
Mexico: New Law on the Protection of Industrial Property

By [Alejandra Camacho Luna](#)

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Substantive changes:

- **Validity:** The validity of trademarks, trade names, and slogans is now ten years from the registration date for registrations granted after November 5, 2020. Prior to the amendments, the validity term was counted from the filing date. This provision was implemented to avoid granting registration to trademarks that would have in fact expired under the former validity term due to the time taken to achieve registration.
- **Email address requirements:** It is mandatory for applicants to include an email address in applications, which can be the email of the applicant’s attorney. The purpose of this requirement is to facilitate electronic notifications.

- **License recordal:** The recordation of license agreements is no longer mandatory. Voluntary recordations are available. But owners still need to prove the licensor-licensee relationship in non-use cancellation actions.
- **Consents:** Consent letters will be accepted for identical marks (in addition to confusingly-similar ones) for trademarks filed after November 5, 2020.
- **Distinctiveness:** Lack of distinctiveness (per se) was incorporated as a basis for rejecting an application.
- **Bad faith:** Trademark applications can be refused based on bad faith. The FLPIP defines bad faith as “filing a trademark application with the purpose of obtaining an undue benefit or advantage to the detriment of the legitimate owner.” (see section 172, XXII of the FLPIP).
- **Declaration of use:** Declarations of use were introduced to the Mexican system in 2018. However, the FLPIP ratifies this requirement and clarifies that third-year declarations of use are applicable to registrations granted on and after August 10, 2018. If a declaration of use is not filed, the registration is automatically cancelled. Likewise, goods/services not included in a use declaration will be automatically cancelled.
- **Declaration of fame (notoriety):** The requirements to prove the fame of a mark were reduced from fourteen to ten, specifically deleting (i) the advertising investment report, (ii) the indication of the geographical area of influence, (iii) the sales report, and (iv) the letter indicating the economic value of the mark.

Prosecution and litigation proceedings before the Mexican Institute of Industrial Property (IMPI):

- **Office actions:** IMPI will issue a single office action comprising formal requirements, substantive rejections (absolute and relative ground refusals), and oppositions. In Mexico, marks are published for opposition before examination. However, office actions will now address both examination and opposition issues.
- **Opposition and Nullity actions:** If the plaintiff previously obtained an unfavorable decision in an opposition and later files a nullity action against the corresponding registration using the same grounds and evidence as the opposition, the nullity action will be dismissed. Therefore, it makes

sense for opposers to thoroughly analyze their options and create a comprehensive strategy for each case.

- **Partial non-use and nullity actions:** Partial non-use cancellation and nullity actions are now available. In addition to mandatory declarations of use, partial cancellation actions are a helpful tool to streamline the Mexican Register. A marginal note in the relevant IMPI record will indicate the affected coverage and relevant action that affected such coverage.
- **Unfair competition:** If any competent authority issues an order establishing that a product violates federal or local laws, IMPI can initiate an *ex officio* cancellation action against the trademark registration associated with such product. The history behind this provision is that the Federal Consumer Protection Agency (“PROFECO”) has banned some trademarks in the market based on deception and bad faith use. For example, PROFECO held that the mark NUTRILECHE (“nutri” is derived from “nutritional” and “leche” means “milk” in Spanish) was deceptive because the designated product was not milk but rather a milk formula. Under the new FLPIP, IMPI would be able to cancel such marks after receiving such an order from PROFECO. Although the above example arose in the context of food/health products, this provision was written very broadly and is not limited to PROFECO orders, but also orders from other competent authorities.
- **Fines:** IMPI can now collect fines awarded in an infringement action directly. However, the infringement decision must be final (it can take several years to obtain a non-appealable decision). Before the amendments, IMPI could not collect fines directly, but rather had to collect the fines through a fiscal authority. The maximum amount of the fines increased from 20,000 UMA[1] (approximately USD \$78,000) to 250,000 UMA (approximately USD \$986,000).
- **Damages:** Under the FLPIP, a legitimate trademark owner can obtain damages through two different proceedings: (A) a motion filed before IMPI after obtaining an “enforceable” infringement decision or (B) civil litigation. Regarding the motion option (Option A), IMPI can issue an award of damages and quantify the amount of damages owed to the legitimate trademark owner. However, there are a couple of caveats. First, “enforceable” has not been defined. Experienced practitioners have opined that “enforceable” should be interpreted to mean a final, non-appealable decision. Second, IMPI does not have the power to collect damages. The collection of damages must be done through a judge. Therefore, the legitimate trademark owner must engage in an additional proceeding to collect the damages after receiving IMPI’s decision in the motion. Regarding the

second option (Option B), a civil action can be initiated against the infringer before a civil judge. However, the downside of choosing this option is that the civil proceeding could be suspended if a cancellation action is filed against the trademark right used as basis in the civil litigation. The civil proceeding would not be resumed until the cancellation action is definitively decided. Therefore, it is possible that option B could take more time.

The FLPIP provides that the motion before IMPI (Option A) is available for infringement actions filed after November 5, 2020. However, the FLPIP provides a one-year grace period so that IMPI can adjust its internal procedures to ensure that it is in a position to quantify fines and damages, and collect fines.

The next step is for IMPI to issue the implementing regulations of the FLPIP, which will provide further details on the workings of the new law.

[1] In 2020, UMA is equivalent to \$86.88 (Mexican pesos) per day, but the value of UMA changes every year.

Primary Contacts

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