

Enrique Díaz and Satoshi Yoshiki advise trade mark owners to consider the ups and downs of claiming first use in Mexico

Claim first use carefully

The Mexican trade mark system has adopted a *sui generis* (or characteristically unique) approach to trade mark use. In most cases, the system does not grant common law rights. Thus, the sole way to obtain the exclusive right to use and to enforce a trade mark is through a registration obtained from the Mexican Institute of Industrial Property (IMPI).

Unlike the American trade mark system, where in order to obtain protection it is required that the right holder be the first to use the trade mark in commerce, in Mexico trade mark applications can be filed and registered on a so-called intent to use basis. Under this system, there is no need to file proof of use in connection to any of the goods/services included in the application.

After the registration is obtained, the owner of the trade mark registration will have a three-year term counted from its date of registration to start using the mark in the country in connection to any of the goods/services covered by the trade mark registration. If there is no use during this time period, the registration will be vulnerable to a cancellation on grounds of lack of use, as long as the cancellation is filed by a third party with legal standing. The use of a trade mark in connection to any of the covered goods/services is enough to maintain all of them, as there are no partial cancellations in Mexico.

Perks for early birds

Notwithstanding the above, the Mexican Industrial Property Law provides some benefits to the earlier user of a trade mark. A trade mark registration may not be enforceable against the direct user (*bona fide* user) of a trade mark that started using it in Mexico before the filing date of the registered trade mark or the date of first use claimed in the application. However, this exception cannot be transferred to third parties, and no licences may be granted.

On the other hand, a trade mark registration may be challenged on grounds of earlier and continuous use of the mark in Mexico or abroad. In order to bring a cancellation action on grounds of earlier and continuous use abroad, the plaintiff must have legal standing, which generally is obtained with evidence of use and a Mexican application filed on an intent-to-use basis.

However, in order to bring a cancellation action on grounds of earlier and continuous use in Mexico, in addition to the evidence of use, the application must indicate a date of first use of the mark in Mexico.

It is very common that Mexican applicants are instructed to follow US practice by indicating that the date of first use in Mexico should be claimed in connection to only some of the goods or services. However, it is very important to keep in mind that, according to the Mexican Law and practice, you may include in the description all of the goods or services that have been used as well as the ones that will be used. The date of first use does not need to indicate the particular goods or services, even if some of them may be on an intent-to-use basis.

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Avoid first use pitfalls

As previously explained, a trade mark registration may be granted without the requirement of filing proof of use, notwithstanding that a date of first use in Mexico may have been claimed in the application. In principle, such statement is not required to be supported by any evidence to be filed with IMPI. However, as we will explain, the registration may be challenged on grounds of false information stated in the application, which among others, may refer to the date of first use in Mexico stated in the application.

“IMPI will not accept a use performed by a different person or entity from the applicant”

There is a potentially serious disadvantage to stating a date of first use in Mexico in a trade mark application, which is largely related to a lack of knowledge of the risks of claiming this right or incautious advice regarding the conditions upon which this statement should be made.

As previously explained, Mexico is a registration-oriented country and common law rights are not recognised in regulations. Therefore, according to Mexican Industrial Property Law, non-registered trade marks may not be licensed or assigned unless a trade mark application filed with IMPI is pending for registration.

If a third party brings a cancellation action on grounds of false information contained in the application based on the date of first use, besides having to prove the exact date claimed in the application, it is crucial to note that IMPI will not accept

a use performed by a different person or entity from the applicant, including a Mexican distributor/user, in spite of being able to prove corporate or commercial relationships or any other connection that may exist between the applicant and the actual user.

Accordingly, while the date of first use claimed in the application does not have to be proven during the registration process, if the date of use is inaccurate or it is not supported by suitable documentary evidence reflecting that the registrant was the actual user in Mexico on the claimed date, the trade mark registration would be vulnerable to cancellation due to false information.

If the application/registration included several goods or services and a date of first use in Mexico was claimed, the evidence showing the use in connection to one of them would be enough to support the rest of the goods or services, whether they have been used or not.

Furthermore, according to the criterion of IMPI and the Federal Courts responsible for hearing and ruling upon appeals in the matter, the burden of proof in cancellation actions on grounds of false information provided in the application is reverted to the defendant. Thus, in contrast to the general rule in litigation by which the plaintiff has to prove its own petition, in these cases the registrant has to demonstrate the accuracy of the declaration of first use, namely, that it was actually using the trade mark in Mexico on the claimed date of first use.

Have the right evidence

Mexico is a very formalistic country, so the evidence that

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- o Industrial and Intellectual Property
- o Litigation
- o Licensing Enforcement
- o Entertainment and Sport Law
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should be provided in support of a well-founded defence against this ground of cancellation must consist of original or certified documentary evidence reflecting the use of the mark in the specific claimed date and in the name of the registrant. Unsuitable evidence, even if admitted, can be easily objected to by the plaintiff and most likely dismissed by the authority.

Due to the statute of limitations provided in the Mexican Industrial Property Law, the cancellation action on grounds of false information contained in the application may be brought during the following five years counted from the date the registration was published in the Industrial Property Gazette, which means that a trade mark registration with an inaccurate or unsupported statement about the date of first use would be vulnerable to cancellation for at least half of the initial life term of the registration.

In spite of the fact that this ground for cancellation is a pos-

sibility for every statement or piece of information contained in a trade mark application, most of the cancellation actions based on this ground are related to the date of first use in Mexico.

Considering the above pros and cons, trade mark right holders are advised to evaluate on a case by case basis the convenience of claiming a date of first use in Mexico before filing a trade mark application in the country. Additionally, rights holders should consider filing on an intent-to-use basis for trade marks that may have been already used in Mexico

“An inaccurate statement about the date of first use would make the trade mark vulnerable to cancellation”

through third parties, including distributors, licensees and wholly owned subsidiaries.