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## Chapter 8



# Intellectual Property

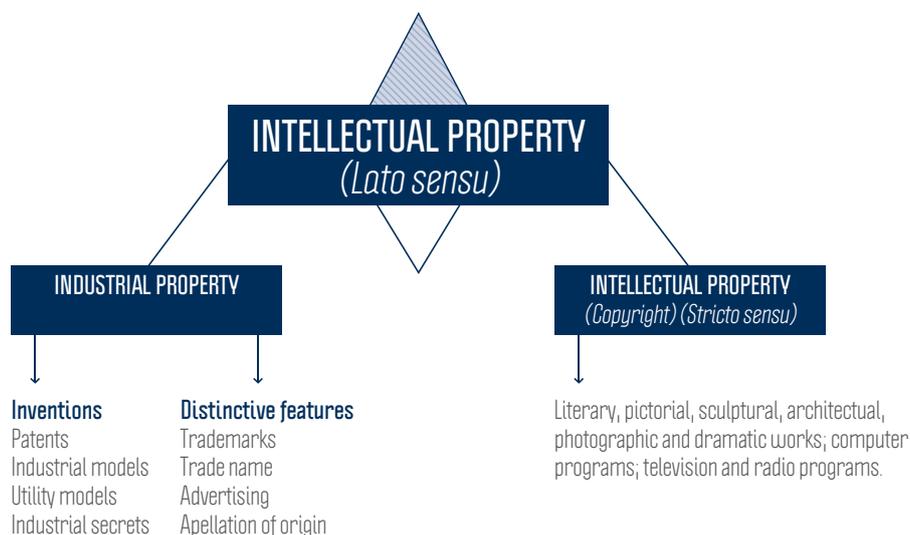
## Introduction

Intellectual property, in a broad sense, aims to promote industrial activity and encourage creativity for the design of new products through the granting of patents for inventions, the registration of utility models, industrial designs, trademarks, advertisements, publication of trade names, appellations of origin, as well as actions aimed at defending intellectual property rights against infringers.

The competent authority in Mexico is the Mexican Institute of Industrial Property (IMPI), whose main purpose is to stimulate the development of technology for the benefit of society.

## KEY POINTS

- Patents are inventions that are new, resulting from an inventive step, and that have an industrial application, with the exception of: (i) processes which are biologically essential for the production, reproduction, and propagation of plants and animals; (ii) biological and genetic materials that are found in nature; (iii) animal breeds; (iv) the human body and its component living parts; and (v) plant varieties.
- Industrial designs include: (i) industrial drawings, which consist of all combinations of images, lines, or colors which are incorporated into an industrial product for decorative purposes, giving it its own, particular aspect; and (ii) industrial models, which consist of three-dimensional shapes or patterns which serve as models for the manufacture of an industrial product, give it a special appearance, and do not involve technical properties.
- A trademark is any visible sign that distinguishes a good or service from similar goods and services that are on the market. Slogans consist of phrases or sentences intended to advertise or publicize establishments, commercial, industrial, or service-based business, or products or services, with the aim of distinguishing them from other similar ones. A trade name grants protection in a geographic zone where a company's actual clientele is established. This can be extended to the entire Republic if it is nationally recognized. It applies only to commercial establishments.
- A license is an authorization granted through an agreement for the use by one or more individuals, with respect to all or some of the products or services to which a trademark is applied. The license must be registered with the IMPI in order to be binding vis-a-vis third parties.
- Copyright refers to those rights derived from the creation of an original work that is capable of being disclosed or reproduced in whichever form or medium. Copyright is the recognition given by the government to all creators of literary and artistic works, and which grants protection so that the author can enjoy personal and economic prerogatives and privileges.
- A domain name is an identifier common to a group of computers or devices connected to a network. It is a simple internet address designed to allow users to easily locate websites. Today abusive domain name registrations exist, so there is a policy in place for the recovery of the .mx domain.



## QUESTIONS AND ANSWERS

### 1. What are the requirements for registering a trademark?

Submit a written request to IMPI containing the following information: name, nationality, and address of the applicant; the distinctive feature of the trademark; the date of the first use; the products or services to which the trademark applies; among others, in accordance with the Law on Intellectual Property.

### 2. What types of trademarks exist?

Nominative, unnamed, mixed, and three-dimensional. Trademarks may be a word, or a combination of words, letters, and/or numbers. They may consist of drawings, symbols, or three-dimensional features such as the shape and packaging of a product.

### 3. For how long are trademarks valid?

Trademarks are valid for 10 years and are renewable for equivalent periods.

### 4. Should the licenses be registered in order for them to be effective?

Yes. When a patent or trademark license exists, it must always be in writing and registered before the IMPI.

### 5. What are the obligations of a trademark holder?

The trademark holder is obligated to use the trademark in the manner for which it was granted. If the trademark is not used for three years, a third party can request the revocation of the use of the trademark.

## CASE STUDY

“Pharmaceutical Company A” is a German company which has decided to distribute its product “Drug X” in Mexico. With this goal in mind, the company contacts “Company B”, a Mexican company with the experience necessary for the sale and distribution of drugs in Mexico. The companies enter into a distribution agreement which includes authorization for the use of “Pharmaceutical Company A’s” leading trademark. Because they are unfamiliar with the law, “Pharmaceutical Company A” fails to register the trademark for its leading product in Mexico.

After 10 years, “Pharmaceutical Company A” decides to set up a subsidiary in Mexico to distribute its products, but it is surprised to find that the trademark has already been registered on behalf of “Company B.”

### **How can “Pharmaceutical Company A” recover its trademark?**

The company should initiate a revocation proceeding with IMPI, claiming prior use in Mexico or abroad, or arguing that a distribution relationship existed between “Pharmaceutical Company A” and “Company B.”

### **What is the statute of limitations for initiating a revocation proceeding for prior use and distribution?**

In the case of prior use, the company has 3 years from date that notice was published that the trademark was granted. In the case of the existence of distribution relationship, there is no limitation.

