

Madrid System and Mexico's opposition system

Laura Collada and **Ariadna Galvez** of **Dumont Bergman Bider & Co** discuss Mexico's experience of the Madrid System since 2013 and point out some flaws in its new opposition system

Mexican legislation adopted the Madrid system in 2013 and we are still seeing some inconsistencies due to the inaccurate adoption and application in Mexico. The latest addition to the Mexican legal system, which is the opposition system, is destined to the same outcome. This year, Mexican Congress approved an unaccomplished and flawed opposition system, by taking some parts of an international figure prevalent in many countries and joining it with several convenient adjustments to Mexican practice.

The Madrid System

The Mexican system adopted two international concepts, but carried out its own modifications to them, motivating numerous procedural and legal complexities, some of them secondary but some others, which represent a considerable risk to the legal rights of Mexican and foreign applicants and holders who care for preserving their industrial property rights in our country.

The Madrid System was adopted three years ago and the Mexican Institute of Industrial Property (IMPI) as well as IP-specialised firms and other practitioners are still going through various and diverse difficulties.

One of the complications faced daily is the defective translation into Spanish of the goods or services covered by international registrations designating protection in Mexico. The IMPI constantly issues formal objections with the only basis



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Laura is the only female Managing Partner of an IP firm in Mexico. She started in the field in a renowned IP firm and then moved to work at the Mexican Trademark Office (IMPI) where she was the sub-director for the Prevention of Unfair Competition in charge of all administrative infractions. She returned to private practice in 2000, joining DBB and was put in charge of the litigation department.

As Managing Partner she has modernised the image of DBB as well as developing it further in different areas to achieve complete client satisfaction. Under her supervision, DBB achieved ISO 9001:2008 certification (by TUV Rheinland) for having a quality management system. DBB is the first IP firm in Mexico that has been certified in all areas.

being a faulty translation of the narrative of goods or services originally submitted in a different language, or the misconception of terms that are commonly used in other Spanish-speaking countries but not in our country, causing the Authority to seek clarification thereof. The IMPI insists on issuing a clarification requirement of any description of products or services if the wording used is not exactly as listed in the International Classification of Goods and Services acceptable to IMPI or the Complementary Listing of goods and services updated by IMPI every year.

This situation causes delays derived from an interrupted registration process, which also causes unnecessary disbursements for responding to objections that could have been avoided.

Furthermore, one of the most important complexities is the lack of mechanisms or any means for the notification of official notices that need to be served in foreign addresses. In this regard, it is frequent to receive requests of assistance from applicants who received a provisional refusal and who wish to comply with the formal or substantive requirements issued by



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the IMPI or even to argue against the citation of a third party trade mark, among other objections that may be issued based on the provisions of the Industrial Property Law. Those applicants are absolutely attentive to protect and defend their IP rights, but on the other hand it is truly rare that an applicant or holder of a trade mark with no objection and for which protection is easily granted appoints a Mexican representative or even an address for service of any official notices from the Authority, including potential cancellation actions.

This means that companies and individuals are not necessarily aware that those trade marks granted without any objection also need to be constantly monitored, but more importantly a domestic address should be indicated for service of documents purposes. The great problem of not indicating a domestic representative is that, if none is appointed before the IMPI and a third-party initiates legal actions (invalidation/cancellation) against a trade mark registration, the litigation branch of the IMPI would not be able to serve the titleholder with the summons of such actions in a domestic address, considering that the only one for doing so – as indicated in the International Registration –, would be located abroad. If the only address indicated in a certain trade mark file is foreign, the Mexican Authority would supposedly remit the cancellation action directly to the International Registration holder, by means of letters rogatory. It is worth mentioning that this would directly depend on the plaintiff's intention of initiating the action, considering the excessive costs and the almost unreasonable timeframe that obtaining and serving a letters rogatory would involve. This problem constantly causes important risks for those trade marks which are not being handled and/or monitored by a legal representative in our country.

Opposition system

The opposition system has become this year's challenge, mainly due to the legal uncertainty caused by the amendments by which the opposition was introduced to the Industrial Property Law. In general terms, after a trade mark application is filed it will be published in the Industrial Property Gazette within a 10-business day term, and counted from the publication date there would be a 30-day term during which any third party would be able to file a full opposition with arguments and evidence, if any, as to why such trade mark should not be granted registration by the IMPI. Then, once the authority receives oppositions filed by third parties, each of them is published in the Gazette within a 10-business day term, so that applicants of trade marks against which oppositions have been submitted, may decide whether to file a response towards which a thirty-day term would be granted.

A minor complication of the timeframe provided by the Industrial Property Law is that the opposing party must file a complete and thorough opposition complaint – not only a notice of opposition – together with the corresponding evidence supporting the arguments provided, but the term provided for this is – quite frankly – too short. It is also important to consider that the opposition is supposed to be carried out simultaneously to formal examination conducted by the examining attorneys, which makes us assume that both procedures may and will very likely overlap.

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In addition to the above, the issue that caught everyone's attention is that the Industrial Property Law now states that once a trade mark application is published in the Gazette, any person may file an opposition against the same on any grounds provided for by the Industrial Property Law, related to both absolute or relative grounds. From this, one may infer that, unlike as in cancellation actions, for lodging an opposition it is not necessary to prove that the opposing party has legal standing against the trade mark application. In fact, the person filing an opposition will not be considered – by any means – a party to the opposition proceeding.

Furthermore, another great concern is that the Industrial Property Law provides that the Authority MAY – not shall – take



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into consideration the opposition at the time of performing substantive examination of an application. This is, it is not compulsory for examiners to even consider an opposition during examination.

In this regard, considering that IMPI has established an overpriced official fee for filing an opposition, one would infer that the same should be studied by the Authority as a significant part of the registration process of a trade mark, but if an opposition is filed, the examiners may just as well disregard it – instead of studying the same and then issuing a grounded decision with the detailed motivations of the same – and the opposing party would be left to find out about the outcome of the opposition just by verifying if the trade mark against which the opposition was filed has been granted or rejected.

Considering the above, despite how conflicting it may sound, the opposition in Mexico will not be treated as proceedings during the registration process of a trade mark, it will not suspend the application, nor it will either be binding for the Trade-mark Authority but it will certainly have an effect on the length of the registration process of Mexican trade mark applications.

Moreover, with the incorporation of the opposition system to the Mexican legal system, another crucial concern is that the IMPI did not develop – and does not intend to develop – any type of mechanism in order to serve on the owners of International Registrations the publications of the Industrial Property Gazette in which trade mark applications filed are being published.

In other words, there is no procedure aiming to properly inform holders of trade mark applications/registrations resulting from International Registrations (Mexican designations) about (i) the term for filing an opposition against a current trade mark application; and (ii) the term to submit a response to an opposition lodged by a third party against a trade mark application interest of the applicant.

In this regard, the Mexican Authority has only announced that there would be some sort of coordination with WIPO, so that when applicants designate Mexico they could be properly and timely informed of this, as well as the consequent significance of these barriers. But again, when it comes to international registrations, companies as well as individuals are being forced to appoint a legal representative in Mexico so that they may be sure that their IP rights will be appropriately taken care of.