be claimed.

It should be noted that no multiple-class applications are allowed in Mexico because the principle of speciality is followed; therefore, trademarks in Mexico shall be registered in relation to specific products and services pertaining to one class in accordance with the list of the Nice Classification.

6 Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

All new trademark applications are subject to a dual examination by the IMPI. The first 'formal exam' is focused on checking compliance with all formal requirements provided by law (the official application form must be duly completed and the government fees paid, etc). It is important to note that according to the recent amendments of the Regulations to the LIP on 10 June 2011, the official application must bear the original signature and the corresponding government fees duly covered; otherwise the lack of said requirements will lead the IMPI to dismiss the trademark application. The inherent registrability (without evidence of use) is determined at this stage too, namely, whether the proposed trademark has any negative linguistic (or other) connotations that would make it unacceptable in the local language, etc.

Once the examiners confirm that the trademark proposed complies with all the 'formal' requirements, the second exam takes place. As part of this 'novelty' examination conducted by the examiners during the prosecution of all new trademark applications, conflict with other trademarks is checked by conducting an online search of the IMPI's database to determine whether there is already a trademark (on record or at the registration stage) that could be considered similar or confusingly similar to the one proposed. If a similar trademark is revealed in the search, it is analysed with respect to the proposed mark to determine whether the confusion between them is triggered by their graphic, phonetic or conceptual aspects, and considering the similarities between the products or services of interest.

If the examiners consider any prior mark as a barrier to obtaining registration of the proposed mark or that the application does not comply with all the formal requirements, an official action is issued detailing the formal requirements that are not met, or the novelty examination result, or both, but always by separate office actions, and granting the trademark applicant a two-month term that can be automatically extended for a further two months to comply with the formal requirements that were not met or to provide legal arguments against the alleged formal breaching or the cited mark and to try to overcome them.

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Use in Mexico is not required to obtain registration; however, section III of article 113 of the LIP establishes the possibility of providing an exact date of first use of the trademark in Mexico in the application papers if there was such use. The reason for requiring the exact date is that the LIP recognises use in Mexico as a source of rights against third parties.

Turning to the priority rights derived from foreign registrations, articles 117 of the LIP in connection with the article 60 of the Regulations for the LIP provide the possibility to claim such priority indicating the filing date and application number of the foreign trademark application/registration.

According to the LIP, a trademark registration in Mexico is in force for 10 years as of its filing date. However, if the trademark registration is not used for of three consecutive years as of the registration date or for any further three consecutive years, it will become vulnerable to a cancellation action by third parties based on non-use.

8 Appealing a denied application

Is there an appeal process if the application is denied?

If an application is denied by the IMPI, the applicant may choose between three different venues: a review recourse before the IMPI, an appeal before the Federal Court of Tax and Administrative Affairs (FCTAA), or an *amparo* suit before a federal district court.

A review recourse is a remedy that must be filed before the IMPI within 15

working days of the day after the date of notification of the denial. The review recourse is resolved by the administrative superior of the person who issued the denial at the IMPI. A review recourse is only advisable when the denial is founded on a clear mistake of the IMPI (eg, a denial based on an alleged lack of a particular document when the document was in fact filed).

If the denial is based on a prohibition of article 90 of the LIP, a review recourse is not advisable as it is likely that the superior court will confirm the denial resolution. The applicant may file an appeal before the FCTAA against a decision issued by the IMPI under a review recourse.

The appeal before the FCTAA can be filed within 45 working days following the date of the notification of the denial or the decision of the review recourse. This appeal is decided by an administrative entity (it is not a court of law) that decides whether the IMPI correctly applied the LIP.

Appeals are resolved by three administrative magistrates in public hearings, where the parties may not make oral arguments but only hear the discussion of the case between the magistrates. All arguments must be submitted in writing during the prosecution of the appeal.

In this appeal, the applicant or appellant must prove that the IMPI's considerations to deny the application did not comply with the provisions of the LIP. The IMPI will be the counterparty, trying to prove the legality of its denial.

The losing party can make a final appeal before a federal circuit court against the decision of the FCTAA. This appeal must be filed within 10 working days of the day following the notification of the decision to the losing party.

The resolution of the circuit court is final. If the IMPI loses the appeal, it must comply with the resolution within a short period.

Due to recent Supreme Court jurisprudence, *amparo* suits are now available as a further venue to appeal denied applications. They can be filed within 15 working days of the day following the notification of the denial. The *amparo* is a procedural institution, which makes it highly technical.

One advantage of these proceedings is that, due to the requirements of procedural law, cases are decided in a very short time frame, ranging from two to five months, with stays being studied very quickly (within two days of filing of a suit). Another advantage is the higher level of preparation of officers and judges at the courts concerning IP affairs.

The main disadvantage is that under the *amparo* law, the judge is bound to first find a clear error in the decision under review and is not entitled to review the case de novo; thus, many of the decisions in *amparo* suits are remanded to the IMPI for further consideration, with certain guidelines that can be concerned mainly with the due process of law although in some cases, the judge actually gives guidance on the merits of the case.

Any decisions of the district court can be appealed before a circuit court.

9 Third-party opposition

May a third party oppose registration, or seek cancellation of a trademark or service mark? What are the primary bases of such challenges, and what are the procedures?

Opposition proceedings are not allowed under the LIP; there is only the option to expunge a trademark registration from the registry, based on any of the causes of cancellation established by the LIP in article 151, which are as follows:

- the trademark is identical or confusingly similar to another one that has been used in Mexico or abroad prior to the date of filing of the application, and it is applied to the same or similar products or services, provided that the party who asserts the greater right for prior use proves they have used the trademark continuously in Mexico or abroad prior to the mentioned filing date or declared use, then the applicable statute of limitations is three years as of the date the Trademark Gazette publishing the disputed registration was put into circulation;

- the registration was granted on the basis of false information mentioned in the application, related to the date of first use in Mexico (if any), to the factory address where the goods to be covered are or will be manufactured, or to the domicile of a commercial establishment where the goods or services are commercialised or rendered. The applicable statute of limitations is five years as of the date the Trademark Gazette publishing the disputed registration was put into circulation;
- the existence of a senior registration for a trademark identical or similar to that covered by a junior registration, and the goods or services covered thereby are similar or identical in nature. The applicable statute of limitations is five years from the publication date of the Trademark Gazette detailing the disputed registration;
- registration is obtained by the agent, representative, user or distributor without authorisation of the owner of the foreign trademark registration. No statute of limitations applies to this action; or
- a general cause of cancellation is available and it relies on the granting of registration against any provision of the LIP or of the law in force at the time registration was granted. This cause of cancellation has no statute of limitations.

Furthermore, article 130 and section I of article 152 of the LIP establish that if a trademark is not used for three consecutive years on the products or services for which it was registered, the trademark registration will be subject to cancellation for lack of use unless the holder or the user that has a granted licence recorded has used it during three consecutive years immediately prior to the filing date of the cancellation action for lack of use, or when circumstances exist that arise independently from the will of the trademark holder that constitute an obstacle to the use of the same, such as importation restrictions or other governmental requirements applicable to the goods or services to which the trademark applies.

Therefore, if a registered trademark is not used for three consecutive years, it will become contestable on account of non-use.

Cancellation procedures are filed and prosecuted directly at the IMPI. However, the decision of the IMPI may be appealed by recourse to a review before the IMPI or before the FCTAA and the decision of this court may be further appealed before a circuit court. For more details of the appeal process, see question 8.

10 Duration and maintenance of registration

How long does a registration remain in Bosnia and Herzegovina and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A trademark registration in Mexico is in full force for 10 years as of its filing date, and to maintain such registration it is necessary to have use of the trademark in Mexico within a term of three consecutive years counted as of its date of grant and for further terms of three years, otherwise the registration will become vulnerable to cancellation actions based on non-use. It is important to note that if the registration is not used and not contested by any third party, it is in full force until its renewal time. However, it would be necessary to conduct use of the corresponding trademark registration within a term of three consecutive years prior to petitioning renewal, otherwise the renewal will not be warranted and the registration would lapse.

No proof of use is required. The renewal application includes a declaration under oath that the mark has been used according to the terms provided by the LIP.

11 The benefits of registration

What are the benefits of registration?

A trademark registration grants the exclusive right to use the trademark in Mexico for the goods or services covered by the same and will prevent any third party from obtaining a registration for an identical or confusingly similar

trademark. Likewise, with a registered trademark, the right to pursue infringement actions against third parties is possible.

The fact of having a registration does not increase the remedies for an infringement action, as the mere fact of having one already allows the holder to take actions against third parties for unauthorised use.

Likewise, there are no specialised courts in Mexico for IP matters, as infringements are considered as an administrative violation of the law that is prosecuted before administrative authorities (the IMPI and thereafter administrative courts).

Further, with respect to border enforcement mechanisms, the fact of having a trademark registration does allow for the possibility of enforcing it to take border measures; however, it is important to note that the Mexican customs authority does not have the authority to follow a registration of trademarks to prevent 'pirate' products from entering into Mexico in opposition to the 'Blue Book' as used in the United States, or any other type of customs registration in other countries. Mexico's customs authority is not entitled to issue orders of detention in case of counterfeits; Mexico's legal system only authorises the authority to implement border measures (articles 148 and 149 of the Mexican Customs Law) when ordered by a third authority, the IMPI or the General Attorney's Office.

Article 148 provides that in the case of foreign merchandise being subject to a suspension of free circulation issued by the competent administrative or judicial authority regarding intellectual property, the customs authorities will retain such merchandise and put it at the disposal of the competent authority at the warehouse indicated by the authority for such purposes.

At the moment of carrying out such retention, the customs authorities will execute a detailed document in which the following shall be stated:

- the identification of the authority carrying out the proceedings;
- a resolution ordering the suspension of free circulation of the foreign

merchandise motivating the proceeding and notice thereof for the interested party;

- the description, nature and all other characteristics of the merchandise; and
- the place where the merchandise will be stored, at the disposal of the competent authority.

The appointment of two assistant witnesses by the person with whom the proceeding is carried out is required. If witnesses are not assigned or they do not agree to act as such, the authority carrying out the proceeding shall assign witnesses. A copy of the document shall be delivered to the person with whom the proceeding would have been carried out and a copy of the resolution for suspending the free circulation of merchandise issued by the competent administrative or judicial authority, in order to continue the administrative or judicial procedure pursuant to the corresponding legislation.

The text of article 149 of the Customs Law provides that it will only be applicable where the competent administrative or judicial authority orders the suspension of the free circulation of foreign merchandise, and supplies the following information on the goods:

- name of the importer;
- a detailed description of the merchandise;
- the custom house through which the merchandise will enter;
- the estimated period within which merchandise will enter, which will not exceed 15 days;
- the warehouse where the merchandise at the disposal of the competent authority will be stored, which shall be located within the territorial surroundings of the corresponding customs house; and
- the express appointment or acceptance of the trustee.

It is important to note that articles 148 and 149 of Mexico's Customs Law are in accordance with article 1718 of NAFTA, which states that the signing countries will 'adopt procedures to enable a trademark owner to lodge an application in writing with its competent authorities for the suspension by the customs administration of the release of infringing goods into free circulation'.

12 Licences

May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

Yes, in our jurisdiction the licence to use a mark can be recorded so it can be enforced against third parties. In this regard article 136 of the Mexican IP Law (IPL) states the following:

Article 136

The holder of a registered trademark or one in process, may grant, through an agreement, licenses to use the trademark to one or more persons and in relation to all or some of the products or services to which such trademark applies. **The license must be recorded in the Institute in order to produce effects against third parties.**

On the other hand, according to the IPL once a trademark registration reaches the three year non-use period as of its granting date, it can be challenged on a non-use basis. In this connection, we can say that recording a trademark licence is advisable, so the use of the trademark conducted through a licensee inures to the benefit of the owner (licensor).

If the trademark has not been used directly by the owner (or by an authorised licensee of record) within three years of the granting date, the registration does not automatically lapse as it remains valid and in force. However, it can be challenged on the grounds of non-use by any interested third party.

Notwithstanding the above, it is important to mention that pursuant to the North American Free Trade Agreement (NAFTA) and the Trade Related aspects of Intellectual Property (TRIPS), which both have a higher grade in our legal system than IPL, recordal of a licence agreement is not required to prove use of a trademark through a party (authorised user) different than the owner, when the use is made under the control of the trademark owner. Thus, in the event of facing cancellation actions based on non-use where the mark has not been used directly by the owner but by an authorised third party, it is possible to raise this argument that has been admitted by the Mexican Trademark Office (IMPI) and the Federal Courts in previous cases.

In this scenario, however, the defendant will have to prove in the litigation that the use made by the third party was indeed conducted under the control of the trademark owner, whereas in the case of the recorded licence agreement, the defendant will only have to prove the licence was recorded.

13 Assignment

What can be assigned?

The LIP establishes that the rights deriving from an application for trademark registration or from a registered trademark can be transferred in the terms and with the formalities established by civil law. The transfer of rights must be recorded with the IMPI to be effective against third parties.

The civil law establishes no particular provision for the transfer of a trademark, thus the requirements are the same as for the normal purchase of any merchandise. In that sense, trademarks can be transferred without any restriction, that is, with or without goodwill and with or without any part of the business assets.

There is only one special rule in the LIP for cases of transfer and it refers only to mergers. In the case of a merger, the LIP assumes that all the trademarks of the

merger company are transferred to the merging company, unless stipulated otherwise. In this case, the merger has also to be recorded before the IMPI to have legal effects against third parties.

14 Assignment documentation

What documents are required for assignment and what form must they take?

There is no form of assignment prescribed in Mexico, therefore the original assignment document or a signed copy, notarised and legalised by apostille executed by both parties will be accepted by the IMPI.

15 Validity of assignment

Must the assignment be recorded for purposes of its validity?

The assignment is valid and in force between the assignee and assignor regardless of its recordal. However, the assignment must be recorded before the IMPI to have effects against third parties and to be recognised as well as valid and enforceable against subsequent assignees acting in good faith, against other third parties and in courts and administrative agencies, such as with the IMPI. There is no monetary penalty for failure to record an assignment.

16 Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised by the LIP only for recording purposes. However, they are regulated under the provisions of the Law of Titles and Credit Operations, which is of a mercantile nature, as well as the Commerce Code under the chapter 'Security interests without the transmission of possession'.

The Bosnia and Herzegovina of recording a security interest of a trademark is only being able to oppose it against third parties, in other words, for enforceability purposes only. For this purpose, the original documentation (with original signatures and seals) showing the security interest must be submitted to the IMPI for recording.

17 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

According to article 131 of the LIP, a 'registered trademark' (*marca registrada* – 'MR' or '®') can be used to indicate that a trademark is registered. The use of the 'registered trademark' words or symbol is not mandatory. However, according to article 229 of the LIP, their use is required to be able to enforce certain rights such as:

- to exercise civil and criminal actions arising from the violation of industrial property rights; and
- to request imposition of preliminary injunctions provided in article 199bis of the LIP.

The risk of not using such markings is to be unable to exercise civil and criminal actions arising from the violation of industrial property rights or to request the imposition of preliminary injunctions.

18 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

A trademark registration can be enforced against alleged infringers in two different venues. Where the infringer is using a confusingly similar trademark distinguishing identical or similar goods or services to the one covered by registration, the trademark registration can be enforced against the infringer by filing an infringement action before the IMPI.

Where the infringer is using a trademark identical to the one registered to distinguish the same goods or services covered by registration (counterfeit), the trademark registration can be enforced either by filing a criminal action before the Federal Prosecutor's Office or by filing an infringement action before the IMPI. With respect to the border enforcement mechanisms, see question 11.

The IMPI is not a court of law, but rather an administrative authority. The consequences of the IMPI's resolution declaring an infringement are: a fine imposed on the infringer and an order to immediately stop the infringing activities. A civil action to claim damages before a civil court is available, once the IMPI's resolution declaring the infringement of a trademark registration is final and beyond the possibility of appeal.

The criminal law establishes no provision regarding trademark enforcement; only the LIP defines what constitutes trademark infringement and trademark counterfeiting. Infringement is prosecuted before the IMPI and counterfeiting before the Attorney General's Office.

19 Procedural format and timing

What is the format of the infringement proceeding?

The prosecution of an infringement claim before the IMPI is simple and it begins with the filing of a formal written claim. Once the IMPI admits the claim, it serves a notice on the defendant giving it 10 days in which to answer. The defendant is to answer the claim alleging whatever it deems pertinent, and thereafter the IMPI decides on the merits of the case. Both the plaintiff and the defendant must produce the supporting evidence at the time of filing the claim or answering it, respectively. The IMPI's decision can be appealed before the FCTAA. The decision of this administrative court can be appealed to a circuit court.

To prove the infringement, the plaintiff is entitled to file any kind evidence available except confessional and testimonial evidence. The most commonly used evidence to help prove an infringement is an inspection of the premises of the infringer. The inspection is conducted by an IMPI inspector and it usually takes place at the moment of serving notice of the claim or the order imposing a preliminary injunction on the defendant. A form of discovery is available for the plaintiff, which is fully explained in question 23.

By the same token, the LIP provides the option of requesting and implementing provisional injunctions, before the filing of the infringement claim or at any time during the prosecution thereto against infringers.

With respect to the legal or administrative proceedings available to enforce the rights of a trademark owner against an alleged dilutive use of a mark, there are no special legal or administrative proceedings other than the infringement administrative proceedings described above.

However, closely connected to these type of infringements for dilutive use of a mark, our legal system provides a proceeding to obtain a declaration certifying

that a trademark is a 'notorious' or 'famous' trademark in Mexico. This declaration must be implemented by a certificate from the IMPI, which shall be issued after certain requirements are met by the petitioner (please see question 2).

Achieving 'notorious' or 'famous' status will allow the trademark owner to start the usual infringement proceeding but on the grounds of a special infringement cause provided in an article of the IPL that expressly forbids the dilutive use of notorious and famous marks.

Regarding counterfeiting, there is a criminal enforcement mechanism where the infringer uses a mark identical to a registered trademark for identical goods or services, in which the trademark owner can enforce its rights by filing a criminal action before the Attorney General's Office.

To commence a criminal action, the injured party must first file a complaint.

Upon receiving the complaint, the Attorney General's Office will launch a preliminary inquiry to determine whether a crime has been committed and, if so, who is responsible. The district attorney gathers all evidence required to reach a conclusion, with the assistance of the injured party. If the results of the inquiry are positive, the district attorney will submit the matter to a federal district judge who, following precise constitutional and legal procedures, will decide whether an apprehension order should be issued against those allegedly responsible for the crime. Once the authorities (the federal police) have complied with the apprehension order, the federal judge will issue a 'formal prison' order, which serves as the starting point of the corresponding trial. The parties to the trial are the Attorney General's Office and the defendants.

The defendants may appeal against the two court orders. The trial is an adversarial proceeding involving testimonies, cross-examinations, allegations, evaluation of evidence and so forth. After weighing up the evidence, the judge will decide whether to convict or acquit the defendants. The unsuccessful party may appeal the decision before a unitary court, whose decision is binding.

Criminal penalties range from between two and 10 years' imprisonment, to approximately US\$100,000 in fines.

20 Burden of proof

What is the burden of proof to establish infringement or dilution?

In terms of trademark infringement, the plaintiff has the burden to prove the usage of a confusingly similar trademark by a third party without authorisation. The issue of confusing similarity between the registered trademark and the one in use by the infringer is a matter of law that must be decided by the IMPI.

On the other hand, in the case of an unfair competition action, the plaintiff must prove actual confusion among consumers. In this case, the confusion is not a matter of law but a matter of fact, and the plaintiff has the burden to prove that the usage of the trademark made by the infringer makes some form of false representation that tends to cause consumers to believe that the defendant's goods or services come from the plaintiff.

21 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

In accordance with the LIP, the persons entitled to seek a remedy for either trademark infringement or a trademark counterfeit are the trademark owner and the recorded licensee. In the case of the recorded licensee, this right can be removed from him or her in the licence agreement by the trademark owner; however, if there is no such clause in the licence agreement, the LIP recognises the recorded licensee as a person entitled to seek a remedy.

22 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

Commercial and industrial activities that could trigger an infringement action must take place within Mexican territory. Commercial or industrial activities that take place outside Mexico cannot constitute an infringement of a Mexican trademark registration.

The LIP does not provide any regulations for contributory or wilful infringement. This means that even if these activities occur in Mexico, it would not be possible to pursue them through an infringement action. It is questionable whether these illegal activities could be enforced through unfair competition or criminal actions; we can confirm, however, that there is no precedent case law (jurisprudence) regarding these possible remedies.

To be able to enforce border mechanisms against unauthorised goods, they would have to enter Mexican territory. In accordance with Mexico's customs law, goods are considered to be within Mexican territory once the importation procedures have begun in the corresponding custom, not when they have arrived at a certain port; in other words, once a person or a company claims them as their own and complies with all the requisites stated by the Mexican custom law.

23 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

In accordance with article 192bis of the LIP, the plaintiff in an infringement action is entitled to request from the defendant all the documentation necessary to help to prove the infringement that should be in the defendant's possession. The plaintiff must request from the IMPI the issuance of an order addressed to the defendant requesting this documentation, pointing out exactly

what documents he or she is pursuing and the importance and relevance of them to the prosecution of the infringement case.

This provision is rarely used in Mexican practice. However, it can be used, and the IMPI should issue an order, granting 15 working days to the defendant to submit the documentation. The IMPI must warrant the safe deposit and protect any confidential information that the documentation requested may contain.

24 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

An infringement action before the IMPI could take between approximately eight and 12 months. The prosecution of an appeal before the FCTAA could take between 12 and 18 months. An appeal before a federal circuit court could take eight months at the most.

25 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

For preparing and filing a preliminary injunction request before the IMPI, the attorneys' fees are in the region of US\$4,000; for preparing and filing an infringement action before the IMPI, and the attorneys' fees are around US\$5,000.

Related activities such as the study of and search for evidence, the preparation and filing of allegations and motions and the prosecution of the case are usually charged on an hourly basis.

Appeals are usually charged in the region of US\$5,000 to US\$6,500 per stage

(FCTAA and federal circuit court). It is important to mention that the LIP establishes that the remedy for material damage or indemnification for damages for the infringement of the rights conferred in the law shall, under no circumstances, be less than 40 per cent of the sale price to the public of every product or service that implies an infringement of some or any of the industrial property rights regulated in this law.

26 Appeals

What avenues of appeal are available?

The venues for appealing the IMPI's resolution in an infringement action are the same as for a trademark denial (see question 8).

27 Defences

What defences are available to a charge of infringement or dilution, or any related action?

The usual defence would be to try to disregard confusing similarity with respect to the mark that is being enforced against the alleged infringer, and to disregard the alleged similarity as to the services or products covered.

Prior use in Mexico is also a defence available to an alleged infringer, provided that he or she has been using the trademark in a continuous and uninterrupted matter prior to the filing date or the first use declared. This defence is established in section I of article 92 of the LIP.

28 Remedies

What remedies are available to a successful party in an action for infringement

or dilution, etc? What criminal remedies exist?

A civil action for seeking damages is available for the successful party in an infringement claim, once the IMPI's resolution is final with no possibility of appeal. The LIP establishes that the plaintiff is entitled to claim damages of no less than 40 per cent of the commercial value of the infringing products. If the defendant is the party claiming damages, he or she must prove actual damages for the infringement procedure, most likely caused by the imposition of the preliminary injunctions. The criminal remedies are penalties that range between two and 10 years' imprisonment to up to approximately US\$100,000 in fines.

29 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

It is possible to solve any trademarks dispute through ADR rather than through litigation before the IMPI. Many arbitral proceedings are available at a national and international level. It is important to point out that, according to the LIP, the IMPI can act as an arbitrator if the parties decide to solve any controversy in this manner.

30 Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What protection is provided?

Famous foreign trademark will be protected even if not used domestically, provided that the foreign trademark be famous domestically. The protection provided by law, is just the same as the one provided for domestic famous trademarks, thoroughly described in question 2.