

# The Trademark

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## Lawyer



## Use it or lose it – the trademark tango

Ricardo Costa Macedo and Adriana Magalhães of Caiado Guerreiro discuss the importance of genuine use of trademarks in the market to maintain their validity in Portugal and the EU and protect against potential infringement by competitors.



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# Judicial reform in Mexico: the potential impact on the IP field

**Victor Ramírez and Eduardo Arana of OLIVARES discuss the intense debate and concerns surrounding the recent judicial reform in Mexico that will vote in judges based on popularity and its potential impact on the intellectual property field.**

**E**arlier this year, the former President of the Republic presented a package of proposed constitutional amendments, which included a restructuring of the Judiciary.

This initiative has generated intense debate in Mexico, as it seeks to drastically modify the structure and functioning of the justice system, including the election of Justices, Magistrates, and Judges through popular vote.

Various sectors, including members of the Judiciary itself, have expressed their rejection of the proposal. They argue that the election of Justices, Magistrates, and Judges by popular vote could compromise the specialization and impartiality that these judiciary positions should embody. Additionally, there are concerns that the reform could politicize the administration of justice, undermine judicial independence, and lead to delays in the resolution of proceedings, as well as unnecessary economic costs associated with the voting process.

## Recent constitutional judicial reforms in Mexico

Recently, and despite the intense debate and concerns for the Judiciary Reform bill, in a very short period, the constitutional judicial reform act was approved by the Mexican Congress, by most of the state legislatures, signed by the President, and published in the Official Gazette of the Federation, taking effect on September 16.

This reform entails the following substantial modifications to the country's judicial system:

- **Election of justices, magistrates, and judges by popular vote:** this will be implemented gradually, beginning in 2025 and concluding in 2027.



Victor Ramirez

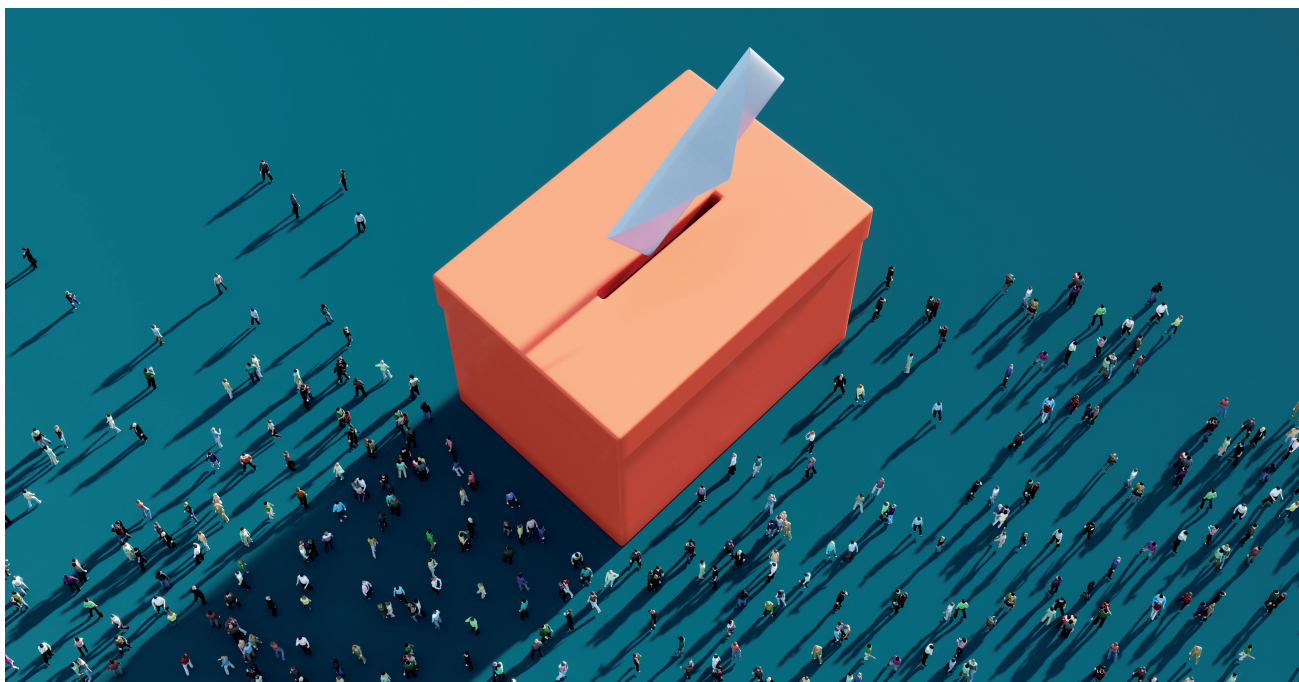


Eduardo Arana

- **Judicial career is no longer required:** candidates only need to be Mexican citizens, hold a professional law degree, and have a minimum GPA of eight. This change opens the door to new profiles within the judiciary, with the potential risk of a lack of specialization.
- **Supervision under a new body:** the Federal Judiciary Council will be replaced by the Judicial Discipline Tribunal, which will lead to a transition and restructuring of judicial oversight and control.
- **New electoral organization:** the National Electoral Institute (INE) will be responsible for organizing the elections for judicial positions, which will begin as early as the first half of 2025.

As of now, the Supreme Court of Justice has already admitted certain appeals against the reform, resulting in a certain degree of uncertainty regarding the timing and manner of its implementation. Moreover, personnel from the Federal Judicial Branch itself have determined they will resume activities no earlier than October 2, subject to prevailing conditions. Local and administrative courts continue to work normally.

Discussions and dissatisfaction surrounding this judicial reform proposal have intensified in recent days, to the point that, since August 19, 2024, members and officials of the judiciary suspended activities and called for a nationwide and indefinite strike.



Undoubtedly, the outcome of this process will be crucial in the history of Mexico's justice system. The suspension of activities will affect proceedings and cases pending before the Federal Judiciary, primarily in Circuit Courts and District Courts.

### The potential impact on intellectual property

As to the possible impacts on the intellectual property field, we must comment that, up to this point in time, the main governmental entities that are responsible for deciding industrial property - and in particular trademark - matters, namely the Mexican Institute of Industrial Property (Mexican Trademark Office) and the IP specialized Chamber of the Federal Administrative Court, continue to operate normally.

So, fortunately, we can discard any immediate adverse impacts of the current in-force reform on the agencies and courts of law that resolve industrial property matters in Mexico at the first and second instance.

This is because the Mexican Institute of Industrial Property and the Federal Administrative Court are not part of the Judiciary Branch.

Indeed, the Mexican Institute of Industrial Property depends on the Ministry of Economy, and the resolutions it issues in the registration and maintenance of trademarks, as well as the resolutions of litigation procedures involving trademark rights, can be challenged before the Specialized Chamber on Industrial Property of the Federal Administrative Court of Justice, which depends on the Presidency of the Republic, which is why both instances continue to work normally until now without any affectation to trademark cases.

This does not mean that the reform will not be relevant for the industrial property field, since the Federal Circuit Courts (and the Supreme Court of Justice in some exceptional cases) are the 3rd and last instance when challenging decisions from the IP-specialized Chamber of the Federal Administrative Court.

According to the provisions of Article 73 of the Federal Constitution of Mexico, industrial property is an administrative subject that has a federal character, and therefore the competent authorities

## Résumés

**Victor Ramirez** is co-leader of OLIVARES' trademark practice group, focusing chiefly on counseling, negotiating, and prosecuting Industrial Property disputes (nullity, caducity, and infringement proceedings) before the Mexican Patent and Trademark Office (IMPI). Since joining the firm in 1999, Victor has served clients across a variety of industries, including high-tech, electronics, and software, and has helped to develop anti-counterfeiting and antipiracy strategies to protect and enforce companies' intellectual property rights in both administrative and criminal venues, as well as on appeal in the courts.

**Eduardo Arana Ramirez** is a member of the Litigation team, focusing his practice in administrative, civil and commercial matters. He has participated in civil and commercial litigation, especially those focused on the claim of a compensation for damages caused by third parties infringing IP rights of our clients, as well as defending lawsuits of this nature. Noteworthy are proceedings before various administrative authorities, nullity claims before the Federal Court of Administrative Affairs (FCA) "Amparo" Lawsuits before District Courts and Federal Circuit Courts, mostly related to regulatory and intellectual property issues.

are Federal authorities; the Mexican Institute of Industrial Property in the first instance, the Federal Administrative Court (the IP specialized chamber) in the second instance, and finally the Federate Circuit Courts and the Supreme Court of the Nation (the latter being the exception) that are part of the Federal Judicial Branch, are those who study and resolve the challenges via constitutional appeal (called Amparo appeal), presented against the resolutions issued by the Federal Administrative Court.

Federal Circuit Courts, which are the last instance when appealing decisions from the Federal Administrative Court, are part of the Judiciary Branch, and it is at this stage that things can get complicated because, as we said before, the Judiciary Branch remains on strike.

Therefore, it is in the third and last instance of appeal where there could eventually be an effect on industrial property cases, including trademark cases.

As a result of the main changes established by the recent reform to the way in which the Judiciary Branch and the judges that comprise it are integrated, operate, and will be appointed, we consider that the possible risks of impacts loom over the procedural aspect of the trials and not over the substance of the IP matter.

What we are referring to is that the possible negative impacts could occur in the way in which the appeals are studied, processed, and resolved. Specifically, we estimate that the negative effects could occur in the following ways:

- Delay in the processing and resolution of constitutional appeals due to the current strikes and the possibility of new strikes in the future due to the notable discontent of the workers of the Federal Judicial Branch.

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- When the current judges, magistrates, and ministers are removed and replaced, to be elected by vote of the population, there is a risk that people with a lack of skills, experience, or specialization will reach these positions. Currently, many of the judges who handle industrial property cases are specialized judges with expertise in the matter, but since the main criterion for their election will be popularity, there is no certainty over their degree of specialization and experience.
- The politicization of the resolutions; since, instead of being impartial, the new judges could be pressured when resolving a case to seek to gain social acceptance instead of attending to the laws and international treaties.

In any case, the impacts, if any, are still to be seen and may be very subtle or not materialize at all. We will need to strike a balance between the risks perceived vs the benefits the reform is allegedly seeking: reduce or eliminate current cases and corruption, the influence of the status quo, and not always maintaining the best interests of the nation when solving the disputes.

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