

**World
Trademark
Review**

Designs: A Global Guide 2014

Von Wobeser y Sierra's IP team is comprised of attorneys, engineers and technical staff that offer top-notch legal consulting to leading multinational companies doing business in Mexico.

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Legal framework

The Mexican Constitution grants an exclusive right to use or exploit an intellectual creation. The temporary privileges granted to authors, artists and inventors for the exclusive use of their creations are not considered to be monopolies. Therefore, any person who creates an industrial design is entitled to use his or her designs on an exclusive basis.

In order to regulate these types of exclusive rights, the Federal Congress has issued laws such as the Federal Copyright Law and the Industrial Property Law. The relevant dispositions for industrial designs in Mexico are set out in the Industrial Property Law and its regulations.

The Industrial Property Law distinguishes between inventions, utility models and industrial designs. This distinction is important because only inventions are protected as patents. A registration system has been created for the protection of utility models

and industrial designs. This means that under Mexican legislation, industrial designs are not protected as design patents.

One of the main differences between the protection afforded by a patent and that afforded by an industrial design registration is the term of protection. The term of protection granted by a patent is 20 years from the date of filing, while the term provided by a registration for an industrial design is 15 years from the date of filing. In addition, some types or causes of infringements established in the law can be alleged only by the owner of a patent.

International regulations such as the Paris Convention for the Protection of Industrial Property, the Locarno Agreement Establishing an International Classification for Industrial Designs, the World Intellectual Property Organisation Convention and the North America Free Trade Agreement are also relevant.

Unregistered designs

The Industrial Property Law establishes a registration system for the protection of industrial designs. The protection provided for an industrial design starts once registration

is granted by the Mexican Institute of the Industrial Property (IMPI).

Notwithstanding the above, once an application for registering an industrial design is filed, the applicant acquires an expectation of rights.

Registered designs

Mexican legislation clearly establishes that industrial designs that are new and susceptible to industrial application shall be eligible for registration. Designs considered to be new are those created independently of known designs or combinations of known features of designs, and which differ significantly therefrom.

Article 32 of the Industrial Property Law states that industrial designs are:

I. two-dimensional industrial designs, which are any combination of shapes, lines or colors incorporated in an industrial product for ornamentation purposes and which give it a specific appearance of its own;

II. three-dimensional industrial designs or models, constituted by any three-dimensional shape that serves as a model or pattern for the manufacture of an industrial product, giving it a special appearance that does not involve any technical effects.

On this basis, it can be observed that the protection provided by a registered industrial design mainly focuses on the specific or special appearance of a product. Consequently, it is established that the protection provided by an industrial design will not cover the following, and an industrial design will not be registered if only the following are referred to:

- elements or features that are dictated solely by technical considerations or by the performance of a technical function, and involve no contribution by the designer; and
- elements or features whose exact reproduction has been necessary to enable the product incorporating the design to be mechanically assembled or connected to another product of which it constitutes an integral part or component.

An application to register an industrial design can be filed by the designer directly, by his or her successor in title or through his or her representative. If the designer files the

application directly, he or she can assign the application to a third party. The assignment can be performed while the application is being processed or once registration has been granted.

The fees to file an application and register a design are as follows:

- An initial fee is payable in order to file the application.
- Additional fees are payable in case of later filing of additional documents.
- If an official action is issued, a fee must be paid in order to file the corresponding response.
- When an application matures to registration, an official action will be issued by IMPI requesting payment of a fee in order to issue the registration certificate.

An annual fee must be paid in order to maintain the registration for the 15-year term of protection. The first five annual fees should be paid alongside the payment for issuance of the registration certificate.

A 50% discount applies to some of the fees applicable in the registration process. This discount can be requested by, among others, independent inventors, educational institutions and small companies.

To obtain registration of the industrial design, once the corresponding official action has been served, the applicant should respond by paying the fee for issuance of the registration certificate and the first five annual fees.

If the application is rejected, the applicant can challenge this decision by appealing to IMPI or filing a nullity proceeding before the Federal Court of Tax and Administrative Justice.

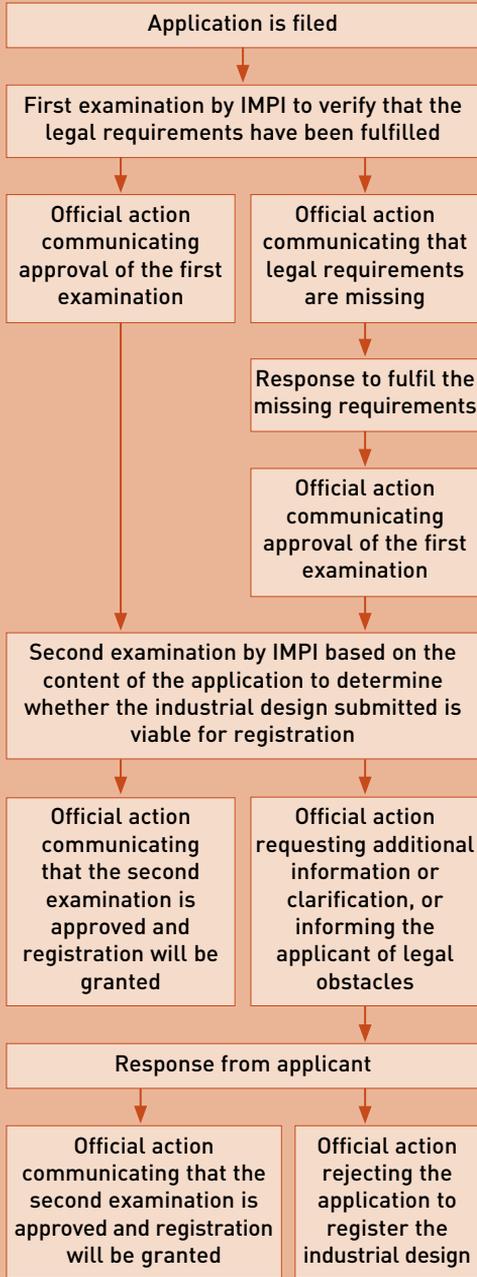
Enforcement

Since an industrial design registration gives its owner an exclusive right of use, such rights are enforceable against third parties. Consequently, the owner of a registered industrial design can instigate legal action against any third party which:

- engages in acts that are contrary to proper practice and custom in industry, commerce and services, amount to unfair competition and relate to the subject matter regulated by the Industrial Property Law;
- performs, in the course of industrial activities or trade, acts that confuse, mislead or deceive members of the public by causing

Procedures

The application to register an industrial design is set out below.



them wrongly to believe or assume that:

- products are manufactured according to specifications, licences or authorisations from a third party; or
- services are rendered or products sold according to authorisations, licences or specifications from a third party;
- manufactures or develops goods covered by an industrial design registration without the consent of the owner or without the appropriate licence;
- offers for sale or brings into circulation goods covered by an industrial design registration in the knowledge that they have been manufactured or developed without the consent of the owner or without the appropriate licence; or
- reproduces or imitates industrial designs protected by registration without the consent of the owner or without the appropriate licence.

An infringement action can be brought before IMPI. In any case, the action must be based on a registered industrial design; an application to register an industrial design will not constitute sufficient legal interest.

A proceeding may be commenced to request IMPI to impose provisional measures against the defendant, such as the seizure of merchandise or a prohibition on commercialisation. In such cases the plaintiff must provide a bond in order to guarantee the payment of damages and lost profits that the defendant may suffer if the plaintiff loses the case. If provisional measures have been imposed, the defendant may request that they be lifted by providing a counterbond to guarantee the payment of damages and lost profits that the plaintiff may suffer.

A copy of the writ and the evidence provided by the plaintiff will be served on the defendant, which can prepare and file a response. The defendant can also file a counterclaim in the response – for example, the counterclaim could be based on a nullity action against the registered industrial design.

The plaintiff can provide arguments regarding the defendant's response. After IMPI has reviewed all of the evidence and the parties have filed their final pleadings, the final ruling is issued. The length of time of each proceeding

depends on the particularities of the case, but the average is between 12 and 18 months.

If the final ruling goes against the defendant, IMPI will impose a fine. However, it has no powers to order payment of damages and lost profits. If the plaintiff wishes to obtain damages and lost profits, once the IMPI ruling is final it can file a new claim in the civil courts.

The IMPI ruling can be challenged by an appeal before IMPI or by a nullity proceeding before the Federal Court of Tax and Administrative Justice. The ruling issued by that court may also be challenged through an *amparo* proceeding. Thus, it may take several years for a final decision to be issued.

Ownership changes and right transfers

If a legal entity amends its name or changes its legal regime, IMPI must be notified of such changes in order to keep the official file up to date. The owner of the application or registration is responsible for keeping the official file current.

Assignment

The Industrial Property Law sets down no specific requirements for the execution of an assignment agreement – it states only that the assignment should be performed in terms of civil legislation. However, an assignment is enforceable against third parties only if it is registered with IMPI in the official file of the corresponding industrial design application or registration.

As stated above, a 50% discount applies to the fees when an application is submitted by an independent inventor, among others. In case of assignment, the discount is applied and the assignee is ineligible for the discount, in order to register the assignment agreement with IMPI it is necessary to prove payment of the discounted fee to the former applicant.

Licensing

The Industrial Property Law establishes no specific requirements regarding licence agreements. However, it does state that, unless otherwise agreed:

- the licensor can continue to use or exploit the industrial design; and
- the licensee can execute legal actions against any third party in order to protect the industrial design rights.

As indicated for assignment agreements, a licence agreement cannot be enforced against third parties unless it is registered with IMPI in the official file of the corresponding industrial design application or registration.

Related rights

A design covered by an industrial design registration may be eligible for protection under other IP rights. For example, an industrial design might be protected as a three-dimensional (3D) trademark. However, such rights provide different scopes of protection, as set out below:

- While registration of an industrial model grants an exclusive right to provide protection to the appearance of a product adding value to the same, a 3D trademark registration has a distinctive purpose – it helps consumers to distinguish between similar goods or services of different competitors and provides consumer information about the origin of the products and services and their quality.
- An industrial design registration refers to a specific product, while a 3D trademark registration distinguishes many products.
- An industrial design registration is granted based on novelty, while a 3D trademark registration is granted based on distinctiveness.
- The 15-year protection term of an industrial design registration cannot be renewed, while the 10-year protection term of a 3D trademark registration can be renewed indefinitely for further 10-year periods.
- In the case of an industrial design registration, when the term of protection ends, any party can use it. In the case of a 3D trademark registration, if the term of protection ends and the mark is not renewed, the former rights holder or a new party can register the mark.

Therefore, as the various IP rights provide different forms of protection, in order to choose the best and most efficient way to protect a design, it is vital to consider how such design will be used. [WTR](#)

Contributor profiles

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Rupert Hüttler is a partner at Von Wobeser y Sierra, SC with more than 14 years' experience advising Fortune 500 and other leading companies, institutions and government entities on the establishment and management of businesses in Mexico and Latin America. He has acted as a strategic legal adviser in major business decisions in both corporate and IP matters. Mr Hüttler is an Austrian lawyer and has studied and worked in both Europe and Mexico. This experience has given him a unique advantage and understanding regarding Mexican and European laws, as well as a cultural sensitivity. His solid knowledge and comprehension of the distinct legal systems and processes allows him to offer clients Mexican know-how to ensure business success through visionary, full-service legal strategies and solutions.



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Marco Tulio Venegas is a partner at Von Wobeser y Sierra, SC with 18 years' international experience at both a professional and educational level. He is the youngest-ever partner of the firm. He has saved clients billions of US dollars and has protected and resolved several highly complex litigation matters, including those related to intellectual property. His expertise includes two of the largest commercial arbitrations in Mexican history, worth more than \$1.7 billion, as well as major construction and infrastructure disputes involving government entities. Throughout this time he has litigated extensively in several fields of law before the Mexican courts and arbitral tribunals.



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Silverio Sandate is an associate at Von Wobeser y Sierra, SC. He is an expert in copyright, advertising and litigation matters and has been a key player in advising clients on major international advertising and marketing strategies and campaigns. He also analyses their competitors' misleading advertising (in general terms and regarding the misuse of logos, brand images, font, colours and brand essence) so that it can be challenged. Some of these projects have included social media and online campaigns, and promotional contests. Mr Sandate has had the opportunity to broaden his professional expertise abroad and is also the first lawyer to be officially recognised as a specialist in author rights in Mexico. Furthermore, he has solid experience in litigation, including relating to IP infringement.