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Trademarks

Use Requirements in Mexican Trademark Law

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According to Article 88 of the Mexican Industrial Property Law, a trademark is “any visible sign that distinguishes products or services of the same type from others of the same type or category on the market.” Unlike in the United States, Mexican trademark law does not recognize common law trademark rights. Instead, the first-to-file principle applies. The only way to obtain exclusive rights to use and enforce a trademark is through registration from the Mexican Institute of Industrial Property (IMPI).

Prior to developments in Mexican intellectual property law in 1991, trademarks were valid for 5 years from the application date, and registrations had to be renewed every 5 years. Proof of use was required at the time of renewal as well as within 3 years from the registration date. Proof of use entailed submitting not only of a declaration attesting to use and a specimen, but also providing financial information such as sales amounts.

Under current law, maintenance requirements have been simplified. The term of a registered mark was extended from 5 years to 10 years and proof of use requirements changed. Specifically, specimens of use are no longer necessary to renew a registration. While *proof*

of use may not be mandatory, actual use requirements were not eliminated.

Trademark owners in Mexico can file and obtain registration in Mexico on an “intent to use” basis. However, as discussed below, the mark must be used within 3 years from the registration date to prevent the registration from becoming vulnerable to cancellation.

Declaration of Use

Although renewal periods are calculated from the application date, use requirements are calculated from the registration date. Any mark that has not been used for 3 years from registration may become vulnerable to cancellation by a third party. For this reason, many Mexican trademark lawyers recommend that every 3 years a declaration be filed stating that use of the mark has not been interrupted for more than 3 consecutive years.

While not mandatory, these periodic statements of use by trademark owners are advisable. The declarations become part of the official record which may dissuade third parties from initiating cancellation proceedings. For example, a third party seeking to register a similar mark may be inclined to file a cancellation proceeding if they see that such statement of use has not been filed.

Additionally, since applications in Mexico are not published for opposition purposes, an interested party can file a cancellation proceeding on the ground of non-use if it believes it is harmed by registration of the sub-

ject mark. Therefore, filing such declarations would reduce the risk of potentially defending against an unwarranted cancellation action. It is far less expensive to file a declaration of use than it is to fight against a cancellation action. As one Mexican attorney explained, “the cost to file a Declaration of Use is only a few hundred US dollars while the cost to defend a cancellation action is thousands of dollars. Weighing the relatively small cost to file a Declaration of Use against the benefit to avoid a future cancellation action, the choice to file periodic declarations seems reasonable and cost effective.”¹

Resumption of Use and Renewal

It is important to note that resumption of use after a non-use period may cure the vulnerability, provided that, in the interim, no party has filed an action for cancellation against the mark. Furthermore, partial cancellation of a registration is not available in Mexico. Use of a mark for *any* of the goods or services in the registration is enough to maintain all of them.

While period declarations of use are not mandatory, there are requirements for renewal of a registration in Mexico. Trademark registrations are valid for 10 years from the application date and are renewable for subse-

quent 10-year periods. In order to renew a Mexican trademark registration, a renewal application must be submitted along with a declaration of use and the appropriate fee. Although no specimen of use is required, the required declaration must contain a sworn statement attesting that use of the mark has not been interrupted for a period of 3 consecutive years or more. There are limited exceptions to use requirements if the trademark owner has valid reasons for non-use. These include circumstances arising independently of the will of the trademark owner, e.g. import restrictions or government requirements.

Conclusion

In summary, maintaining the use of a mark is important to trademark protection in Mexico. Filing periodic declarations of use puts third parties on notice of rights and is considered proper policing activity. While not mandatory, filing a declaration of use reinforces trademark rights in Mexico and may help avoid unnecessary cancellation actions.

Notes

¹ José Manuel Hinojosa of Hinojosa Ortiz Ramirez & Asociados, Mexico City, in a recent discussion with the authors.