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A NEW LAW IS BEING INTRODUCED IN MEXICO AIMED AT CLARIFYING THE RULES FOR WELL-KNOWN TRADE MARKS.

Article 90 Section XV of Mexico's Industrial Property Law protects those marks which in the eyes of the Mexican Institute of Industrial Property are considered well-known. However, a mark is understood to be well-known when a specific sector of the public or of the commercial circles is aware of the well-known mark following the commercial activities, promotion and publicity developed in Mexico or abroad by an individual or a legal entity, which use the mark in connection with certain goods or services.

The fame of a mark is not limited to a word mark, but also includes figures and three-dimensional forms. According to Article 90 Section XV of the IP Law, an individual or a legal entity can request the Mexican Institute to consider the fame of its mark, if it can prove in a litigious proceeding that a specific public or commercial sector is aware of the well-known mark. If the Mexican Institute proves the fame of the mark, it is recognized by means of a resolution issued as a consequence of a litigious proceeding.

#### **PROTECTION FOR WELL-KNOWN MARKS**

Article 90 Section XV reads as follows:

Article 90 - Shall not be registered as a mark:

Section XV - Names, figures or three-dimensional forms, equal or similar to a trade mark that the Institute deems notoriously known in Mexico, applied to any product or service.

A trade mark is considered well-known in Mexico when a sector of the public or of the commercial circles in the country knows the trade mark as a consequence of the commercial activities developed in Mexico or abroad by a person that uses the mark in connection with its products or services, as well as the knowledge of a trade mark in the territory as a consequence of its promotion or advertisement.

The prohibition will apply in any case where the applicant's use of a mark

creates confusion or a risk of association with the holder of the well-known mark, or where it would discredit the mark. The prohibition will not apply when the applicant is the holder of the wellknown mark.

The Mexican Chamber and the Commission of Economy issued a decree which aims to amend Article 6 in its Sections III and X, and Article 90 Section XV of the Law. The aim is to create a status of wellknown and famous marks, and to give the Mexican Institute the legal power to declare a mark well-known.

Article 6 of the Law establishes that:

The Mexican Institute of Industrial Property is the administrative authority for industrial property matters, is a decentralized agency with its own legal personality and economic resources, which will have the following authority:  
Section III- Will have the faculty, and as applicable, grant invention patents and register utility models, industrial designs, trade marks, and slogans, to issue declarations for the protection of appellations of origin, to authorize the use of the same, the publication of trade names, as well as the registration of their renewals, transfers or licences for use and exploitation, and any other granted pursuant to this Law and its regulations for the recognition and protection of industrial property rights.

Section X- To carry out legal publication, through the Gazette, as well as to disseminate information deriving from patents, registrations, authorizations, conceded publications and any other information concerning the industrial property rights conferred to the Institute by this Law.

The lower Chamber and its Commission of Economy do not seem to be aware that the proposed amendment is not necessary to provide the Institute with this faculty, because previously the Mexican trade mark authorities issued resolutions in litigious proceedings recognizing that a certain mark is well-known.

Focusing on the Commission of Economy's intention to change Article 90 Section XV of the Law, it should be stressed that the decree has established two kinds of fame:

- 1) known (well-known marks), relating to a specific public or commercial and,
- 2) fame, which is defined as the knowledge of the mark by the majority of the consumers (general public) and which deserves a broader legal protection.

The declaration will allow the Institute to admit a priori, at least in respect of marks registered in Mexico, evidence that those marks could qualify as being famous. To obtain a declaration from the Institute, all kinds of evidence will be

permitted in compliance with the Law. In addition to Article 90 Section XV, which establishes legal protection for well-known marks in Mexico, the decree intends to add Section XV bis, which will prevent the registration of a mark, figure or three-dimensional form if it is confusingly similar to a famous mark. The decree also intends to create a new Chapter II bis, defined as famous and well-known marks, including Articles 98 bis to 98 bis-8. Article 98 bis will define the characteristics of the famous mark, establishing that such marks need to be known to be considered in each category.

#### **THE RIGHT TO USE**

According to the Law, all trade marks should be registered in Mexico to have the exclusive rights to be used as marks in our country. This exclusive right to use is obtained by registering the mark with the Institute, as established in Article 87 of the IP Law. Even though the owner of a mark in Mexico considers its mark to be well-known, it is recommendable to have the mark registered before the Mexican Institute in respect of the goods or services it applies to.

Article 90 Section XV already provides legal protection for those marks which the Institute deems to be well-known. But under the Law, the status of well-known marks must be proved by all permitted means. Once the owner of the well-known mark has proved such fame, the authority can issue an official notice proving that the owner's mark is well-known.

It is important to say that the Mexican trade mark authorities have not yet established defined criteria about having well-known marks involved in court proceedings. Mexican examiners have declared the fame of certain trade/service marks, before supporting this claim with sufficient evidence. In a litigious proceeding in connection with certain goods, and in a separate proceeding involving the same issues, another examiner did not consider the fame of the mark when in both cases the same supporting evidence was submitted. In cases where one examiner declares the fame of a mark and the other does not, it can be said that the owners of well-known marks are subject to the goodwill of the examiners, bearing in mind that examiners' criteria are not well established even if fame of the mark has been proved by all necessary means permitted under the Law.

Instead of amending Article 90 Section XV to include further legal protection to

well-known and famous marks, by adding section XV bis, and Chapter II bis, and by adding Articles 98 bis to 98 bis-8, it would be necessary to clarify which documents trade marks owner would need to prove that their mark is well-known or famous. At the moment it is possible to use any evidence material permitted under the Law, including surveys or marketing research, supporting evidence proving investments made into the mark in advertising, sales figures and certified copies of the mark's registration in other countries.

With regard to the supporting evidence, the new decree says: "To the effect of demonstrating the fame of the mark, all supporting evidence permitted by this Law can be used."

#### **TYPES OF EVIDENCE**

It is clear that the owner of a mark which in his own opinion should be entitled to a different status — well-known or famous mark — must submit all kinds of evidence permitted by Law to the Mexican trade mark authorities. Article 98 bis-2, as amended, establishes that the applicant must submit, among others, the following data:

- 1) The sector of the public integrated by consumers real or potential that identify the mark in relation to the products or services applied to, based on a survey or marketing study or whatever other means permitted by the Law.
- 2) Other sectors of the public, other than consumers real or potential that identify the mark in relation to the products or services applied to, based on a survey or marketing study or whatever other means permitted by the Law.
- 3) The commercial circles integrated by retailers, industrials or businesses rendering services related to the specific field of goods and services, that identify the mark in relation to the products or services applied to, based on a survey or marketing study or whatever other means permitted by the Law.
- 4) The date of first use of the mark in Mexico, and, if applicable, abroad.
- 5) The time of continuous use of the mark in Mexico, and, if applicable, abroad.
- 6) The channels of commercialization in Mexico, and, if applicable, abroad.
- 7) The means of diffusion of the mark in Mexico, and, if applicable, abroad.
- 8) Effective time of publication of the mark in Mexico, and, if applicable, abroad.
- 9) Investment made during the past three years in publicity and promotion of the mark in Mexico, and, if applicable, abroad.

- 10) Geographic area of effective influence of the mark.
- 11) Sales volumes of the products or income for rendering services applied to the mark, during the past three years.
- 12) Economic value representing the mark.
- 13) Certificates of registration of the mark in Mexico, and, if applicable, abroad.
- 14) Franchises and licences granted in respect to the mark.
- 15) The percentage of the participation of the mark in the sector or segment corresponding to the market.

From the reading of Article 98 bis-2, it is understood that to obtain the declaration of fame, the applicant must submit among other data the information listed above. It may be the case that the owner of the wellknown mark does not have any franchises or licences, or the specific information concerning the geographic area of effective influence of the mark. In such a case it will be unclear if the applicant or the owner of a famous or well-known mark can obtain the declaration of fame of its mark, also considering that the legislators are still unable to define in a precise fashion which documents are required to obtain such declarations.

If changed as intended, the Mexican Industrial Property Law will allow the submission of supporting evidence permitted under the Law (which is not defined), in addition to the data listed in Article 98 bis- 2, which unfortunately has also not been defined. Finally, the decree establishes that a trade/service mark owner may obtain the declaration of fame by duly registering it in Mexico, covering the goods or services from which the fame was originated.

#### **ANALYSIS NEEDED**

We understand legislators' concerns to protect wellknown and famous marks in Mexico, by giving a different status or category to these marks. However, the issue of fame requires a very profound analysis from national trade mark specialists, to allow for the issuance of a decree which is applicable and in accordance with the present and future needs.

*Source: Brand Management Focus 2005*