

### **What is a trademark?**

Trademarks and service marks are visible signs that distinguish products or services from others of the same type or category on the market. A word, slogan, design, three-dimensional shape, the name of a person, or any combination thereof may be registered as a mark. Mexican law recognizes 4 types of marks:

- **Nominative (standard character format)** - a word or series of words.
- **Non-nominative** - designs, logos or other distinctive visual elements.
- **Three-dimensional forms** - containers, packaging or product configurations.
- **Stylized** - combinations of any of the above, such as a word together with a design.

### **What are "trademark related rights"?**

In addition to trademarks and service marks, the law recognizes and protects the following types of distinctive signs:

- **Collective marks.**  
Used by associations of manufacturers, traders or service providers to distinguish their members' products or services from those of third parties.
- **Trade names.**  
Used by businesses to identify and distinguish themselves. Unlike a trademark, a trade name is protected only in that location where the business is known.
- **Advertising slogans.**  
Distinctive words used to distinguish businesses or their products or services from others of the same kind.

### **What are the benefits of registration?**

Trademark registration confers the exclusive right to use the mark in Mexico and the right to take legal action against infringement.

Registration and publication of a trade name confers a presumption of good faith adoption and use.

### **Is a trademark search necessary?**

It is advisable to conduct a search of the office records before filing an application. A search for pending, registered and dead trademarks may be conducted on the Mexican Institute of Industrial Property (IMPI) website.

### **How is a trademark registered?**

An application for trademark registration is filed with the IMPI. The application must contain the following:

- The name of the registrant.
- The registrant's nationality and domicile.
- A depiction of the mark.
- An indication as to whether the mark is nominative, non-nominative, three dimensional or Stylized thereof.
- A description of the goods or services. (The application may only cover goods or services in a single international class. Multiple applications must be filed to cover multiple classes of goods and services.)
- The date of first use in Mexico, if the mark is in use, or an indication that the mark is not in use.
- If priority is claimed under an international treaty, the date of the filing application and country of origin. (The certified priority document must be filed within three months of the application date.)
- A proxy, if the application is filed through a legal representative.
- Payment of Government fees.

### **How many exams does IMPI perform after the application has been filed?**

IMPI conducts two exams of the mark:

**1.-As to form** To ensure that the registrant has completely and accurately filed all necessary information and documentation, and paid the corresponding Government fees.

**2.-Substantive** To determine whether the mark may be registered or not.

### **How long does a trademark registration last?**

A trademark registration is valid for 10 years from the date of the application and is renewable indefinitely for like terms. The registrant must file an Affidavit of Use stating that the mark is being used in Mexico and that use has not been interrupted for more than 3 consecutive years.

### **May an application or registration be assigned or licensed?**

Trademark applications and registrations (except registrations for or applications to register collective marks) may be assigned by written agreement. Trademarks may also be licensed by written agreement. The law does not require that licenses contain provisions for quality control. All assignments and licenses must be recorded with IMPI. A properly executed assignment transfers all rights from the existing owner to another person (referred to as the Assignee). When the trademark is transferred, the Assignee becomes the new owner of the trademark and has the same rights as the original owner. IMPI records all assignment documents and any document that affects title. Documents that affect title include, but are not limited to, mergers, changes of names, security agreements, various liens, licenses, probate documents, and bankruptcy petitions.

### **What type of trademarks may not be registered in Mexico?**

- Marks that are identical or confusingly similar to previously-registered marks
- Marks that are confusingly similar to, liable to be associated with, or which constitute an appropriation liable to discredit a well-known registered or unregistered mark.
- Generic terms.
- Marks that are merely descriptive of the goods or services. (The notion of "acquired distinctiveness" does not exist under Mexican law.)
- Three-dimensional shapes that are public property or are in common use, lack originality, or are determined by the function of the product.
- Isolated letters, digits or colors.
- Sounds, scents or other marks that are not visually perceptible.
- Animated or changing names, figures or shapes.
- Geographically descriptive marks.
- Marks that constitute false indications as to the nature, components or qualities of the goods or services.
- Marks that include the coats of arms or emblems of any country, state, municipality or other political division.
- Marks that are offensive to moral values or customs.

If the trademark examiner determines that the mark may not be registered, IMPI will issue an office action indicating the reason for the refusal. The registrant may respond within 2 months, and either change the application, or show arguments to overcome the refusal. The application will be considered abandoned if there is no response within that time. If the examiner is not satisfied with the registrant's response, a final refusal will be issued.

If registration is refused on the basis of prior rights, the registrant may seek suspension of the application and file an administrative proceeding against the cited registration.

There is no opposition procedure in Mexico. Consequently, trademark applications mature to registration upon successful completion of the examination process.

Proof of use is not required prior to registration. However, it is advisable to file an affidavit of continued use every three years following registration to foreclose frivolous claims for nullification of the mark.

Generally speaking, the application filing date determines priority between competing applications and registrations. However, the owner of a prior, unregistered mark may seek nullification of a trademark registration.

### **Does the law provide special protection for well-known marks?**

A mark is well-known in Mexico if a given sector of the public or of the country's business sector is aware of the mark as a result of business activities conducted in Mexico or abroad by a person who makes use of the mark in connection with his goods or services; this shall include knowledge that is had of the mark within the territory as a result of the advertising and promotion thereof. A famous mark is a mark that is known to a majority of Mexicans. Well-known or famous marks are entitled to a broader scope of protection.

**Is use of the ® symbol or any other symbol alike required?**

Use of the words "marca registrada", the letters "M.R." or the ® symbol is required in order to obtain an injunction or recovery of damages in an infringement suit. These legends may not be used in connection with goods or services for which the mark is not registered.

**Is use of a registered mark required?**

Any mark that is not used for a period of 3 consecutive years prior to the filing of an administrative proceeding is subject to forfeiture.

**What types of substantive and procedural issues may be filed?**

With respect to marks, there are three different types of substantive and procedural issues: nullification, forfeiture and cancellation. When a proceeding is instituted, IMPI notifies the registrant, and the registrant has one month to respond.

The owner of a registered mark may apply for nullification of a trademark registration if:

- The registration was granted in violation of the provisions of the law in force at the time the registration was granted. (May be filed at any time)
- The mark is identical or confusingly similar to a mark that has been in use since before the earlier of the registrant's (a) application filing date, or (b) date of first use. (Must be filed within 3 years of registration)
- The mark is identical or confusingly similar to a prior registered mark. (Must be filed within 5 years)
- The registrant's trademark application contained false information. (Must be filed within 5 years)
- The agent, representative, user or distributor of a mark registered abroad applied for and obtained the registration in Mexico without the express consent of the holder of the foreign mark.

An action for forfeiture may be filed at any time if a registered mark has not been used for 3 consecutive years prior to the filing of the action. (A period of nonuse is not a basis for forfeiture if use of the mark has resumed.)

An action for cancellation of a registered mark may be filed at any time if the mark has become a generic designation for one or more of the goods or services covered by the registration.

### **How are trademark rights enforced?**

Mexican law provides three ways for the enforcement of trademark rights:

- Administrative infringement proceedings.
- Civil unfair competition actions.
- Criminal proceedings.

IMPI has jurisdiction over administrative infringement proceedings. The federal courts have jurisdiction over civil and criminal actions.

### **What acts constitute "administrative infringement"?**

The Industrial Property Law provides various trademark related violations which constitute administrative infringement, including the following:

- Using a mark confusingly similar to another registered mark to protect products or services identical or similar to those protected by the registered mark.
- Using a registered mark or one confusingly similar thereto without the consent of its owner as an element of a trade name or business name, or vice versa, provided that said trade names or business names are related to businesses working with the products or services protected by the mark.
- Using a mark previously registered or confusingly similar thereto as a trade name or business name or part of such a name by a natural person or legal entity whose activity is the production, importation or marketing of goods or services identical or similar to those to which the registered mark is applied.
- Using a registered mark without the consent of the owner thereof or without the appropriate license on goods or services identical or similar to those to which the mark is applied to.
- Offering for sale or bringing into circulation goods identical or similar to those to which a registered mark is applied in the knowledge that the mark has been used on those goods without the consent of the owner thereof.

In addition, the Industrial Property Law contains general provisions against unfair competition which may be used to protect unregistered trademarks, trade names and the like such as:

- Engaging in acts contrary to proper practice and use in industry and commerce which amount to unfair competition and which relate to intellectual property.
- Using, within the geographical area of the effective customers a trade name that is identical or confusingly similar to another already being used by a third party to protect an industrial service or commercial business in the same or a similar field.

- Pursuing or achieving the aim of denigrating the products or services, the industrial or commercial activity or the establishment of another party. (This provision does not apply to fair comparative advertising.)
- Using a trade name or a name confusingly similar thereto without the consent of the owner thereof or without the appropriate license to distinguish an industrial, commercial or service business in the same or a similar field.

### **What is the process in an administrative infringement action?**

An aggrieved party may file a request for an administrative declaration with IMPI. (IMPI may also begin an investigation on its own initiative.) The complaint must be signed by the plaintiff or its legal representative, be accompanied by the appropriate fee and indicate:

- The name and address of the plaintiff and its legal representative.
- The plaintiff's address for receipt of notices and summonses.
- The name and address of the defendant or its legal representative.
- A description of the relevant facts and circumstances.
- A statement of the legal basis for the action, in clear and precise terms.
- Any documentary evidence supporting the claim.
- A list of relevant proof expected to be in the possession of the defendant.

All evidence in support or in opposition to the administrative declaration must be filed in writing. Evidence may consist of original or certified copies of documents on which the action is based (e.g. a certified copy of the plaintiff's trademark registration), affidavits, invoices, statements of inventory, advertising, product specimens, and the like. Evidence that is illegal or immoral is prohibited.

After the complaint is filed, IMPI will issue an office action to the alleged infringer. IMPI may require the defendant to turn over documents or information, and conduct an inspection of the defendant's premises, subject to appropriate measures for maintaining the confidentiality of the information disclosed. The defendant is then given an opportunity to respond to the complaint and present evidence on its behalf.

### **What is copyright?**

Copyright is a form of protection grounded in the Mexican Copyright Law and granted by law to the creators of literary and artistic works divided in two rights:

- 1.-Moral rights** perpetual, inalienable, irrevocable rights that are personal to the author and following the copyright owner's death, his or her heirs.

**2.- Economic rights** the authority to use, authorize others to use and to exploit the work without prejudice to the copyright owner's moral rights.

### **What are the requirements for copyright protection?**

- **Originality** - works must be original
- **Fixation** - a work is under copyright protection the moment it is created and fixed in a tangible form or medium of expression
- **Expression** - Works must be susceptible of disclosure or reproduction in any form or manner.

### **What works are protected by copyright?**

Copyright protects original works of authorship that are fixed in a tangible form of expression; in other words that are capable of publication, disclosure or reproduction. The fixation need not be directly perceptible so long as it may be communicated with the aid of a machine or device. Copyrightable works include the following categories:

- Literary works
- Musical works, including any accompanying words
- Dramatic works
- Choreographic works
- Pictorial or graphic works
- Sculptural works
- Cartoons and short story works
- Architectural works
- Motion pictures and other audiovisual works
- Radio and T.V. programs (sound recordings)
- Computer programs

Other similar creations that may be considered literary or artistic works may also be protected by copyright. Foreign copyright owners have the same rights as Mexican nationals.

### **What is not protected by a copyright?**

- Works that are in the public domain
- Ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices, as distinguished from a description, explanation, or illustration
- Schemes, plans or rules for performing mental acts, playing games, or doing business
- Letters, numbers or colors, unless they are sufficiently stylized to constitute original designs
- Names, titles or phrases
- Layouts or blank forms
- Unauthorized reproductions or imitations of coats of arms, flags or emblems of any country
- Texts or translations of government documents
- News content
- Works consisting entirely of information that is common property and containing no original authorship such standard calendars, height and weight charts, tape measures and rules.

The law provides limited exceptions to copyright protection. Specifically, it allows certain uses of copyright works without the consent of the copyright owner without compensation when the "normal exploitation" of the work will not be adversely affected. The following uses are considered "fair use":

- Quotations of a text.
- Reproductions of works relating to current events that have been published in the press unless expressly prohibited by the copyright owner.
- Reproduction of parts of a work for research.
- Single reproductions of a work for personal, private and non-commercial use.
- Reproductions of graphics, photographs and other mediums of publicly-visible works.

### **What are moral rights?**

Moral rights grant the copyright owner, and his or her heirs, the right to:

- Determine if the work is to be published and, if so, in what form.
- Determine the mechanisms for keeping the work unpublished.
- Ensure attribution to the copyright owner with respect to the work or to provide for its publication as an anonymous or pseudonymous work.
- Demand respect for the work by prohibiting any mutilation or modification, as well as any attempt to dishonor or prejudice to the copyright owner's reputation.
- Modify the work.
- Withdraw the work from commerce.
- Oppose to any attribution to the copyright owner of a work he/she did not create.

### **Who is entitled to own moral rights?**

Only the individual(s) that created the work, e.g., the copyright owner(s), and his or her heirs are entitled to moral rights, since these rights are personal and derive from the prestige and reputation of the copyright owner.

### **What are economic rights?**

Economic rights include the right to authorize or prohibit:

- The reproduction, publication, editing or material fixation of the work by any means.
- Public communication of the work by publication, performance or exhibition in any medium, including by telecommunications.
- Public transmission or broadcast of the work by any means, including cable, optical fiber, microwave, satellite transmission or by other comparable means.
- Distribution of the work, through sale or any other means.
- Importation of copies of the work.
- The publication of derivative works, such as translations, adaptations, paraphrased versions, arrangements and transformations.
- Any other public use of the work, except as permitted by law.

### **Who is entitled to own economic rights?**

Holders of economic rights may be the copyright owner's, his or her heirs, or any person that has acquired the author's economic rights by any legal means.

### **Who owns works made for hire?**

Unless otherwise agreed, a party who commissions a work or creates a work with others for compensation shall enjoy ownership of economic rights in the work.

### **Is copyright ownership contingent on registration?**

Copyright exists from the time a work is fixed in a tangible form of expression. In general, copyright registration is a legal formality intended to make a public record of the basic facts of a particular copyright. However, registration is not a condition of copyright protection. Even though registration is not a requirement for protection, the copyright law provides several inducements or advantages to encourage copyright owners to make registration.

### **What is the purpose of copyright registration?**

The owner of a copyright registration is presumed to hold good title to the registered work. Moreover, the facts stated in the copyright registration are presumed to be true and registration establishes a public record of the copyright claim.

### **Is use of the copyright notice required?**

The Copyright Law requires use of the notice "Derechos Reservados" or the abbreviation "D.R." followed by the symbol ©, the name and address of the copyright owner and the year of first publication. Failure to display the appropriate copyright notice will not invalidate the copyright, but may subject the copyright owner to sanctions for copyright infringement. Use of the notice is also necessary because it informs the public that the work is protected by copyright, identifies the copyright owner, and shows the year of first publication. Furthermore, in the event that a work is infringed, if a proper notice of copyright appears on the published copy or copies to which a defendant in a copyright infringement suit had access, then no weight shall be given to such a defendant's interposition of a defense based on innocent infringement in mitigation of actual or statutory damages.

### **How long copyright protection endures?**

Generally, the term of protection is the life of the copyright owner plus 100 years. For works with multiple creators, protection extends for 100 years after the death of the last surviving author. Non-original works such as databases, where the protection does not extend to the data or material contained therein, are protected for 5 years. Neighboring rights are protected for a term of 50 years from the date of first publication or fixation, except for broadcasts, which are protected for a term of 25 years.

### **Can a copyright be transferred or licensed?**

Any or all of the copyright owner's exclusive rights or any subdivision of those rights may be transferred, but the transfer of exclusive rights is not valid unless that transfer is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent. In the absence of specific terms, courts will impose terms and, with respect to the duration of the transfer, 5 years will be assumed.

### **What is a trade secret?**

A trade secret is any information kept by an individual or corporation that:

- Is confidential in character.
- Relates to the nature, characteristics or purposes of products, to production methods or processes, or to ways or means of distributing or marketing products or rendering services.
- Is associated with securing or maintaining a competitive advantage.
- Is subject to sufficient systems or means for preserving confidentiality.
- Is maintained in documents, electronic or magnetic media, optical discs, microfilm or other similar material.

**Is registration of a trade secret possible?**

There is no procedure for registration of trade secrets. Rights are generated by existence of the trade secret.

**What is the term of protection for a trade secret?**

A trade secret is protected for as long as the legal requirements for its protection are met.

**Can a trade secret be transferred or licensed?**

The owner of a trade secret may transfer it or authorize its use by a third party. An authorized user is under an obligation not to disclose the trade secret by any means. In agreements in which know-how, technical assistance or other confidential information are provided, confidentiality clauses may be included to protect trade secrets.

**What are the penalties for disclosing a trade secret?**

A party is liable for payment of damages resulting from the disclosure of a trade secret if they obtain the trade secret:

- Through work, employment, position, practice of his or her profession or in the conduct of business, provided they have been warned to maintain the secret,
- By engaging an employee who is working for or has worked for another person and has access to the trade secret, for the purpose of obtaining the trade secret, or
- By any other unlawful means.

In addition, Article 223 of the Industrial Property Law defines, as criminal offenses:

- Revealing to a third party a trade secret that was known by virtue of employment, position, responsibility, the practice of a profession or business relations, or as a result of the grant of a license for its use, without the consent of the person keeping the trade secret, having been advised of its confidentiality, for the purpose of procuring an economic benefit for oneself or for the said third party, or for the purpose of doing harm to the person keeping the secret.
- Appropriating a trade secret without the right to do so and without the consent of the person who keeps it or its authorized user, in order to use it or reveal it to a third party for the purpose of procuring an economic benefit for oneself or for the said third party, or for the purpose of doing harm to the person keeping the trade secret or to the authorized user thereof.

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- Using information constituting a trade secret that is known by virtue of employment, position, responsibility, the practice of a profession or business relations, without the consent of the person keeping it or the authorized user thereof, or that has been revealed to one by a third party, in the knowledge that the said third party was so acting without the consent of the person keeping the trade secret or the authorized user thereof, for the purpose of procuring an economic benefit or doing harm to the person keeping the trade secret or the authorized user thereof.

In a criminal trade secret infringement case, the court may imprison the defendant for 2 to 6 years and issue a fine corresponding to 100 to 10,000 days of the general minimum wage payable in Mexico City.