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IAM BRANDS IN THE BOARDROOM 2007.

The Mexican Industrial Property Law (IPL) contains a specific chapter dealing with absolute and relative grounds for refusal.
Among such grounds, Section IV of Article 90 of the IPL establishes one basedon descriptiveness, establishing the following:
"Article 90. There are not registrable as trademarks: IV- Names, figures and three-dimensional forms which, considering their characteristics as a whole, are descriptive of the products or services for which protection is sought as a trademark. Included in the above hypothesis are descriptive or indicative words used in trade to designate the species, quality, quantity, composition, end use, value, place of origin of the product or production era".
This provision prohibits registration of descriptive names, figures and threedimensional forms, which is one of the main principles of the trademark protection systems universally.
In this connection, it is important to point out that the so-called secondary meaning theory is not recognised by the IPL. Therefore, acquired distinctiveness does not become relevant to overcome the absolute grounds for refusal, such as descriptiveness, established in the IPL provisions.
As background, under IPL provisions in force since 2nd August 1994, a trademark application which is refused on either a relative or an absolute ground should be objected to in the first instance by the Mexican Trademark Office in a way that provides the applicant with a reasonable term to file arguments in an effort to overcome the objection. If the arguments then submitted by the applicant are not sufficient – according to the Trademark Office's criteria- the application for registration should be formally refused.
Unfortunately, for many years the Mexican Trademark Office did not have the necessary resources to issue trademark refusal writs which, according to the IPL, were duly founded and justified. This is the reason why prosecution of trademark applications which are refused on relative or absolute grounds became very long, thus leaving trademark owners facing legal uncertainty and, what is more, obstructing new trademarks from the register.
In May 2004, however, the Mexican Trademark Office reactivated the issuance of trademark refusals in an effort to clear the register of more than 15,000 applications in such a situation. This has not been an easy task because of the

length of the backlog and the complexity of issuing well-founded and justified refusal writs. This situation means that most of the refusals that have so far been issued contain inconsistencies in both applicable statutory clauses and interpretation criteria.

Nevertheless, refusals from the Mexican Trademark Office are not final, as they may be appealed in three venues:

• Through the review resource at the Mexican Institute of Industrial Property (IMPI).

• Through the use of a so-called amparo suit before a federal district court.

• Through a so-called nullity trial before the Federal Court for Tax and Administrative Affairs.

The applicable venue to appeal a trademark refusal should be chosen after a full and careful analysis of the refusal writ, on a case-by-case basis.

Regarding this topic, the Mexican Trademark Office has adopted certain criteria when conducting the absolute grounds examinations, which are not consistent with Article 90 Section IV above, thus resulting in numerous objections and refusals based on alleged descriptiveness.

Registration of composed trademarks

As mentioned above, Article 90 Section IV prohibits registration of descriptive names, figures and three-dimensional forms. The issue here is that this provision contains an exception which states that such names, figures and three-dimensional forms should be held descriptive "considering their characteristics as a whole". This means that it should not be sufficient that a single element within the trademark for which protection is sought is descriptive in order to become nonregistrable. Instead, all the elements that form the mark should be descriptive in order to meet the prohibition criteria, and thus to support the refusal to register.

Consequently, while the wording portion of a trademark may be descriptive or indicative of "the species, quality, quantity, composition, end use, value, place of origin of the product or production era", if such words are accompanied by other distinctive elements, such as another word, design or stylised lettering, such trademark should proceed to registration, keeping in mind that the distinctiveness of the mark would rely on its distinctive elements.

The above comments derive from an interpretation of Section IV of Article 90 of the IPL when it is read in conjunction with Section V of Article 90. This considers an absolute ground for refusal "isolated letters, digits or colours, unless they are combined or accompanied with elements such as signs, designs or words, which provide them with a distinctive character".

Under the Mexican Trademark Office's current practice while conducting the

absolute grounds examinations, only the wording portion of composed marks is taken into account in order to assess descriptiveness. However, if it were to consider the same marks as a whole, the presence of another distinctive word, design or stylised lettering could provide enough distinctiveness to qualify for trademark protection.

Unfortunately, the Mexican Trademark Office's current practice has resulted in numerous refusals of composed marks based on alleged "descriptiveness". Several cases have been appealed to the Federal Court of Tax and Administrative Affairs (FCTA) in an effort to change the Mexican Trademark Office's interpretation of Section IV of Article 90 of the IPL. However, at this point in time no decisions from the FCTA have been issued, but it should be expected that favourable decisions will be handed down in order to rectify the Office's mistaken interpretation.

Meanwhile, an alternative strategy for avoiding objections/refusals of composed marks, where the wording portion is found to be descriptive of the products/services for which protection is sought, is to file for the composed mark, but make a disclaimer relating to the descriptive portion of it. In this way, no protection would be granted for the descriptive element, but the stylised lettering and/or the design portion of the mark would be duly protected, thus allowing the registrant to enforce its trademark rights against unauthorised users of identical or confusingly similar stylised lettering and designs, in respect of identical or similar products or services.

Registration of trademarks consisting of phrases

The Mexican IPL has a specific chapter dealing with protection of distinctive signs, in which an established different legal figures for trademarks and for slogans.

In brief, the scope of protection granted by a trademark registration and a slogan registration is basically the same. As a matter of fact, slogan registrations are also ruled by the Nice international classification system and are granted for 10-years periods, renewable for additional 10-years terms. Likewise, trademark and slogan registrations entitle a registrant to enforce its rights against another party attempting to use or register similar trademarks and/or slogans in respect of identical or similar products or services.

Because under the Mexican IPL opposition proceedings are not allowed, the relative grounds examination is conducted ex officio by the Mexican Trademark Office. Thus, the examiner of a trademark or slogan application should cite any senior identical or confusingly similar slogan or trademark, whether it is registered or pending, as an obstacle for obtaining registration for a junior

trademark or slogan.

In short, trademarks and slogans are both distinctive signs. Therefore, the official search examination for any distinctive sign should be conducted considering all prior trademarks, slogans and trade names, either registered or pending.

The main difference between each protection is that trademark protection is granted for any visible sign, such as words, combinations of words (phrases), design elements or combinations words (phrases) and designs, which are intended to distinguish goods/services from others in the market. Therefore, such words, combinations of words (phrases), design elements or combinations words (phrases) and designs should be used on the products themselves, on their packaging or identifying the service facilities in order to meet their purpose as trademarks.

In turn, slogan protection is granted only for phrases which intend to advertise products and/or services, and it is not necessary that the proposed phrase be reproduced on the products, packaging or services facilities in order to prove use. Instead, it is sufficient that such phrase is used in any kind of advertising.

The Mexican IPL provisions state that the distinctiveness requirement for trademarks and slogans is exactly the same. However, in practice the examiner's criteria regarding the distinctiveness requirement are less strict when conducting the absolute grounds examinations for slogans than for trademarks.

In light of the nature of slogans, which are understood as distinctive signs to advertise products and services, the phrases used can resemble a characteristic of the advertised products or services. But this does not means that phrases consisting solely of descriptive words, or terms devoid of any distinctive character, may be monopolised by a single person through the rights conferred by registration.

Notwithstanding the above, there is no doubt that slogans may be formed by an arbitrary combination of non-distinctive words (which, of course, may not be subject to trademark protection per se), but such an arbitrary combination of words may create a phrase with the distinctive character to qualify for slogan protection.

In this regard, the Mexican Trademark Office has also adopted an erroneous criterion when conducting absolute grounds examinations for trademarks consisting of phrases, refusing registration simply because the proposed distinctive sign is a phrase, thus arguing that the appropriate legal figure for protecting a phrase is through a slogan registration.

We do not share this interpretation as the definition of trademark in the IPL does not preclude combinations of words (phrases) from trademark protection. Indeed,

a trademark can be comprised of “any visible sign capable of identifying products or services”.

As explained above, the difference in the scope of protection granted by registration of a phrase as a trademark or as a slogan depends on the use that is intended for the phrase. If it is to identify the products/services of concern, it should be protected as a trademark. In turn, if it will be used only to advertise products and/or services, then it should be protected as a slogan.

On the other hand, as long as slogan protection is granted for phrases only – that is, no protection for design or composed signs is allowed as a slogan – the protection of a phrase accompanied by a distinctive design must be applied for as a trademark. This leaves the applicant facing the same refusal issue explained above under the absurd practice currently employed at the Mexican Trademark Office.

Again, several refusals of phrases based on alleged “descriptiveness” have been appealed before the FCTA. Unfortunately, in view of the length of time involved before nullity trials are resolved, at this point in time no decisions have been issued.

Bearing in mind the above circumstances, and while we wait for these criteria from the Mexican Trademark Office to be revised following FCTA decisions, prior to seeking protection for a phrase in Mexico, it is very important to ascertain whether this is intended to distinguish goods/services from others in the market, or to advertise products and/or services. Only then is it possible to apply for the pertinent protection, either as a trademark or as a slogan.hover: