

## MEXICO

## A closer look at promoting a nullity action on unfavourable oppositions

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In 2021, the opposition system in Mexico celebrates five years since coming into force.

In the course of its development, the opposition procedure has undergone changes in the interests of better functioning and better protection of the legal sphere of right holders, as well as to consumers of goods and services.

One amendment to the opposition procedure was through the entry into force of the new Mexican Industrial Property Law in 2020. This consisted of a penalty or impossibility to initiate a nullity action in the event of obtaining an unsuccessful opposition claiming the same arguments and evidence.

In this respect, if an opposition has been promoted and it is unsuccessful or unfavourable, namely, it does not prevent the granting of the trademark registration in question, the possibility of filing a nullity action against such a trademark registration is prevented based on the same arguments and evidence as those filed in the opposition.

In simpler words – and as an example in case – an opposition is filed based on likelihood of confusion and it results unsuccessful, the possibility of filing a nullity action against the resulting trademark registration based on likelihood of confusion would be precluded. Consequently, a potential nullity action would have to be necessarily filed on a different basis (e.g. prior use, bad faith, etc.).

Article 259 of the new Mexican IP Law contains the penalty to file a nullity action based on the same ar-

guments and evidence presented in the opposition:

*Article 259: A nullity action shall not be admitted, when the opposition provided in Article 221 of this Law has been filed, provided that the arguments asserted in the nullity action, as well as the evidence, are the same as those filed in the opposition and the Institute has already ruled on them.*

This new provision is intended to avoid the filing of idle oppositions, tending to delay and hinder the trademark registration process in Mexico, and consolidates the opposition procedure as a more robust and reliable mechanism in the prevention of the granting of trademark registrations than may affect prior third parties' rights.