



**STANDING COMMITTEE ON GEOGRAPHICAL INDICATIONS
QUESTIONNAIRE TO NATIONAL GROUPS**

2017

National Group Mexico

Contributors: **Juan M. ÁLVAERZ DEL CASTILLO**
 Antonio BELAUNZARÁN
 Laura COLLADA
 Sergio DE ALVA A
 Manuel MÁRQUEZ
 Jorge MIER Y CONCHA
 Alfredo RANGEL
 Ricardo SÁNCHEZ

Coordinator within Working Committee: Laura COLLADA

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Questions

Your Group is invited to submit a Report addressing the questions below. If your Group considers that the answer to a question has already been given in its report on Question Q191, and that nothing has changed since then, a cross-reference to the specific paragraph in your Group's report on Q191 is sufficient.

In each case please specify whether your answer differs:

(a) as between GIs and AOs; and

(b) depending on whether the GI or AO is foreign or domestic.

I. **Analysis of current legislation and case law**

1) **Are GIs and/or AOs protected under your Group's current law?**

Mexico is a party to the Lisbon Agreement of October 31, 1958 and therefore expressly recognizes in the Industrial Property Law the Appellations of Origin, as defined in said international agreement.

Currently Mexico has declared protection for 15 Appellations of Origin including Tequila, Mezcal, Café Veracruz, etc. With the exclusion of the newest AO -Cacao Grijalva-, these AOs have all been recorded with WIPO.

Note that as Mexico is also a party to NAFTA and TRIPS agreements, it has agreed to prevent the use or registration of any designation or trademark that consists of a geographical indication, if such use is misleading or false. These obligations are recognized in the Mexican IP Law when addressing the causes for refusing the registration of trademarks (article 90, sections X and XI), and also as a specific type of unfair competition (article 213, section IX, d).

2) **If yes, please briefly describe the following:**

a) **How AOs and GIs are defined and the prerequisites (in particular the type, nature and intensity of link with a territory).**

Appellations of Origin are defined in article 156 of Mexico's Industrial Property Law, as: "*...the name of a geographical region of the country which serves to designate a product originating therein, and which quality and characteristics are due exclusively to the geographical means, including natural and human factors*".

From said article it is clear that the protection of an AO will only proceed if the quality or characteristics of the product are due essentially to the geographical environment.

b) **Whether that protection is provided by sui generis laws; solely as aspects of other laws, such as by registration as collective or certification marks; or by other (and if so, what) means.**

The proceeding for protecting AOs in Mexico as well as the rights deriving therefrom and the regulations of their use by third interested parties, are determined exclusively in the Industrial Property Law. In case of the AOs for

Tequila and Mezcal, there are also specific Mexican Official Standards that regulate their commercial use.

c) If GIs and/or AOs are protected by sui generis laws, whether your Group's laws provide for a system of registration. If so, what are the steps of this procedure including the content of the application and the possibility of opposition by third parties.

The proceeding for the protection of an AO, as detailed in the Mexican Industrial Property Law is outlined below:

- i) Filing of an application with the Mexican Institute of Industrial property (IMPI), that needs to be accompanied with:
 - (a) Documents that describe the product, including its characteristics, extraction or manufacturing process;
 - (b) Place or places of extraction or manufacturing;
 - (c) Specification of the geographical area where the products are extracted or manufactured;
 - (d) A detailed description of the link that exists between the proposed AO and the specific territory;
 - (e) Documents that support the legal standing of the applicant. The law states that such application can be submitted by (i) individuals or juridical entities that are directly related to the elaboration, production or extraction of the product; (ii) associations or chambers of such producers, and (iii) the federal, local and municipal governments of Mexico;
 - (f) Payment of the prescribed fees; and
 - (g) Any other evidence relevant to the protection of the AO.
- ii) If any of the documents or evidence provided is unclear to IMPI, such Institute must require clarification of the relevance of the documents within 2 months, or it shall be considered abandoned.
- iii) Once all formalities are satisfied, IMPI will publish the application in the Official Gazette. Such publication will provide third parties with legal standing a two-month period to make any clarifications or request any amendments to the application.
- iv) If IMPI determines that the AO is to be protected, then it will publish a declaration of protection in the Official Gazette.

- v) Any person who wishes to use the AO will need to request separately an authorization form IMPI, which is petitioned and prosecuted separately.

3) If your country does not protect GIs and/or AOs, was this a deliberate decision and, if so, why?

N/A. It was not mentioned in the statement of reasons of the Mexican Industrial Property Law.

4) What are the grounds of invalidity/loss of rights for GIs and/or AOs under your Group's law (e.g. becoming generic, lack of use, not paying fees) and where can such be invoked (which court, office etc.)? Please specify the applicable test, how such is proven (e.g. consumer surveys, expert advice, dictionaries, etc.) and who bears the burden of proof.

The Mexican Industrial Property Law does not foresee that the rights given to a GIs and/or AOs shall be subjected to any payment of renewal fees, compulsory use, or any other administrative condition to remain valid and in full legal force, provided that as far as the conditions that were considered to grant the protection to the GIs/AOs (i.e. quality, reputation or other characteristic of the good essentially attributable to its geographical origin) subsist, then the rights shall subsist as well. A resolution from the Mexican Institute of Industrial Property (IMPI), stating that the conditions no longer subsist is the only way to loss the rights given for GIs and/or AOs.

Our law admits any kind of evidence to support the claims that the conditions considered for the protection no longer subsist, except witness's deposition; the IMPI should be deemed as expert witness, and each party, or the same IMPI, are entitled to present a third-party expert witness testimony.

Anyone who proves having a legal standing, is entitled to file a motion to the IMPI to issue a resolution to lapse the exclusive rights given to a GI and/or AO.

5) What is the scope of protection of GIs/AOs under your Group's current law?

The scope of protection of AOs under the Mexican Industrial Property Law ("MIPL") is the Mexican territory; in particular, the name of any "geographical region" (sic) within our country, as stated in article 156 of the MIPL.

Furthermore, article 168 of the MIPL states that Mexican Government can procure the protection of the AO in any country party of the Lisbon Agreement.

GIs are not regulated under current MIPL.

6) Against what kind of conduct are GIs/AOs protected? For example, against use misleading consumers, parasitism and free riding.

For using the exact same GIs and/or AOs and for the products for which the GI and/or AO is referred to, without having the authorization or license to do so.

Currently, there is a project to reform the Industrial Property Law to include as administrative offence to the GIs and/or AOs rights: 1) the mislead of consumers by using a denomination similar, for similar products, or even indication in services, 2) transliteration or translation of a GI and/or AO, for the purposes of misleading consumers or taking advantage of the reputation of a GI and/or AO, and 3) against using the GI and/or AO with the addition of the words “type”, “kind”, “genre”, “imitation”, “produced in”, “manufactured in”, or similar.

7) Who has legal standing to protect a GI/AO. For example, individual producers, consortiums and associations, public bodies.

As stated in article 158 of the MIPL the following have legal standing to protect an AO, (1) any individual person or legal entity that is directly involved in the extraction, production or elaboration of the goods seeking protection under the AO; (2) the chambers or producers associations, and (3) the public bodies or state entities of the Federal Government, and of the Federation’s local governments.

GIs are not regulated under current MIPL.

8) What remedies are available in the case of violation of rights in a GI/AO?

The law foresees as only possibility an administrative procedure of

declaration of infringement before the IMPI, in which, either initiated by who proves the legal standing for being an authorized user or collective users of the GI and/or AO, or ex officio by the IMPI, can declare that a third party has infringed the rights given to a GI and/or AO. This procedure ends with a fine to the alleged infringer which beneficiary is the Mexican Government.

Once the IMPI's resolution declaring the infringement becomes definitive and incontestable, then, who proves the legal standing (the authorized user or collective users), can request to a civil court for compensation by the infringer for damages.

9) How does your Group's law regulate the conflict between a GI/AO and a prior trademark? Does the GI/AO or the trademark prevail or do they coexist? Under what conditions?

The current MIPL, under article 90 section XI, regulates the conflict between a GI/AO and a prior trademark, initially as a substantive ground for refusal of a trademark application comprised of the name of a population or place characterized for the fabrication of certain products, when this trademark application is attempting to identify said products. In case an AO application is filed, the MIPL does not regulate if a substantive examination against existing trademarks will occur.

Article 151 of the MIPL specifically states the grounds for cancelling a trademark registration, not of an AO, so the owner of a prior trademark registration in conflict with an AO, lacks of legal action under the MIPL against the AO that may infringe the trademarks rights.

GIs are not regulated under current MIPL.

10) Is there any specific provision or practice concerning the inclusion of a GI/AO in a domain name?

Yes.

In Mexico, there are specific guidelines regarding the resolution of domain name disputes, in this case specifically for country code top level domains bearing the identification code “.MX” assigned exclusively to Mexico.

The aforementioned guidelines constitute the existing regulation of disputes resolution policy for .MX domain names, and are commonly known and referred to as LDRP, which are a tailored version to the Mexican reality, of the regulation known as Uniform Domain Name Dispute Resolution Policy

(UDRP).

Whereas the LDRP Policy specifically provides for the protection of Appellations of Origin (AO) it does not specifically cover geographical indications (GI).

Pursuant to the provisions of the LDRP, any individual who deems or considers having any previously existing rights (i.e., intellectual property rights, including an AO) over which this individual has legitimate rights, may request the cancellation or the transfer of ownership of a particular .MX domain name, when the conflicting domain name is identical, or confusingly similar to a registered trademark or services mark, slogan, Appellation of Origin, or rights reserve, over which the interested party has rights.

The corresponding dispute resolution shall be addressed pursuant to the LDRP provisions and its corresponding regulations, before a dispute resolution services provider thereby authorised by the Registry .MX, comprised by an independent and impartial expert panel, before the WIPO Arbitration and Mediation Centre, and when submitting evidence to prove that the registration or use of the relevant domain name was performed in bad faith.

Since according to the provisions of the Mexican Industrial Property Act (Ley de la Propiedad Industrial), the protection of rights over an AO must be carried out directly by the Mexican State through the Mexican Institute of Industrial Property (IMPI), it is said government agency the only competent authority with legitimacy to claim exclusive rights over a specific domain name including an AO, registered or used on bad faith.

- 11) Is there anybody that administers GIs/AOs in your country and/or is responsible for the verification of compliance of goods bearing a GI/AO? Please briefly describe the relevant processes, e.g. the process by which compliance with product specifications is verified before such goods are put on the market and/or the subsequent market controls on such goods?**

The agency responsible for ruling the designations of origin in Mexico is the Mexican Institute of Industrial Property (IMPI).

To understand the process of protection of products and controls on the market, must understand and describe the process for declaration of an appellation of origin, since that depends on that products are protected in the market, this process is as follows:

1. IMPI can make the Declaration by *motu proprio* or can it apply to IMPI any person or entity, engaged in the extraction, production or elaboration of the product to protect.

2. the application must contain the following information:

- (a) name and address of the applicant;
- (b) provide proof of their legal representation and activities which are dedicated, related to the product to be protected;
- (c) designate the denomination of origin;
- (d) describe in detail the product or finished products, including its characteristics, component, its form of extraction, production or preparation and use in the trade process.
- (e) when they are, determinants noted the Mexican official standards, which must agree the product, its form of extraction, production or production processes, packaging, packing or encasement, in each case modes.
- (f) the place or places of extraction, production or processing of the product concerned to protect and the delimitation of the territory or geographical area,
- (g) indicate in detail the links between the name, product, territory or geographical area and natural or human factors
- (i) the Institute receives the request and checks that it complies with the legal and administrative requirements. If fails to comply within two months to the requestor gives it so that it complies with the solicitor and may have an additional period of equal time. If no answer the process is abandoned.
- (j) when the application complies with the legal requirements and administrative IMPI publishes it in the official journal of the Federation, describing the name of the requestor, the denomination, the description of the product and the address in which anyone interested can presenter any remark or objection, setting tests. IMPI may also add tests with inquiries that consider setting, before the Declaration, elements deemed necessary. Once after the deadline designated and developed tests, IMPI dictate the resolution that corresponds.
- (k) if the resolution of the IMPI considers grant protection to the appellation of origin IMPI shall publish in the Official Gazette by pointing out elements and requirements set out. The term of protection of the appellation of origin shall be as long as the conditions that led to it persist. The terms of the Declaration of the denomination of origin may be amended either by IMPI or at the request of part detailing the reasons underlying it.
- (l) the Mexican State shall be the owner of the AO's origin and can be used only with express permission of the IMPI.

(m) IMPI through the Ministry of Foreign Affairs will provide the registration of their recognition abroad in accordance with international treaties.

Being the holder of the designation of origin, the Mexican Government it may authorize its use to any person or entity that must comply with the following requirements:

- a) That it engaged in the extraction, production or processing of the products protected by the appellation;
- b) To carry out its activity within the territory of the designated;
- c) That complies with the official standards in accordance with applicable laws with respect to the products concerned;
- d) That meets the conditions that are mentioned in the Declaration of the appellation of origin;
- e) The effects of the authorization will last 10 years and you will be able to renew itself;
- f) The user is obliged to use it as it appears protected in the Declaration because otherwise shall be cancellation of the authorization.
- g) Authorization may be transmitted to a new user but that transmission shall take effect as from its registration in the IMPI, after verification that the new user complies with the conditions and requirements established by the Industrial property law for the right to use the appellation of origin.
- h) The authorized user of an appellation of origin may, by agreement, allow those who distribute or sell their brand-name products. The Convention will take effect starting from its registration in the Institute; The Convention must have a clause that establishes the obligation of the Distributor or marketer and comply with the requirements of law. The administrative declarations of nullity and cancellation will be made by the IMPI to party or the public prosecutor's Office request.
- i) Also IMPI will publish in the Gazette statements issued, authorisations granted as well as any other Act that gives terminated the effects of rights in respect of the designations of origin.

Note: Currently the Industrial property law does not provide protection for geographical indications.

- 12) Please describe any other developments in your country in relation to GIs or AOs which you consider relevant, including any proposals for reform. For example, to the extent that your country has been involved in any negotiations or discussions regarding the protection of GIs and AOs in any fora, such as multilateral, regional or bilateral agreements, please specify whether your country is negotiating or has signed any agreement with other countries that includes provisions on AOs/GIs**

and whether it was necessary to amend domestic legislation as a result of such agreements

Mexico is a signatory to the Lisbon Agreement for the protection of the designation of origin. (appellations of origin)

The Senate of the Mexican Republic is proposing an amendment to the Industrial Property Law in the seeking to incorporate GIS. According to proposes amendments, IMPI will also be responsible for GIS protection.

II. Proposals for improvements and for harmonisation

13) Should there be harmonised definitions of AOs and GIs? If so, please propose appropriate definitions and prerequisites.

Appellations of Origin

The Lisbon Agreement defines appellations of origin in Article 2) as "the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographic environment, including natural and human factors".

The Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, defines "appellation of origin" in Article 2(1)(i) as "any denomination protected in the Contracting Party of Origin consisting of or containing the name of a geographical area, or another denomination known as referring to such area, which serves to designate a good as originating in that geographical area, where the quality or characteristics of the good are due exclusively or essentially to the geographical environment, including natural and human factors, and which has given the good its reputation".

Elsewhere, domestic legislations include definitions in line with the one provided by the Lisbon Agreement. Taking into consideration the Signature of only few Contracting Parties to the Geneva Act of the Lisbon Agreement, it seems that the definition of Appellations of Origin should be harmonised in line with the definition contained in the Lisbon Agreement; therefore, no proposed definition seems to be required.

Geographical Indications

The Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, defines “geographical indication” in Article 2(1)(ii) as "any indication protected in the Contracting Party of Origin consisting of or containing the name of a geographical area, or another indication known as referring to such area, which identifies a good as originating in that geographical area, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin“.

The definition of geographical indications contained in Article 22(1) of the TRIPS Agreement, is: "Geographical indications are indications which identify a good as originating in the territory of a state, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin“.

If the amendments to the Mexican Law on Industrial Property are approved, “geographical indications” will be defined as “the name of a geographical area or which contains said name, or another known indication as referring to such area, which identifies a good as originating therein, when a given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin”, much in line with the definition contained in the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications.

Since the purpose of having a harmonised definition of “geographical indications“ is that such a definition may be used by all countries where such indications are or will be protected, irrespective of their being members of an international agreement then, references to contracting parties should be avoided.

Consequently, the proposed harmonised definition would be the one contained in TRIPS. Although not a part of the definition, care should be taken in order to include provisions for cases of geographical areas of origin consisting of a trans-border geographical area.

- 14) Should there be a registration procedure for AOs and GIs? If so, what should its key features be? For example, content of the application; examination by competent bodies; possibility of opposition by third parties.**

Appellations of Origin

The existing procedure for registration of appellations of origin with the International Bureau should continue as established in the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

Geographical Indications

There should indeed be a registration procedure for Geographical Indications. The geographical indication must first be acknowledged and protected by the appropriate domestic governmental agency of the country where the geographical area is located, in a similar fashion as appellations of origin are regulated.

In the case of Mexico, since geographical indications are not currently regulated, such a protection would be achieved through the Declaration of Protection of the geographical indication, as same happens with the appellations of origin; however, it remains to be established whether the owner of the “Declaration of Protection” would be the Mexican State, as happens with the appellations of origin, or members of the geographical area in question.

Due to the nature of the geographical indications, some of the requirements for the registration of certification marks and collective marks could apply.

The Declaration of Protection may be refused as being merely descriptive or as likely to be confused with one or more registered trademarks; therefore, opposition by third parties should be allowed.

The application must contain, at least, the Geographical Indication; the geographical area to which it pertains; a statement of the characteristics or features of the good identified thereby which demonstrate that the quality, reputation or other characteristic of the good is essentially attributable to its geographical origin; the standards used to determine who qualifies as an authorized user of the geographical indication; set of rules or specifications governing use of the geographical indication; proper evidence of use of the geographical indication in relation with the good in question.

- 15) What should the grounds of invalidity/loss of rights for GIs and/or AOs be? For example, becoming generic, lack of use, not paying fees. Please specify what the applicable test should be, how such should be proven and who should bear the burden of proof.**

Appellations of Origin

As stated in the Mexican Law on Industrial Property, loss of protection of the appellation of origin will take place when the conditions that gave rise to the protection cease to exist.

In this regard, if the product may be “manufactured” in a region other than the geographic area to which the appellation of origin owes its protection, then there would be no legal reason to maintain its protection.

For example, in the case of “Tequila”, attempts have been made to produce the specific kind of “agave” (needed for its manufacture) in other regions, not only of Mexico, but in other countries. Should these attempts succeeded, the protection of the appellation of origin would be at risk, since the human factors may be learned in such other regions.

Likewise, if due to the climate change such a kind of “agave” (or grapes in the case of Champagne) were no longer produced in the country, region, or locality, which served to designate the product originating therein, then again, protection could not be afforded to the appellation of origin.

The party or parties interested in invalidating an appellation of origin should bear the burden of proving that such exclusive and essential conditions have ceased to exist.

Geographical Indications

The case of geographical indications would be somewhat different, due to the fact that this kind of Intellectual Property Rights are, as stated above, more similar to certification of collective marks, applying thereby less strict requirements in order to invalidate them.

While the Lisbon Agreement protects appellations of origin from becoming generic, the same may not be said for geographical indications; therefore, this could be a ground for invalidity of the geographical indication. It is not believed that lack of use or lack of payment of fees should qualify as grounds for loss rights of geographical indications.

Of course, the burden of proof should be borne by the party or parties interested in invalidating the geographical indication.

16) How should conflicts between GIs/AOs and prior trademark rights be regulated?

When existing prior trademark rights as derived from a pending application or granted registration, in Mexico should apply two legal principles namely, “first in time, first in right” and the “non-retroactivity”, the latter consisting in that pursuant the Mexican Constitution a new law cannot be applied to retroactively in prejudice of someone who has acquired prior rights. Thus, particularly with respect to GIs which are not yet recognized as such in the Mexican Law of Industrial Property currently in force, any eventual legislation recognizing GI’s would be unconstitutional if provide priority of a GI vs a previously registered or applied trademark.

Accordingly, no protection for GIs/AOs should be granted for those equal or confusingly similar to a previously applied or registered trademark, provided the trademark is applied or registered for goods similar to those to be covered by the GI or AO. Exception should be made to those cases in which the trademark has reached the status of notorious or well-known, in which case protection for the GI or AO should be refused irrespectively of the goods covered. Nevertheless, a provision allowing co-existence under certain specific circumstances should be established in any future legislation.

17) What scope of protection should GIs/AOs have and should it matter if these are domestic or foreign? Against which conduct by third parties should they be protected?

The protection should be granted no matter the GLs/AOs is domestic or foreign. Accordingly a ground of refusal for registration of a trademark should be provided when the trademark is equal or confusingly similar to a GI or AO for goods equal or similar to those covered by the GI or AO.

As per the Mexican Law of Industrial Property currently in force the use of an AO without the corresponding authorization or license constitutes an administrative offense punished with sanctions that ranges from fines up to the permanent shut-down of the business or administrative arrest. Repetition of such conduct becomes a criminal offense. With respect to GIs a similar provision should be introduced, extending the punishable conduct to the use of terms confusingly similar to a GI or AO.

Additionally should be included as an administrative offense any use misleading the public as to the true geographical origin of the goods and any use which constitutes unfair competition such as those acts creating confusion as to the origin of the goods, including those uses taking unfair advantage of the reputation of GI or AO as would be their use accompanied

by expressions as “kind”, “type”, “style”, “imitation” or any other word or expression causing such confusion.

18) Who should have legal standing to protect a GI/AO and which remedies are appropriate?

Under current Mexican Law of Industrial Property AOs are property of the Mexican State (Mexican government) and its use must be authorized by the Mexican Institute of Industrial Property. We are ok with this ownership regime and as such should be for GI’s when they were regulated. Thus, legal standing to protect a GI/AO should be on the Mexican government or on any corresponding authorized users thereof either individually or collectively.

19) Should there be a specific provision or practice concerning the inclusion of a GI/AO in a domain name?

Yes.

In order to properly protect GIs, their inclusion in the relevant provisions of the LDRP and its regulations is necessary.