

# The current scenario for protecting and enforcing inventions in Mexico

Sergio L. Olivares, Jr, Mauricio Samano and Omar Serrano of OLIVARES take a look at the changing IP landscape Mexico



Sergio L. Olivares, Jr



Mauricio Samano



Omar Serrano

## I. Introduction

**T**here is no doubt that the past year has been quite challenging for Mexico. For the first time in Mexico's history, we have a president coming from a left wing political party and this has definitely had an impact on the way our country is viewed in the eyes of other countries. However, we will show that, despite the local political and economic environment, the Mexican IP system is moving towards modernization with the aim of enhancing IP protection. In this briefing, we will provide a quick overview of the current scenario for protecting inventions and designs in Mexico, particularly after the amendments to the Mexican Industrial Property Law, which entered in force on 27 April 2018.

## II. Industrial Designs

Most of the amendments that entered in force on 27 April 2018 are related to Industrial designs. One of the most interesting changes is that the term of protection for designs has changed. Instead of a single 15 years term of protection, the law provides a term of five years of protection, which can be renewed for four more five-year periods, giving a total term of protection of up to 25 years. That is, protection for Industrial designs in Mexico has now extended for ten more years.

Another notable advantage is that Industrial designs granted before the entry into force of these amendments can be renewed for two periods of five

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years after the expiration of the 15-year period and the renewal petition is due within the last six months of the 15 years protection term originally granted.

The scope of protection for designs was amended as well in order to clarify certain concepts. In order for a design to be protectable in Mexico, said design must be novel and must have industrial applicability. In order to be novel, a design must be of independent creation and differ significantly from known designs or combinations of known features of designs (according to article 31 of the Mexican Industrial Property Law). In the past, the terms "independent creation" and "differ significantly" were not defined by the law. Therefore, such terms were interpreted in different ways by Examiners and generated uncertainty for applicants since the examination turned out to be somewhat subjective. However, in the latest reform to our law, article 32BIS was added which clearly defines these terms. Article 32 BIS reads as follows:

*Article 32 BIS - For the effects of the present chapter the following should be understood:*

- I. Independent creation, when no other identical industrial design has been made public before the filing date of the application, or before the recognized priority date. Industrial designs shall be considered identical when their characteristics differ only in irrelevant details and,*
- II. Differ significantly, the general impression that the industrial design produces in an expert in the field and that differs from the general impression produced by any other industrial design, which has been made public before the filing date of the application, or before the recognized priority date, considering the designer's degree of freedom for the creation of the industrial design.*

The above definitions have provided guidance to Examiners and now we are observing a much more

homogenized criterion in the substantive examination of industrial designs.

In addition, the impact of the above definitions is not only perceived in regard to the substantive examination, but also in the enforcement of industrial design registration. In this sense, the definitions provided by Article 32 BIS will contribute in better defining the scope of protection concerning industrial designs. The inclusion of clearer scope of protection makes it easier to determine whether an industrial design registration is infringed or not, which means that the test for determining infringement will be improved.

## III. General benefits for patents, designs and utility models

Before the amendments that entered in force on 27 April 2018, neither industrial designs nor utility models were published until after they were granted. Now, both industrial designs and utility models are published after formal examination is complete. The same situation applies for divisional applications which were also not published until they were granted.

Another very interesting benefit is that now all pending patent, industrial design and utility models are now open for public inspection once published. In the practice, we believed that this would apply only for applications filed after 27 April 2018. However, interestingly, this disposition has applied in a retroactive manner and applications that were filed several years ago and that are still pending, are now open for public inspection. This is especially beneficial when conducting an FTO because now we have a much more complete picture of the status of each of the pending cases and are able to give much more accurate information.

Another aspect that changed when this last reform was enacted is that the period of third-party

## Résumés

### Sergio Olivares, Jr.

Sergio joined OLIVARES in 1987 and has been practicing intellectual property (IP) law for more than three decades. He has been a partner since 1994 and Chairman of the firm's Management Committee since 2009. He is proficient across all areas of IP law, but works most closely with the firm's Patent Group. Mr. Olivares is highly recommended by leading industry publications and directories as a leader in IP. He has been integral to Olivares' expansion into new and innovative practice areas; has been at the helm of cases that are helping to shape the standard for evaluating inventive step and novelty for pharmaceutical patents; and was involved in a landmark Supreme Court case that changed the landscape for unfair competition enforcement in Mexico. Mr. Olivares received his J.D. from the Universidad Intercontinental in 1991 and graduated from the Franklin Pierce Center for Intellectual Property in 1993.

### Mauricio Samano

Mauricio works in the patent department of our firm. His work in OLIVARES mainly focuses in prosecuting Chemical, Biotechnological and Pharmaceutica patent applications, as well as in providing technical opinions regarding patent infringement. He has experience in conducting state of the art searches and drafting patent, utility model and industrial design applications. Additionally, he has participated in interviews with examiners of the Mexican Institute of Industrial Property (IMPI) and the United States Patent and Trademark Office.

### Omar Serrano

Omar joined OLIVARES in 2011. He was part of the litigation team from 2013 to 2018 focusing his practice primarily to litigation of trademarks, unfair competition, patents and industrial designs. In addition to litigation, his practice focuses on providing advice to our clients regarding the registration, protection and defense of their intellectual property rights. As of 2019, Omar is an attorney at OLIVARES' patent department, where he focuses his practice to the coordination of a variety of legal issues during the prosecution of patent applications, consultancy, freedom to operate searches, licensing and enforcement.

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observations was reduced from six months after the publication of the application to two months. The main reason for this change is because the Mexican authorities observed that very few third-party observations were submitted. It is important to take into consideration that these observations are not binding for the Examiner and thus he/she may decide to consider them or not when conducting the substantive examination.

We see these reforms as an effort to modernize the Mexican IP system and to bring it closer to more mature IP systems such as the US and European systems. While there is much more to do, however, the above reforms are positive for both, national and international users of the Mexican IP system.

Besides the positive effect that the above reforms entail, it has to be said that the Mexican Judiciary has demonstrated an open and positive attitude towards adopting new interpretations of the law, which aim to ensure a higher standard of protection to IP rights.

An example of the above is the position of the Mexican Courts towards claim interpretation when deciding patent infringement cases. The Mexican Patent Office and the Courts have traditionally interpreted the law as providing that the exclusive rights conferred by a patent are limited to the literal meaning of the claims. In contrast to the American and European systems, where equivalents are taken into account when interpreting the claims, the Mexican system offered a narrower scope of protection.

However, this appears to be changing, since recently the Federal Circuit Courts are taking a new approach towards claim interpretation. The Mexican Courts have acknowledged the need to harmonize the principles of claim construction and to extend the scope of protection to equivalents, rather than limiting it to the literal meaning of the claims.<sup>1</sup>

Furthermore, the Courts recognize two important and positive elements for the development of the Mexican patent system. First, that defining the scope of protection conferred to exclusive rights is relevant and decisive for the economic agents in the global market. Second, that innovation plays a key role as an incentive or barrier towards industrial development, thus it is required to rely on interpretation mechanisms that are adapted to the market reality and the legislator's intentions. These elements justified the need, according to the Courts, to adopt a new approach for claim interpretation, which would allow Mexico to protect patents in broader way. In other words, these arguments served as basis for the Courts to adopt a new test for claim interpretation, which was based on the American doctrine of equivalence.

Although, the test applied by the Courts is not clearly defined yet, and despite the defaults that can be argued against the above-described approach, it is indisputable that recognizing the need of broadening the scope of protection granted to patents by taking into account equivalents is a great step towards the modernization of the Mexican Patent system.

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Nonetheless, it has to be said that in order to support the applicability of the doctrine of equivalence in Mexico, and to achieve legal certainty on claim interpretation, it would be necessary to amend the Mexican Industrial Property Law to include equivalents, similarly to the Protocol on the Interpretation of Article 69 of the European Patent Convention, which clearly defines that when assessing the extent of protection conferred by a patent, equivalents of the claimed elements shall be taken into account.

In light of the foregoing, when considering the latest amendments to Mexican Industrial Property Law with regards to patents, utility models and industrial designs, and the openness shown by the Courts to broadening the scope of protection conferred to such IP rights, one can conclude that the Mexican system is moving forward in pursuit of levelling the standard of protection as compared to more developed IP systems, incentivizing innovation and securing benefits for both local and foreign users of the Mexican IP system.

### Conclusion

In general, from our perspective, Mexico has become a country that offers a much more robust protection for IP rights. Moreover, despite the current political environment, it is undeniable that notable efforts have been carried out to modernize the Mexican IP system for the benefit of its users and the general public. This is true not only considering the above-mentioned reforms concerning inventions and designs, since this last reform to our domestic law also included interesting amendments regarding trademarks, such as the possibility of protecting trade dress, nontraditional trademarks, the introduction of the secondary meaning figure, and letters of consent. These figures have long been absent from our law and represent a big step towards being a country that offers one of the highest standards of protection for IP rights throughout Latin America.

Another positive sign our current government has sent is the ratification of USMCA by the Mexican senate. With this action, our government is sending a clear message that they intend to continue on the same progress route and that the protection of IP rights is a priority. The Mexican government should continue showing positive signs in this regard and push for new amendments to the Mexican Industrial Property Law in order to foster innovation, development and economic growth.

<sup>1</sup> OLIVARES handled the first case in which the Federal Circuit Courts recognized the need of extending the scope of protection granted for patents to cover equivalents. This case was decided on 2016 and it is the first precedent that considers the application of the doctrine of equivalence in patent infringement actions, in Mexico. For further information on this case and its consequences, please contact the authors of the present article.

**Contact: OLIVARES**  
**Address:** Pedro Luis Ogazón 17, San Ángel, 01000, Mexico City, Mexico  
**Tel:** +52 55 5322 3000  
**Email:** olivlaw@olivares.mx  
**Website:** www.olivares.mx