



MEXICO MOVES FORWARD

Laura Collada offers her arguments for making Mexico more of a priority in your clients' IP strategy

On 19 February 2013, the Protocol Relating to the Madrid Agreement concerning the International Registration of Trade Marks (the “Madrid Protocol”) entered into force in Mexico. The instrument of accession to the Madrid Protocol was deposited at WIPO on 19 November 2012, and the guidelines for applications and filings under the Madrid Protocol were published in the *Official Gazette* on 12 February 2013. The number of trade mark applications that will be filed in Mexico through the Madrid Protocol at this point is uncertain, but estimates for the first year there anticipate around 7,000 applications.

In fact, the first application filed through the Madrid Protocol has already been granted; on 2 August 2013 trade mark LOVELY LAB was registered under number 1387899 by a US company. This fact could send an erroneous message to the IP community, which uses the Madrid Protocol on a daily basis.

Mexican legislation has its own peculiarities. For example, applicants must realise that there are three different ways of filing a trade mark application: i) through the traditional system described in the legal framework; ii) through the Madrid Protocol, and iii) online; this last option speeds up the prosecution and administrative analysis. It is important to discuss with local counsel which route would be the best option.

An application filed through the traditional system might obtain registration in a six-month period, while an online application can mature into registration in three months. This difference in timing can be an important issue where the applicant wants to obtain registration as soon as possible. On the other hand, the time frame for registration under the Madrid Protocol is much longer; it can take up to 18 months to issue an official action by the Mexican trade mark authority (Instituto Mexicano de la Propiedad Industrial – IMPI). So the decision of which way to file will depend on the applicant's business priorities.

Moreover, classification can be a nightmare in any jurisdiction, and in Mexico it is acceptable to use the

class heading, the description of specific goods and services, or a combination of both. So the specification of goods and services can be a tricky area during examination of the application by IMPI. It is important to stress that IMPI will perform an administrative (formal) exam even though WIPO will also perform its own examination. Remember, also, that Mexico does not have a multi-class system, which means that the application will be examined in each and every class in a different way.

Major change

The inclusion of the Madrid Protocol is a major change in Mexico's legal framework and it is expected to increase the number of filings in the country. However, as Mexico does not have an opposition system, there is a huge downside in its legal framework. It is true that an opposition system is not required for filing and prosecuting applications under the Madrid Protocol, but it is a highly recommended tool.

I believe Mexico must now implement an opposition system. The challenge will be amending legislation to avoid the potential for opposition to become a way to delay examination and registration for both national and international trade mark applications.

In light of the above, foreign applicants will have to assess the advantages of using the Madrid Protocol against the other alternatives for filing, and in many cases filing a national application may be justified.

IP leader

Mexico has, for many years, been a leader in IP in Latin America, thanks to the huge levels of foreign investment in the country and also the international treaties signed by Mexico. Moreover, Mexico is a growing market, serving as a buffer between North America and Central and South America. In the centre of regional trade, Mexico has learned to deal and negotiate with both markets, which has helped to foster important IP activity.

Nonetheless, although Mexico is among the 15 strongest economies in

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the world and the IMPI is among the 20 top offices worldwide according to WIPO, Mexico is not considered a priority country when the decision comes to file a trade mark application and the applicant is a global player.

The Madrid Protocol and TMview system, etc, have been the way to enhance the legal framework to attract more filings, and Mexico must be considered a priority country for many reasons such as the strategic position of the country in the Americas, the huge internal market, its growing economy and the consumer's purchasing potential, and its position as the third largest supplier of imported goods to the US. However, very few Mexican trade marks will be filed through the Madrid system. Small and medium enterprises are growing and developing, but Mexico is still taking baby steps.

Unfortunately, the question facing us today is not whether Mexico is or isn't a priority country, or if it has enhanced its legal framework, or

even if signing the Madrid Protocol was a good idea. Today, the reality is that Mexican practitioners have to work with a system that offers many options and must choose the best one for their clients.

The Madrid Protocol provides a low-cost and simplified system for filing international applications, single payments for renewals, single recordal for assignments, changes of address, etc. However, when those applications are examined in a certain jurisdiction they have to cope with local particularities, which in Mexico includes the lack of an opposition system and the lack of a multi-class system.

Practitioners must realise that using the Madrid System will not be the same experience in Europe as in other jurisdictions – even more so when it has just recently been implemented – and also that the bedding-in of this process will continue in Mexico. Practitioners must, therefore, assess the various ways to file an application in this jurisdiction so that they really service the goals of their clients.

Positive steps

On the other hand, Mexican authorities have been working hard on classification, criteria and guidelines to improve transparency across the whole prosecution process. In addition, Mexico's Government has a strong policy aimed at fostering innovation and assisting with enforcement of IP rights, recognising that they are essential for economic prosperity, competitiveness, growth and development.

Mexico has taken positive steps on IP rights by modernising and enhancing its system and should be considered by more applicants as a priority country. So, instead of checking a box automatically, think about what clients really need.

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