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For many years now, we have read several articles in specialized magazines and have heard expert lectures in a number of conferences stating the ways to deal with counterfeiting in México. Most of these lectures and articles are oriented toward an academic explanation of the ways that Mexican laws offer protection against this evil.

Anybody interested in the scope of protection against counterfeits in Mexico will learn that there are mainly two venues: administrative infringement, and criminal actions.

However, most of these lectures and articles lack information regarding the time frames, problems and drawbacks that may derive from the implementation of an anticounterfeiting campaign. While there are several issues to be considered, we will address the ones that we deem important to consider.

1. KNOW YOUR ASSOCIATE FIRM

While it is true that this type of work worldwide has become massive, in México it is still highly recommended to rely on the expert opinion of a reputable attorney at law. But while there is a certain amount of firms with a good reputation, not only in anticounterfeiting but also in most of the branches of the intellectual property, there has been a rise in several kitchen-type firms stating that they have expertise in fighting counterfeiting, either because their members worked for an established "renowned" firm, or because they used to work for the District Attorney's Office (PGR) or the Mexican Patent and Trademark Office (Mexican Institute of Industrial Property - IMPI).

It is strongly advisable that companies have a personal acquaintance of the firm and attorneys that they are planning to hire. If that is not possible, then it would be advisable to stick to the "renowned" firms, although it is also true that not all of them are capable of carrying out this type of work. Many of the new firms are being formed by disgruntled employees of bigger firms who, in many cases,

were released for their poor work or were suspected of wrongdoing.

The other drawback, beside lack of alleged expertise or honorability, should a major liability arise from the actions taken, is that the firm may be easily dissolved and its members could disappear leaving clients with rather complicated potential damages claims.

2. GRANTING OF POWERS OF ATTORNEY

Historically, most of the firms devoted to intellectual property work worldwide are granted with extremely wide powers of attorney, in some cases even to assign or cancel whatever intellectual property rights cliente own. No other attorneys devoted to other branches of law are granted this kind of authority. In Mexico, article 181 of the Industrial Property Law establishes the requirements to be covered by the powers of attorney to be enforceable before Mexican authorities. Among these are the requisites for individual grantors, administrative procurement, and litigation.

In an anticounterfeiting campaign you will definitively need a power of attorney for litigation purpose. There is no special format that should be used, however, as challenging representation is probably one of the main defences in terms of litigation.

It is important to grant your attorneys with the authority to represent you before several authorities, for example, in cases of Appeal proceedings in special trials known as "Amparo".

Special mention is needed in regards to pursuing criminal offenders. The intellectual property crimes established in article 223 of the Mexican Industrial Property Law states that criminals are pursued by petition of the offended party through the so-called "querella" which attorneys need to be authorised to file. There have been many criminal cases that have collapsed because attorneys have lacked the authority to file "querellas".

A serious firm should also be able to provide legal advice on the type of power of attorney required for such purposes. It is very important to mention that while the authority of the powers of attorney may be limited to a single raid or

for a specific period of time, it should be taken in account that most of the anti-counterfeiting actions, mainly those taken with customs, should be addressed in an immediate fashion, so there is not much time to obtain a notarised and legalised power of attorney for litigation purposes and file, either the implementation of border measures or criminal complaint (*querrela*), before the goods are released or launched into the market.

Due to the high rotation of personnel in many of the firms, it is strongly recommended to grant powers of attorney to the partners of the firm and/or specific individuals in charge. It is important to mention that it is not possible, according to Mexican laws, to grant powers of attorney to corporations - only specific individuals.

3. INVESTIGATION

A truly effective anti-counterfeiting campaign relies mostly on good and reliable information.

Gathering information on this type of illegal activity is cumbersome and dangerous. For this purpose one should gather information from various sources. However, not every type of investigator is suitable for this type of work. It is not the same to check on an unfaithful husband or an employee to investigate a shipment of US\$1 m in counterfeited goods. Many counterfeit goods investigations usually lead to mobsters or at well organised companies making a profit out of knock-offs. Therefore, investing in proper and professional investigation is a must to succeed in fighting counterfeiters.

You must also take into account that investigation is not the only source of information. Sometimes governmental officials interested in fighting counterfeiting have proved to be a very useful source of information. Informants within the criminal organisations themselves are willing to trade information for money. In any event, it is a good idea that the information gathered by these sources should be double-checked before proceeding with any action.

4. ESTABLISH YOUR GOALS FOR AN ANTI-COUNTERFEITING APPROACH

While it is true that the main goal in fighting counterfeiting in Mexico would be to have the infringement stopped, it is important to establish your goals and discuss them thoroughly with your attorney. In our experience, some intellectual property holders want to stop all potential infringements against their properties, including street vendors and informal businesses, while others are just interested in pursuing big shipments or manufacturing facilities. Some of them do not wish to deal with costly and time-consuming litigations, while others would like to see individuals in jail. This will determine the best course of action to follow.

As previously mentioned, you should take into account that fighting piracy in Mexico relies mostly the quality of the investigation, and that sometimes the sources of information are governmental agencies that would like to see intellectual property owners actively proceed with the information given, thus, sometimes it is suggested to proceed, even when the shipment figure of goods is not that impressive. Seizing a few counterfeited goods will not mean that he/she has not or will not bring or sell thousands in the near future. The amount of counterfeit goods is not usually a good parameter to determine whether to take actions or not.

Once you know your goals, ask your representatives to provide you with a budget on the costs of this campaign. Budgeting is always a matter of concern; usually a poor budget will result in firms complaining about "surprise" costs. It is very difficult to establish a proper budget for a certain period of time, as there is no way to know in advance how many shipments of counterfeited goods will be brought into the country. However, it is indeed possible to try to determine a thorough budget with the information gathered in previous years and according to clients needs, while it should also be possible to budget a particular action.

5. AWARDING DAMAGES

In administrative infringement claims, there is a judicial precedent that indicates

that the claiming of damages and losses can only be brought in a civil court after obtaining a final decision on the administrative infringement action.

A civil action to claim damages is quite cumbersome and would take a while before being awarded for damages. One should consider the costs of hiring expert witnesses for determining the damages and losses, taking into account that article 121 bis of the Mexican Industrial Property Law awards at least 40% of the retail price of products to the offended party. However, please note that some of these trials may take years before reaching a final decision.

In criminal proceedings, damages are awarded only after the criminal court determines in its sentence that a crime was indeed committed and damages caused and the decision becomes final. In our experience very few criminal complaints (so called "querellas" reach a final verdict by a judge.

6. NEGOTIATION

Negotiation with offenders is always possible, notwithstanding the action chosen. Usually, the offended party is the one that will fix a price for damages to be recovered from offenders, which may vary, depending on their legal status. Of course, it is not the same to negotiate with a company that has a shipment valued at US\$1m detained at customs than with an individual in jail.

In any event, negotiations should be carried out by a professional. Most of the disturbing stories of frauds or abuses of law are derived from deficient negotiations not properly supported with a documentary agreement. In very dramatic cases, the offended party or its attorneys may be deemed as extorters if the negotiations are not properly addressed and consequently be subject to a criminal investigation.

TRANSPORTATION AND CUSTODY OF SEIZED GOODS

One of the most sensitive costs in anti-counterfeiting procedures is that which is derived from the storage and transportation of fake goods.

In an ideal situation, one should exert control of the seized goods all the time so

as to avoid their unlawful release. However, this may be costly, as an administrative infringement case may take years before a final decision is reached and a destruction or donation order is issued by the corresponding authorities.}

If the action chosen is an administrative infringement, you should consider that the goods should go to a warehouse under your attorney's control. In our experience it is best to have the goods stored in a secure warehouse and have them insured. We have seen very dramatic cases where goods are stolen even from the customs warehouse.

In criminal actions, seized goods are stored in a Mexican Government warehouse, where you cannot exert any control over them although there are no costs. Usually, they should be stored there, but from time to time the destruction of seized goods is carried-out and nobody can tell if during transportation some of these goods are diverted and launched into the market illegally.

While there are a lot of other issues you must have in mind during an effective and successful anti-counterfeiting campaign in Mexico, the above are the ones that should be considered the most.