

Synthesis on the changes in the New Intellectual Property Law

The New Federal Industrial Property Protection Law (LFPPI) contemplates several important modifications to the Mexican Intellectual Property System. This law follows international trends, facilitating the way industrial property rights are protected and defended.

Below a summary of the most important changes:

- The law is renamed.
- The use of electronic communication media and the electronic signature for filings is regulated, so the filings and documents submitted through them have the same effect as a document filed physically.
- **Patents, Utility Models and Industrial Designs**

Inventions already patented: The new law emphasizes the non-protection of inventions already patented that could limit the granting of the so-called “second-use patents”, new forms of pharmaceuticals and composites, safeguarding the public domain.

Complementary Certificates or “patent extensions”: If there is a substantial delay in a patent registration procedure caused by IMPI, the applicant may now request the issuance of a complementary certificate, which can grant up to 5 additional years to the patent’s validity.

Bolar Clause: The new law expressly authorizes third parties to initiate the preparatory measures necessary to obtain the health registrations of pharmaceutical products whose patent will expire soon.

Coordination Agreements with foreign IP authorities: When an industrial property right is filed for registration before IMPI, the authority may seek technical assistance, technical information and/or application analysis that can facilitate IMPI’s registration viability analysis.

Utility Models Duration: The protection of utility models is now of 15 years.

Industrial Designs: Artisan products are incorporated as industrial designs.

- **Trademarks, slogans**

Trademark Duration: The 10-year validity period of a trademark will be counted from its grant date instead of the application filing date.

Absence of deceit and bad faith: When applying for and renewing a trademark registration it must be declared that its filing or the use of the trademark, respectively is free from deceit and bad faith.

One Official Communication: The IMPI will now issue one official communication to inform the applicant of any legal impediments to registering a trademark.

Consent Letter: Consent letters involving identical trademarks will now bind the IMPI. This provision overcomes obstacles when registering trademarks in the name of several companies of the same economic group.

Opposition and Invalidation Actions: The procedure for an opposition action is clarified and the expression “will suspend the procedure” is eliminated. IMPI will not admit an invalidation action if opposition has already been filed against the same trademark in which the same arguments are made, and the same evidence is exhibited on which IMPI has already made a determination.

License Recordal: The new law eliminates the requirement to record licenses in the official file of trademarks for them to be effective regarding third parties. This procedure is now optional, but it is still advisable. The provision establishing that the use by an authorized user will be understood as a use by its holder is maintained.

Registered liens: The beneficiary of a lien registered with IMPI may now request the renewal of the registration to preserve the object of the lien.

Famous Trademarks: It is clarified that it will be understood that a trademark is famous in Mexico when it is known by the majority of public, or when it has a dissemination or recognition in the global market. To obtain the declaration, the date of first use, the time of continuous use and actual publicity in Mexico and, if applicable, abroad, are required.

- **Trade Secrets**

Definition: The definitions of trade secret and misappropriation included in the new law clarify the appropriate measures that can be taken to protect trade secrets. Their transfer and confidentiality are also regulated.

New infringements related to trade secrets: The new law contemplates the following infringements related to trade secrets:

- a. Appropriation of a trade secret without its owner’s consent to obtain a competitive advantage or acts of unfair competition; and
- b. Produce, offer for sale, import, export or store products or services that use a trade secret without its owner’s consent.

The crimes related to trade secrets are also modified.

- **Denominations of Origin and geographical indications**

Both concepts are recognized as national assets. The declaration of protection can be requested by the national Congress. Certifying bodies are created to certify compliance with the rules of use of the geographical indications.

- **Litigation**

1. Partial invalidation and cancellation actions: The new law allows the partial invalidation or cancellation of patents and trademarks. This provision will only apply to the rights granted in accordance with this new law.
2. Domain names: The use of domain names that invade registered trademark rights is added as an infringement.

3. Damages Claims: Damages caused by the infringement of an intellectual property right can be now analyzed by IMPI in parallel with the infringement action itself. With this procedure, it is now necessary to prove the direct relation between the damages claimed and the infringing conduct.

There are two alternatives for claiming damages and losses: before the Courts or before IMPI, through an ancillary proceeding. It is also indicated that the statute of limitations on the damages and losses action is two years from the date on which IMPI has declared the administrative infringement and it is enforceable.

4. Injunctive measures: Internet providers and administrators are now subject to injunctive measures to remove any content that presumably infringes intellectual property rights. Border measures can now be initiated against merchandise in transit. Permanent closure as a measure against presumed infringement is now authorized.

5. Bonds: If injunctive measures are imposed, the IMPI may decide not to admit a counterbond to safeguard the industrial property rights presumptively affected.

6. New fine amounts: IMPI can now impose fines up to approximately USD \$5,000,000.00. The previous law only contemplated fines up to USD \$80,000.00.

- Crimes and forgery

Recidivism is eliminated as infringing conduct considered a crime. A broad definition of trademark forgery and evidencing it is included.

This new law enters into force today, **November 5, 2020** and it will be applicable to all new applications, filings, proceedings, and actions before IMPI. However, some provisions of the former Law will still be applicable to the procedures filed prior to that date.

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S I N C E R E L Y

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