

USMCA / T-MEC and Intellectual Property

Intellectual Property – July 1, 2020

1) T-MEC GENERAL OVERVIEW

- On July 1, 2020, the Agreement between the United States of America, the United Mexican States and Canada (T-MEC) entered into force; such agreement is directed to promote the economic recovery of our country and the North America region after the health emergency caused by COVID-19.
- Likewise, it will provide legal certainty for the benefit of the development of the three countries. In the case of Mexico, the Agreement will help modernize its legal framework regarding Intellectual Property, adopting legal concepts and proceedings to standardize our laws, not only with the United States and Canada, but with other countries, with the purpose to provide with more efficient mechanisms to Intellectual Property owners.
- The progress of a country and its development cannot be realized without investment, innovation, technology, and due protection of intangible assets subject to Intellectual Property.
- Chapter 20 of the T-MEC acknowledges the need to promote innovation and creativity; facilitate the diffusion of information, knowledge, technology, culture, and the arts; and foster competition and open and efficient markets.
- As a general rule, the T-MEC will not give rise to obligations in relation to acts that occurred before the date of entry into force, nor will it prevent from determining the conditions under which the exhaustion of rights will apply for each country.
- This first part of our article will only address: **(i)** trademarks; **(ii)** geographical indications; **(iii)** patents; **(iv)** industrial designs and **(v)** domain names.

2) TRADEMARKS

- The registration of non-traditional marks is acknowledged; it will not be required as a condition to registration that a sign be visually perceptible. In such regard, said provisions were incorporated to the Mexican Industrial Property Law ("LPI") with the May 18, 2018 Amendments.
- It is provided that the owner of a registered trademark has the exclusive right to prevent third parties from using identical or similar signs for goods or services **that are related**, if that use would result in a likelihood of confusion.
- Rules for determining the likelihood of confusion are provided, which in the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.
- The T-MEC maintains as classification system of goods and services that which is consistent with the Nice Agreement. It is noted that goods and services may not be considered as being similar to each other on the ground that they are classified in the same class.
- The T-MEC expressly provides that: **(i)** it shall not be required the recordal of trademark licenses to establish the validity of licenses; or **(ii)** as a condition for use of a trademark by a licensee to be deemed to constitute use by the holder.

3) WELL-KNOWN TRADEMARKS

- The T-MEC takes up the Paris Convention provisions establishing that it shall not be required as a condition for determining that a trademark is well-known that:
 - i. the trademark has been registered;
 - ii. included on a list of well-known trademarks; or
 - iii. given prior recognition as a well-known trademark.
- The prohibition to register a trademark for being confusingly similar to a well-known trademark **will also apply to goods or services that are not identical or similar to those identified by a well-known trademark**. It will be necessary to **(i)** indicate a connection between those goods and services and the owner of the trademark; and **(ii)** the interests of the owner are likely to be damaged by that use.

- The same shall apply with respect to the grounds for invalidating a registration that has been improperly granted.

4) PROHIBITION TO USE ANY OF THE COUNTRY NAMES

- The T-MEC prohibits the commercial use of the country name of a Party in relation to a good in a manner that misleads consumers as to the origin of that good.

5) GEOGRAPHICAL INDICATIONS

- The Treaty gives the possibility that geographical indications may be protected **as a trademark**, a sui generis system or other legal means.
- Currently, according to the LPI, designations of origin and geographical indications **cannot be registered as a trademark**; however, current regulation already provides for a procedure for the protection of geographical indications and designations of origin.
- In connection to the procedures for the protection or recognition of geographical indications, the T-MEC establishes that the Parties shall:
 - i. accept applications without requiring intercession by a Party on behalf of its nationals;
 - ii. ensure that applications are published for opposition;
 - iii. provide a reasonable period of time during which an interested person may oppose the application;
 - iv. require that administrative decisions in opposition proceedings be reasoned and in writing;
 - v. provide for cancellation of the protection or recognition afforded to a geographical indication;
 - vi. require that administrative decisions in cancellation proceedings be reasoned and in writing.

- The grounds of denial, opposition and cancellation will be made on the basis that the geographical indication is:
 - i. likely to cause confusion with a trademark pending application or registration;
 - ii. likely to cause confusion with a pre-existing trademark; or
 - iii. a term customary in common language as the common name for the relevant good.
- **Term customary in the common language.**- To determine whether a term is the term customary in common language, the authorities shall have the authority to take into account how consumers understand the term in the corresponding territory, in accordance to the following factors:
 - i. whether the term is used to refer to the type of good in question;
 - ii. how the good referenced by the term is marketed and used in trade;
 - iii. whether the term is used in relevant international standards to refer to a type or class of good; and
 - iv. whether the good is imported in significant quantities, from a place other than the territory identified in the application, and whether those imported goods are named by the term.
- The Parties are not obligated to apply these provisions to geographical indications **for wines and spirits** or applications for those geographical indications.
- The provisions of the T-MEC will not be mandatory for geographical indications **that have been previously protected or recognized** in accordance with an International Treaty prior to the T-MEC.

6) PATENTS

- The Parties acknowledged the relevance of improving the quality and efficiency of their own registration systems.
- Efforts will be made to cooperate to facilitate the sharing and use of search and examination work between the Parties, as well as to reduce differences between procedures and processes between their patent offices.

- Through T-MEC it is confirmed the patentability of inventions regarding:
 - i. new uses of a known good;
 - ii. new methods of using a known good; or
 - iii. new procedures for using a known good.
- It is established that a Party may provide that fraud, misrepresentation or inequitable conduct may be the basis for cancelling, revoking or nullifying a patent.
- For published patent applications and granted patents, at least the following information shall be available to the public:
 - i. search and examination results;
 - ii. non-confidential communications from applicants; and
 - iii. patent and non-patent related literature citations.
- **PATENT TERM ADJUSTMENT.**- The T-MEC includes provisions for adjusting the duration of a patent term for unreasonable granting authority delays, for which the means will be provided so that at the request of the patent owner, the term of the patent is adjusted to compensate for delays.
- Under the T-MEC, it is deemed an **unreasonable delay** in the issuance of a patent:
 - i. **more than 5 years** from the date of filing of the application, or
 - ii. **3 years** after a request for examination of the application has been made.
- It may be excluded from the determination of delays:
 - i. periods of time that do not occur during the processing of the patent application by the granting authority;
 - ii. periods of time that are not directly attributable to the granting authority; and
 - iii. periods of time that are attributable to the patent applicant.

7) MEASURES RELATING TO PHARMACEUTICAL PRODUCTS

- With respect to a pharmaceutical product that is subject to a patent, it is provided an adjustment of the patent term to compensate the patent owner for unreasonable curtailment of the effective patent term as a result of the marketing/sanitary approval process.
- Procedures that **expedite the processing of marketing/sanitary approval may be adopted** with the objective of avoiding unreasonable curtailment of the effective patent term.

8) PROTECTION OF UNDISCLOSED TEST OR OTHER DATA

- In relation to **(i)** undisclosed test data or **(ii)** undisclosed information concerning the safety and efficacy of a new pharmaceutical product, submitted by the holder as a condition for obtaining a marketing/sanitary approval, the T-MEC provides that it will not be permitted for third parties, without the consent of the respective data holder:
 - i.** to market the same or a similar product on the basis of that information or the marketing approval, for at least 5 years from the date of marketing approval of the new pharmaceutical product.
 - ii.** to market the same or a similar product on the basis of information or the marketing approval **obtained in another territory**, for at least 5 years.
- Similarly, the aforementioned provisions will apply:
 - i.** for a period of **at least 3 years** with respect to new clinical information submitted for the sanitary approval of a previously authorized pharmaceutical product, covering a new indication, a new formulation or a new method of administration;
 - ii.** for a period of **at least 5 years** for new pharmaceutical products containing a chemical entity that has not been previously approved;
 - iii.** for a period of **at least 10 years** regarding the protection of new biologicals;
 - iv.** for a period of **at least 10 years** from the date of marketing approval of a new agricultural chemical product.

9) MEASURES RELATING TO THE MARKETING OF CERTAIN PHARMACEUTICAL PRODUCTS

- The T-MEC provides that, if as a condition of approving the marketing of a pharmaceutical product, it is permitted that persons, other than the person originally submitting the safety and efficacy information, **rely on evidence or information concerning the safety and efficacy of a product that was previously approved** (such as evidence of prior marketing approval in another territory), it shall be provided:
 - i. a system to provide notice to a patent holder, prior to the marketing of such pharmaceutical product, **that there is a third party seeking to market that product during the term of an applicable patent**;
 - ii. **adequate time and sufficient opportunity** for such patent holder to bring the available legal remedies; and
 - iii. judicial or administrative proceedings, such as provisional measures, **for the resolution of disputes** concerning the validity or infringement of the respective patent;
- Alternatively, a non-judicial system may be adopted **that prevents granting a marketing/sanitary approval to any third party** that seeks to market a pharmaceutical product covered by a patent, unless such third party has authorization granted by the patent owner.

10) INDUSTRIAL DESIGNS

- The information contained in public disclosures used to determine if an industrial design is new, original or non-obvious shall be disregarded if such public disclosure:
 - i. it was made by the design applicant; and
 - ii. occurred within 12 months prior to the filing date.
- It is important to emphasize that under the current LPI provisions, industrial designs that are **(i)** new and **(ii)** capable of industrial application can be registered; whereby **new** is understood as those being of an independent creation and that significantly differ from known designs or combinations of known design features.

- Moreover, the T-MEC provides that the term of protection for industrial designs are **at least 15 years** from either the date of filing or the date of grant or registration.
- In such regard, the current LPI provides that the term of protection of registered industrial designs is 5 years, from the date of filing, **renewable for successive periods of the same duration up to a maximum of 25 years**, subject to the payment of the corresponding fees.

11) DOMAIN NAMES

- The T-MEC specifically addresses the management of **country code top-level (ccTLD) domain names** (e.g. **.mx**, **.us** and **.ca**), providing that the following shall be available:
 - iv.** an appropriate procedure for the settlement of disputes that, based on, or modelled along the same lines as, the principles established in the Uniform Domain-Name Dispute-Resolution Policy; or
 - v.** that is designed to resolve disputes expeditiously and at low cost, and does not preclude resort to judicial proceedings; and
 - vi.** online public access to a reliable and accurate database of contact information concerning **domain name registrants**.

This final provision is relevant for the identification of possible intellectual property rights infringers in the digital environment, so that the owner can bring the corresponding legal procedures for the protection of rights.

Should these measures have an adverse effect on you, please do not hesitate to contact our team with expertise in intellectual property matters, who can be of assistance:

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