



The Trademark Prosecution Review

2024

**Mexico: Practical considerations for
pursuing oppositions**

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The first edition of the WTR Trademark Prosecution Review takes a wide-ranging view of best strategies for securing trademarks in the key regions of the Americas, the Asia-Pacific, and Europe, the Middle East and Africa. The review combines on-the-ground knowledge and analytic insight to offer an unparalleled deep dive into the prosecution landscape in specific key markets.

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Mexico: Practical considerations for pursuing oppositions

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IN SUMMARY

The opposition is a procedure that takes place in parallel to the prosecution of a trademark application and can be filed by any third party who has an interest and considers that the applied-for mark is prohibited by Mexican IP law.

Once the application and the opposition are processed, the Mexican IP Office will refuse registration (if the opposition proves favourable) or issue the certificate of registration and opposition decision (if the opposition proves unfavourable). In both cases, appeal is available.

DISCUSSION POINTS

- Overview of the two types of opposition decisions
 - Current challenges in practice
 - Time limits for filing an appeal against an adverse opposition decision
 - Other practical recommendations
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REFERENCES IN THIS ARTICLE

- Federal Law for the Protection of Industrial Property (FLPIP)
 - Federal Law on Contentious Administrative Procedure (FLCAP)
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The opposition system in Mexico is turning eight years old. During its development, the procedure has undergone changes in the interests of better functioning and better protection of the legal spheres of rights holders and consumers of goods and services.

In summary, the opposition is a procedure that takes place in parallel to the prosecution of a trademark application and can be filed by any third party who has an interest and considers the applied-for mark is prohibited by Mexican IP law.

Once the opposition is filed, the Mexican IP Office (IMPI) will conduct the registrability examination of the applied-for trademark and will notify the applicant of opposition, granting a statutory term of four months to file a formal reply thereto.

After this term lapses and if the applicant responds to the opposition, IMPI will grant both the parties a common five-day term to file closing arguments.

IMPI will then continue with the official examination of the opposed application and will issue its decision, either by refusing registration or by granting it if the opposition result was unsuccessful.

Articles 229 and 203 of the Federal Law for the Protection of Industrial Property (FLPIP) establish the following:

Article 229.

After the period of two months referred to in article 225 of this Law, once the evidence has been processed, the proceedings shall be made available

to the applicant and to the persons who have filed oppositions so that, where appropriate, submit claims within a period of five days, which shall be considered by the Institute. Once this period has elapsed, the corresponding resolution shall be issued without further formality.

Article 230.

Once the application process has concluded and the legal and regulatory requirements have been satisfied, the title shall be issued.

In the event that the Institute denies the registration of the trademark, it shall notify the applicant in writing, stating the reasons and legal grounds for its resolution.

The Institute shall issue the resolution that corresponds to the oppositions received, stating the reasons and legal grounds for its resolution.^[1]

As previously mentioned, there are two types of decision within an opposition procedure.

OPPOSITION PROCEDURE DECISIONS

Refusal Of Registration

The registrability examination and the opposition procedure both concluded that, if the examiner considers the opposition to be grounded or the applied-for mark is prohibited by the Law, IMPI will refuse the trademark registration and the opposition would be considered successful.

IMPI's refusal decision is not final as it can be appealed before the Federal Court on Administrative Affairs (FCA) through a nullity claim.

Likewise, the FCA's decision may also be appealed at the second instance through an amparo suit before a federal court with a panel of three judges.

Granting Of The Certificate Of Registration

Likewise, the registrability examination and the opposition procedure both concluded that, if the examiner considers the opposition to be ungrounded and the applied-for mark is not prohibited by the Law, IMPI will proceed to grant the certificate of registration and to issue a resolution that corresponds to the oppositions received, stating the reasons and legal grounds for its resolution.

Initially there was not much clarity about the possibility of appealing the opposition decision and the title issued by IMPI, nor many criteria in this regard.

At first, many nullity claims filed against the issuance of a certificate of registration were dismissed by the FCA, which argued that those affected by the granting of a trademark registration must file the administrative invalidation action of this trademark registration before IMPI, considering IMPI is the authority empowered and entitled to decide whether the administrative invalidation action of a registration is valid (but not the FCA).

In other words, the invalidation action of a trademark registration is not the jurisdiction of the FCA, as there is an express procedure for this purpose, and it is processed before IMPI.

Now there is greater clarity and criteria issued by the Superior Chamber of the FCA that establishes that the nullity claim is appropriate against the two decisions, the issuance of the certificate of registration and the opposition decision, and the FCA is the competent authority for this purpose.

If a favourable resolution is obtained in the appeal stage by virtue of a nullity claim, the nullity of the opposition resolution will be declared, and the trademark registration granted will be declared illegal and, therefore, lose all its effects.

In other words, IMPI's decisions regarding an opposition procedure are not final and can be appealed jointly before the FCA through a nullity claim. The legal effects are that the opposition resolution is declared null, and the trademark registration previously granted is declared illegal and loses all its effects.

The aforementioned is not recognised by the following:

OPPOSITION PROCEDURE. THE RESOLUTION ISSUED MAY BE CONTESTED JOINTLY WITH THE TRADEMARK REGISTRATION BEFORE THE FEDERAL COURT OF ADMINISTRATIVE JUSTICE.

In accordance with article 120 of the Industrial Property Law, the opposition procedure may be filed by any third party who considers that the application for trademark registration or publication falls within the assumptions provided for in articles 4 and 90 of the Industrial Property Law. Industrial Property; therefore, the result of the procedure will be to determine if the hypotheses in which the granting of the trademark registration or its publication are not actually updated. Derived from this, it is clear that between the resolution that ends the opposition procedure and the granting of the trademark registration, there is a common cause that consists of determining whether or not any impediment to granting the latter is updated; and in that sense, taking into account the contiguity of the case, both acts can be disputed simultaneously in the federal administrative litigation trial.

Contentious Administrative Trial No. 785/19-EPI-01-1/1911/21-PL-09-04.- Resolved by the Jurisdictional Plenary of the Superior Chamber of the Federal Court of Administrative Justice, in a session of 27 April 2022, unanimously with 11 votes in favour.- Judge Rapporteur: Alfredo Salgado Loyo.- Secretary: Lic. Enrique Camarena Huezca.

(Thesis approved in the session of 29 June 2022)^[2]

The above criterion represents a great advance in Mexico in terms of IP law, precisely regarding the opposition procedure, because it provides clarity and legal certainty to the holders of industrial property rights regarding the possibility of challenging adverse decisions of opposition procedures.

Likewise, this precedent is of utmost importance as, in the absence of promulgation and publication of the FLPIP Regulations, there is currently not much clarity about the legal avenues and available resources to appeal adverse decisions derived from opposition procedures. In a certain way, before the issuance of this criterion, the IP rights holders were unable to defend them.

It is highly likely that the pending FLPIP Regulations follow the criteria adopted by the court in the above thesis, which would result in a success because it clearly represents an important improvement and strengthening of the industrial property legal system in Mexico.

Likewise, the legal figure of the opposition has evolved since its introduction in 2016: currently, if we file an opposition and it does not succeed, we must be prepared to challenge the ruling that IMPI gets to issue in opposition proceeding, in all relevant appeal instances, which as previously mentioned, would be before the FCA through a nullity claim and, possibly, at a second appeal stage through an amparo suit before a federal court of administrative affairs, with a panel of three judges.

Otherwise, the result of the opposition may negatively impact any invalidity action that would later be attempted against any eventual registration to be granted for the above-mentioned trademark, because in recent cases counterparties and the Mexican courts are beginning to apply the notion of 'reflective res judicata'.

Reflective res judicata in this case means that as both the invalidity action and the opposition proceedings require IMPI to conduct an analysis on the likelihood of confusion between the trademarks in conflict, if when resolving the opposition IMPI considered that the trademarks under analysis are not confusingly similar, this should also apply in any invalidity action, which would force IMPI to deny that invalidity action.

CURRENT CHALLENGES IN PRACTICE

Article 52 of the Federal Law on Contentious Administrative Procedure (FLCAP) states the following:

ARTICLE 52.- The final sentence may:

1. Recognise the validity of the contested resolution.

...

1. Declare the nullity of the contested decision.

...

1. Declare the nullity of the contested resolution and also:
 1. Recognise the plaintiff the existence of a subjective right and condemn compliance with the correlative obligation.
 2. Grant or restore to the plaintiff the enjoyment of the affected rights.^[3]

In daily practice, we have been experiencing that in almost all cases in which an opposition is unfavourable, IMPI proceeds to issue the certificate of registration, but the opposition decision is not issued until several months have passed.

Considering the fact that the FLPIP Regulations have not yet been published and are due to clarify the particularities of the opposition procedure, a lot of confusion and nervousness among practitioners, law firms and trademark holders in Mexico has been generated in relation to the possible appeal stage against adverse opposition decisions.

Ideally, the certificate of registration and the decision should be issued by IMPI jointly because the course of action to challenge the conflicting registration would be the filing of a nullity action before the FCA against the opposition decision and the trademark registration certificate jointly.

Furthermore, having a complete picture of the panorama or scenario, and knowing the reasoning and foundation on which an IMPI decision was based, is essential to proposing a good and effective litigation strategy. Likewise, it provides certainty and greater clarity to clients about the costs, times and implications that each of the appeal stages may have.

Owing to the delay that exists between the issuance of the certificate of registration and the opposition, we have adopted as a 'practical remedy', filing a brief before IMPI to expedite the issuance of the opposition decision, as an effort for the authority to be more efficient in issuing both resolutions jointly until the regulations to the Law are published.

TIME LIMITS FOR FILING AN APPEAL AGAINST AN ADVERSE OPPOSITION DECISION

For the purpose of filing an appeal before the FCA through a nullity claim, we have a term of 30 business days after being served with an opposition decision. As mentioned, a current issue almost all the users and practitioners are experiencing is the great disparity of time that exists between the issuance of the registration certificate and the decision that led the examiner not to consider the arguments expressed in an opposition to be sufficient and well founded. In some cases, this disparity in time in issuing this decision reaches more than four to five months – a period that we consider excessive.

For the purposes of expediting the issuance of the examiner's decision regarding the opposition and reducing the time disparity with respect to the issuance of the trademark registration certificate, a practice that many colleagues have implemented in the absence of legal regulations in this regard is to file an additional writ before IMPI expressly requesting the issuance of the opposition decision so that, in the near future, both decisions will be issued jointly and it will be possible to evaluate, in a faster and efficient manner, potential litigation strategies to the clients as well as the chances of success.

OTHER PRACTICAL RECOMMENDATIONS

The opposition procedure has several advantages, including the following:

- It is a procedure instituted against a trademark that has not yet been registered and, therefore, does not have constituted rights per se.
- It is a procedure carried out at the same time or simultaneously as the trademark application prosecution, so the time frame of the issuance of a decision is faster.
- The costs are reduced compared to a litigation action.
- The unfavourable opposition decision and the potential certificate of registration can be appealed before two subsequent instances.

However, before recommending that a client pursue or take the opposition procedure as a course of action, it is very important to consider certain particularities, among which is

the penalty or impossibility of initiating an invalidation action in the event of obtaining an unsuccessful opposition claiming the same arguments and evidence.

For example, 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 an invalidation action against such trademark registration is prevented based on the same arguments and evidence as those filed in the opposition.

For example, if an opposition is filed based on the likelihood of confusion and it is unsuccessful, the possibility of filing an invalidation against the resulting trademark registration based on likelihood of confusion would be precluded. Consequently, a potential invalidation action would have to be filed on a different basis (eg, deceptiveness or bad faith).

However, it might be difficult to invoke these different causes of invalidation (deceptiveness or bad faith) because, in the end, any argument related to them would have to be linked to the likelihood of confusion, and if IMPI's determination concluding the absence of likelihood of confusion becomes firm, this determination will become *res judicata*, affecting the possibility of successfully cancelling the conflicting registration before IMPI.

Article 259 of the new Mexican IP law outlines the penalty to file a nullity action based on the same arguments 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.^[4]

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

All these particularities must be considered when deciding the best course of action to take in terms of success rate, times and costs.

In conclusion, if pursuing an opposition, keep in mind that the opposition decision is appealable.

However, considering the FLPIP is still pending the publication of its regulations, and because the FCA and the Federal Courts on Administrative Affairs have just started to have precedents on the origin, jurisdiction and scope of opposition decisions, and certificates of trademark and their effects, there are several particularities that could influence the decision to opt for an invalidation action or the opposition procedure.

Endnotes

[1] https://www.jpo.go.jp/e/system/laws/gaikoku/document/index/mexico-e_industrial-property.pdf.

[2] https://www.tfja.gob.mx/media/media/biblioteca/revistas/2022/Rev_TFJA_Sep_2022.pdf.

[3] https://www.diputados.gob.mx/LeyesBiblio/pdf/LFPCA_270117.pdf.

[4] https://www.jpo.go.jp/e/system/laws/gaikoku/document/index/mexico-e_industrial-propertfy.pdf.



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