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In Mexico, a newspaper article was recently published under the headline: "Could you advertise your trademark by using David Beckham, Paris Hilton and Angelina Jolie and pay only US\$300 for the campaign?" The article described an ingenious way of promoting a well-known hotel in Mexico City, which involved hiring someone to stand at the arrival gates at Mexico City International Airport holding a sign bearing the names of celebrities alongside the hotel's trademark. The person holding the sign was dressed as a chauffeur, as if he were waiting for the famous (supposed) guest. The journalist described the campaign's success and impact, and the delight of the hotel's managers, who boasted that they had saved a small fortune by attracting publicity in this way.

They had spent only US\$300 on the placards and the model's fees. The article reported that this amounted to "only 1% of the cost of conventional advertising".

Some of the hotel managers' assertions were surprising: they maintained that there was no risk of liability as they were not using images of the stars, but only their names. This, they claimed, did not require them to pay royalties or obtain authorization, especially as the famous name was used on a driver's placard, which in their opinion was not a form of advertising, but a means of providing information.

At first glance, the hotel management appears to be playing with fire. Mexican statutory law prohibits activities that harm the rights of third parties.

However, a closer analysis suggests that the hotel management was not completely incorrect in asserting that there was no liability because there had been no use of the celebrities' images, but only their names.

The Industrial Property Law does not prohibit the use of names. The Copyright Law states that although unauthorized use of a person's image in a photograph infringes copyright, use of his or her name does not. The law does not expressly establish an individual's publicity rights; nor have the courts established legal precedent in this regard. This may have led the hotel management or its counsel

to conclude there was no risk of liability, but this overlooks some significant factors.

Although the Industrial Property Law does not prohibit the use of names, there is a specific prohibition against obtaining trademark registration for a person's name (including his or her pseudonym, signature or photograph) without authorization. As a person's name is recognized as protectable as a mark, a general cause of infringement against any of the rights protected under the Industrial Property Law could be brought against the hotel. Supreme Court jurisprudence indicates that this provision protects both a person's first name and his or her surname.

A claim for unfair competition, as established under the Industrial Property Law, has a potentially broader scope and might well apply to the hotel's activity. The Copyright Law includes a provision which allows for the granting of exclusive rights through the so-called "reservation of rights", which protects artistic names.

A case of false advertising under the Industrial Property Law and the Law on Consumer Protection might also be possible.

The Civil Code protects the fundamental and inherent rights of the individual, such as those relating to names and surnames.

Given that the Industrial Property Law recognizes personal names as protectable through trademark registration, if the individual's name is famous or notorious, it could reasonably be argued that the name is a famous trademark which is capable of distinguishing certain products or services, or which is associated with the publicity surrounding certain products and services. Therefore, names of celebrities could be protected under recent amendments to the law on protecting famous or notorious trademarks. The hotel's campaign is particularly interesting because it follows significant revisions to the law that:

- Introduce a two-tier system of notorious and famous trademarks.
- Allow the Mexican Institute of Industrial Property to issue a declaration stating that a trademark is notorious or famous.

### **Two tiers for trademarks**

The amendments introduced a distinction between "notorious trademarks" and "famous trademarks" to reflect the fact that some marks are better known than others, and that different scopes of protection must be established to reflect this. Marks which are generally known in Mexico are considered famous,

whereas those known only to a limited extent are in a lower tier and are considered notorious. A new Article 98*bis* states that a mark will be deemed notorious when a particular section of the public or part of a trade sector knows the trademark as a result of commercial activities – in Mexico or abroad – by a party using the trademark in connection with its products or services, or as a result of promotion or advertising of such products and services. A trademark is famous if a majority of the general public knows it.

The significance of the distinction is that the grounds for refusing an application are applied differently in respect of notorious and famous trademarks under the new Articles 90(XV) and (XV)*bis* of the law. Article 90(XV) provides that an application will be refused if the trademark is identical or similar to a trademark that the institute deems or has declared to be notorious in Mexico, regardless of the goods or services covered by the application. However, such grounds for refusal apply only if the institute considers that use of the trademark proposed for registration:

- Is likely to lead to confusion between, or inappropriate association of, the applicant and the owner of the notorious trademark.
- Constitutes a benefit to the applicant in a manner not authorized by the trademark owner.
- Damages the trademark's reputation.
- Dilutes the trademark's distinctive character.

Article 90(XV)*bis* provides that an application will be refused when the mark is identical or confusingly similar to a trademark that the institute deems or has declared to be famous in Mexico, regardless of the goods or services covered by the application. The institute is not required to consider any specific conditions in refusing an application for a mark that is identical or confusingly similar to a famous trademark, since it is assumed that unauthorized use of a famous trademark will necessarily fall within the conditions stipulated in connection with notorious trademarks.

When the reform was enacted, critics focused on its constitutionality and its consistency with international treaties.

In doing so, they failed to analyze the new standards for the protection of notorious marks against association with other marks, tarnishment, free riding and dilution.

Article 90(XV)*bis* introduces protection for notorious marks against free riding or misappropriation, tarnishment and dilution. Moreover, protection in respect of

association with other marks was previously based on the likelihood of confusion with junior trademarks. The broader standard of association with other trademarks no longer limits the analysis to sight, sound and meaning, but includes other aspects of the mark or its use that could be a factor in an association with the notorious mark. The introduction of these concepts is the most positive aspect of the amendment, although they have yet to be tested.

### **Declarations**

The institute is authorized to issue a declaration that a trademark is notorious or famous in Mexico. The declaration is formalized in a certificate, which the institute will issue if the petitioner meets certain requirements.

The institute's declaration is a legal act whereby an issue of fact is recognized for all legal purposes. Furthermore, the declaration will be issued independently of the institute's authority to decide whether a trademark is notorious in Mexico in the context of trademark litigation or as a result of its examination of a trademark application. Before the reform, the institute was authorized to judge whether a trademark was well known only:

- In the context of litigation proceedings determining the point on the evidence filed by the owner of the well-known trademark.
- During the prosecution of an application to register a trademark that was identical or confusingly similar to a trademark which the institute had deemed to be well known in Mexico.

The institute now has the power to declare that a trademark is notorious or famous in Mexico outside trademark litigation or procurement proceedings. Unfortunately, the requirements and information for obtaining a declaration of notoriety or fame state that certain information "must be provided". This may cause problems as it could be argued that if the petitioner for a declaration of fame or notoriety fails to comply with all requirements, the declaration is invalidated.

Moreover, the institute is yet to decide on the fees for filing a petition for a declaration of notoriety or fame. This does not prevent a party from seeking such a declaration, but filing a petition without paying the required government fee will take time and is likely to involve costly and time-consuming legal discussions with the institute. Thus, it is advisable to wait until tariff details are issued. **Defining "notoriety" and "fame"**

The option of obtaining a declaration does not affect the right to ask the institute to decide on a trademark's notoriety or fame in the course of

proceedings. Therefore, any party to a cancellation or infringement proceeding can seek to prove that the mark at issue is notorious or famous.

There is no prohibition against using a declaration by the institute in a contentious proceeding as evidence that a mark is famous or notorious.

Famous trademarks benefit from a higher level of protection than notorious marks. However, trademarks that do not reach the requisite standard for fame are also afforded protection under the concepts introduced by the reform, such as free riding, tarnishment and dilution.

The reform has been criticized as overformalistic and the additional requirements for the protection of well-known marks are unwelcome to some. However, the key aspect of the reform is the introduction of new concepts to protect famous and notorious marks, not only through the use of the institute's declaration to support the refusal of confusingly similar marks for different products and services, but also by using the amendment in certain cases where likelihood of confusion is insufficient to enforce or uphold a mark registration. Obtaining a declaration of fame or notoriety is strongly recommended, as it will provide an effective legal weapon for the institute to reject third-party applications for marks that are identical or confusingly similar to a notorious or famous mark.

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