

Mexican IP law undergoes major amendments

Christian Thomae and **Victor Garrido** of **Dumont** analyse changes to Mexican IP law in 2018, including alterations to the rules around fees, Declarations of Use and trade mark litigation

In 2018, Mexican IP law underwent major amendments relating to almost all intellectual property rights, including patents, utility models, industrial designs, trade marks, non-traditional trade marks, trade dress, certification marks, appellations of origin, geographical indications and other related issues such as acquired distinctiveness. This article briefly points out and comments on the most relevant amendments.

Amendments to invention-related law: patents, utility models and industrial designs

These amendments came into force on April 27 2018.

Availability of information

Formerly, industrial design applications, utility model applications, and divisional applications of any kind were not subject to publication by law. This limited information led to great uncertainty regarding pending rights. Against this backdrop, the amendments bring the Mexican system more in line with leading jurisdictions. All the types of applications mentioned above are now published before undergoing substantive examination.

Prosecution time for patent applications

This amendment relates to third party observations, which can be submitted by any person against the patentability of an



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application within a fixed term after a patent application has been published. The term, within which the examination cannot start, has been reduced from six to two months.

Industrial design examination

Conventionally, the creators of a design were labelled inventors, but with the new amendments they are now called designers.

Regarding substantive requirements for industrial designs, the Law now defines novelty in terms of “independent creation” requiring a design to be different to a “significant degree” from designs which are already known or a combination of features of known designs. Both concepts, which have been adopted from the European system, are new to the Mexican IP Law. While the addition of the concepts is meant to have an impact on examination and litigation, the Patent Office has indicated that, for the time being, it will not significantly change the methodology for assessing the novelty of industrial designs.

Industrial design applications will now indicate the product for which the design is intended, instead of just indicating the type of product, as was previously the case. On the one hand, this provision has the potential to limit the scope of protection of industrial designs granted under the new provision. On the other hand, the amendments might bring

more certainty to third parties, especially to players in the same industry.

New regime for validity of designs

The term of protection for industrial design registrations has been modified from a non-extendable 15 year term to a renewable five year term. Renewals will be available for subsequent five year periods up to a maximum of 25 years. Industrial design registration renewals will be published by the Patent Office, creating the necessary certainty for third parties.

Changes in the official fees for patents, utility models and industrial designs

Historically, Mexico applied fixed filing fees for patents, utility models and industrial designs. However, since the amendments in the Law came into force, the cost for filing patents and utility models now depends on the number of pages in the application. This is the case in several countries.

Now there is a basic fee covering an application comprising up to 30 pages, which is about 50% lower than the previous fixed filing fee. However, each page that exceeds this amount is subject to an extra fee. Depending on the application extension, applicants can either be benefited or disadvantaged by this change. The new amendments exempt pages containing sequence listings for calculating filing fees, when they are filed in a data storage device.

For industrial designs, there is a basic filing fee for an application claiming a single design, but each additional design allowed to remain in a single application will be subject to a fee equal to that charged for extra pages for patent and utility model applications.

Grant and renewal fees for industrial designs

Grant and maintenance fees for patents and utility models remain unchanged. Annuities are payable from the grant date on a quinquennium basis.

The amendment means that grant fees for industrial designs cover the first five annuities counted from the filing date. As mentioned before, renewals for industrial designs are now available by subsequent five year periods for up to a maximum of 25 years. The amount payable for each renewal is currently similar to the grant fees as well as to the amount payable for the former five year maintenance period.

Pending industrial designs as well as industrial designs that have already been granted, benefit from this change to the renewal system. For industrial design applications which were pending on April 27 2018, a request to apply the amendments to the Law should have been submitted by June 11 2018. Only cases in which such a request was filed in a timely manner will enjoy the extension of term. Designs granted under the former law should be maintained as usual following the former quinquennium

nium scheme. When their 15 year validity term is over, they can request to participate in the renewal system. Their term of protection is legally 15 years as long as the annuities are paid, but according to the new regime, such 15 year term can be extended to up to 25 years by requesting the correspondent renewal under the amended law within six months before the registration term expires or, after, within a six-month grace period. Applicants must remember that such a request should be filed close to the expiration date under the current regime.

Declarations of Use

We consider this the most important of the changes in terms of requiring immediate attention by trade mark rights holders in Mexico as the amendment incorporates the need to file Declarations of Use in Mexico as a mandatory action in order to preserve rights.

Under the new Law, Declarations of Use must be filed at two points during the life of a registration: (i) within three months following the third anniversary of a trade mark registration, counted from the date of registration; and (ii) at the time of the filing of the renewal application, which is every 10 years counted from the application date of the trade mark.

Under the amendments, claiming class headings for trade marks is no longer possible, which involves having to point out specific goods/services. Unofficially, derived from a collaboration agreement signed with the EUIPO, harmonised goods/services from the TMClass system are also permitted. Terms or phrases that form part of the class heading which are also contained in the alphabetical listing of goods/services of the Nice Classification may still be incorporated as such in applications. No evidence of use needs to be filed.

It is therefore necessary to carefully review the scope of protection of trade marks and the goods/services which are used in Mexico at the time a Declaration of Use needs to be filed. In the event the goods/services for which the trade mark is being used cannot be clearly ascertained from the class heading, it might be necessary to re-file the trade mark. We would recommend anticipating the analysis of trade marks reaching Declaration of Use deadlines.

In the case of national registrations, the rules applicable to Declarations of Use are fairly clear. However, in the case of international registrations designating Mexico the situation is more complex and confusing given the plurality of dates existing in these cases (international dates and national dates):

- The third-year Declaration of Use must be filed within three months following the third anniversary of the date on which the MPPTO grants registration of the IR (date contained in the National Certificate of Registration), which does not always correspond to the date on the Statement of Grant of Protection, so caution should be taken in calculating these dates.
- The Declaration of Use which must be filed at the time of renewal of a trade mark registration will have to be filed with the MPPTO and not WIPO, within three months of WIPO having notified the MPPTO of the renewal of the international registration. This will require a great degree of coord-



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dination between the rights holder, his/her representative in the country of origin and Mexican counsel so that the dates are not missed and the Mexican designation remains alive. Additionally, it is important to remember that, since the use requirement term is three years, if the designation of an IR has not yet been granted for three years at the time of renewal of the IR, the Declaration of Use will not have to be filed upon the renewal due at that time, but rather at the time of the next renewal, ten years later.

It is extremely important to remember that, in the event a Declaration of Use is not filed, registrations will be deemed automatically cancelled and published as such in the Official Gazette, terminating all rights in Mexico and making it necessary to re-file for the trade mark.

In the case of international registrations, partly derived from the incorporation of mandatory Declarations of Use, we stress the importance of designating domestic representatives or at least auditing portfolios to comply with the third-year and renewal Declarations of Use.

Prohibition on claiming class headings

The amendments incorporate a prohibition on claiming class headings when filing a new trade mark application or declaring

use and therefore the need to draft descriptions for specific goods/services, as listed in the alphabetical listing of the Nice Classification and the complementary listing issued yearly by the MPTO. Accordingly, new filings now have to indicate goods/services as contained in any of these two documents and, unofficially, the harmonised goods/services contained in the TMClass system are also permitted. Terms or phrases contained in class headings which are also included in the alphabetical listing may still be incorporated as such.

For Mexican designations of international registrations this amendment will no doubt represent a challenge in terms of the acceptability of the descriptions indicated in international registrations, for which we would highly recommend seeking assistance in reviewing descriptions at the point at which Mexico is designated in an IR in order to file possible amended/restricted descriptions of those filed with WIPO and avoid receiving provisional refusals based on descriptions.

Definition of a trade mark, acquired distinctiveness and trade dress

The definition of trade mark has been modified to include “any sign perceptible by the senses and capable of being represented”. This opens up the possibility of protection of non-traditional trade marks, namely scent, sound and holographic marks, as well as trade dress. Therefore, these kinds of trade marks are now subject to protection and available for registration in Mexico.

Certification trade marks have also been incorporated, as a result of which it will now also be possible to protect these signs in Mexico.

Acquired distinctiveness has been specifically defined as a means to achieve registration of trade marks that would otherwise be rejected by the MPTO on grounds of descriptiveness. Specific criteria applicable to the consideration of acquired distinctiveness/secondary meaning has not yet been made public by the MPTO in terms of elements to prove it, timeframe during which the mark must have been applied to the goods/services and scope of use. Case law will probably determine these matters.

Letters of consent are now expressly accepted by the MPTO only in cases of trade marks that are deemed confusingly similar, not so in the case of identical trade marks, regardless of whether the goods/services falling within the same class could be considered related or not. Consents must be in written form, preferably certified by a notary public and then legalised or passed through apostille.

The amendment clarifies a point which has been unclear for many years regarding the date of first use that may be declared at the time of filing of an application, specifying that this must be the date of first use in Mexico. If no use exists in Mexico, then such an indication must be made in the application form.

The provision requiring that well-known trade marks are first registered in Mexico in order to obtain the corresponding declaration has been eliminated. Therefore, it will be possible to obtain a declaration of notoriety of a trade mark in Mexico without the need to have first registered the trade mark in the applicable classes.

Trade mark oppositions

The opposing party is now allowed to submit all means of evidence accepted in litigation proceedings fully, except for testimonials and confessions, which will only be permissible if contained in a document.

It is now possible to file conclusions by the parties following the filing of a response to the opposition by the applicant, which must be done within two days of receiving the corresponding notice from the MPTO.

Under the new provisions, the MPTO now has to issue a fully grounded and motivated decision stating its arguments for considering the opposed trade mark as rejected or granted.

Trade mark litigation proceedings

In cancellation actions in which a legal standing based on the citation of a prior existing trade mark is required, a deadline for requesting the suspension of the application which serves as legal standing has been set to be within the term provided to file a response to the office action citing the prior existing trade mark, otherwise the application will be deemed abandoned and the proceeding will eventually be declared unfounded in terms of legal standing.

Bad faith trade marks have been expressly recognised, providing for the possibility of rejection and/or cancellation on these grounds. A trade mark has been applied for in bad faith when it is evident that it is contrary to good use, customs and practices in the industrial property system, in commerce or in industry or that there is an intention to obtain an undue benefit or advantage which is detrimental to its legitimate owner. This provides additional elements to those existing under the current law to attack trade mark misappropriation.

Statutes of limitations for cancellation actions have been changed and/or added. Specifically, all actions with a statute of limitations have been standardised to five years, therefore removing the three year term previously provided which was applicable to, for example, cancellation actions based on prior use of a trade mark abroad.

Final remarks

It is not a secret that Mexico has been following criteria similar to that implemented in other leading jurisdictions when dealing with intellectual property matters. However, the question which now arises in this context is whether the current amendments will satisfactorily seal up the gaps in the former Mexican Law in order to meet the expectations of practitioners and stakeholders in the Mexican IP system. If these amendments are not duly implemented in our country, this will lead to a renovation of the laws and regulations. Whatever the case, since most of these provisions seem to be directed to improving the system, for the time being we can have high expectations.