

BY [LUIS C. SCHMIDT](#)

*PARTNER*

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Patents and trade marks are protected in Mexico under a federal statute known as the Law on Industrial Property (LIP). The LIP follows a dual system based on the registration and use of marks.

#### *REGISTRATION*

Registration confers nationwide exclusive rights as of the date of grant, regardless of whether use of the mark would be confined to a particular territory within the Mexican Republic. Anyone who uses the mark after the registration has been issued would be infringing trade mark rights even if the use is made in a region where the registrant has not used its trade mark, or has no plans or intention in doing it in the future.

#### *USE OF MARKS*

*Bona fide* and uninterrupted prior use of a mark would confer the user a right to seek cancellation of a conflicting registration. It would also give the user a right to defend from infringement actions brought on the grounds of a junior trade mark registration.

As Mexican experience dictates, complex questions and issues can be raised from the application of a mixed system such as the one followed by the LIP. Territorial considerations require additional analysis in context of the use and registration of marks. For practical purposes all the foregoing could be classified as follows.

HYPOTHESIS A: TWO OR MORE PARTIES USE THE SAME OR SIMILAR MARK, WITHOUT ANY ONE OF THE PARTIES HAVING OBTAINED A REGISTRATION

In this case, none of the parties would be entitled to infringement actions against any other user of the same or similar marks. Considering that infringement actions would be inferred from the existence of trade mark registrations only, it would be possible that the same or similar marks co-exist and overlap in the Mexican territory, or a particular state, region, city or town.

HYPOTHESIS B: THE SENIOR USER OBTAINS REGISTRATION FOR THE SAME OR SIMILAR MARK

Here, the LIP would find a clear cut situation: A senior registrant would be entitled to infringement action against any junior users of the mark. The same would happen if the junior user started doing business before the filing date of the application, but after the date that the senior user started using the mark by its own. However, in an eventual litigious situation based on the foregoing grounds, the senior user/registrant may be requested to show use of the mark without the interruption for all that time. As to the territorial aspect, the senior user/registrant would have standing to take action even if it is doing business in a limited part of the Mexican Republic, or it has not used the mark where the junior user is doing business.

HYPOTHESIS C: THE JUNIOR USER OF THE MARK OR SOMEONE NOT HAVING USED IT OBTAINS REGISTRATION FOR THE SAME OR SIMILAR MARK

Defense: An existing registration cannot be used for opposing the good faith previous user of the identical or confusingly similar mark that has been used on an interrupted basis, and in the event that the registrant would proceed with an infringement action, the senior user may assert the foregoing arguments in defense.

The *user/defendant* would bear the obligation to prove that it has used the mark without interruption, prior to the filing date of the junior user's application or the date when it used the mark for the first time. If that is proven to the

satisfaction of the Trade Mark Office in the infringement action, the senior registration would not produce effects against such a prior use. In addition, the senior user would be entitled to request registration of the conflicting trade mark. However, for that end the law would require that the application is filed within three years following the day on which the registration was published, and previous to the request and obtaining of a declaration of nullity of said registration.

A question arises as to what would happen if the foregoing is not met by the senior user or if the term of three years would have expired. The answer is not easy. However, commentators in Mexico would probably agree that co-existence of the marks would be difficult to avoid in such a case, irrespective of the region where the marks have been used.

### *IMPORTANT ISSUES*

The Trade *Mark* Law grants a cancellation action against senior registrations conferred by the Trade Mark Office, when the registered mark is identical or confusingly similar to the one that has been used in the country, or even abroad, prior to the date of filing of the application for the registered mark, and is applied to the same or similar products or services, provided that the person who asserts the greater right or prior use proves having used the trade mark uninterruptedly in the country or abroad prior to the filing date or, in such case, to the date of first declared use by which he registered it.

The territorial aspect in hypothesis C bears particular mention. Under Mexican Law, it would be possible, for example, that the senior user of a mark takes a cancellation action against a junior registration, regardless of how wide or reduced is the area or region where the senior user has been doing business. Similarly, if a junior registrant files an infringement action against the senior user of the same or similar mark in a limited area, this latter party may assert a prior use defense that, if successful, would extinguish the action, and would allow such a senior user not only to continue using the mark in that limited area, but also to expand business to the entire country.

The foregoing would be possible notwithstanding the existence of a federal registration. The question arises then whether concurrent registration proceedings should be implemented in the LIP. The ultimate purpose of concurrent registrations is avoiding confusion by granting protection to

independent users of the same or similar mark, all of them having certain rights from the use or registration of the conflicting mark. The concurrent user registration would confine the users to the region where they are effectively using the marks. Accordingly, use of marks in limited areas would not necessarily represent a standing for the cancellation of federal registrations, which would finally benefit the dual system of use and registration.