

## **Amendments to the Industrial Property Law.**

By Tracy Delgadillo.

The Industrial Property Law (the “Law”) was recently amended on May 18, 2018 (the “Amendment”). One of the most significant changes is that the Law now allows the registration of sounds and scents as trademarks, something that has been allowed in several countries for a few years, besides introducing a new obligation to the trademark owners: declare the real and effective use of their trademarks after the third anniversary of their date of registration. The Amendment will become effective on August 10, 2018.

Given the diversity of the matters that were amended in the Law, it is best to present them separately in the following sections:

### New Registrable Trademarks

The definition of “trademark” provided in the Law has been modified to expand the possibilities of what can be considered as such, given that prior to the Amendment the Law defined the term “trademark” as every visible sign that differentiates products or services, excluding the possibility of a sound or scent, being non visible, to be acknowledged as trademarks. With the Amendment, a “trademark” is deemed to be all sign perceptible by the senses and susceptible of being represented in a way that allows the determination of the clear and precise object of the protection.

Within the definition of trademark, the Law is specific to enlist which are the registrable trademarks and which are not object of registration. Regarding the registrable trademarks, the Amendment adds the possibility to protect as trademark the letters, numbers, combinations of colors, holographic signs, sounds, scents and picture elements such as size, design, color, form, label, packaging, decoration or any other element that, when combined, differentiates products or services in the market.

For instance, once the Amendment becomes effective, any physical or legal person can register as trademark the tune of the commercials that promote their product, the characteristic scent of their product that makes it stand out from the rest, the combination of colors and pictures used in the design of the box that contains the product they sell, known in some countries as trade dress, what “dresses” the trademark.

The expansion of the concept of what can be registered as a trademark provides for the need to specify what cannot be registered as such, hence the Amendment incorporates to the list of non-registrable trademarks, among others, the following:

- a) the holograms that are of public domain and those that lack distinctiveness, unless the trademark has acquired a distinctive character derived from its use in the market;
- b) the isolated letters, digits or colors unless they are combined or accompanied by other signs or that the trademark has acquired a distinctive character derived from its use in the market;
- c) the transliteration of non-registrable signs, in other words, the representation of signs of a writing system through signs of other system;
- d) the total or partial reproduction of literary or artistic works without the correspondent authorization of the copyright owner;
- e) the signs identical to a trademark already registered or in process of being registered by the same owner to differentiate the same or similar products or services;

- f) the signs that reproduce or imitate denominations or elements that refer to protected plant varieties, as well as animal races, that could cause confusion in the consumers regarding the products or services being differentiated, and
- g) the signs requested by bad faith, that is, requested in a way that is contrary to the good customs and traditions in the industrial property system, the market or the industry; or that a benefit or undue advantage is intended to be obtained in prejudice of its rightful owner.

### Modifications to the Collective Trademarks

A collective trademark is a trademark that can be requested by the associations or companies of farmers, manufacturers or merchants of products or service providers, legally incorporated, in order to distinguish the products or services of their members in the market. To register a collective trademark, the Amendment adds the requirement of the products or services being of quality or having common characteristics that are different from the products or services of third parties.

When requesting the registration of a collective trademark, the rules of use of the trademark must be prepared. The Amendment enlists what such rules must contain, for example, the name of the association or company that will be the owner of the collective trademark, the representation of the trademark and the products or services it will protect, the indication that the trademark cannot be transferred to third parties and its use is reserved to the members of the association, and the control mechanisms of the trademark's use.

The nature of this trademark does not allow its transfer to third parties, given that it is registered on the name of an association or company in order to protect its members, therefore it cannot be transferred to third parties and, as the Amendment now specifies, it also cannot be licensed to others.

### Certification Trademarks

The Amendment introduces for the first time the concept of "certification trademark", which is a sign that differentiates products and services whose qualities or other characteristics have been certified by its owner. What this trademark certifies are the components of the products, the conditions under which the products have been elaborated or the services have been rendered, the quality, processes or other characteristics of the products or services, and the geographic origin of the products.

An example of certification trademark worldwide is the "Woolmark" trademark, owned by The Woolmark Company, a company dedicated to verify the quality of the wool being used in the products of this material. The trademark is not used by its owner, but the owner authorizes its use to every person whose product is made of virgin wool of good quality. Therefore, if a product bears the "Woolmark" trademark, it means it was certified by the owner of such trademark, and this provides the consumer a greater certainty regarding the quality of the product.

Any legal person can request the registration of a certification trademark provided that it does not sell products or offer services that are of the same nature of those that the trademark seeks to certify. For instance, in the case of the "Woolmark" trademark, if its owner sold products made of virgin wool, it could not request the registration of the certification trademark in Mexico.

A certification trademark may be composed of the name of a geographic zone or contain such name or other indication referring to it, with the purpose of identifying a product as being from that zone when the quality, reputation or other characteristic of the product is due mainly to its geographic origin. A good example would be to register a certification trademark that distinguishes all the products made with nut from the Mexican region of Parras, Coahuila, a region known by their good quality nuts.

In the case of the previous paragraph, the registration of a trademark certification could only be requested by: (i) the legal entities dedicated directly to the extraction, production or manufacturing of the product to be protected; (ii) the chambers or associations of manufacturers or farmers linked with the product to be protected; (iii) the offices or entities of the Federal Government, and (iv) the governments of the Mexican States in which the product to be protected is extracted, produced or manufactured.

Given their nature, the certification trademarks cannot be licensed and its use is reserved to the persons that comply with the conditions set forth by the owner.

### Right of Opposition

The right of opposition is a procedure that allows anyone to oppose, on justified grounds, to the registration of a trademark in Mexico. This right exists in the Law since year 2016, and the Amendment has modified some of the provisions related to the exercise of such right.

Any person that wishes to oppose to the registration of a trademark in Mexico, can do so within a non-extendable term of one month starting from the date in which the publication of the application for registration of such trademark becomes effective. Once such term has ended, the Mexican Institute of Industrial Property (“IMPI”) would publish in the Gazette a list of the trademark applications that have received an opposition.

The Amendment now provides, instead of a publication of such list in the Gazette, the IMPI must notify the trademark applicant directly, through the Gazette, of all the oppositions that have been received to the trademark it intends to register. This allows for the applicant of a trademark to easily identify if someone is opposing to the registration, being able to defend from the opposition and present evidence.

Additionally, the Amendment also acknowledges that all types of evidence will be admitted for the opposition, except for those that are contrary to the moral values and the law, and the confession and testimonial evidence (unless the confession and testimony are featured in writing). Once the evidence has been reviewed, the relevant documentation will be made available to the applicant and the opposing party for their formulation of their arguments in writing within a two-day period, and at the end of such period, the IMPI will proceed to examine the form of the application. Upon finalizing such examination, the IMPI will issue the corresponding statement regarding the oppositions received, duly explaining and establishing the legal grounds of its decision.

### Declaration of the Real and Effective Use of the Trademarks

Prior to the Amendment, the Law provided that if a trademark is not used during three consecutive years for the products or services for which it was registered, with some exceptions, the registration would expire.

The Amendment, aiming to solve such problem, creates an obligation for the trademark owners to declare before the IMPI the real and effective use of their trademark within the three months that follow the third anniversary of the trademark’s registration. Failure to comply with such obligation will result in the expiration of the trademark registration, hence preventing the existence of abandoned and non-used trademarks.

Additionally, when requesting the renewal of a trademark, the real and effective use of such trademark must be declared as one of the requirements to apply for the renewal.

The Amendment does not specify if the obligation to file the declaration of the real and effective use of a trademark applies solely to the trademarks that are requested after the Amendment becomes effective, or if once the Amendment becomes effective the use of every trademark previously registered must be declared. It

would be important to confirm the scope of such obligation directly with the IMPI once the Amendment becomes effective.

These are, mainly, the modifications made to the Law that will become effective on August 10, 2018. The Amendment introduces a lot of new matters, therefore it is possible that new guidelines, rules or amendments to the Law's regulation are issued to explain such matters deeply, allowing us to understand how they will be applied.

It is important to note that the Amendment includes matters already regulated in other countries, and that it is convenient to acknowledge them in the Mexican legislation to adapt to the current market practices, this is why the Amendment comes to improve the regulation of industrial property in the Mexican legislation.

#### Legal Note

The information contained in this article is provided for informational purposes only and should not be construed as legal advice on any subject matter. No recipients of the content of this article, clients or otherwise, should act or refrain from acting solely on the basis of any content included herein, without seeking the appropriate legal or other professional advice on the particular facts and circumstances at issue. The members of our Firm are only authorized to practice law in Mexico and this article has been prepared solely in accordance with Mexican law.

Do not hesitate to contact us at our numbers below for professional legal advice on the subject matter of this article or for any further information, comments or questions. Let us help.

July 3, 2018.



JATA - J.A. Treviño Abogados S.A. de C.V.  
[www.jata.mx](http://www.jata.mx)

Monterrey Office:  
Tel. +52 (81) 8335-4200.

Houston Office:  
Tel. +1 (713) 963-3677.

[info@jata.mx](mailto:info@jata.mx)