

The Trademark

GLOBAL REACH, LOCAL KNOWLEDGE

www.trademarklawyer magazine.com

Lawyer Annual 2023

Statutory damages provide key enforcement mechanism to curb counterfeiters

Nicholas J. Nowak, Matthew M. Zuziak and Will Rodenberg of Sterne, Kessler, Goldstein & Fox PLLC and Charles Hawkins, General Counsel, Intellectual Property & Litigation at Volkswagen Group of America, Inc., report on the *Verotec Wheels, Inc.* case that has solidified the structure for statutory damages.

The territoriality myth

Page 17



Cultural misappropriation

Page 20



DEI: disability

Page 76



Trade Dress in Mexico: Some considerations about their protection in our jurisdiction

Carlos Reyes, Senior Attorney at OLIVARES, reviews the progress of trade dress trademark applications in Mexico following on from the adaptations implemented in the Mexican Industrial Law.

The modifications to the former 1991 Mexican Industrial Property Law - implemented on May 18, 2018, and in force since August 10 of said year - included an additional paragraph, number VII in article 89, related to the signs that can constitute a trademark, referring to the trade dress.

This regulation, for the first time in our Industrial Property Laws, officially opened the possibility to protect the so-called trade dress trademarks, defining them as the plurality of operational or image elements, including size, design, color, shape arrangement, label, packaging, decoration, or any other element that, when combined, can accomplish a distinctive function regarding products or services.

The protection of these signs was also conditioned by the very definition of a trademark, regulated in the precedent article 88 of said IP Law, as an inherently distinctive sign and, consequently, a sign serving to designate the origin of the products or services. This is to be conceptually separated or arbitrary from the products or services (e.g., not the name or usual name of the products or able to be understood as mere information about them or their characteristics) and then able to accomplish the guarantee of origin trademarks' essential function.

Additionally, the 2018 modifications changed the trademark's definition in the former Industrial Property Law text, which changed from *"a visible sign distinguishing products or services from others of the same kind or class in the market"* to



Carlos Reyes

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"a sign perceptible by the senses and capable of being clearly and precisely identifiable as to the subject matter of protection, distinguishing goods or services from others of the same kind or class in the market" in the new 2018 text, which opened the possibility to also register other non-conventional marks like sound and odor marks.

On the other hand, the possibility to register trade dress trademarks, traduced as "commercial image", was immediately opened by the Mexican Industrial Property Office (IMPI), whose databases contains - to this date- 3,414 applications for the registration of different commercial image trademarks. In fact, on the very first effective day (August 10, 2018) of the above-mentioned long-awaited modifications in the Industrial Property Law, 35 trade dress mark applications were filed, of which 31 related to product packaging and four to the commercial image of service stations (in general terms this proportion between trade dress constituted by product packaging and commercial establishments has been maintained in the short life in Mexico of trade dress trademarks).

This protection was confirmed in the new Industrial Property Law, in force since November 05, 2020, in which article 172, listing the signs that can constitute a trademark, included paragraph VII with an identical definition (i.e., the plurality of operational elements; image elements, including size, design, color, shape arrangement, label, packaging, decoration, or any other element that, when combined, that can accomplish a



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distinctive function in regard to products or services).

Prior to 2018, we can mention the existence of Court precedents in which the “commercial image” was first considered for protection as an ornamental or complementary - non-independent - element of a registered trademark, in occasions of unfair competition litigation matters and, later, as combinations of colors, packaging, and other elements that can by themselves accomplish a distinctive function.

The later Court definition of commercial image is, more or less, in agreement with the usual international standard for trade dress distinctive signs, referring to the visual appearance or commercial look and feel of a product or service that can accomplish a distinctive function, derived from a combination of elements that can include 3D features, designs, and shapes that are used to present a product or a service.

In this regard, the mention of a commercial image, i.e., trade dress, in paragraph VII of article 89 of the former Mexican Industrial Property Law and, in paragraph VII of article 172 of the new Mexican Industrial Property Law, relating both articles to “signs that can constitute a trademark” leaves no doubt about the protection assured to these signs as trademarks and not as ornamental or complementary elements of a registered trademark.

In relation to the criteria of the IMPI regarding the distinctiveness of trade dress, it is interesting to note that trade dress trademark applications

- presented as combinations of said different elements - have been granted in the majority of cases and that, when refused registration, the refusals have been based on absolute grounds for lacking distinctiveness under considerations of mere descriptiveness.

This criterion of the IMPI, relating to the impossibility of a trade dress trademark accomplishing a distinctive function, is interesting because it has allowed the protection of shapes of products that, if filed as 3D trademark applications, would have been refused by IMPI for lacking distinctiveness. In fact, 3D trademark applications are more often refused under considerations that tacitly relate to high distinctiveness or even originality, even if explicitly

Résumé

Carlos Reyes, Senior Attorney

Carlos joined OLIVARES in October 2008 and has more than 25 years of experience in intellectual property prosecution and litigation. His practice is now mainly focused on the areas of counseling and trademark registration. In summary, he provides counseling regarding trademark registrability and brings his experience on trademark prosecution and litigation, answering objections related to absolute and relative grounds of refusal, and preparing and filing trademark oppositions before the Mexican PTO (IMPI).

As a senior attorney in the OLIVARES trademark team, he has helped to secure trademark protection in Mexico for several important trademarks, in particular relating to trademark distinctiveness and the likelihood of confusion.

bearing in considerations relating to shapes that exclusively result from the nature of the goods or are required to obtain a technical result.

In both cases, it is important to mention that it is possible in Mexico to register both 3D and trade dress trademarks considered as lacking distinctiveness according to the IMPI criteria if the applicant is able to prove acquired distinctiveness, i.e., the proposed trademark - initially non-distinctive - has secondary meaning derived on its use.

It is also important to mention that the IMPI provides some information about the protection of trade dress on its webpage¹, with the title "Commercial Image: Protect the unique characteristics of your product or service". However, the information is related therein to combined and complementary - non-independent - elements of a trademark, always linked to a conventional trademark right, and not to a kind of trademark or non-conventional trademark. This derives from the inclusion of the phrase, *"if you already have a trademark for your product or service, register also its commercial image and avoid that others can copy its appearance"*.

Nevertheless, for the registration of trade dress, it is not a requirement to mention or to link the application to a registered trademark, and said same above-mentioned webpage mentions trade dress as a non-traditional trademark. In fact, IMPI refuses or requires the applicants to exclude trademarks that are visible in the images of the trade dress they are applying for, requiring them to limit the claimed protection to only the operational or image elements that combined constitute the trade dress.

On the other hand, the applicants are required by IMPI to include in the trade dress trademarks' applications an accurate description of the trade dress / commercial image they are applying for, indicating in words - additionally to the images - the operative and image elements that combined constitute their trademark.

Also, the IMPI requires the applicants to submit images of the trade dress from all views (above, sides, frontal, and behind views), as it is also needed for the case of 3D trademarks.

In fact, most of the official requirements from IMPI relate to formalities that must be accomplished when filing a trade dress trademark application: applicants are requested to include these elements and to exclude as elements those which do not request protection. Excluded elements are those that, even if visible in the exhibited images, cannot constitute distinctive operative and image elements of the requested trade dress trademark.

We have in this regard reviewed some refusals from IMPI in relation to trade dress trademark applications and find that most of these relate to the lack of distinctiveness, specifically to

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¹ <https://www.gob.mx/impi/articulos/imagen-comercial-protege-las-caracteristicas-unicas-de-tu-producto-o-servicio?idiom=es>

considerations of the descriptiveness of the applied-for sign. This refusal clause is regulated in paragraph IV, article 173 of the current Industrial Property Law, relating to signs that, considering all their characteristics, are descriptive of the goods or services they are intended to distinguish.

The arguments of IMPI are that the proposed trade dress trademark lacks "unique and distinctive characteristics" that could distinguish it from other similar products or services in the market. In other words, the proposed sign is not appreciated differently enough from the usual representation of the common or essential elements of the product or the commercial establishment (i.e., store, gas station, etc.).

It is also important to remark that in some cases, the IMPI refuses the registration requested for trade dress marks bearing the refusal in paragraph XV of the Industrial Property Law, relating the prohibition to register deceptive signs or signs that are likely to induce the consumers to error as constituting false indications about the nature, composition, qualities or the origin of the products or services, arguing that *"it cannot be determined how this sign could be used in distinguishing such product or service"*. This phrase leads us to believe that the refusal actually relates to the lack of distinctiveness of the proposed sign and not to deceptiveness.

But, additionally to these quite generic considerations, there is no word or further explanation in the IMPI refusals that may clearly explain the factors that should be considered as implying a lack of distinctiveness of a trade dress trademark. For example, when the trade dress trademark consists exclusively in commonly used forms, or in forms imposed by the nature of the goods, or are necessary to obtain a technical result.

Of course, these arguments may be tacitly considered in the trade dress refusals from IMPI based on the lack of distinctiveness, so we will need to wait for relevant Court precedents to explain more explicitly why a trade dress applied sign can be considered as lacking or having distinctiveness.

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