

# Madrid, TPP and the trade mark system

The TPP and the Madrid System promise to bring major changes to Mexico's trade mark regime. **Christian Thomae** of **Dumont Bergman Bider & Co** explains

Mexico acceded to the Madrid System in 2013 and has signed the Trans-Pacific Partnership (TPP) – which is still pending ratification by the Mexican Senate. The amendment of the Industrial Property Law, as well as changes to some of the criteria applied by the Mexican Institute of Industrial Property, have become urgent to deal with the needs and commitments assumed in becoming a part of both treaties.

## Madrid System

The implementation of the Madrid System does not call for amendments to the Industrial Property Law *per se*. But users of the System and trade mark practitioners in Mexico have faced certain obstacles derived from the formal and substantial criteria applied by the Mexican Institute of Industrial Property (IMPI), during the course of examination of designations of Mexico in International Registrations. These have resulted in the issuing of provisional and total provisional refusals where protection has been granted for the same matter in other designated countries, with or without the existence of any provisional or total provisional refusals.

Two are the main examples: (1) refusals based on the descriptions of goods or services in an international registration, despite having been prepared using the Madrid Goods and Services Manager (MGS) and (2) cases in which the refusal is based on absolute grounds of refusal, descriptiveness primarily, when protection has been granted by other designated countries and even where no other refusals have been issued in any of the designated countries.

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With a special focus on trade marks, but also fluent in patents, copyright and other fields of IP and associated litigation, he has assisted IP holders with the protection of their rights globally, developing protection strategies according to the needs of each client, to achieve their secure entry into different markets. He also has great experience in e-commerce, domain names, UDRP and LDRP proceedings and matters related to the protection of rights on the internet.

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Christian has participated as a speaker at different IP conferences and congresses and has and continues to be part of the faculty for the World Intellectual Property Organization (WIPO) at the WIPO Summer School on Intellectual Property in Mexico since 2008.

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In the first case, refusals for classification issues derive mainly either from IMPI's consideration that specific goods or services are ambiguous and must be clarified to determine if these belong to the class in which registration is being sought, or belong to other classes – which in most cases is a consequence of local criteria along with ambiguity in the acceptable version of the Nice Classification applied by Mexico – or in the complementary listing of goods/services which is issued by IMPI every year – which are limited compared to the additions, modifications and deletions of goods performed by WIPO in the MGS or other IP offices abroad, such as the USPTO. Along with these limitations of the actual classification documents that are applied by IMPI, comes a second factor: the translation of the goods/services performed by the International Bureau which in cases translates terms in a manner that they cannot be understood in other languages such as – in our case – Spanish.

The second reason for total provisional refusals is the criteria applied by IMPI as part of examination on possible absolute grounds of rejection and which not only affects designations of Mexico of International Registrations, but also nationally filed applications. Here, Madrid users have faced complexity in persuading IMPI of the applicability of Article 6 *quinquies* of the Paris Convention in response to a provisional refusal in which the registrant files arguments and evidence that prove that the trade mark has been granted protection in the country of origin (and, in some cases, in many others) in which, in any event, the official or primary language spoken is that in which the mark is being filed. In this specific case, it is important to point out that in some of these cases the designations of other countries of the Union have been granted full protection, with no reservations, for trade marks for which, in Mexico, a total provisional refusal has been issued. Some of these cases have reached a different outcome at an appeal stage at the Federal Fiscal and Administrative Court of Justice which can order IMPI to analyse the case again or even to grant protection.

However, in both cases, rather than amending the Industrial Property Law or its Regulations, it would be necessary for IMPI to review its Examiner's Manual and the several accords regulating the classification and examination issues in question. The need for IMPI to adopt MGS or any other harmonised classification based on the Nice Classification, or to perform a real and in-depth localisation, review and addition process of the current version of Nice as issued by the Nice Union Assembly through the Committee of Experts is undeniable and should be assumed sooner rather than later.

## Trans-Pacific Partnership

The Trans-Pacific Partnership will require serious and substantial amendments not only to the Law of Industrial Property and its Regulations, but to all the laws applicable to the different fields that this new treaty covers. We will analyse only those relevant to intellectual property, specifically trade marks.

Since its coming into force in 1991, the Law of Industrial Property which back then was a trendy, modern and exemplary piece of legislation in its field, and which even served as the basis for laws such as that of Guatemala, has had few changes, which have

now made it a relatively obsolete legislative document in the ever-changing world of IP.

However, with TPP recently signed – but yet to be ratified by the Mexican Senate – and the obligations assumed by Mexico and the rest of the member states, we have the perfect motive to modernise our law to meet up with international standards and institutions in IP. These include non-traditional trade marks to the suppression of the need of recording documents such as license agreements for these to be enforceable against third parties.

The first step towards complying with TPP, as far as trade marks are concerned, is the need to ratify the Singapore Treaty on the Law of Trademarks which Mexico signed back in March, 2006 – and which has not yet been ratified by the Mexican Senate. This is one of the several treaties that TPP members must sign and ratify, according to the TPP text. The ratification of the Singapore Treaty on the Law of Trademarks, along with the ratification of TPP would automatically, as a consequence, force Mexico to make several amendments to its Industrial Property Law, covering formalities, criteria and institutions. These amendments should be taken advantage of to transform the trade mark system in Mexico and once again put in place a leading law in the field.

Starting from the basics, our current legislation provides only for protection of trade marks that are visually perceptible – and static, by the way – while TPP states that “no Party shall require, as a condition of registration, that a sign be visually perceptible”. The Singapore Treaty, however, only states that “any Contracting Party shall apply this Treaty to marks consisting of signs that can be registered as marks under its law”. In this specific case, even though the Singapore Treaty grants every country the liberty of determining which trade marks shall be registrable, TPP is clear regarding non-traditional trade marks, including sound, scent, motion, appearance, shape, taste and touch trade marks and which, according to TPP, should be acceptable in the member countries.

As regards certification marks, again, the Singapore Treaty expressly excludes them along with collective and guarantee trade marks as part of its scope, but TPP is clear in stating that “Each Party shall provide that trademarks include collective marks and certification marks” even though it states that it is not necessary that they be included in a separate category to other types of trade marks. Nowadays, should a company or individual be seeking protection for certification marks in Mexico, they would have to file for a regular trade mark registration, be it word, combined or device, depending on if the “certification seal” is to be protected or not. If the certification were to be performed by a group of companies/persons of a given industry, then they would have to file for a collective mark or form a not-for-profit organisation that would administer the certification process and grounds and seek protection of a regular trade mark registration.

In the case of well-known trade marks, our current legislation provides for an “estimation of notoriety” and a “declaration of notoriety” – and fame, in both cases – as a consequence of an amendment 11 years ago, which incorporated the procedure,

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evidence required and costs around the creation of the figure of “declaration” of notoriety or fame of trade marks. Since its conception and adoption a very small number of cases have been submitted to/accepted by IMPI, mainly due to the costs and requirements involved in the proceeding but also to the limitations of the actual protection granted, which is limited to five years upon expiration of which an “update” must be filed. This must be accompanied by all the corresponding evidence for IMPI to evaluate if the trade mark may still be deemed notorious/famous, again with the need of paying official fees.

On the other hand, the “estimation of notoriety/fame” is a figure that is still available, despite the mentioned reform, which consists in IMPI, the Federal Fiscal and Administrative Court of Justice and/or the circuit courts deeming a trade mark as notorious or famous as a consequence of a legal decision in a specific case. This could be a cancellation or infringement decision where the trade mark is found to be well known.

To this extent, the Singapore Treaty has no provisions regarding notoriety, but those established by TPP would seem to reject the procedure in force in Mexico. The TPP states: “no Party shall require as a condition for determining that a trademark is well-known that the trademark has been registered in the Party or in another jurisdiction, included on a list of well-known trademarks, or given prior recognition as a well-known trademark”, which suggests that the law would have to be amended to repeal the amendment by which the “declarations” of notoriety and fame were incorporated into the Mexican system. The current system establishes that, in order to file for the declaration, an applicant must have a registration for the mark for which the declaration is being sought; once IMPI has analysed the application and issued the declaration, it is required to publish the declaration in the official Gazette; and this declaration would represent the prior recognition as a well-known mark; which would actually allow us to believe that the entire current system goes against the provisions of TPP, being necessary to amend the law in this respect.

## Opposition proceedings introduced

Article 18.23 of TPP establishes the guidelines for examination and opposition proceedings, which is the next aspect that will be analysed. Mexico has recently passed amendments to incorporate opposition proceedings, which entered into force on August 30 2016. The amendment provides for the publi-



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cation of applications within 10 days following the filing date; once published, any third party may file an opposition writ (be it for relative or for absolute grounds of refusal) within 30 days following the publication; IMPI will publish the filing of an opposition in the Gazette within the following 10 days and the applicant will then be granted 30 days from publication to file the corresponding response. The “proceedings” will not suspend the application; the opposer will not be deemed a party in the case and the opposition and response filed will not be analysed until the application is assigned to substantial examination. The amendment states that the opposition and the response *may* be considered by IMPI during substantial examination, which would mean that the opposition cannot

be considered as binding for IMPI to at least take into account during examination.

Therefore, these recent amendments, in light of the provisions of TPP, would have to be repealed to incorporate a system which results in the issuing of an administrative decision which, in fact, analyses the opposition, response and evidence and arguments submitted with each in detail, as is provided for in section (d) of Article 18.23 of TPP.

Finally, regarding the current provisions of the Mexican Law in terms of the need of recording licence agreements for these to be enforceable against third parties and so use conducted by licensee inures in the benefit of the trade mark holder, again TPP would repeal the current Law and require amendments to delete the recordation requirement.

### Serious and thorough reform

As a consequence of the accession of Mexico into the TPP, a serious and thorough reform of our industrial – not to say intellectual – property legislation would be necessary, not only as regards trade marks as analyzed in this article, but also geographical indications, patents, industrial designs, plant varieties and, in general, all aspects of IP, to be compliant with the treaty.

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