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### **Legal framework**

*Domestic law*

**What is the primary legislation governing trademarks in your jurisdiction?**

The Industrial Property Law and its associated regulations govern trademarks in Mexico.

*International law*

**Which international trademark agreements has your jurisdiction signed?**

Mexico has signed the following trademark agreements:

- the Paris Convention for the Protection of Intellectual Property;
- the Protocol relating to the Madrid Agreement concerning the International Registration of Trademarks;
- the World Trade Organisation Agreement on Trade-Related Aspects of IP Rights;
- the North American Free Trade Agreement;
- the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;

- the Vienna Agreement establishing an International Classification of the Figurative Elements of Marks;
- the Free Trade Agreement between the Republic of Colombia, the Republic of Venezuela and the United Mexican States; and
- the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part.

### *Regulators*

#### **Which government bodies regulate trademark law?**

Trademark law is regulated by:

- the Mexican Institute of Industrial Property;
- the Federal Court for Administrative Affairs;
- the federal circuit courts; and
- the Supreme Court of Justice.

#### **Rights and protection**

## *Ownership*

### **Is ownership of a trademark in your jurisdiction determined on a first-to-file or first-to-use basis?**

In Mexico, trademark use is not required to secure a mark's registration. However, the right of exclusivity can be obtained only through the grant of a trademark registration.

The first party to file an application may acquire ownership of a trademark and the right to exclusivity, even if it is not using the mark. However, any party that can show prior uninterrupted use may challenge the registration within the three-year statute of limitations prescribed by law.

## *Unregistered trademarks*

### **What legal protections are available to unregistered trademarks?**

Mexican law provides no express protection for unregistered trademarks. However, prior uninterrupted use of a trademark, undertaken in good faith, is grounds to oppose a trademark registration and can give rise to an invalidity action against the registration of a confusingly similar trademark granted after the owner of the unregistered trademark started using the unregistered mark.

### **How are rights in unregistered marks established?**

As an exception, rights in unregistered trademarks can be established only against an action of a third party whose trademark was registered after the owner of the unregistered trademark started using the unregistered mark. This prior use can give rise to an invalidity action, which must be brought within three years from the grant of the registration being challenged.

No other legal action can be taken based on unregistered trademarks.

### **Are any special rights and protections afforded to owners of well-known and famous marks?**

The Industrial Property Law recognises two types of well-known trademark: notorious trademarks and famous trademarks. Trademarks which are well known among the general public are 'famous trademarks', while those of which

knowledge in Mexico is limited are ‘notorious trademarks’.

A trademark will be deemed ‘notorious’ when a particular Mexican public sector or trade circle knows of the mark as a result of:

- the commercial activities in Mexico or abroad of a party that uses the mark in connection with its products or services; or
- the promotion or advertising thereof.

A trademark will be deemed ‘famous’ when the majority of the public know of it.

This distinction is relevant, as the grounds on which an application can be refused are different for notorious and famous trademarks, as provided in the new Sections XV and XV*bis* of Article 90 of the Industrial Property Law, respectively.

Article 90(XV) of the Industrial Property Law provides that an application will be refused when the trademark is identical or similar to a trademark that the Mexican Institute of Industrial Property (IMPI) deems or has declared to be notorious in Mexico independent of the goods or services covered by the application. However, this ground of refusal should proceed only if the IMPI estimates that use of the applied-for trademark may:

- lead to confusion or inappropriate association between the applicant and the notorious trademark’s owner;
- constitute a benefit to the applicant without the notorious trademark owner’s authorisation;

- damage the notorious trademark's reputation; or
- dilute the notorious trademark's distinctive character.

Article 90(XV)*bis* of the law provides that an application will be refused when the trademark is identical or confusingly similar to a trademark that the IMPI deems or has declared famous in Mexico independent of the goods or services covered by the application.

The IMPI has the authority to issue a declaration certifying that a trademark is notorious or famous in Mexico. This declaration will be issued after the petitioner has met certain requirements and must be understood as a juridical act whereby a question of fact – namely, that a trademark is notorious or famous in Mexico – is recognised for all legal purposes.

Further, the declaration will be issued independently of the IMPI's authority to evaluate whether a trademark is notorious or famous within the context of trademark litigation proceedings (ie, infringement or cancellation proceedings) or as a result of the examination of a trademark application.

### **To what extent are foreign trademark registrations recognised in your jurisdiction?**

Foreign trademark registrations are invalid and unenforceable in Mexico. Their existence is relevant only when the IMPI is analysing the registrability of a trademark in Mexico, but it is not mandatory for the IMPI to consider them.

#### *Registered trademarks*

### **What legal rights and protections are accorded to registered trademarks?**

A trademark registrant has a right of exclusivity to use the mark. Therefore, trademark registrants have grounds to bring an infringement action against any party using the registered trademark or a confusingly similar one in connection with the same or similar products or services covered by the registered trademark.

Infringement actions can also be filed against third parties that undertake unfair

competition activities that may in any way affect a trademark's goodwill.

Further, exclusivity can also serve as the basis for bringing a criminal action in the event of the falsification of products. It is also useful for requesting customs authorities' cooperation to suspend the transit of containers with commodities that bear the registered trademark or a confusingly similar one in an unauthorised manner.

A registered trademark can also serve as the basis for filing an opposition against any application for a confusingly similar trademark covering similar products or services.

In addition, a registered trademark can serve as a basis for bringing invalidity actions against other registrations covering confusingly similar trademarks applied to the same or similar products.

### **Who may register trademarks?**

Any natural person or company, either Mexican or foreign, may register a trademark.

### **What marks are registrable (including any non-traditional marks)?**

Under the Industrial Property Law, a 'trademark' is a visible sign used in the market to distinguish products or services from others of the same sort. As such, the following are registrable under Mexican law:

- wordmarks;
- designs;
- three-dimensional (3D) trademarks; and
- a combination of any of the above.

Although Mexico has joined the Madrid Protocol, non-traditional trademarks are not yet recognised under the Industrial Property Law.

### **Can a mark acquire distinctiveness through use?**

Acquired distinctiveness is not recognised under Mexican law.

### **On what grounds will a mark be refused registration (ie, absolute and relative grounds)?**

#### *Absolute grounds*

Registration may be refused for:

- animated or changing denominations, figures or 3D forms expressed dynamically, even if they are visible;
- technical or commonly used product names and services, as well as such words which, in everyday language or commercial practice, have become the normal or generic designation thereof;
- 3D forms which are part of the public domain or are in common use and which lack sufficient originality to be easily distinguishable, as well as the normal and ordinary form of products or that imposed by their nature or industrial function;
- descriptive trademarks (ie, descriptive or indicative words which are used in trade to designate a product's type, quality, quantity, composition, end use, value, place of origin or production era);

- letters, digits or isolated colours, unless they are combined or accompanied by elements that give them a distinctive character, such as symbols, designs or denominations;
- translations into other languages, capricious spelling variants or the artificial construction of unregistrable words;
- marks that reproduce or imitate official control or guarantee signs or seals adopted by a state without the competent authorities' authorisation or currencies, bank notes, commemorative coins or any official national or foreign payment medium;
- marks that reproduce or imitate names or the graphic representation of decorations, medals or other awards obtained in officially recognised exhibitions, fairs, conventions or cultural or sports events;
- geographic denominations (proper or common) and maps, as well as gentile nouns and adjectives which indicate the origin of products or services and can cause confusion or error as to their origin;
- denominations, figures or 3D forms that could deceive the public or lead to error. This is understood to mean marks that constitute false indications of the nature, components or qualities of the products or services that they purport to protect; and
- trademarks reproducing or imitating, without authorisation coats of arms, flags or emblems of any country, state, municipality or equivalent political division, as well as names, initials, symbols or emblems of international, government or non-governmental organisations or any other officially recognised organisation, as well as the verbal designation thereof.

*Relative grounds* Registrations may be refused for:

- names of population centres or places known for the manufacture of certain products (in order to protect such products), except the names of privately owned places that leave no room for confusion where the owner has consented to the name's use;
- names, pseudonyms, signatures and portraits of persons without the interested party's consent or, if they are deceased, that of his or her spouse, blood relative, adopted relative or collateral relative (in that order) up to the fourth degree;
- titles of intellectual or artistic works, periodical publications and broadcasts, unless the holder of the respective right has expressly authorised it;
- names of fictitious or symbolic characters, characterised human characters, artists and artist groups, unless the holder of the respective right has expressly authorised it;
- names, figures or 3D forms applied to any product or service that are equal or similar to a trademark which the IMPI considers to be notorious or famous in Mexico. This applies to well-known trademarks when the use of the trademark by the party that requests its registration:
  - may create confusion or a risk of association with the holder of the notorious trademark; or

- constitutes use that will damage the trademark's prestige. In the case of famous trademarks, this ground will apply regardless of the type of product or service;
  
- trademarks that are identical or confusingly similar to another pending registration filed earlier or to a registered and effective trademark applied to the same or similar products or services; and
  
- trademarks that are identical or confusingly similar to the trade name of a company or an industrial, commercial or service establishment, the primary activity of which is the production or sale of the products or the rendering of the services purported to be protected by the trademark, provided that the trade name was used before the registration application was filed or the trademark's use was declared.

**Are collective and certification marks registrable? If so, under what conditions?**

Certification marks are not recognised under Mexican Law.

Collective marks can be registered in favour of legally constituted associations or groups of producers, manufacturers, merchants or service providers, with the aim of distinguishing their members' products or services in the market from third-party products or services. Collective trademarks cannot be transferred to third parties and their use is reserved for the applicable association or its members.

Along with the application for a collective trademark, interested parties must present the rules for its use.

**Filing and registration**

*Filing procedure*

**Do agents filing for registration of a mark on behalf of the owner require power of attorney? If so, is notarisation or legalisation required?**

While it is no longer compulsory to submit a power of attorney document alongside a trademark application – provided that the Mexican Industrial Property Office (IMPI) can recognise the authority of the representative signing it through a declaration made under the oath contained in the application form – it is essential for an applicant to grant a power of attorney document in the agent's favour when filing an application, in case the agent's authority to act on the applicant's behalf is questioned.

A power of attorney form does not need to be notarised or legalised.

**What information and documentation must be submitted in a trademark registration application?**

The following information must be submitted in a trademark registration application:

- a representation of the trademark. Where the trademark includes a design, the applicant must supply a digital file of the design to be registered with the application;
- the applicant's complete name, nationality and address;
- the full date (day, month and year) of first use of the mark in Mexico. This date of first use must be accurate and will need to be supported with documentary evidence if it is contested by a third party;
- the products or services sought to be covered; and

- the full address of where the goods are commercialised or manufactured or where the services to be protected are rendered. This information must be furnished only if the trademark has already been used in Mexico.

Further, if the applicant wants to claim a priority right, it must specify in its application the prior mark's serial number, filing or registration date and country of origin.

### **What rules govern the representation of the mark in the application?**

The IMPI has previously imposed the criterion that if a trademark is represented in black and white, it can be used in any colour, whereas if it is represented in specific colours, the mark must be used only in accordance with the specified palette. However, this criterion does not derive from any law or judicial precedent and its validity may therefore be subject to a case-by-case analysis.

### **Are multi-class applications allowed?**

No.

### **Is electronic filing available?**

Yes.

### **What are the application fees?**

The official government fee to be paid to the IMPI for one trademark application in one international class is Ps2,458.

### *Priority*

### **How are priority rights claimed?**

If an applicant wants to claim a priority right, it must specify in its application the prior mark's serial number, filing or registration date and country of origin. The Mexican application must be filed within six months from filing the application in the country of origin.

### *Searches*

**Are trademark searches available or required before filing? If so, what procedures and fees apply?**

Trademark searches can be conducted via the IMPI's online database. They are not required before filing, but it is convenient to conduct them before doing so. No official fees are charged for conducting online searches.

*Examination*

**What factors does the authority consider in its examination of the application?**

An initial examination deals with the formalities (ie, the information contained in the application itself and any attached documentation) and classification issues. A second examination deals with the inherent registrability of the trademark and any existing registered trademarks or applications under consideration that may constitute an obstacle.

**Does the authority check for relative grounds for refusal (eg, through searches)?**

The IMPI checks for relative grounds for refusal through searches.

**If the authority raises objections to the application, can the applicant take measures to rectify the application? If so, what rules and procedures apply?**

Any objections raised by the IMPI will be communicated to the applicant through an office action, to which the applicant will have two months to reply. An automatic extension of another two months is automatically granted by law (there is no need to request it).

If the applicant fails to produce a reply within the abovementioned four months, the application will be formally denied.

If the applicant produces a reply on time, the IMPI will analyse it and, based on the arguments produced by the applicant, either:

- grant the corresponding registration;

- issue a second office action;
- declare the abeyance of the application (when the applicant announces that it will be initiating legal action against the registration or registrations cited as anticipations); or
- formally deny the application.

### **Can rejected applications be appealed? If so, what procedures apply?**

IMPI rulings denying the registration of a trademark can be appealed before the Federal Court for Administrative Affairs, which is an administrative court. Federal Court for Administrative Affairs decisions can be appealed through an '*amparo*' law suit, which is a type of constitutional rights action prosecuted before the federal circuit courts. The federal circuit court's decision is final.

#### *Registration*

### **When does a trademark registration formally come into effect?**

Trademark registrations come into effect as soon as they are issued by the IMPI.

### **What is the term of protection and how can a registration be renewed?**

A Mexican trademark registration has a 10-year term of protection which starts on the application's filing date. This can be renewed for successive 10-year periods, provided that the registered trademark has been used in Mexico and the corresponding official government fee of Ps2,629 is paid.

A renewal petition must be filed within the six months preceding the registration's expiration or within the six-month grace period which starts on the registration's expiration date.

### **What registration fees apply?**

No official fees must be paid for the issuance of a trademark registration.

**What is the usual timeframe from filing to registration?**

Straightforward cases usually take between six and eight months if no eventualities arise during the application's prosecution.

*Opposition*

**Can third parties formally oppose an application? If so, on what grounds and what rules and procedures apply?**

The opposition system recently took effect in Mexico.

In accordance with Article 120 of the Industrial Property Law, any individual or company that considers that a trademark should not be registered (because of absolute or relative grounds) may file an opposition against said mark.

In its effects, the system is similar to the letters of protest aspect of the US trademark system, as the IMPI is not legally bound to consider an opposition filed by the registrant of a trademark that is allegedly affected by the opposed application.

**What is the usual timeframe for opposition proceedings?**

The IMPI's first rulings concerning formally filed oppositions were issued in April 2017, which means that the timeframe expected for opposition proceedings is between six and seven months.

**Are opposition decisions subject to appeal? If so, what procedures apply?**

The IMPI's first ruling addressing oppositions is controversial, because its rulings denying the validity of the opposition state that this ruling can be appealed through a nullity trial before the Federal Court for Administrative Affairs.

However, the law does not clearly state what the consequences of appealing the resolution during the opposition proceeding would be. Further, since the opposition system was recently implemented in Mexico, no precedents in which such effects have been determined exist.

### **Removal from register**

#### *Non-use cancellation*

#### **Can a mark be cancelled for non-use? If so, what term of non-use applies and what is the procedure for cancellation?**

If a rights holder fails to use its registered trademark for longer than three years, it will become liable to a cancellation action based on non-use.

Cancellation actions based on non-use are prosecuted by the Mexican Institute of Industrial Property (IMPI) by trial, wherein a complaint must be filed and a reply produced. The burden of proof regarding use of the trademark is shifted on to the rights holder, which must demonstrate that it has used its registered mark for a period (the law is silent as to how long this period must last) during the three years:

- as it was registered or with modifications that did not alter its distinctive character; and
- in connection with the products or services covered by the registration subject to the cancellation action.

IMPI rulings cancelling a registration based on non-use or denying said cancellation can be appealed before the Federal Court for Administrative Affairs. The court's decisions can be appealed through an '*amparo*' law suit, which is a type of constitutional rights action prosecuted before the federal circuit courts. Federal circuit court decisions are final.

#### *Revocation*

**On what grounds can a trademark registration be revoked (eg, loss of distinctiveness, incorrect registration)?**

Automatic revocation of a trademark registration is not recognised under the Industrial Property Law.

If a trademark registrant tolerates or encourages its registered trademark to become the generic designation of the products or services to which it is applied, a third party may initiate a cancellation proceeding.

This type of cancellation proceeding is also conducted by the IMPI by way of a trial, wherein a complaint must be filed and a reply must be produced. The burden of proof lies with the complainant, which must demonstrate that the rights holder has undertaken the abovementioned activities.

IMPI rulings cancelling a registration based on non-use or denying said cancellation can be appealed before the Federal Court for Administrative Affairs. This court's decisions can be appealed through an *amparo* law suit prosecuted by the federal circuit courts. Federal circuit court decisions are final.

**Who may file a request for revocation and what is the statute of limitations for filing a request?**

Any person whose commercial or industrial activity is affected by the trademark which has allegedly lost its distinctiveness can start the abovementioned cancellation action. No statute of limitations for filing a request for cancellation exists.

**What are the evidentiary and procedural requirements for revocation proceedings?**

The complainant must demonstrate that the registered trademark has become the generic designation of the product or service that it distinguishes as a result of activities:

- encouraged by a trademark registrant; or

- derived from the registrant's passiveness in avoiding third-party use of its registered trademark as the generic designation of a product or service covered by the trademark.

### *Appeal*

#### **What is the appeal procedure for cancellations or revocations?**

A person or company wanting to contest an IMPI ruling cancelling or denying a trademark registration must start a nullity trial within 30 days following the ruling. Such nullity trial will be prosecuted before the Federal Court for Administrative Affairs. This court's decisions can be appealed through an 'amparo' law suit prosecuted by the federal circuit courts. Federal circuit court decisions are final.

### *Surrender*

#### **What is the procedure for surrendering a trademark registration?**

Registering a trademark comprises a simple proceeding in which the registrant or a legal representative submits a simple brief before the IMPI requesting the voluntary cancellation of said registration.

The voluntary cancellation can be requested at any time. The only additional requirement that must be met is the filing of a power of attorney in cases where the requested cancellation is filed by a legal representative.

### **Enforcement**

### *Jurisdiction*

#### **Which courts are empowered to hear trademark disputes?**

The administrative authority empowered to hear trademark disputes at the first instance is the Mexican Institute of Industrial Property (IMPI). Although numerous professionals have objected to this in the past, the existing law grants the IMPI both administrative (as a trademark registry) and judicial powers (to solve controversies regarding the invalidity of a trademark registration, cancellation of a registration based on non-use of a trademark, cancellation of a

registration based on loss of distinctiveness of a trademark and trademark infringement).

IMPI rulings may be appealed before the Federal Court of Administrative Affairs Specialised Chamber in IP Matters. Rulings issued by the chamber may be challenged through an '*amparo*' action, which is a type of constitutional rights action prosecuted before a federal circuit court specialised in administrative affairs.

The competent authority in civil actions is a civil judge, whose rulings may be appealed before a chamber of appeals and subsequently through an *amparo* action prosecuted before a federal circuit court specialised in civil affairs.

Criminal cases are prosecuted by a federal prosecutor from the Attorney General's Office and decided by a federal criminal judge.

### *Actions*

**What actions can be taken against trademark infringement (eg, civil, criminal, administrative), and what are the key features and requirements of each?**

In Mexico, the following actions can be taken against trademark infringement:

- administrative actions;
- civil actions; and
- criminal actions.

Administrative actions are filed with the IMPI. Where an infringement is declared, the IMPI will impose a fine on the infringer, the amount of which

varies depending on:

- the infringer's intention;
- the infringement's severity; and
- the infringer's financial circumstances.

No damages may be granted in infringement proceedings. The fine imposed will be a maximum of 20,000 days of the minimum wage (approximately \$80,000).

The appropriate legal action to collect damages derived from trademark infringement is a civil action. However, the Mexican system allows a civil action to be brought only once an infringement has been declared in a previous administrative proceeding and such an administrative resolution cannot be appealed. This system has resulted in most actions ceasing after the administrative procedure, because collecting damages requires initiating two separate litigations (which must be prosecuted sequentially and not in parallel), each of which may have up to three stages (including appeal).

In any case, civil actions are prosecuted before a civil judge whose ruling may be appealed before a chamber of appeals. Subsequently, the chamber of appeals decision may be challenged by way of an *amparo* action prosecuted before a federal circuit court specialised in civil matters.

The law provides that the amount of damages awarded to a trademark owner must be at least 40% of the value of the infringing goods, as they were sold in the Mexican market.

Finally, criminal action may be brought only in cases relating to what is commonly known as 'piracy' or 'counterfeiting' (ie, when an individual falsifies a trademark or copyright to use it on goods or services in an attempt to imitate a genuine good or service commercialised by the original mark's owner). These proceedings are prosecuted in conjunction with an Attorney General's Office

federal prosecutor. Following the amendment of Mexico's criminal justice system, criminal action faces an accusatory system in which the federal criminal judge is more involved in these cases and will be in charge of analysing alleged crimes. The penalty in these cases ranges from three to 10 years' imprisonment and a fine of up to 20,000 days of the minimum wage (approximately \$80,000).

### **Who can file a trademark infringement action?**

A trademark infringement action can be filed by a trademark registrant or a licensee of a registered trademark (provided that the corresponding licence agreement allows the licensee to do so).

The licensee must also be recorded as such before the IMPI to be fully entitled to file a trademark infringement action.

### **What is the statute of limitations for filing infringement actions?**

Under Article 79 the Federal Law for Administrative Procedure (which is applicable in a supplementary manner to any trademark-related legal action), the IMPI can impose a fine only within five years from the moment the act considered to be an infringement was committed.

If the infringing act is continuous, the statute of limitations of five years will begin from the date on which the allegedly infringing act stopped.

### **What is the usual timeframe for infringement actions?**

The first stage of the infringement proceeding (prosecuted before the IMPI) usually takes approximately one year to be completed.

The second stage (prosecuted before the Federal Court of Administrative Affairs Specialised Chamber in IP Matters) also takes approximately one year to be completed.

The final stage (prosecuted before a federal circuit court) usually takes six months to be completed.

### *Injunctions*

### **What rules and procedures govern the issuance of injunctions to prevent imminent or further infringement?**

The law allows the following preventive injunctions, which may be requested before or when filing an infringement action:

- the withdrawal from circulation or prohibition of the distribution of infringing merchandise;
  
- the withdrawal from circulation of:
  - objects manufactured or used illegally;
  
  - objects, wrappers, containers, packaging, paperwork, advertising material and similar articles;
  
  - signs, labels, tags, paperwork and similar articles; and
  
  - implements or instruments intended or used for the manufacture, preparation or production of any of the articles specified in the above sub-bullets;
  
- the prohibition with immediate effect of the marketing or use of the infringing goods;

- the seizure of goods;
- the suspension or discontinuation of the acts constituting an infringement;  
and
- the suspension of the rendering of the service or the closure of the establishment in which the infringement was conducted.

These pre-emptive measures are declared permanent if the infringement is declared at the end of the proceeding.

In order to request an injunction, a trademark owner must post a bond to cover any possible damages that may be caused to the alleged infringer, in case the proceeding is concluded and it is determined that no infringement was committed.

Conversely, the alleged infringer may post a counter-bond (which must be at least 40% higher than the amount covered by the original bond) to obtain the lifting of the preliminary injunction.

Where the IMPI's final ruling determines that an infringement was committed, the defendant will be liable for any damages caused to the opponent which derived from the suspension of the preliminary injunction.

### *Remedies*

#### **What remedies are available to owners of infringed marks? Are punitive damages allowed?**

As mentioned above, damages can be collected only after the infringement has been declared during the administrative procedure and an additional civil action has been brought against the infringer.

Once the infringement has been declared, a permanent restriction is placed on the infringer, which prohibits it from continuing to commercialise any infringing goods or services. Failure to respect such a restriction results in the imposition of

higher fines.

Punitive damages are not recognised in trademark cases under Mexican law.

### *Customs enforcement*

#### **What customs enforcement measures are available to halt the import or export of infringing goods?**

Customs is not empowered to seize alleged infringing or counterfeit products; rather, it is empowered only to inspect such products and inform rights holders about the alleged violation of their IP rights. As such, the actions that Customs can undertake derive from administrative or criminal procedures that can be initiated which allow for the seizure of the products. Further, in such cases, Customs is empowered to work alongside the IMPI with regard to border measures in administrative actions and the Attorney General's Office in criminal cases.

### *Defence*

#### **What defences are available to infringers?**

The most common defence is denying the merits of the case at hand (ie, emphasising the differences between the conflicting marks and the scope of products or services).

Article 92 of the Industrial Property Law provides several cases in which a trademark registration is unenforceable:

- A trademark registration is unenforceable against a third party that used the same or a confusingly similar mark in good faith in the same country and for the same or similar products or services, provided that the third party had begun to make uninterrupted use of the mark before the filing of the registration application or the first declared use of the mark.
- A trademark registration is unenforceable against any party that commercialises, distributes, acquires or uses the product to which the registered trademark is applied after said product has been lawfully

introduced into the Mexican market by the owner of the registered mark or its licensee. This exception includes ‘parallel imports’ (ie, the import of products that were lawfully introduced into the market of a foreign country and later imported into Mexico regardless of the fact that the importer is not the owner or licensee of the trademark).

- A trademark registration is unenforceable against a natural or legal person that applies its own name or its company or business name to the goods that it produces or distributes, the services that it provides or its places of business. A trademark registration is also unenforceable against any natural or legal person that uses its own name or its company or business name as part of its trade name, provided that it uses it in the form in which it is accustomed to using it and it has features that clearly distinguish it from a homonym already registered as a mark.

If the infringement is brought against a third-party distributor (ie, a third party that did not manufacture the infringing goods, but simply commercialised them in good faith), the infringement may be declared only if it is demonstrated that the distributor was aware that the infringing goods violated a trademark registration.

The Copyright Law established a unique right known as the ‘*reservas of exclusive rights*’. This right is exclusive to the Mexican regulatory system and can be understood as a trademark of sorts, but is applicable only to:

- the titles of periodical publications (eg, magazines, newspapers and other similar printed media);
- the titles of periodical broadcasts (ie, television, radio or internet broadcasts);
- fictional and human characters; and

- artists' names and names of groups dedicated to artistic activities.

The courts have held that *reservas* and trademark registrations, although independent, are of equal standing under the Mexican system and may thus coexist even if they are applied to similar goods or services (eg, a *reserva* for a specific magazine title may coexist with a trademark registration in Class 16, which also protects magazines). Therefore, if a trademark infringement action is brought against a party that holds a *reserva*, no infringement may be declared, since it is considered that the holder of the *reserva* has a legitimate right to use and exploit it and that said right is equal to the rights granted by a trademark registration.

Finally, the infringer may also bring a counterclaim against a registered trademark owner alleging that the trademark was registered illegally, due to either absolute or relative grounds of prohibition. In such cases, both legal actions would be solved in a single ruling in which it could be declared that the trademark registration was invalid and that, therefore, no infringement could be declared and the corresponding registration could be cancelled.

### *Appeal*

#### **What is the appeal procedure for infringement decisions?**

As mentioned above, IMPI rulings can ordinarily be appealed before the specialised chamber and subsequently before a federal circuit court.

There is an optional stage that may be attempted before appeal before the specialised chamber; however, such a stage is seldom attempted in practice, since it is heard by a higher authority within the IMPI and, in most cases, the ruling confirms the resolution issued at the first stage of the litigation.

### **Assignment and licensing**

#### *Assignment*

**What rules and procedures govern the assignment of trademark rights?  
Must an assignment be recorded to have legal effect?**

Under Mexican law, trademark assignment registrations are subject to the same regulations as the assignment of any product. Consequently, even a simple assignment agreement (without notarisation or legalisation of any kind) is sufficient for trademark assignment purposes.

An assignment must be recorded to have legal effect against third parties, but the effects of the assignment between the assignor and assignee are enforceable from the date of the execution of the corresponding agreement, regardless of any recordal.

### *Licensing*

#### **What rules and procedures govern trademark licensing? Must a licensing agreement be recorded to have legal effect?**

Likewise, trademark licences can be granted by way of a simple agreement (without notarisation or legalisation of any kind).

Recording a licence allows:

- the licence to be enforceable against third parties;
- the trademark owner to benefit from third-party use of the mark; and
- the licensee to bring infringement actions against third parties (provided that the licensee is empowered to do so in the corresponding agreement).

However, the courts have upheld that in litigation relating to the non-use of a registered trademark – in virtue of the provisions contained in international treaties, such as the North American Free Trade Agreement and the World Trade Organisation Agreement on Trade-Related Aspects of IP Rights – a trademark owner may benefit from the use of a mark carried out by a licensee even if the licence has not been recorded, provided that evidence demonstrating the relationship between the owner and the licensee is submitted during the litigation.

**What provisions are typically included in a licensing agreement (eg, quality control clauses)?**

Mexican law requires that the products sold or services rendered by a licensee are of the same quality as those manufactured or rendered by the trademark owner. Therefore, a quality control clause is usually included.

Other common provisions include:

- the licence term;
- the exclusivity or non-exclusivity of the licensee;
- the territory in which the licence is applicable;
- whether the licensee is allowed to bring infringement actions against third parties; and
- terms for the licence's renewal.

Mexican law provides that a franchise exists where, together with the licensing of the use of a mark, technical know-how is transferred or technical assistance is provided so that the licensee can produce or sell goods or provide services consistently and in accordance with the operating, commercial and administrative methods established by the trademark owner so that the quality, prestige and image of the products or services distinguished by said mark may be maintained.

*Security interest*

## **Can a security interest be registered over a trademark? If so, what rules and procedure apply?**

Yes, a security interest can be registered over a trademark registration. For this security interest to have legal effect, a written petition must be submitted to the Mexican Institute of Industrial Property (IMPI), requesting that it record the corresponding security interest. The corresponding document that demonstrates the security interest's existence must also be submitted and the corresponding official fee must be paid.

The procedure for cancelling a security interest is the same, although a document demonstrating that the corresponding security interest has ceased to exist must also be submitted.

### **Related rights**

#### *Related IP rights*

## **Can trademarks be protected under other IP rights (eg, copyright, designs)?**

Yes, trademarks can be protected under other IP rights, such as copyright, industrial designs and so-called '*reservas* of exclusive rights' (ie, a right exclusive to the Mexican regulatory system, which can be understood as a trademark of sorts, but is applicable only to periodical publication titles, periodical broadcast titles, fictional and human characters and artists' names and names of groups dedicated to artistic activities).

The normal restrictions relating to other IP rights apply (eg, copyright protection cannot be granted to isolated names or words and industrial design protection cannot be granted if the design is not novel). However, obtaining accumulated protection for trademarks under other IP rights is not prohibited under any law.

The effects of the protection under each right are different, pursuant to the regulations of each specific right.

### **Online issues**

#### *Trademarks online and domain names*

## **What regime governs the protection of trademarks online and domain names?**

Mexico has adopted a local domain name dispute resolution policy action for '.mx' domains, which is a variation of the Uniform Domain Name Dispute Resolution Policy (UDRP) established by the Internet Corporation for Assigned Names and Numbers and the World Intellectual Property Organisation (WIPO), and which is also prosecuted before the WIPO.

Complaints are heard by the WIPO Mediation and Arbitration Centre and the rules are similar to those of the UDRP arbitration procedure. In order to succeed in a local domain-name dispute resolution policy proceeding, it must be demonstrated that:

- the domain names are identical or confusingly similar to a trademark or service mark over which the complainant has rights;
- the respondent has no rights or legitimate interests in respect of the domain names that are the subject of the complaint; and
- the domain name was registered or used in bad faith.

Conversely, the Mexican Institute of Industrial Property has in some cases upheld that the use of a registered trademark in a domain name can be construed as trademark infringement; however, this criterion has been challenged before the courts and, to date, no general rule which is applicable to all cases exists.

[Olivares](#) – [Abraham Diaz](#) and [Adrian Martinez](#)