

# The Trademark

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## Lawyer



## “THUMBS UP” – and down – to US trademark registration challenges based on “foreign” marks

Chris Mitchell, a member of Dickinson Wright, reviews the dispute between Coco-Cola and Meenaxi over the request for the cancellation of registration of identical marks with key takeaways in light of a surprising outcome.



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# Declarations of use: new requirement to keep trademarks in force

**María del Carmen Sada, Attorney-at-Law at OLIVARES, details the new requirement to file a Declaration of Actual and Effective Use in Mexico to maintain the registration rights of a trademark.**

**A** new requirement to keep trademarks in force has been raised as a result of an amendment to the previous Mexican Industrial Property Law, which is sustained in the provisions of the new Federal Industrial Property Law (IP Law). Right-holders of Mexican Trademark Registrations, in order to maintain their registrations and keep them alive, must now file a Declaration of Actual and Effective Use (DoU) of their trademarks in Mexico for the products or services protected, and which are actually and effectively in use in Mexico, before the Mexican Institute of Industrial Property (IMPI)

The principal reason behind this amendment is to give more importance to the use of trademarks in Mexico.

In this sense, Article 233 of the new IP Law establishes:

*"The trademark must be used in national territory, as it was registered or with modifications that do not alter its distinctive character.*

*The owner of a trademark must declare its real and effective use, indicating the products or services for which protection applies, accompanying the payment of the corresponding fee.*

*The statement will be submitted to the Institute during the following three months, counted from the third year after the registration has been granted.*

*The scope of registration protection will continue only in those products or services on which the use has been declared.*

*If the owner does not declare the use, the registration will automatically expire, without requiring declaration by the Institute"*



María del Carmen Sada

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The principal purpose of this new requirement is to avoid trademark registrations that are not being used by their holders.”

The principal purpose of this new requirement is to avoid trademark registrations that are not being used by their holders blocking other new applications for trademarks which are actually and effectively being used in commerce in Mexico and have not achieved registration yet.

According to the Mexican IP Law, registrants are required to make DoU at two different moments:

1. Within the next three months counted as of the third anniversary of their date of grant. This requirement will apply to all trademarks granted from August 10, 2018, even if their respective application was submitted prior to such date. This requirement will also apply to national trademark designations linked to international registrations. In the "Declaration of Actual and Effective Use", the trademark holder must specify the goods or services for which use of the trademark is being declared. The scope of protection of the trademark registration will continue in place for the goods or services for which the actual and effective use has been proclaimed. Additionally, in both cases of the filing of the "Declaration of Actual and Effective Use", the right-holder will have to submit the payment of the corresponding fee.
2. The "Declaration of Actual and Effective Use" should also be filed with IMPI every 10 years, simultaneously with the Renewal petition of all the trademarks registered before or after the Law amendment:
  - a. For national trademark registrations, the registrant should file the



“Declaration of Actual and Effective Use” together with the Renewal petition.

- b. For International Registrations using the Madrid protocol renewed under Article 7 of the Madrid Protocol, the trademark owner should declare the actual and effective use of the trademark directly to IMPI within the three months following the renewal notice of the International Registration is made by the International Bureau of WIPO.

The scope of protection for national and international trademark registrations which declare use will only cover those products or services which are precisely declared, consequently, the protection will be lost for the remaining products or services which were originally covered by the registration but for which use was not declared with the Declaration of Actual and Effective Use.

The consequence of not complying with the Declaration of Use in both of the above-mentioned moments, is that the protection of the trademark will automatically lapse and that it will be considered as expired by IMPI on an *ex officio* basis.

The alternative to regain protection for trademarks that do not comply with this requirement will be to file a new application. The same scenario applies for the products or

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services that were omitted or deleted in the Declaration of Actual and Effective Use.

It is recommended to holders of international registrations which have designated Mexico as a contracting party to appoint local legal representatives in order to timely file this mandatory Declaration of Actual and Effective Use and avoid the expiration of the relevant registration simply for the lack of the filing of this requirement.

## Résumé

**María del Carmen Sada, Attorney-at-Law at OLIVARES**

Carmen Sada focuses her practice on Intellectual Property matters. Her tasks at OLIVARES are primarily registration, prosecution, and maintenance of trademarks, client counseling, preparation and prosecution of trademark applications, trademark protection, licensing, of trademark rights. Her practice includes a diverse range of industries and technologies such as pharmaceuticals, building products, video games, consumer goods, clothing, among others.

The Trademark Registrations granted before August 10, 2018, are not obligated to file this Declaration of Actual and Effective Use, those trademarks are still in force until the term of 10 years, which is the period for which the authority protects a trademark, a period that can be extended for an equal period if renewal petitions are filed.

The Declaration of Actual and Effective Use in Mexico is filed based on the principle of good faith. No proof of use should be filed with the Mexican Institute of Industrial Property (IMPI), it is not mandatory to submit evidence of the use of the trademark when declaring it. For both cases, IMPI has published official forms for filing and the same has to be executed by filing the specific goods or services on which the trademark owner confirms actual and effective use in Mexico for the registered trademark. In other words, The Mexican IP Law requires a declaration with the official format, indicating, and declaring under oath the list of specific goods or services for which the trademark is in use and on which the trademark owner confirms actual and effective use in Mexico, but it cannot include new products or services. If the trademark is in use in Mexico in connection with new products or services, a new application should be filed before the IMPI.

Accordingly, it is very important to try to determine what is actually meant by real and effective use of a trademark in our country.

In terms of Article 235 of the IP Law, *"the use of a mark must be made by its owner or by its authorized user. If a trademark is not used for three consecutive years in the products or services for which it was registered, its registration will lapse or, it can take place the partial lapse in connection with the products or services that are not in use, unless its owner or authorized user who has been granted a license has used it during the three consecutive years immediately prior of the filing of an eventual administrative cancellation action, or that there are circumstances arising independently of the will of the trademark owner that constitute an obstacle to the use of the mark, such as import restrictions or any other governmental requirements applicable to the goods or services to which the mark is protected"*.

The use should necessarily mean an actual and effective presence of the products or services in the market within Mexico. In other words, the products or services distinguished by the trademark registration have to be at least offered and available in the market for Mexican consumers in the amount and ways that relates to the customs and habits in the commerce. The use of a trademark usually means the actual sale of a product or service to the consumers in Mexico.



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We suggest always reviewing your trademark registrations in Mexico in order to be aware of the maintenance deadlines such as the so called "Declaration of Actual and Effective Use" and review the real and effective use of the trademarks and it is advisable to have in hand evidence that attests the use of the trademark, such as contracts, advertisements, invoices, publications, brochures, catalogues or any other marketing document, in case that trademark is challenged by a third party for not being in use in Mexico.

In conclusion, the main purpose of incorporating the Declaration of Actual and Effective Use into Mexican Law is to encourage the active use of registered trademarks and in order to avoid control over registrations that are not being used by their owners. This new requirement has caused a fundamental modification in the Mexican Industrial Property System, complementing the importance of the use of trademarks with the prevailing regulations in the world.

Much has been written and discussed about the Declarations of Actual and Effective Use of a Trademark in Mexico; however, it is worth bearing this topic in mind in order to be alert of the maintenance requirements for all of your client's trademarks.

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