



## Amendments to the Industrial Property Law in Mexico

On March 13, 2018, amendments to the Industrial Property (IP) Law were published in the Official Journal of the Federation, and will come into force starting April 25, 2018.

These amendments bring important additions and modifications, including the acknowledgement and protection of Geographical Indications (GI), criminal penalties for the unauthorized users of GIs who are not in conformity with the related Mexican Official Standards (NOMs), as well as an extended period of protection for Industrial Designs.

### Geographical Indications

#### Background

A GI is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are mostly attributable to that origin, some examples of GIs who will seek protection in Mexico are: Jabugo (ham), Manchego (cheese) and Munich (beer).

Due to the current stage of globalization, several countries insisted to include legal protection for these signs by means of international trade agreements. On this issue, Mexican IP Law already provides

protection for Appellations of Origin, which are similar to GIs, but the legal standards to obtain such protection are considerably higher than for GIs; consequently, negotiations concerning the modernization of the Free Trade Agreement between Mexico and the European Community (TLCUEM), as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) required Mexico to include GIs in its domestic law.

#### Importance

- A new intellectual property right is implemented in Mexico.

- GIs do not surpass Appellations of Origin, and thus both rights will coexist. This amendment is not a modification but rather an addition to Mexican IP Law.

### Consequences

- In the near future, it is possible that a substantial amount of foreign and national parties will seek protection for GIs in Mexico. Mexico will be also entitled to seek protection for its domestic GIs in foreign countries where equivalent rights are recognized.
- The amendment mandates that an opposition procedure must be observed previous to the approval of any GI. Private companies, particularly in the food and beverages industries must remain vigilant of GI opposition periods in order to determine if they should file evidence against the approval of a GI application that could harm its operations.

### Sanctions Concerning the Unauthorized Use of GIs

#### Background

Previous to this amendment, unauthorized use of Appellations of Origin could only be enforced by means of an administrative complaint before the Mexican Industrial Property Office (IMPI); such procedure could result in a fine for the unauthorized user. Criminal sanctions were only available for cases of repeated offences.

In order to achieve an effective protection of GIs, the amendment includes administrative and criminal penalties for unauthorized users of both GIs and Appellations of Origin, the new penalties are applicable not only to users of protected geographical areas as such but also to the ones who use transliterations, translations, words which could be considered to be confusingly similar, as well as references to GIs and Appellations of Origin, such as: "imitation", "kind", "produced in", among others.

#### Importance

- The statute modification substantially increases the enforcement levels of GIs and Appellations of Origin in Mexico.

Private companies, particularly in the food and beverages industries, must become aware of their new limitations in regard to labelling.

### Consequences

- Given that the scope of forbidden conducts has been broadened, the number of claims concerning the unauthorized use of GIs and/or Appellations of Origin will rise.
- Cases involving the unauthorized production, storing, transportation, distribution, selling and importation of products labelled with a GI and/or Appellations of Origin, could entail criminal sanctions for the company officers involved.
- Users of GIs and Appellations of Origin should be mindful of the fact that they will require a Certificate of Conformity of Mexican Official Standards (NOMs). Filing for customs clearance of imported products bearing GIs or Appellations of Origin without such certificate will be a criminal offence.
- Companies must carry out an immediate revision of their labeling practices in order to avoid incurring in any of the new prohibited conducts; especially the unauthorized use of wordings such as: "imitation", "a type of", "product of", translations and transliterations of GIs and Appellations of Origin.

### Industrial Designs

#### Background

Mexican IP Law was not clear in regard to the standards to determine novelty of industrial designs, and it also had a maximum period of protection of 15 years, which was shorter than the one of other jurisdictions like Japan, the United States of America and the European Union.

This amendment intends to resolve these issues by extending the maximum period of protection of industrial designs to 25 years; defining the standards used to determine novelty of an industrial design and also providing a faster examination of industrial designs and utility model applications.

### Importance

- Industrial Designs and Utility Models are both considered to be fundamental to incentivize creativity in developing countries.

The reason is that they constitute "small patents" that aim to protect simpler forms of technology and creativity applied to products, such innovations would not be eligible for a traditional patent.

By improving the legal framework of these figures, Mexico paves the way for small enterprises and independent designers who wish to invest in research and development.

### Consequences

- New Industrial Design registrations will be protected for up to 25 years.
- Industrial Designs that were granted before the amendment, and are still in force can be extended to 25 years of protection, as long as the holder renovates its registration within the legal timeframe.
- Industrial Designs filed for registration and still pending before the amendment, can opt to apply the new legal provisions, as long as the holder files an application within 30 working days after the amendment comes into force.

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