



Question Q214

National Group: Mexican Group of AIPPI

Title: Protection against the dilution of a trade mark

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Questions

I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

1. Do the laws of your country provide for protection against dilution of a trademark? If so, which laws?

The Industrial Property Law (Art. 90, Sec XV. b), sets forth, that a trademark (nominative, figurative or tridimensional, is not registrable, if it is identical or confusingly similar to a trademark, that the Mexican Institute of Industrial Property MIIP), considered or has declared Well-Known in Mexico, and to be applied to any type of goods or services.

Such impediment shall be applicable, in any case in which the use of the trademark to be registered, COULD DILUIT, the distinctive character of the well-known trademark

2. Is there a legal definition of dilution in your legislation or case law?

No, there is no definition at all.

- 3.1 Which trademarks are afforded protection against dilution? What are the eligibility criteria? (Please only briefly list the eligibility criteria here; more detailed explanations will be required below).

According to the law, those that the MIIP has considered or declared well-known.

- 3.2 To be eligible for protection against dilution, does a mark need to be distinctive? If so, does the protection depend upon the mark being inherently distinctive or are marks that have acquired distinctiveness through use also protected?

The protection depends upon the mark is inherently distinctive. Under the Mexican trademark system, it is not recognized the secondary meaning or that a mark acquired distinctiveness through use.

- 3.3.1 To be eligible for protection against dilution, does a mark need to have a reputation or be well-known or famous? If so, when does a mark have a reputation, when is it well-known or when is it famous? Are the factors mentioned in paragraph 15 and 22 above relevant for determining whether a mark has a reputation, is well known or famous? For what point in time does this have to be assessed?

To be eligible for protection against dilution, the mark needs to be considered or declared well-known or famous, and the factors mentioned in paragraphs 15 and 22 shall be relevant for determining if the mark is well-known or famous. However, the IP Law was amended in June 2005 and established a system whereby MIIP issues a declaration of well-known or famous marks.

The amendment to the law is unclear and has not been applicable in practice. It has created confusion, due to apparently established two systems to consider a trademark well-known, one whereby MIIP would consider the notoriety of a trademark through a cancellation or infringement action, and the second one through a declaration of notoriety which is applied by the trademark owner who has a trademark registered and uses it in Mexico, and submit evidence to prove them. Under such unfortunate and new system, MIIP will issue the declaration of notoriety or famous trademark, provided the trademark owner submits the following:

Based on surveys or market studies or on any other means allowed by the law, the applicant shall demonstrate the following aspects:

- i) The sector of the consumers integrated by real or potential consumers that identify the mark with the products or services covered by it.
 - ii) Other sectors of the public different from the real or potential consumers that identify the mark with the products or services covered by it.
 - iii) The commercial circles integrated by the traders, industrialists or service suppliers related to the class of products or services that identify the mark with the products or services covered by it.
- b) The date of first use of the mark in Mexico or, if applicable, abroad.

- c) The period of continuous use of the mark in Mexico or, if applicable, abroad.
- d) The commercialization channels of the mark in Mexico or, if applicable, abroad.
- e) The diffusion media of the mark in Mexico or, if applicable, abroad.
- f) The effective publicity period of the mark in Mexico and, if applicable, abroad.
- g) The investment made in the last three years in publicity or promotion of the mark in Mexico or, if applicable, abroad.
- h) The effective geographical area of influence of the mark.
- i) The sales volume of the products or the income received through the rendering of the services covered by the mark during the last three years.
- j) The economic value represented by the mark in the net assets of the company, holder of it or according to an appraisal of the same.
- k) The trademark registration in Mexico and, if applicable, abroad.
- l) The franchises or registrations granted with regard to the mark.
- m) The percentage participation of the mark in the corresponding sector or segment of the market.

Based on such evidence, MIIP will decide if the trademark is well-known or famous, and then issue the declaration. By well-known in Mexico is defined when a determined sector of the public or commercial circles of the country knows the trademark as a consequence of commercial activities conducted in Mexico or abroad by a person using said mark with regard to his products or services or, through the promotion or publicity of the same.

By famous in Mexico is understood when it is known by the majority of the consumers.

- 3.3.2 For a mark to have a reputation or to be considered well known or famous, must it meet a certain knowledge or recognition threshold? If so, what is that threshold? What percentage of population awareness is required? How widespread must the awareness be across the country? If a mark is well known or famous in one country, what effect, if any, does this have with regard to other countries?

For a mark, to be considered well-known or famous, it must meet a certain knowledge or recognition threshold, but there is no specific percentage of population awareness. Under the Mexican law, the sector of the consumer shall be integrated by real or potential consumer that identifies the mark.

In Mexico, previous to the amendment of the law, there have been precedents in which a mark considered well-known or famous in one country and known in Mexico, despite it is not registered in Mexico has been protected.

- 3.3.3 What is the relevant population in determining the knowledge, recognition or fame of the mark, the general public at large or the relevant sector of public? Is recognition or fame in a limited product market (“niche market”) sufficient?

As indicated, the population should be under the Mexican law composed by the consumers, integrated by real or potential consumers.

In connection with the recognition of fame, related to a limited product market (“niche market”), we consider that this could be sufficient, depending upon the type of goods or services covered.

- 3.4. To be eligible for protection against dilution, is it required that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country where protection is being sought?

As it is regulated by the Mexican law, there is not specific precedents yet, but it is believed that it should be required that the mark has been used, but registered in Mexico.

- 3.5. Are there any other criteria a mark must comply with to be eligible for protection against dilution?

Not to our knowledge.

- 3.6. Is eligibility for protection against dilution a matter of law or an issue of fact? Who bears the burden of proof regarding the eligibility criteria? How does one prove that a mark meets the eligibility criteria? Are sales and advertising figures sufficient or is survey evidence required? Which evidential standard must this proof satisfy?

The eligibility for protection against dilution is a matter of law in our system. The burden of prove relies on those who want to use the trademark and no one to be prevented to do so. Sales and advertising figures shall be sufficient, but in some cases survey evidence would also be convenient.

- 3.7. Is there any registry of eligible marks in your country? If so, what is the evidentiary value of registration? Can it be challenged in litigation?

No, there is no a registry of eligible marks. As mentioned does not exist the formal declaration of notoriety for famous marks.

4. Does your law require the existence of a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark? If so, in which circumstances does a ‘mental association’ or ‘link’ between the earlier trademark and the later trademark exist? Are the factors mentioned in paragraph 27 and 28 above relevant for assessing the existence of such a ‘mental association’ or ‘link’? Are there other factors to take into account? Is the assessment of a link a question of fact (so

something that can be established by market surveys), or is it a question of law to be established by the courts or authorities on the basis of such factors?

The Mexican law provides as in section XV a, of article 90, that the trademark will not be registrable when it is identical or confusingly similar to a trademark that MIIP has considered or declared well-known in Mexico to be applied to any product or service, if the use of the trademark applied could create a confusion or risk of association, with the title owner of the well-known trademark. The laws or the case law does not provide circumstances, but the factors mentioned in paragraphs 27 and 28 should be relevant for assessing the existence of such mental association or link.

5. Does such 'mental association' or 'link' between the earlier trademark and the later trademark automatically result in detriment to the earlier trademark's repute or distinctive character? Or does detriment have to be proved over and above the existence of a 'mental association' or 'link'?

The mental association or link between the earlier trademark and the later trademark should automatically result in detriment to the earlier trademark distinctive character.

6. Are the same factors taken into consideration to assess the existence of detriment as those already discussed for the link? Are there additional ones?

The same factors should be considered and there are no additional ones.

7. Must actual dilution be proved or is a showing of likelihood of dilution sufficient? Whose burden of proof is it? How does one prove dilution or likelihood of dilution? Does detriment require evidence of a change in the economic behavior of the average consumer or that such change in behavior is likely? If so, what is a change in the economic behavior of the average consumer? Is reduced willingness to buy goods sold under the earlier mark a change in the economic behavior? How do you prove a change in the economic behavior of the average consumer or likelihood of such change in behavior?

As it is written by the law, it appears that likelihood of dilution is sufficient. As it is recently introduced, we cannot provide precedents or specific evidence of how to prove a change in the economic behavior of the average consumer.

8. What is the extent of protection afforded to marks which are eligible for dilution protection? May the owner of the earlier trademark object
 - to the registration of a later trademark?
 - to the actual use of a later trademark?
 - in respect of dissimilar goods only or also in respect of similar goods?

The owner of the earlier trademark can object the registration of a later trademark, as well as the actual use of a later trademark.

9. What are the legal remedies? May the owner of the earlier trademark file an opposition and/or a cancellation action? May he ask for injunctive relief or preliminary injunctive relief? Does your trademark office refuse the registration of a later trademark on grounds of likelihood of dilution?

The owner might bring an administrative cancellation action (annulment) before MIIP, or if the mark is used by a third party without a registration, he can initiate an infringement action before MIIP.

According to the law (article 90 section XV), the Trademark Office (MIIP) could refuse the registration of a later trademark, on grounds of likelihood of dilution.

II. Proposals for adoption of uniform rules

The Groups are invited to put forward proposals for adoption of uniform rules with a view to protecting trademarks against dilution. More specifically, the Groups are invited to answer the following questions:

1. Which trademarks should be eligible for protection against dilution? What should the eligibility criteria be? Should recognition or fame in a limited product market (“niche market”) be sufficient?

It is considered that well-known trademarks should be eligible for protection against dilution and the eligibility criteria might be based on paragraph 15 and 16 of the question.

Recognition of fame in a limited product market (“niche market”) might be sufficient, but depending on the type of goods or services, that could be highly sophisticated.

2. Should it be a criteria for being eligible for dilution protection that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in the country?

According to our system, the criteria for being eligible for dilution protection should be that the mark has been registered in Mexico. That is that the trademark Office should refuse the registration of trademark that are likely to dilute the distinctiveness of an earlier trademark registered.

3. Should there be a registry of eligible marks? If so, what should the evidentiary value of registration be? Should it be possible to challenge it in litigation?

We do not considered convenient the existence of registry of eligible marks that should cause further problems to the trademark owners, as well as to the third parties.

1. Should the existence of a 'mental association' or 'link' between the earlier trademark and the later trademark be an independent requirement for a trademark dilution claim?

Yes, it could be an independent requirement, as it is provided by the Mexican law.

2. Should detriment to the distinctive character or reputation of the earlier mark require evidence of a change in the economic behavior of the average consumer or that such change in behavior is likely?

It might require evidence of a change in the economic behavior of the average consumer, or how the trademark is perceived by the consumer, even if he has not changed his economic behavior.

3. What should the remedies be for dilution of a mark?

It could be for injunctive relief, or preliminary injunctive relief, in those cases in which the mark is used, but also that the Trademark Office (MIIP) should reject the registration of trademark that could cause the dilution of well-known trademarks, even when they are applied in classes in which the well-known trademark is not registered.

National Groups are invited to comment on any additional issue concerning the protection of a mark against dilution.

Note: It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.

RESUMEN

En este reporte se señala cómo la legislación mexicana prevé la dilución, como protección de las marcas notorias o famosas. Se contempla la protección de la marca notoria o famosa, mediante el sistema tradicional de aportar pruebas a través de un litigio y desde 2005, mediante la declaratoria general de notoriedad y fama que el titular de una marca registrada y usada en México puede solicitar, la cual no ha tenido el resultado deseado en la práctica.

Se establece como impedimento de registrabilidad aquellos casos en que se puede diluir la marca notoriamente conocida, y otorgarse un registro a un tercero; sin embargo, en la ley ni en los precedentes se contemplan los medios de prueba y parámetros para determinar la dilución, por lo que sería deseable armonizar esta figura en las distintas legislaciones.

SUMMARY

This report relates to the way the Mexican legislation considers dilution as protection of notorious or famous trademarks. The notorious or famous trademarks protection is contemplated through the traditional system of bringing evidences by means of litigation and, since 2005, through the general declaration of notoriety and fame that the holder of a trademark registered and used in Mexico can request, this latter not having had the desired result in practice.

The cases in which the notoriously known trademark can be diluted are established as impediment for registrability and for the granting of registration to a third party; however, the means of evidence and determination parameters of dilution are not contemplated either in the law or in the precedents and thus it would be desirable to harmonize said figure in the various legislations.

RESUME

Dans ce rapport il est fait mention de la façon dont la législation mexicaine prévoit la dilution comme protection des marques notoires ou de renommées. Elle prévoit la protection de la marque notoire ou de renommée au moyen du système traditionnel d'apporter des preuves par un litige et depuis 2005 au moyen de la déclaration générale de notoriété et renommée que le titulaire d'une marque enregistrée et utilisée au Mexique peut demander, cette déclaration n'ayant pas eu le résultat désiré dans la pratique.

Dans les cas où la marque notoirement connue peut être diluée cela constitue un obstacle pour la registrabilité et la concession d'un registre à un tiers; cependant, les moyens de preuve et les paramètres pour déterminer la dilution ne sont contemplés ni dans la loi, ni dans les précédents, et il serait par conséquent désirable d'harmoniser cette figure dans les différentes législations.

ZUSAMMENFASSUNG

Auf diesem Bericht wird die Art wie die mexikanische Gesetzgebung berücksichtigt die Dilution als einen Schutz für bekannte und berühmte Marken analysiert. Der Schutz für bekannte und berühmte Marken lässt sich verwirklichen einerseits durch die traditionelle System von Beweisen in einem Streit und, seit 2005, durch die generale Deklaration von Bekanntheit und Berühmtheit die der Inhaber von einer eigetragenen Schutzmarke verwendet in Mexiko beantragen kann, aber diese letzere Maßnahme hat bisher in der Praxis die erhoffte Auswirkung nicht gehabt.

Ein Hinderniss für die Eintragung und das Registrieren eines Drittes geschieht wenn eine berühmte Marke diluiert werden kann; trotzdem, weder die Beweismittel noch die Parameter um die Dilution festzulegen sind im Gesetz oder in Präzedenzfällen betrachtet und deshalb würde die Harmonisierung dieser Figur in der verschiedenen Gesetzgebungen erwünscht.