MEXICO

Existence of reservation of rights causes unnecessary conflict with trademark law

Enrique A Diaz and Julio Prieto of Goodrich examine the law around trademarks and the reservation of rights in Mexico, as well as the problems that arise from the co-existence of both forms of protection and possible solutions

Reservation of rights

Mexico's Copyright Law and its regulations establish that a reservation of rights certificate is available to protect titles, names, denominations, distinctive physical and psychological characteristics, or original operation characteristics applied according to their nature to (i) periodic publications, (ii) periodic broadcasts, (iii) characteristics of human, fictional or symbolic characters, (iv) people or groups dedicated to artistic activities, and (v) advertising promotions.

Under Mexican IP law, a trademark is any sign that is perceptible through the senses, likely to be represented in a way that allows one to determine the object of the protection clearly and precisely and which distinguishes products or services from others from the same species or class in the market.

Trademark versus copyright

According to data from Mexico's Instituto Nacional del Derecho de Autor (INDAUTOR), between 300 and 800 reservations of rights are

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renewed each month. These numbers are very low compared with the number of trademarks that are applied for or renewed each month.

Trademarks cannot protect the psychological characteristics of a fictitious character or advertising promotions. However, trademark protection in Classes 9, 16 or 38, which protect periodic publications or periodic broadcasts, offer the same protection as reservation of rights certificates for such rights. People lack knowledge that there are two types of protection for these rights which may cause problems.

Both trademarks and reservation of rights grant their holder exclusive protection within the national territory; they are binding against third parties and they can be renewed indefinitely for one-year periods (for periodical publications and broadcasts) and ten-year periods (for trademarks), after reliable verification of their use.

One might then assume that, by having both a trademark registration and a reservation of rights of periodic publications or periodic broadcasts, the holder would have comprehensive protection; however, in practice, this is not so. Problems arise because rights owners must obtain the two types of rights from two separate authorities– reservation of rights from INDAUTOR (the Copyright Office) and trademarks from the Mexican Institute of Industrial Property (IMPI).

This leads to inevitable conflict created as a result of two types of protection mechanism that essentially grant owners the same rights.

Timing troubles

Ideally, reservation of rights can be obtained in a period of no longer than 15 days and trademark registration in a period that can range between four and six months. However, it may be the case that there is a previously registered trademark or reservation of rights that is identical or confusingly similar to the applicant's title. In that case, the Copyright Office or IMPI, as appropriate, would issue a refusal for the reservation or the mark that is being proposed, which would extend the timeline.

In this latter example, the rights owner would obtain exclusive use of only one of the two types of rights, resulting in exposure to third parties with previous registrations of the similar or identical reservation or trademark rights, based on which the Copyright Office or IMPI denied the registration. This leaves the applicant vulnerable to infringement actions for the use of an identical or confusingly similar trademark or reservation of rights. While the defendant could argue that he is making use of the exclusive right that was granted with the reservation of rights or the trademark registration, the conflict would exist and the infringement action could still be initiated.

Complications following amendments to IP law

Before it was amended in March 2018, Mexico's IP law stated in Section XIII of Article 90 that the titles of intellectual or artistic works, titles of publications and periodic broadcasts, fictional or symbolic characters, characteristics of human characters, artistic names, and denominations of artistic groups were not registrable as trademarks unless the holder of the corresponding reservation of rights certificate expressly authorised it.

Now, however, the amendment to this article only prohibits registration of trademarks that are identical or similar in name or denomination to the titles of literary or artistic works, as well as the reproduction or imitation of the elements of these works when, in both cases, these have such relevance or recognition that they may be liable to deceive the public or mislead the public to believe that there is a relationship or association with these works, unless expressly authorised by the right holder. It also provides that the reproduction, whether total or partial, of literary or artistic works, without the corresponding authorisation of the copyright holder, cannot be registered as a trademark

In addition, it establishes that neither fictional or symbolic characters, nor characteristics of human characters that have such relevance or recognition, may be registered as a trademark, except in those cases where it is requested by the holder of the corresponding right or by a third party with the consent of the holder.

Although this text is an improvement in some respects, unfortunately, an express prohibition against registration of titles of publications and periodic broadcasts, which the previous law included, was eliminated. This means that trademark registrations for titles of newspapers, magazines, supplements, TV programmes, radio and electronic publications, etc. may be allowed. This omission leaves the door open for anyone to

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request registration, thus potentially violating the rights of the holders of reservations of rights.

Some options

While the prohibition is not included in the current law, the IMPI should consider the existence of titles of publications and periodic broadcasts as a legal objection during novelty examination based on similar or identical applications or registrations.

Likewise, the Copyright Office should determine the registrability of applications for reservation of rights by comparing them with trademark applications and registrations on file with the IMPI. In practice, owners of trademark registrations often initiate administrative declarations of infringement against competitors for the unauthorised use of their registered rights and the latter, as a defence strategy, often request in bad faith the reservation of rights of the denomination in conflict before the Copyright Office, obtaining them without objection during the procedure and forcing the holder of the trademark registration to request invalidation of those rights.

This situation has arisen due to a lack of communication between the Copyright Office and the IMPI, as they do not work jointly or in a coordinated manner. This leaves interested parties open to a legal conflict that results in significant economic and commercial loss.

In order to avoid inconsistencies and complications in the application of intellectual property

laws, and considering that reservations of rights for publications and periodic broadcasts are increasingly in disuse, they should be completely repealed. However, in order for that to happen, it is necessary to modify various laws and regulations or requirements that go hand-in-hand with reservations of rights; for instance, authorities such as the Mexican Ministry of Interior would have to accept trademark registration as valid for the issuance of a Certificate of Lawfulness of Title and Respective Content.

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