

Country correspondents

The Country correspondents section of *World Trademark Review* is a feature in which leading firms from countries across the globe take a detailed look at a specific topic affecting trademark owners

Advertising

In this issue the correspondents consider the complex relationship between trademarks and advertising

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Advertising in Mexico: the IP law perspective

Advertising in Mexico is highly regulated and IP law forms part of the framework governing this area. Brand owners should familiarize themselves with the rules and protection available before embarking on an advertising campaign

Advertising in Mexico is governed by a large number of laws and regulations, including at least seven federal laws, five federal regulations and a variety of so-called Mexican official standards. In addition, there are a number of state laws and regulations. Within this regulatory framework, the Federal Law for the Protection of Consumers (FLPC) is of particular importance. It sets out the general rules to be observed when advertising a product or service. Article 32 of the FLPC establishes that an advertisement must be truthful and verifiable, and must not contain text, dialogue, sounds, images, marks, geographical indications or other designations which could induce consumers into error or confusion.

Comparative advertising is allowed by the FLPC provided that the information about the products or services being compared is not deceptive or abusive. 'Deceptive' or 'abusive' information is defined by the law as descriptions that induce consumers into error or confusion due to the inexact, false, exaggerated, artificial or tendentious form in which the information is presented.

The Consumers Federal Bureau is the regulatory body charged with examining alleged breaches of the FLPC. Where an advertisement is found to be infringing, the bureau can:

- order the infringing party to stop using the advertisement;
- order the infringing party to alter the advertisement to prevent further breach; and
- impose a fine from just under Ps333 up to just over Ps1,064,044.

Advertising and trademark law

Advertising law dovetails with trademark law, and brand owners promoting their

products in Mexico must ensure that their advertisements are accurate and do not induce consumers into choosing their products or services based on an erroneous impression. In particular, consumers must not be misled:

- as to the qualities and characteristics of an advertised product or service; or
- into thinking that such a product or service is better than one offered by a competitor when this is not the case.

Comparative advertising that is found to be deceptive or abusive, thereby allowing the advertiser to gain a commercial advantage, may be considered to be an unfair competition offence under the Industrial Property Law. This type of unfair competition falls under the trademark infringement provisions set out in Paragraph X of Article 213 of the Industrial Property Law, allowing the injured party to bring an action against the alleged infringer before the Mexican Institute of Industrial Property to obtain an order restraining further use of the advertising and the imposition of a fine. Such a ruling may also give the injured party the opportunity to sue the infringer for damages in a separate trial before the federal civil courts.

The advertiser need not include any reference to the registration status of a trademark or patent used in an advertisement. Thus, brand owners are not required to indicate whether the trademark used is registered or unregistered. However, by failing to use signs in advertising or on the products themselves designating that the related IP rights are registered, the rights holder may place itself in a situation where it cannot adopt precautionary measures against alleged infringers (eg, the seizure of suspected infringing products) or it may find its has only limited

rights to damages in case of a successful action against an infringer. Moreover, implying in an advertisement that a trademark (or patent) is registered when in fact it is not constitutes an offence, which can attract a fine.

Advertising as evidence

Advertising is also an important element to prove use of a trademark in Mexico. A trademark is liable to cancellation if it is not used for an uninterrupted period of three consecutive years. A party faced with a cancellation claim must establish that it has used the mark during the three years preceding the filing date of the cancellation action. Among other things, advertising either in writing or through electronic media constitutes adequate proof of trademark use in Mexico.

New provisions of the Industrial Property Law regarding "declarations of protection for famous and well-known trademarks" indicate that evidence of advertising featuring a mark is fundamental to obtaining a declaration that the trademark is famous or well known. Paragraphs VII, VIII and IX of Article 98 *bis*-2 state that an applicant seeking to obtain a declaration as to the fame or well-known status of its mark should provide to the Mexican Institute of Industrial Property, among other things, documents and evidence to demonstrate:

- the kind of media used to advertise the mark in Mexico and, if applicable, in foreign countries;
- the timescale for use of the mark in advertising in Mexico and, if applicable, in foreign countries; and
- the financial amount invested in advertising the mark in Mexico and in foreign countries during the previous three years.

Advertising and copyright law

All original artistic elements present in advertising, such as texts, illustrations, photographs and music, can be considered as protectable matter under copyright law. Protection is automatically granted at the time the work is created. Certain works relating to advertising may also be registered with the National Copyright Institute. However, a complete advertising campaign is not eligible for registration as there is no specific category into which it can be classified. Where individual elements making up an advertising campaign are registered, Article 13 of the Federal Copyright Law allows the registrant to initiate criminal proceedings against parties copying the works in their own advertising materials. Any such claim should be made to the Federal Prosecutor's Office, with the trial taking place before a federal judge. This differs from unfair competition or trademark infringement actions, which must first be filed at an administrative level at the Mexican Institute of Industrial Property.

The Federal Copyright Law also provides for 'advertising agreements', which allow the use of copyright-protected material in advertising. Under this type of agreement, the author or owner of a copyrighted work authorizes the use of his or her work for a specific term defined by Article 74 of the law. Article 74 states that an advertising campaign based on an advertising agreement can be communicated to the public for a term of six months starting from the date on which the advertising is made available to consumers. The advertiser can continue with the campaign for further periods of six months subject to the payment of economic remuneration to the author or owner in an amount at least equal to that paid for the initial six months. The agreement will continue in this way for successive six-month terms for a period of three years from the start of the campaign; at which point the author or owner can renegotiate the terms and conditions governing the use of the work in the advertisement or increase the fee for granting authorization.

Another element of copyright law that may have an influence on advertising relates to what the Federal Copyright Law terms a 'reservation of rights'. The main beneficiaries of a reservation of rights tend to be the names of television or radio programmes, or artistic names and characters; however, highly original advertisements may also be covered. The protection awarded grants the creator of the advertisement a five-year term of exclusive



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use. In order to qualify for protection the advertisement must, among other things, be novel, in the sense that no other similar type of advertising has been disseminated in Mexico or in foreign countries.

Conclusion

The convergence of advertising law and IP law makes for a complex system of regulation and protection. This article is intended only to provide some background on these issues. Brand owners planning to advertise in Mexico should be sure to obtain legal advice from the outset to ensure that all the relevant conditions are met. [WTR](#)