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The new certification marks in Mexico

Wilma Caraza and Jaime Rodriguez of OLIVARES explain the importance of certification marks to Mexico's newly-amended trademark framework.

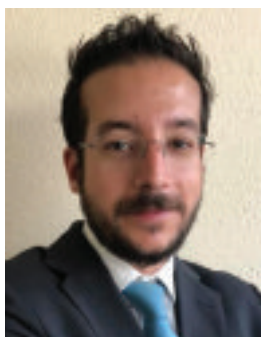
As a consequence of the amendments to the Mexican Industrial Property Law of August 2018, certification marks are now part of our legal framework, a guideline that was not only desirable but necessary to bring the provisions of our Law up-to-date in accordance with international practices and regulation.

Nonetheless, we are facing a conflicting scenario caused by a misinterpretation by the Mexican Institute of Industrial Property (IMPI) regarding the nature and concept of certification marks, being the case that said authority is requesting applicants apply for this type of mark only in connection with "certification services" included in International class 42 of the Nice Classification, causing damage to the legal concept of certification marks.

Accordingly, despite the laudable efforts of the Mexican legislators in incorporating certification



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marks into our Law, IMPI is bending the legal nature of these marks and, therefore, they need to revise their way of examining certification mark applications in our country; otherwise, we will face serious legal consequences affecting trademark owners and users, as will be explained below.

Article 98 of the Mexican Industrial Property Law defines certification marks as: "*signs distinguishing goods and services which qualities or other characteristics (components, quality, processes, manufacturing conditions and geographical origin) have been certified by its titleholder*".

Likewise, Article 98 Bis 1 of our Law provides that all legal entities can apply for a certification mark, so long as the applicant does not provide goods or render services of the same nature than those certified with the mark. The reasoning behind this legal provision is to guarantee the so called "Impartiality Principle" surrounding certification marks.

In view of the "Impartiality Principle" of certification marks, titleholders of these specific type of marks are prevented from participating in the same commercial field of activities of the third parties authorized to use a certification mark, in order to guarantee an unbiased performance from certification entities in the market. Otherwise, the functioning of the system would be substantially distorted, causing unsuitable effects from a fair competition standpoint. Consequently, these marks should be applied for the goods and services that will be certified by their owner, and not in an exclusive or specific class.

Therefore, the provision contained in Article 98 Bis 1 of the Mexican Industrial Property Law was duly incorporated into our legal framework in accordance with the nature and scope of protection of certification marks, as it has been done in other jurisdictions around the world.

However, apparently there is a misinterpretation of the "Impartiality Principle" from IMPI, due to fact that they have concluded that certification marks can only be registered in connection with services covered in International class 42 of the Nice Classification, specifically in connection with "certification services".

This criterion will certainly generate negative legal consequences for certification mark titleholders and

Résumés

Wilma Caraza

Wilma joined Olivares in 2011 and became an attorney for the trademark team in 2015. She has an in-depth knowledge of trademark law and extensive experience in filing distinctive signs, conducting phonetic and design searches, filing responses to official actions and consultancy related to trademark matters.

Jaime Rodriguez

Jaime has nearly 15 years of experience on all facets of intellectual property matters. He is part of the litigation team and has an extensive experience in trademarks, copyrights and litigation. His experience in these areas allows him to provide a comprehensive approach to the cases in order to come up with novel strategies. He holds a Master's degree in Intellectual Property at the University of Alicante, Spain. He is also an active member of the Mexican Association for the Protection of Intellectual Property (AMPPI) and INTA.

“*These marks should be applied for the goods and services that will be certified by their owner, and not in an exclusive or specific class.*”

authorized users, meaning that a trademark registration certificate will lack any legal effect or quality.

Derived from this criterion, IMPI has given certification marks the same legal treatment as traditional trademarks, based on the premise that certification mark titleholders are participating in regular commercial activities in the market, without considering that they actually do not, and only guarantee the quality of determined goods or services in commerce. These titleholders simply do not offer goods or render services as conventional titleholders do.

The main function of traditional trademarks is essentially to distinguish goods or services from others in the market, being necessary to be used by its titleholder or licensees, while the main function of certification marks is to guarantee the quality and characteristics of goods or services in commerce, and these are never used by the titleholder, but instead by the users who comply with the Rules of Use. Therefore, their legal treatment is completely different and cannot be assimilated.

Actually, it is worth mentioning that the criterion applied by IMPI is contrary to the definition of certification marks provided by Law, in the sense that Article 98 expressly recognizes that these marks are capable of distinguishing goods and not only services in the market. Therefore, a first consequence derived from current IMPI's stance is that a legal provision of public order is being unapplied, generating an unconstitutional legal uncertainty for trademark applicants.

If we consider that titleholders of certification marks cannot participate in the same commercial activities of the third parties authorized to use these marks, IMPI's criterion is contradictory, due to the fact that securing a registration in class 42 for "certification services" means that the titleholder will offer the same services that it certifies, which is prohibited by the Law. As a consequence, all registrations granted by IMPI for certification marks will be vulnerable to invalidity actions for being granted against the provisions contained in the Mexican Industrial Property Law.

Indeed, section I of article 151 of the Mexican Industrial Property Law provides that a trademark registration shall be deemed null when it is granted against the provisions contained in the Law. In this case, registrations for certification marks granted to cover "certification services" in International class 42 contravene what is stated in Article 98 Bis 1 because, as mentioned before, the Law expressly prohibits titleholders of this type of trademark to be involved in the same commercial activities that it certifies.

Additionally, it is a fact that registrations for certification marks granted according to IMPI's current approach would always be vulnerable to being the subject of non-use cancellation actions, since the authorized users will actually never use the trademark in connection with certification services, but to merely indicate or verify that the same meet the standards for use imposed by the titleholder. Accordingly, a registration for a certification mark granted in connection with certification services pertaining to class 42 is useless.

Again, certification marks are not used by the titleholders but by the users who meet with the Rules of Use. Therefore, evidence of use in a non-use cancellation action proceeding is restricted to documents showing the use of the mark by those users in connection with the certified goods and services and, for obvious reasons, not in connection with certification services.



In the same context, due to the new requirement of declaring the effective use of trademarks after the third year anniversary of granting, registrations for certification marks in class 42 would simply lapse due to the impossibility of showing use and, obviously, a declaration of use submitted before IMPI under these considerations would imply a false declaration generating additional legal consequences.

From an enforcement perspective there are also serious implications to be considered. The commercial activities carried out by authorized users of certification marks granted to cover "certification services" in International

class 42 would be simply offering goods or rendering services in the market without the benefit of a registration, due to the fact that they would be authorized to use the mark in connection with those services, and not in connection with the goods or services previously certified by the titleholder of the mark.

Therefore, the existence of a trademark registration granted under these considerations would not constitute a shield against infringement actions initiated by third parties owning trademark registration for marks identical, or confusingly similar, and covering goods related to those pertaining to the scope of activities of the authorized users of certification marks.

In other words, titleholders of certification marks would be authorizing the use of a trademark lacking of legal grounds and purpose, incurring also a violation of the contractual terms established on the corresponding rules of use document, which needs to be submitted along with the application format when applying for a certification mark.

In case the infringement actions filed by third parties against the users succeed, these users may be entitled to claim financial compensation from the titleholder, which should be prosecuted in a separate civil action. This creates an unnecessary burden for both the users and the titleholder, and is also proof that this criterion adopted by IMPI is a delicate matter that needs to be discussed and changed.

Furthermore, it is also a serious issue that the titleholder of a certification mark granted in class 42 might not be in the position of enforcing its legal rights against unauthorized third parties using an identical or confusingly similar mark to cover goods or services related to those certified, since the "certification services" covered by the registration will not overlap with those used by the infringing party.

Given the above considerations, it is desirable that IMPI reconsiders its current criterion regarding classification of certification marks. Otherwise, as explained, these marks will have no future in our country, which will be an unfortunate scenario for our legal framework.

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