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Supreme Court of Justice: "real and effective use" of trademark necessary to preserve registration in Mexico

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- **The lack of definition as to what constitutes "trademark use" has caused uncertainty to trademark owners for many years**
- **The Supreme Court of Justice has finally provided some answers when ruling on the constitutionality and scope of Article 62 of the RIPL**
- **The resolution provides, for the first time, criteria defining the real and effective use of a trademark**

Background

The lack of regulation in Mexican legislation as to what is, and what should be understood as, "use of a trademark" in order to maintain a registration has long caused uncertainty for trademark owners, since neither the Intellectual Property Law (IPL) nor the new Federal Law for Protection of the Industrial Property (FLPIP) provides a definition in this respect.

Article 62 of the Regulation of the Intellectual Property Law (RIPL) is the only provision that contains certain parameters in this regard, stating that a trademark will be understood as being in use:

when the products or services that it distinguishes have been placed in trade or are available in the market in the country under that mark in the amount and in the manner that correspond to the uses and customs in the trade.

However, a definition of "the amount and manner that correspond to the uses and customs in the trade" was never provided, and it was left to the discretion of the judges to determine such uses and customs in each case. As a consequence, there was a lack of uniform criteria to determine what "use of trademark" is.

Supreme Court of Justice decision

After years of trying to get the Supreme Court of Justice to provide criteria as to what constitutes "trademark use", and what amounts to "effective use" rather than "token use", the court has finally ruled on the constitutionality and scope of Article 62 of the RIPL. In Review Recourse No 1227/2020, the Supreme Court of Justice ruled that this article was constitutional on the following grounds:

- Article 62 does not contravene international treaties, since the text of the treaties does not include any restrictions on the enforceability of the real and effective use of a trademark to prevent its cancellation for non-use. The fact that, to establish the use of a trademark under Article 62, it must be proven that "the products or services distinguished by the trademark have been placed in trade or are available on the market in the country under that mark in the amount and in the manner that corresponds to the uses and customs in the trade", does not contravene or contradict the provisions of said treaties.
- From the interpretation of Articles 130 and 152, Section II of the IPL, it must be understood that the word 'use' in these articles corresponds to the use of a trademark in a qualified way and by means of unequivocal acts, making it possible to establish its durability or continuity in the market, as well as a certain quantification of the consequences of its use (eg, sales and appreciable profits). This implies that real and effective use of the trademark must be made in order to maintain its registration.
- Article 62 is in accordance with Articles 130 and 152, Section II of the Intellectual Property Law, since the requirements contained in Article 62 (ie, demonstrating the availability of goods identified with a trademark in the amount and in the manner that corresponds to the uses and customs in the trade) has been translated into the possibility of interrupting non-use cancellation proceedings where the real and effective use of the trademark at issue has been proven. For this reason, Article 62 does not exceed the scope of Articles 130 and 152, Section II, since it provides for the means necessary for the correct application of the IPL and pursues the observance of its purposes - namely, that registered trademarks must identify products and services in the trade, and that IP rights must not unduly limit commerce.

Comment

This resolution of the Supreme Court of Justice constitutes a welcome development for the Mexican legal system: not only does it provide, for the first time, criteria defining the effective and real use of a trademark, it also allows Mexico to adopt a precedent that is in line with international jurisprudence - that is, token use of a mark for the sole purpose of maintaining a registration will not be tolerated.

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