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SELECTION, CLEARANCE AND REGISTRATION

NATIONAL AND INTERNATIONAL REGULATORY BODIES AND REQUIREMENTS

Trademarks in Mexico are regulated under the Industrial Property Law and its regulations.

Industrialists, merchants and service providers can use trademarks in industry and commerce, or for the services that they provide (Article 87 of the law). The exclusive right to use a trademark is obtained by registering the mark with the Trademark Office (IMPI).

All visible signs can be protected, provided that they are sufficiently distinctive and can distinguish the products or services to which they apply (or are intended to be applied) from other products or services in the same class (Article 89).

Under this definition, olfactory and auditory trademarks cannot be protected. However, three-dimensional (3D) signs can be protected as trademarks, as these are visible signs. Article 90 provides a long list of prohibitions against the registration of certain signs as trademarks. This article is the only legal source for rejecting a trademark application.

Mexico is a party to a number of international treaties relevant to the protection of trademarks:

- the Paris Convention for the Protection of Industrial Rights;

- the North American Free Trade Agreement; and

- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

CONFUSION WITH INTERNATIONAL NON-PROPRIETARY NAMES

Although not expressly provided by the Industrial Property Law, international non-proprietary names (INNs) or names that are confusingly similar to INNs cannot be registered as trademarks.

Pursuant to Article 90(4) of the law, descriptive names shall not be registered as trademarks. This section of the law states:

"The following shall not be registered as trademarks:

IV. Three-dimensional names, figures or forms that, considered in conjunction with their characteristics are descriptive of the products or services the trademark intends to protect. The aforementioned includes the descriptive or indicative words that in commerce serve to designate the kind, quality, quantity, composition, destination, value, place of origin of the products or time of production."

From this, it is possible to conclude that neither INNs nor similar names may be registered as trademarks. Moreover, Article 225 of the Health Law expressly forbids the use of pharmaceutical trademarks that clearly or even slightly resemble an INN.

In the event that an INN or a name similar to an INN is registered as a trademark, any interested third party is entitled to challenge such registration on the grounds of Article 90 (4).

NON-TRADITIONAL TRADEMARKS

In accordance with Article 88 of the law, "a trademark is any visible sign capable of distinguishing products or services from others of the same type or category on the market". Article 89 provides that only visible words, names and designs, including 3D marks, can be registered as trademarks in Mexico. Thus, it is a requirement for registration that the sign in question can be perceived visually. Non-traditional marks that qualify for protection therefore include colour and 3D marks.

Under Mexican law, colours alone are not registrable, "unless they are combined or accompanied by elements such as symbols, designs or denominations that give them a distinctive character". Thus, combinations of two or more colours can be subject to trademark protection and registration, regardless of the form or surface on which they are applied.

Article 89 of the law expressly establishes that 3D signs have elements that can constitute a trademark and can thus be registered with IMPI. However, the law establishes the following limitations for 3D marks:

- They are not in the public domain;

- They have not fallen into common use.

- They are sufficiently original to be easily distinguished; and

- The shape does not represent the product and is not imposed by the product's function.

In theory, it is difficult for a registration not to fall foul of one or more of these prohibitions, since even the slightest indication of a product shape can trigger an objection based on the mark being merely descriptive and not sufficiently descriptive. However, case law suggests that the courts take a more lenient approach to interpreting these prohibitions.

Motion marks are not protected by the law. Article 90(1) establishes that names, figures or forms expressed in a dynamic way cannot be registered as trademarks, regardless of whether they are visible.

Neither does the law recognise marks comprising sounds, smells, tastes and textures, since these are not visible and consequently cannot be registered as trademarks in Mexico.

PARALLEL IMPORTS AND REPACKAGING

Parallel imports are regulated only with respect to products bearing trademarks registered in Mexico. Under the Industrial Property Law, parallel importation of these products is permitted, provided that the holder of the foreign-registered trademark also holds the corresponding registration in Mexico.

In the case of patented products, parallel imports are not permitted. Patent holders in Mexico are therefore entitled to challenge any unauthorised importation through an infringement action.

Parallel imports are permitted for medicinal products that are not protected by IP rights, where the foreign manufacturer of the product gives its consent to the import. This written consent must be submitted by the parallel importer to the Federal Commission for Protection against Health Risks (COFEPRIS).

The repackaging of pharmaceutical products as such is not expressly regulated by Mexican law. However, the packaging and labeling of medicinal products are governed by the Health Law Regulations. COFEPRIS has the authority to monitor and enforce these regulations.

Generally speaking, the packaging and labeling of all medicinal products must include:

- the generic or specific denomination of the product;

- a declaration of the ingredients;

- the names and contact information of the manufacturer, importer, packager, and national or foreign distributor;

- instructions for the product's storage, preparation and consumption;

- the component or components that could represent a risk for consumer health by ingestion, application or manipulation;

- nutritional information;

- the expiry date;

- the lot identification;

- the conditions under which the product has been processed, when this is associated with potential risks; and

- the warning legends.

A specific ruling for each kind of product determines the general health information that each label should contain if, due to the size of the labeling or packaging or due to the process conditions, all the required information cannot appear. All information on the label and packaging must be written in Spanish.

ANTI-COUNTERFEITING AND ENFORCEMENT

A trademark registration can be enforced against alleged infringers in two ways.

If the infringer is using a confusingly similar trademark for goods or services that are identical or similar to those covered by the trademark registration, an infringement action can be brought before IMPI.

If the infringer is using an identical trademark for goods or services that are identical to those covered by the registration, a criminal action can be brought before the Attorney General's Office or an infringement action can be brought before IMPI.

IMPI is an administrative authority, not a court. If IMPI finds that an infringement has occurred, it will impose a fine on the infringer and order it to cease the infringing activities immediately. A rights holder may file a civil action to claim damages before a civil court once IMPI's resolution declaring the infringement of a trademark registration has become final.

Bringing an infringement claim before IMPI is relatively simple. It is initiated with the filing of a formal written claim. Once IMPI has admitted the claim, it serves notice on the alleged infringer, giving it 10 days to reply. IMPI then decides on the merits of the case.

Both the claimant and the alleged infringer must produce supporting evidence at the time of filing or answering the claim. IMPI's decision can be appealed before the Federal Court of Tax and Administrative Affairs. The latter's decision can then be appealed to a circuit court.

To prove the infringement, the claimant is entitled to file any type of evidence available, except confessional and testimonial evidence. The most commonly used evidence to prove an infringement is an inspection of the alleged infringer's premises.

The inspection is conducted by an IMPI inspector and usually takes place when:

- a notice of the claim is served on the alleged infringer; or
- an order imposing a preliminary injunction on the alleged infringer is issued.

The Industrial Property Law also provides for provisional injunctions before the filing of an infringement claim or at any time during the case.

ENFORCEMENT

The federal prosecutor at the Attorney General's Office investigates alleged IP crimes with the support of the Federal Investigations Agency and the police. The federal prosecutor has the authority to use force during raids related to IP rights. However, he or she must obtain a search warrant from a federal court and can intervene only in cases regarding the falsification of goods for which IP rights are held.

The proceedings begin with the mandatory filing of a special type of criminal complaint. Because IP rights can be enforced only by their owners, rights holders must maintain good channels of communication with the relevant authorities.

While the federal prosecutor carries out an investigation, the goods in question can be seized, without the need for a search or warrant order, if they are available in public places. However, if the goods are stored on private property, a search or warrant order must be obtained in advance.

Once an investigation has been completed, the federal prosecutor will indict the case before a federal court.

A raid instigated by the federal prosecutor may take between 15 and 45 days, depending on the type of premises that must be searched and their distance from Mexico City. Indictments may be issued within 48 hours of execution of a search or warrant order if any suspects are detained; this term may be increased if the request relates to an investigation of organized crime. If no suspects are detained, an indictment may be issued within approximately two months. During that time, the seized goods are stored in government warehouses while further inquiries are made.

ADVERTISING

REGULATORY FRAMEWORK

The advertising of medicinal products and their trademarks in Mexico is governed mainly by the Health Law and its regulations. The regulations set out most of the specifics for authorisation proceedings and the characteristics of advertising.

The authority in charge of enforcing the provisions on advertising is COFEPRIS, which is part of the Ministry of Health.

Opinions issued by the Advertising Council — which includes representatives from the Ministry of Health, the academic and scientific communities, the business sector, the media and consumer groups — also apply to the advertising of pharmaceutical products.

Finally, the Industrial Property Law and the Consumer Protection Law both contain provisions regarding advertising.

FURTHER CONSIDERATIONS

In Mexico, it is possible to advertise nonprescription medicines to the general public, subject to prior authorisation by COFEPRIS. However, according to Article 43 of the Health Law Regulations, any visual or audio advertisement must feature the message "consult your physician".

In addition, an advertisement should warn of any danger in using the drug in the event of an existing pathology. The warning can be either displayed or mentioned orally, depending on the medium used for the advertisement.

Further, Article 44 of the regulations establishes restrictions when the advertisement:

- is presented as a definitive solution in the preventive, curative or rehabilitative treatment of a specific disease;

- suggests using the drug to treat symptoms other than those specified in the marketing authorisation for the product;

- alters the dosage authorised by COFEPRIS;

- promotes the drugs through draws, raffles, contests or any other event involving chance;

- uses statements or testimonies that could confuse the public or are unfounded;

- uses cartoons that could confuse and entice minors to use the product; or

- does not display the warnings mentioned in the regulations.

Article 80 of the regulations lists the requirements governing the advertising of non-prescription medicines.

In accordance with Article 310 of the Health Law, only non-prescription medicines can be advertised to the general public and the objective of such advertising must be to inform the public of the characteristics of the product, its therapeutic properties and the form of use.

According to the above, and to the criteria currently applied by COFEPRIS, no advertisement directed to the general public may contain the brand or generic name of a product that requires a prescription or any information related to such product.

GENERIC SUBSTITUTION

Generic substitution of pharmaceutical drugs in Mexico is governed primarily by the Patent Law and the Health Law Regulations.

'Generic substitution' means providing consumers with a bioequivalent to the patented pharmaceutical at a lower cost than is otherwise available.

To obtain authorisation to market generic pharmaceuticals, applicants must show that the following elements of the drug are the same as or equivalent to the innovator drug:

- the active ingredient;
- the pharmaceutical form;
- the concentration;

- the potency;

- the means of administration and specifications; and

- the dissolution profile and bioavailability.

ONLINE ISSUES

The Health Law and its regulations are silent on the marketing of medicinal products over the Internet. However, all pharmacies must obtain permission to operate on health grounds and the marketing of medicinal products in other stores is forbidden.

The health authorities do not monitor internet advertisements to the same extent as they do television or radio advertisements. Thus, there are few examples of actions taken by COFEPRIS in relation to online advertisements. Nevertheless, in the event that any of the provisions of the Health Law or its regulations are breached by online advertising, the company responsible will be subject to the corresponding penalties.

COFEPRIS requires that websites sponsored by or belonging to pharmaceutical companies be secured with regard to prescription-only medicines. There are no specific rules describing the levels of security, but common practice has been to include a requirement to provide a username and password (which can be granted to credited health professionals only) before access to information on prescription-only medicines is allowed.

Source: Contributing Firm, World Trademark Review.