



AVOIDING PITFALLS WHEN ENFORCING INFRINGEMENT ACTION IN MEXICO

Any person who is familiar with Intellectual Property understands the difficulties and efforts involved in creating, developing and positioning a trademark among consumers.

A trademark becomes a vital element in their business, a part of their own identity, and once registered, confers its owner with exclusive rights to use and exploit it.

In this understanding, when a trademark owner suddenly becomes aware of any illegal use of its brand, the first thing that may come to his mind is to file infringement.

In Mexico, an infringement action becomes the legal tool to stop products from being placed on sale or in circulation or any offering of services, but also against acts contrary to proper practice and custom in industry, commerce and services which amount to unfair competition.


So, it could be assumed that as soon as we collect evidence to support the case and point

out a suspected infringer and a domicile to notify our lawsuit, our must do checklist is completed in order to trigger infringement action, nevertheless to think ahead the means of defense that will be available to defendant becomes an extremely important issue that must be reviewed in order to obtain a favorable ruling.

According to local rules, defendant in an infringement action is free to file a counterclaim thru a nullity, nonuse and/or a cancellation action.

In this sense, we will hereby focus on the nullity action, particularly on section III of article 151 of the Mexican Industrial Property Law since its

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cause of action brings retroactive effects over the trademark registration.

Article 151. The registration of a mark shall be invalid when:

III. the registration was granted based on false or inaccurate data contained in the application thereof;

Invalidation procedures under this article may be instituted within a period of five years from the date on which the publication of the registration in the Gazette becomes effective, with the exception of the actions under sections I and V, which may be instituted at any time, and under section II, which may be instituted with a period of three years.

As understood, any false or inaccurate data contained in the application may result in the invalidation of the trademark registration. Then, among many others, here are some of the questions that will arise:

1. How could defendant know that a trademark application contained false or inaccurate data?
2. Which party has the burden of proof?
3. Since the counterclaim derives from an infringement action, can defendant prove any harm that justifies his pretention?

It becomes evident that there is only one way a defendant or other third party could know that a trademark application contained false or inaccurate data; with evidence obtained from an investigation or search.

If the above has not occurred, it is clear that

defendant is triggering any or all legal means of defense in order to seek cancellation of the mark as a desperate measure to avoid a sanction.

In either case, we could assume that defendant would have the burden of proof in his counterclaim; nevertheless that is not correct and the trademark owner will have to face a somehow unfair criterion which obliges him to prove that the mark was not obtained based on false or inaccurate data.

Technically speaking, trademark owner would be required to have proof that all information contained in his application is true and accurate, including name of applicant, address and most important, date of first use, if declared.

It is important to bear in mind that trademark owner is not facing a nonuse action proceeding which implies showing continuous and effective use of the mark in Mexico, therefore he will require advise and guideline to gain certainty of which evidence would result ideal to confirm his statements.

On the same hand, the examiner attorney in charge of the case must not overlook that the controversies initial petition was an infringement action enforced by a trademark owner who's intellectual property rights are being infringed, therefore understand that the counterclaim must be reviewed carefully since cancelling a mark instead of pursuing illegal conducts would result against all logic and contrary to law.

In view of the above, local rules must be updated in connection with the most recent case law in order to justly safeguard intellectual property rights.

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