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**Council for Trade-Related Aspects of
Intellectual Property Rights**

Original: Spanish

REVIEW OF LEGISLATION

MEXICO¹

The present document reproduces the questions addressed to the Permanent Mission of Mexico and the corresponding replies for the purposes of the review of legislation on copyright and neighbouring rights undertaken at the Council meeting held from 26 to 29 June 2000.²

I. INTRODUCTORY STATEMENT

The Mexican legal system has its roots in the Roman/Germanic tradition in which the basic element is the law passed prior to the performance of the act. In this context, the Political Constitution is the fundamental law.

Under Article 133 of this fundamental law, the Constitution, the laws of the Congress of the Union that emanate therefrom and all treaties that have been made and are made in accordance therewith by the President of the Republic, with the approval of the Senate, shall be the supreme law of the whole country.

Following these guidelines, the following laws and regulations governing the Mexican intellectual property system were drawn up.

A. INDUSTRIAL PROPERTY

The substantive legislation governing industrial property is contained in the Industrial Property Law (LPI), which has been in force since 1994. Its immediate precedent is the Law on the Promotion and Protection of Industrial Property, a body of law which was considered to be in accordance with the international standards of the time, but which was amended to conform to the agreements concluded by Mexico in various international treaties.

¹ For further information on the laws and regulations relating to the subject-matter of the review, notified by Mexico under Article 63.2 of the Agreement, refer to documents IP/N/1/MEX/1 and Corr.1, IP/N/1/MEX/C/1 and 2, IP/N/1/MEX/I/1 and 2, IP/N/1/MEX/P/1 and 2, IP/N/6/MEX/1.

² The minutes of the meeting were circulated in document IP/C/M/27. In a communication dated 26 July 2000, the Permanent Mission of Mexico provided some corrections to the replies to questions 5, 7 and 13 posed by Japan and to the replies to questions 6 and 56 posed by the United States.

The LPI regulates the legal concepts of patents, utility models and industrial designs, trade secrets, marks, advertising slogans and trade names, appellations of origin, and lay-out designs of integrated circuits. It also lays down the administrative procedures designed to protect and preserve industrial property rights and permitting the authorities to order the imposition of provisional measures aimed at the immediate suspension of allegedly violatory behaviour.

B. COPYRIGHT

The area of copyright is currently governed by the Federal Law on Copyright, which came into force in 1997, abrogating the Federal Law on Copyright of 1956.

This body of legislation contains provisions relating to copyright itself, to the moral and economic rights of authors, to the rules governing the transfer of such economic rights, to copyright protection, to neighbouring rights, and to limitations on copyright and neighbouring rights. It establishes guidelines with respect to copyright in national symbols and expressions of popular culture, registration of rights, reservation of rights of exclusive use, collective administration of rights, the National Copyright Institute, procedure before the judicial authorities, conciliation, arbitration, copyright infringement, trade-related infringement and administrative appeal.

C. PLANT VARIETIES

With respect to the protection granted by the Mexican Government to plant breeders, the applicable legislation is the Federal Law on Plant Varieties which grants the plant breeder the inalienable and imprescriptible right to be acknowledged as the breeder of a plant variety, to utilize and exploit, exclusively and temporarily, directly or through a third party with his consent, a plant variety and its propagation material, for its production, reproduction, distribution or sale, as well as for the production, reproduction, distribution or sale of other plant varieties and hybrids for commercial purposes. The Federal Law on Plant Varieties was published in the *Diario Oficial de la Federación* (Official Journal) of 25 October 1996.

D. PENAL SANCTIONS

In the intellectual property area, Mexican law defines conduct that is subject to criminal action and punishable by monetary fines and imprisonment. In view of the damage caused by such conduct to society, Mexico decided to reform its legislation to ensure that conduct subject to criminal action in the intellectual property area was considered to constitute a serious offence, not only increasing the penalties, but also eliminating the privilege of release on bail.

E. ACTION TAKEN

Within the framework of these laws and their respective regulations and supplementary provisions, and independently of the granting, recognition, safeguard and protection of intellectual property rights, Mexico has been ensuring, through the various competent authorities, that the international commitments it has assumed by concluding international agreements are implemented.

This calls for the implementation of other provisions which complete the intellectual property system such as the so-called border measures, by which it is possible to suspend the free circulation of goods from abroad within the tax free area once the random selection mechanism has been activated, subject to a resolution by the administrative or judicial authority responsible for intellectual property matters, and to place them at the immediate disposal of the said authorities at the place indicated by them.

In Mexico, the Agreement Creating the Interministerial Commission for the Protection, Monitoring and Safeguard of Intellectual Property Rights ensures the coordination of tasks among the various authorities of the Federal Administration.

On the basis of the provisions making up the Mexican intellectual property system, campaigns have been developed at the national level to safeguard and protect the rights of composers, artists, performers, etc. involving penalties imposed by the Mexican Industrial Property Institute on persons and entities which, without due authorization, directly or indirectly derive profit from the exploitation of copyrights or neighbouring rights. Similarly, a programme has been designed to curb the illegal use and exploitation of computer programs.

II. REPLIES TO QUESTIONS POSED BY AUSTRALIA

A. COPYRIGHT

1. Are there any specific exceptions to copyright under the law of Mexico to allow use of copyright material by third parties for permitted purposes (such as research, education, fair use or fair dealing?) Are there any significant judicial decisions with bearing on this issue? Are there any specific rules or findings concerning exceptions or limitations to copyright protection of computer software?

The Federal Law on Copyright (LFDA), Title VI, merely establishes the limitations to copyright and neighbouring rights, as set out below:

Chapter I. Limitation in the Public Interest

Article 147. The publication or translation of literary or artistic works shall be considered in the public interest where they are necessary for the advancement of science and national culture and education. Where it is not possible to obtain the consent of the owner of the corresponding economic rights, the Federal Executive may, through the Ministry of Public Education and either ex officio or at the request of a party, license the publication or translation in question against payment of compensatory remuneration. The foregoing shall be without prejudice to any international treaties on copyright and neighbouring rights signed and ratified by Mexico.

Chapter II. Limitations on Economic Rights

Article 148. Literary and artistic works that have already been disclosed may only be used in the following cases without the consent of the owner of the economic rights and without remuneration, provided that the normal exploitation of the work is not adversely affected thereby and provided also that the source is invariably mentioned and that no alteration is made to the work:

1. Quotation of texts, provided that the amount quoted may not be considered a substantial, simulated reproduction of the contents of the work;
2. reproduction of articles, photographs, illustrations and commentary relating to current events that have been published in the press or broadcast by radio or television, or any other medium of communication, if this has not been expressly prohibited by the owner of the rights;
3. reproduction of parts of the work for the purposes of scientific, literary or artistic criticism and research;

4. reproduction of a literary or artistic work once, and in a single copy, for the personal and private use of the person doing it, and without gainful intent; a legal entity may not avail itself of the provisions of this subparagraph except where it is an educational or research institution, or is not devoted to trading activities;
5. reproduction of a single copy by archives or a library for reasons of security and preservation where the work is out of print, no longer catalogued and liable to disappear;
6. reproduction for the purposes of evidence in a judicial or administrative proceeding;
7. reproduction, communication and distribution in drawings, paintings, photographs and audiovisual processes of works that are visible from public places.
8. Article 149. The following may be done without authorization:
 - I. literary and artistic works may be used in shops or establishments open to the public that deal in copies of the said works, provided that no charge is made for admission and that the use does not go beyond the place in which the sale is effected and serves the sole purpose of promoting the sale of copies of the works.

Chapter III. Public Domain

Article 152. Works in the public domain may be freely used by any person, subject to the sole condition of respect for the moral rights of the authors concerned.

Article 153. The use of the work of an anonymous author shall be free provided that the said author does not reveal his identity or that there is no recognized owner of economic rights.

There have not been any significant judicial decisions relating to this issue.

The LFDA provides for no exceptions or limitations to copyright protection of computer software.

2. To what extent does current copyright protection in Mexico cover the use and dissemination of copyright works on digital networks such as the Internet? Are there any specific provisions in copyright law concerning the digital on-line environment, and are there any significant judicial or administrative decisions with bearing on this issue?

Article 111 of the LFDA provides for the protection of electronically produced programs containing visual, sound, three-dimensional or animated elements, in respect of their original content.

Article 112 prohibits the importation, manufacture, distribution and utilization of devices, or the provision of services, whose purpose is to eliminate the technical protection of computer programs or transmissions through the radio frequency spectrum and telecommunication networks, and of programs containing electronic elements referred to in the preceding Article.

Article 113 provides for the protection of works and performances transmitted by electronic means through the radio frequency spectrum and telecommunication networks and the result achieved by such transmission.

Similarly, Article 114 stipulates that the transmission of works protected under the LFDA by cable, radio waves, satellite and the like, must be in conformity with Mexican legislation, and in every instance and at all times satisfy the regulations on the subject.

B. TRADEMARKS AND GEOGRAPHICAL INDICATIONS

3. Are there any specific provisions in Mexican laws and regulations, on any significant judicial decisions, with bearing on the use of trademarks or geographical indications on digital networks such as the Internet? Are there any relevant decisions or other legal provisions concerning the relationship between Internet domain names and trademarks or geographical indications?

No, there are no specific provisions in the applicable laws and regulations, since owing to the nature of digital networks and their relationship with these legal topics, there are to date no relevant judicial decisions on the subject.

C. CONTROL OF ANTI-COMPETITIVE PRACTICES

4. Does Mexican law provide for any specific measures concerning practices that constitute an abuse of intellectual property rights? Are there any applicable court decisions or other legal or administrative guidelines?

Yes, Article 129 of the LPI refers to those cases where the use of a mark, whether registered or unregistered, may alter the dynamics of trade usage, giving rise to monopolistic practices, or hinder the production and distribution of products. The same Article lays down the exceptions under which the public interest, where applicable, takes precedence over individual interests.

Subparagraph I deals with the existence of monopolistic practices. In this connection, it is worth pointing out that Mexico's Federal Commission on Economic Competition is the authority responsible for enforcing the Federal Law on Economic Competition (LFCE) the purpose of which is to protect the competitive process and freedom of competition by preventing and eliminating monopolies, monopolistic practices and other restrictions on the efficient working of markets in goods and services. The issuance by the Commission of a declaration concerning the existence of monopolistic practices, based on Articles 9 and 10 of the LFCE, constitutes a condition for the applicability of this subparagraph.

Subparagraph II refers to situations where the use of a mark implies no unlawful trading practice but does imply the inefficient distribution, production or marketing of goods and services. Finally, subparagraph III refers to national emergencies.

One of the objectives of the LPI is to prevent infringements of the Law, including those that constitute unfair competition and are related to the subject-matter regulated, and to establish the corresponding sanctions and penalties.

In this connection, subparagraph I of Article 213 of the LPI lays down penalties for acts contrary to fair use or good practice in the industry, trade or services, which involve unfair competition and are related to the subject-matter regulated by the Law, this being a means of sanctioning possible abuses of intellectual property rights.

There are no relevant judicial decisions concerning the abuse of intellectual property rights.

Lastly, it should be pointed out that the legal system in Mexico, a country of Roman/Germanic tradition, consists of a legal corpus made up of laws, decrees or regulations promulgated by the legislature or the executive, unlike countries governed by the system of common law which is based on decisions handed down by judges, i.e. case law. Consequently, the action taken by the judicial or administrative authorities is conditional on the existence of a legal hypothesis set forth in a law predating the performance of the act.

III. REPLIES TO QUESTIONS POSED BY CANADA

1. What recourse do right holders have in respect of wilful trade mark counterfeiting or copyright piracy on a commercial scale, as required by Article 61 of the TRIPS Agreement?

At the administrative level, trade mark owners may file a request for an administrative declaration of industrial property infringement with the Mexican Industrial Property Institute (IMPI) under Titles VI and VII of the LPI and, in the case of copyright holders, for an administrative declaration of trade-related infringement in accordance with Article 232 of the Federal Law on Copyright; in certain cases involving industrial property offences, they may have recourse to the criminal courts.

2. What protection does Mexican copyright legislation afford to foreign works?

Article 7 of the Federal Law on Copyright fully guarantees the same rights for foreign authors or right holders and their successors in title as for nationals, thereby fully respecting the principle of national treatment.

3. Please describe the process for registration of trade marks. What civil and administrative procedures and remedies are available to the owner of a registered trade mark to prevent unauthorized use of similar or identical signs by third parties (Article 16.1)?

Procedure for the registration of marks

The procedure begins with the filing of an application for registration consisting of an official form to be completed in typing, containing the following particulars:

1. Name of the applicant(s). In the case of collective marks, name of the corresponding association.
2. Nationality of the applicant(s).
3. Address of the applicant(s). Where there are several applicants, it is the first name to appear on the application that is used for notification purposes.

If the application is filed by two or more persons or if it is an application for a collective mark, the rules regarding the use and licencing of the mark and the transfer of rights in it must be filed together with the application.

4. If applicable, name of the attorney(s). Where appropriate, the registration number in the General Register of Powers kept by the IMPI.
5. Address for notifications within the country.

6. Type of mark (whether it embodies a verbal element or no such element or is three-dimensional or mixed).
7. Date of first use of the mark. In the absence of any information, it is presumed that the mark has not been used.
8. Products or services for which the mark is requested and the number of the class to which they belong.

Each application for a mark may only include products or services belonging to a single class of the 42 classes into which the different products or services are divided under the International Classification of Nice, which is included in Article 59 of the Regulations to the Industrial Property Law.

9. The application must be accompanied by seven black and white or, where appropriate, colour labels.

The mere fact of having filed an application for registration shall be taken to mean that the applicant reserves the exclusive use of the mark as it appears in the sample label affixed to the application, with the exception of inscriptions and figures whose use has not been reserved.

In the case of verbal marks, the applicant is understood to have reserved the exclusive use of the mark whatever the type or size of the letters.

In the case of non-verbal or three-dimensional marks, samples thereof must not contain any words that constitute or might constitute a mark, except where an express reservation to that effect is included. The application must be accompanied by seven photographic prints in which the three-dimensional object for which registration is sought appears on three planes.

10. The application must indicate the type of industrial, commercial or service establishment involved and the address at which the products are manufactured or marketed or the services provided using the mark for which registration is sought.
11. It must also indicate the wordings or figures that are not reservable under the LPI.
12. Where appropriate, priority must be claimed.

When the registration of a mark is applied for in Mexico within the periods specified in international treaties or within six months of the filing of applications in other countries, the IMPI may recognize the filing date in the country of first filing as the priority date. For such priority to be recognized, the application must indicate the country of origin and the filing date in that country. The application filed in Mexico must cover the same products and services as those provided for in the application filed abroad for which priority is sought.

Within three months of having filed the application, the applicant must submit a certified copy of the application for registration of the mark filed in the country of origin, with a translation where appropriate. Where this requirement is not complied with, the right of priority is regarded as not having been claimed.

13. The application must include the applicant's signature or, where appropriate, that of his attorney.

The application for registration must be accompanied by proof of payment of the fees payable for the services of the IMPI.

Procedure followed by the IMPI in processing the application

Once the application has been accepted for processing, it is subjected to an examination of form to determine whether the requirements specified under the LPI have been met. If the application does not meet one of the requirements, the applicant has a legal period of two months within which to rectify any omissions, the date of submission being the date on which the requirements are met.

The next stage is the substantive examination of the mark to determine, where appropriate, whether the mark is eligible for registration under the LPI.

A phonetic examination is conducted between the signs for which registration is sought and those already registered in order to determine whether there are identical or confusingly similar signs constituting an impediment to registration. Where the registration of a figurative mark is sought, an examination may also be made of the designs or figures for which registration has already been requested.

If it is determined as a result of the examination that registration has already been sought or obtained for the sign in question, the IMPI so notifies the applicant, who has a period of two months to support his case.

The application is considered abandoned if the applicant fails to comply with the requirement specified within the initial period or the additional period.

When there are no impediments or all impediments have been removed, the applicant is so notified and the title is issued. Where the IMPI refuses registration, it so informs the applicant in writing.

Decisions on registrations of marks and on renewals are published in the Gazette.

Registration of a mark has a term of 10 years from the filing date of the application. This term may be renewed, in the case of both marks and slogans as well as the publication of trade names, for periods of the same duration.

The renewal of the registration must be requested within six months prior to the expiration of its term or within the grace period of six months following such expiration.

The above is based on Articles 87 to 135 of the LPI.

Procedures available to owners of a mark in case of violation of his rights

At the administrative level, owners of a mark may file a request for an administrative declaration of infringement with the IMPI and, in certain cases involving industrial property offences, they may have recourse to the criminal courts.

The owner of a mark may, depending on the case, request the initiation of an administrative procedure under Article 213 of the LPI and other applicable provisions for the following administrative infringements:

- I. Engaging in acts contrary to proper practice and custom in industry, commerce and services which amount to unfair competition and which relate to the subject-matter regulated by the LPI;
- IV. using a mark confusingly similar to another, registered mark to protect products or services identical or similar to those protected by the registered mark;
- V. using a registered mark or one confusingly similar thereto without the consent of its owner as an element of a trade name or business name, or *vice versa*, provided that the said trade names or business names are related to establishments working with the products or services protected by the mark;
- VIII. using a mark previously registered or confusingly similar thereto as a trade name or business name or part of such a name by a natural person or legal entity whose activity is the production, importation or marketing of goods or services identical or similar to those to which the registered mark is applied without the written consent of the owner of the registration or of the person empowered to give such consent;
- IX. performing, in the course of industrial activities or trade, acts that confuse, mislead or deceive the public by causing it wrongly to believe or assume:
 - (a) that a relation or association exists between a given establishment and that of a third party;
 - (b) that products are manufactured according to specification, licences or authorizations from a third party;
 - (c) that services are rendered or products sold according to authorizations, licences or specifications from a third party;
 - (d) that the product concerned comes from a territory, region or locality different from the true place of origin, in such a way as to mislead the public as to the geographical origin of the product.
- XVIII. using a registered mark without the consent of the owner thereof or without the appropriate licence on goods or services identical or similar to those to which the mark is applied;
- XIX. offering for sale or bringing into circulation goods identical or similar to those to which a registered mark is applied in the knowledge that the said mark has been used on those goods without the consent of the owner thereof;
- XX. offering for sale or bringing into circulation goods to which a registered mark is applied and which have been altered;
- XXI. offering for sale or bringing into circulation goods to which a registered mark is applied after having partially or totally altered, replaced or deleted the said mark.

Such infringements may be punished by a fine of up to 20,000 days of the general minimum salary payable in a Federal District; an additional fine of up to the amount of 500 days of the general minimum salary payable in the Federal District for each day that the infringement persists; temporary closure for up to 90 days; permanent closure; or, where appropriate, administrative detention for up to 36 hours.

In the case of a second or subsequent offence, the fines previously imposed are doubled, but the amount thereof may not exceed three times the applicable maximum set in the section on administrative infringements and sanctions.

In the criminal area, the Law on Industrial Property provides for the following offences:

Article 223. The following shall constitute offences:

- I. Repeating the conduct provided for in Article 213, subparagraphs II to XXII of the LPI once the first administrative sanction imposed on that account has been enforced;
- II. falsifying marks protected by the LPI with fraudulent intent and for purposes of commercial speculation;
- III. producing, storing, transporting, introducing into the country, distributing for selling, with ill intent and on a commercial scale, articles displaying counterfeits of marks protected by the LPI, as well as knowingly contributing or providing, in any way, raw materials or inputs intended for the production of articles displaying counterfeits of marks protected by the LPI;

...

Such offences are prosecuted at the instigation of the aggrieved party, and the following penalties are imposed: for cases described in subparagraph I above, imprisonment for 2 to 6 years and a fine corresponding to 100 to 10,000 days of the general minimum wage payable in the Federal District; for the cases described in subparagraphs II and III above, imprisonment for 3 to 10 years and a fine corresponding to 2,000 to 20,000 days of the general minimum wage payable in the Federal District.

More specifically, Article 223 *bis* of the LPI provides for 2 to 6 years of imprisonment and a fine corresponding to 100 to 10,000 days of the general minimum wage payable in the Federal District for anyone who, with ill intent and on a commercial scale, sells items displaying counterfeits of marks protected by the LPI to any end consumer on the street or in a public place. If the sale takes place in commercial establishments or in an organized or permanent manner, Articles 223 and 224 of the LPI apply.

IV. REPLIES TO QUESTIONS POSED BY THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES

A. COPYRIGHT AND RELATED RIGHTS

1. Please provide examples, if any, of limitations for reasons of public benefit mentioned in Article 147 of the Federal Law of 24 December 1996. How are they justified in relation to the obligations under the TRIPS Agreement and the Berne Convention?

Mexico has not yet experienced any cases relating to limitations of copyright or neighbouring rights for reasons of public benefit.

2. Please explain how the limitations on copyright and related rights in Article 148 II, III and VII of the Federal Law of 24 December 1996 are interpreted and justified in relation to Articles 9 and 13 of the TRIPS Agreement and in relation to the articles of the Berne Convention.

An examination of subparagraphs II, III and VII of Article 148 of the LFDA reveals the following:

- (a) In subparagraph II, the limitation is based on the premise that daily news and information of common use are not eligible for copyright protection despite the fact that their form of expression would normally warrant such prerogative;
- (b) with respect to subparagraph III, this limitation refers to the use of parts of a work for the sole purposes of scientific, literary or artistic criticism and research – in other words, a use that is merely illustrative and critical, contributing to cultural and educational progress;
- (c) as regards subparagraph VII, this exception concerns exclusively visual and audiovisual works, and is justified by the fact that when the works are made visible to the public in general, they do not in themselves generate economic benefits from being exhibited – indeed, such exhibition serves to promote the works.

Thus, Article 148 specifically establishes the exceptional cases in which reproduction and communication to the public may be possible without prior consent of the author or the holder of the right, exclusively for educational, cultural or information purposes, provided it is done for personal and private purposes and not for purposes of direct or indirect financial gain. This is not inconsistent with Articles 9 and 13 of the TRIPS Agreement or the relevant provisions of the Berne Convention.

3. Please explain how the provisions on registration contained in Articles 168 and 169 of the Federal Law of 24 December 1996 allow for the protection of copyright against use by a third party in good faith who has contracted with a party who appears in the register as the holder of the rights.

The absence of formalities is based on the general theory of copyright which provides that such rights derive from the act of creating a work and not from the fulfilment of formalities, a principle which ultimately governs the practice of copyright registration and which is in fact consistent with the Berne Convention.

Moreover, as effectively recognized by the EU, any person having a legal interest may put forward the evidence needed for the entry in the register to be duly declared invalid. At the same time, while it is true that the LFDA stipulates in Article 169 that instruments, agreements or contracts that are executed or concluded by persons entitled to do so and are entered in the Register shall not be invalidated to the detriment of a third party acting in good faith, even where the said entry is subsequently cancelled, the fact is that this provision is basically meant to reflect the "legal limitations" of the National Copyright Institute as the administrative authority responsible for invalidating an eminently private instrument in respect of which the civil courts are solely responsible for solving any disputes which may arise. In short, Article 169 of the LFDA is meant to refer only to what the National Copyright Institute may or may not do against such instruments, agreements or contracts, given that in terms of competence, it is not the appropriate authority.

4. Please explain your interpretation of Article 200 of the Federal Law of 24 December 1996 in relation to the obligation for reciprocal representation for foreigners residing outside the Mexican Republic in relation to Articles 3, 9 and 41 of the TRIPS Agreement and Article 5 of the Berne Convention.

It should be stressed that the last paragraph of Article 200 of the LFDA ("In the case of foreigners resident outside the Mexican Republic, the provisions of the relevant reciprocity agreements shall apply") was not meant to refer to compliance with a "principle of reciprocity", but rather, was meant to establish a correlation with the treatment of foreigners under the provisions of the agreements concluded in this respect. Moreover, the LFDA itself guarantees, in Article 7, full compliance with the principle of national treatment, and it would be contrary to legal logic for Article 200 or any other part of the Law itself to be inconsistent with that provision.

V. REPLIES TO QUESTIONS POSED BY JAPAN

A. COPYRIGHT AND RELATED RIGHTS

1. Please explain how the protection is provided for works, phonograms, performances and broadcasts from other WTO Members under the Law on Copyright and Neighbouring Rights of Mexico (hereinafter referred to as "Copyright and Neighbouring Rights Law"). Please describe the provisions of the Copyright and Neighbouring Rights Law which provide for the National Treatment and Most-Favoured-Nation Treatment as required by Articles 3 and 4 of the TRIPS Agreement as well as Article 9.1 of the Agreement which incorporates Article 5.1 of the Berne Convention.

Article 7 of the LFDA provides that foreign authors or right holders and their successors in title shall enjoy the same rights as nationals under the terms of the Law in question and of the international treaties on copyright and neighbouring rights signed and ratified by Mexico.

In addition, Article 8 of the aforementioned Law stipulates that performers, publishers and producers of phonograms and videograms and broadcasting organizations which have effected outside the national territory, the first fixing of their performances, their publications, the first fixing of the sounds of their performances or the images of their videograms or the communication of their broadcasts, respectively, shall enjoy the protection afforded by the Law and by international treaties on copyright and neighbouring rights signed and ratified by Mexico.

The LFDA contains no provision on the most-favoured-nation clause.

2. Please explain exceptions or exemptions of the National Treatment and Most-Favoured-Nation Treatment under the Copyright and Neighbouring Rights Law, if any, as permitted in Articles 3 and 4 of the TRIPS Agreement.

The LFDA contains no provisions on the exceptions provided for in Articles 3 and 4 of the TRIPS Agreement relating to national treatment and most-favoured-nation treatment.

3. Please explain whether and how Mexico provides retroactive protection to works, phonograms, performances from other WTO Members, as required by Articles 9.1, 14.6, and 70.2 of the TRIPS Agreement which apply, *mutatis mutandis*, Article 18 of the Berne Convention. Please indicate the date to which such protection extends back with respect to each category of subject-matter.

The LFDA contains no provisions expressly relating to retroactive protection for works, phonograms and performances from other WTO Members.

4. Please explain whether protection of "computer programs" under the Copyright and Neighbouring Rights Law covers computer programs in both source and object code, as required by Article 10.1 of the TRIPS Agreement. Are those computer programs protected as literary works in accordance with Article 2.1 of the Berne Convention?

The protection of computer programs under the LFDA covers both operating programs and application programs, whether in source code or object code (Article 102).

Likewise, computer programs are protected under the LFDA under the same terms as literary works.

5. Please clarify whether "database" under the Copyright and Neighbouring Rights Law includes compilation of data in machine-readable form. Please explain how the Law complies with Article 10.2 of the TRIPS Agreement in this respect.

Article 107 of the LFDA states that databases or other material, whether in machine-readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations, shall be protected as compilations.

6. Please explain the term of protection of a work, such as a work by a body corporate, under the Copyright and Neighbouring Rights Law, as required by Article 12 of the TRIPS Agreement.

The LFDA does not establish a specific term of protection for collective works by a body corporate, but use may be made of the term specifically provided for in Article 12 of the TRIPS Agreement as well as the term provided for in the LFDA in respect of individual works.

7. Please explain how Articles 17 and 151 of Federal Law on Copyright of Mexico comply with Article 9.2 of the Berne Convention and Article 13 of the TRIPS Agreement, which require limitations and exceptions to exclusive rights to be limited to certain special cases which do not conflict with a normal exploitation of the works and do not unreasonably prejudice the legitimate interests of the right holder.

Article 17 of the LFDA is not inconsistent with Article 9.2 of the Berne Convention, inasmuch as Article 17 refers to the normal exploitation of the work.

Nor are the four subparagraphs of Article 151 of the said Law contrary in any way to Article 9.2 of the Berne Convention and Article 13 of the TRIPS Agreement, since they refer to "special cases that do not conflict with a normal exploitation of the work" as required by both international instruments.

At the same time, by virtue of Article 148, subparagraph IV of the LFDA, which permits the reproduction once only, and in a single copy, of a literary or artistic work for personal and private use by the person making the reproduction and for non-profit purposes, Mexico complies with Article 9.2 of the Berne Convention and Article 13 of the TRIPS Agreement.

8. Please explain how Article 153 of Federal Law on Copyright of Mexico complies with Article 13 of the TRIPS Agreement which requires limitations and exceptions to exclusive rights confined to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

Article 153 is not inconsistent with Article 13 of the TRIPS Agreement, since the work of an anonymous author may be used freely on condition that the latter does not make himself/herself known or that no pecuniary right holder has been identified.

B. PATENTS

9. Please explain how the provisions of Article 213 (XI), (XII) and (XIV) of the Mexican Industrial Property Law expressly comply with Article 28 of the TRIPS Agreement which stipulates exclusive rights to prevent third parties from the act of importing a patented product or a product obtained by a patented process.

Both Article 28 (Rights Conferred) of the TRIPS Agreement and Article 25 of the LPI refer to the same hypothesis, which is designed to protect the exclusive rights of the patent owner, authorizing the latter to prevent third parties not having the owner's consent from carrying out any of the acts referred to in those provisions.

The right to prevent the import of a patented product or a product obtained by a patented process, as provided in Article 25 of the LPI, is closely related to the provisions contained in Article 213, subparagraphs XI to XV, which provide for possible cases of administrative infringement as follows:

"Article 213. The following shall constitute administrative infringements:

...

XI. Manufacturing or developing goods covered by a patent or by a utility model or industrial design registration without the consent of the owner thereof or without the appropriate licence;

XII. offering for sale or bringing into circulation goods covered by a patent or by a utility model or industrial design registration in the knowledge that they have been manufactured or developed without the consent of the owner of the patent or registration or without the appropriate licence;

XIII. using patented processes without the consent of the owner of the patent or without the appropriate licence;

XIV. offering for sale or bringing into circulation goods that are the result of the use of patented processes in the knowledge that they have been used without the consent of the owner of the patent or of the person who holds an exploitation licence;

...

10. Please explain how Article 34 of the TRIPS Agreement, regarding the shift in the burden of proof in civil proceedings for patent infringement, is implemented in Mexican legislation.

Article 192 *bis* 1 of the LPI provides that, where the subject-matter of the patent is a process for the manufacture of a product, the alleged infringer, in the procedure for the administrative declaration of infringement, must prove that the product was manufactured under a process different from the patented process, where:

1. The product obtained using the patented process is new; and
2. there is a substantial likelihood that the product was manufactured by means of the patented process and the patent owner has not succeeded, in spite of having attempted, in establishing what process was actually used.

It should be pointed out that both these criteria have to be satisfied in order for there to be a reversal of the burden of proof.

This exception only applies in the administrative field, specifically in cases of infringement of patented processes.

C. ENFORCEMENT

11. Please indicate the remedies which the judicial authorities order regarding intellectual property rights, including injunctions, damages, expenses, destruction or disposal of infringing goods, materials or implements for their production. Please explain the criteria for and the way of calculation to decide the amount of the damages which judicial authorities order to the person who infringes intellectual property rights to pay to the right holder.

Pursuant to Articles 49 and 50.8 of the TRIPS Agreement, in administrative declaration proceedings relating to the violation of any of the rights protected by the LPI, the IMPI may take the following measures:

- (a) Order the withdrawal from circulation or prevent the distribution of goods that infringe rights protected by the LPI;
- (b) order the withdrawal from circulation of:
 - Articles, manufactured or used illegally;
 - articles, packaging, packing, containers, stationery, advertising material and the like that infringe any of the rights protected by the LPI;
 - signs, labelling, stationery and the like that infringe any of the rights protected by the LPI; and
 - tools or implements intended or used for the manufacture or production of any of the items specified in the preceding subparagraphs;
- (c) prohibit, with immediate effect, the marketing or use of products that infringe any of the rights protected by the LPI;
- (d) order the seizure of goods;

- (e) order the alleged infringer or third parties to suspend or discontinue acts constituting a violation of the provisions of the LPI; and
- (f) order suspension of service provision or closure of the establishment if the measures provided for in the preceding subparagraphs are insufficient to prevent or avert the violation of the rights protected by the LPI.

If the product or service is on the market, traders or service providers are required to refrain from disposing of the product or providing the service from the date on which they are notified of the ruling.

Producers, manufacturers and importers are under the same obligation, as are their distributors, who are responsible for recovering forthwith any products already on the market.

Article 199 *bis* of the LPI is applicable.

- Orders for damages, including recovery of profits, and expenses, including lawyers' fees

Irrespective of the judicial or administrative action that may apply, a person whose intellectual property rights have been violated may claim from the perpetrator or perpetrators compensation for material injury and the payment of damages in respect of such violation, which in no case may be less than 40 per cent of the public selling price of each product or service.

Articles 221 *bis* and 226 of the LPI are applicable.

Destruction or other disposal, outside the channels of commerce, of infringing goods and the materials and implements used for their production

If the final ruling on the merits of the dispute finds that there has been an administrative infringement, the authority shall decide, after hearing the parties, on the fate of the confiscated goods, and in doing so shall conform to the following rules:

- I. It shall place the confiscated goods at the disposal of the competent judicial authority as soon as it receives notice that the proceedings for compensation for material injury or payment of damages have been initiated.
- II. It shall place them at the disposal of any person specified by the award where the option of arbitration proceedings has been selected.
- III. Where appropriate, it shall proceed in accordance with the terms of the agreement reached between the aggrieved owner and the alleged infringer regarding the fate of the goods.
- IV. In cases not covered by the foregoing subparagraphs, each of the parties concerned shall submit in writing, within five days of the date on which they are given sight thereof, their proposals concerning the fate of the goods that have been confiscated or withdrawn from circulation, or the marketing of which has been prohibited.
- V. It shall give the parties sight of the proposals submitted, so that they may decide by common consent on the fate of the said goods and submit their decision to the

Institute in writing within five days following the date on which they were given sight.

VI. If the parties fail to set out in writing their agreement on the fate of the goods within the period allowed, or if none of the situations referred to in subparagraphs I to III above has arisen within a period of 90 days from the issue of the final decision, the Governing Board of the Institute may decide:

- (a) To donate the goods to departments and agencies of the Federal Administration, federated states, municipalities, or public, charitable or social security institutions, provided that the public interest is not affected; or
- (b) to destroy the goods.

Article 212 *bis* 2 of the LPI is applicable.

Other measures

- (a) Fines;
- (b) closures;
- (c) imprisonment if an offence has been committed.

Articles 214 and 218 of the LPI are applicable.

Judicial decisions may require a party to the proceedings or a third party to act in a particular manner, i.e. to engage in or refrain from a specified form of conduct.

Articles 220 and 379 to 399 of the Federal Code of Civil Procedure are applicable.

Orders for damages, including recovery of profits, and expenses, including lawyers' fees

If the court awards damages, it fixes the amount in monetary terms or at least establishes the basis on which settlement must be made. The judgement may include an order to pay court costs and expenses.

Articles 7 to 11 of the Federal Code of Civil Procedure are applicable.

Destruction or other disposal, outside the channels of commerce, of infringing goods and the materials and implements used for their production

The court may include in its judgment an order for performance of an act which may consist, *inter alia*, in the destruction of goods, and it may specify a reasonable period for compliance.

Article 420 of the Federal Code of Civil Procedure is applicable.

Other measures

Taking into account the nature of the case, the competent court delivers its judgement and may, under its own responsibility, adopt any measure it considers appropriate, as well as any proposal put forward by the parties, provided that it is consistent with the law.

Articles 345 and 353 of the Federal Code of Civil Procedure are applicable.

12. Please indicate titles of laws and regulations and their provisions in which the suspension of the release of counterfeit trademark or pirated copyright goods is prescribed, as stipulated in Article 51 of the TRIPS Agreement. Please explain types of intellectual property rights about which the suspension can be made upon an application by a right holder.

The applicable provisions are contained in the LPI (Articles 199 *bis*, 199 *bis* 1 to *bis* 8) and the Customs Law (Articles 144, 148 and 149).

In this connection, anyone requesting border measures with respect to goods suspected of infringing an intellectual property right must submit a written application to the Mexican Industrial Property Institute or to the competent judicial authority, showing that he/she is the holder of the allegedly infringed right, post security sufficient to cover any damages and provide information sufficient to identify the goods or services allegedly infringing an intellectual property right, the foregoing pursuant to Article 199 *bis* 1 of the LPI and Article 148 of the Customs Law.

Once the above-mentioned requirements have been met, the Mexican Industrial Property Institute or the competent judicial authority must notify the ruling to the customs authorities in order for the latter to suspend the release into free circulation of the allegedly infringing goods. The ruling must meet the requirements laid down in Article 149 of the Customs Law:

1. The name of the importer;
2. a detailed description of the goods;
3. the customs office understood to be the one through which the goods are to enter;
4. the estimated time-scale for entry of the goods, which must not exceed 15 days;
5. the warehouse in which the goods are to be placed at the disposal of the competent authority, which must be located within the territorial jurisdiction of the corresponding customs office; and
6. the designation or express acceptance of the depositary.

When the customs authority has carried out the order issued by the competent administrative or judicial authority, it must inform the latter that the goods have been detained and place them at the disposal of the authority concerned in the warehouse designated by the latter. In so doing, the customs authority must make a detailed report which must include the following particulars:

1. The identity of the authority conducting the proceedings;
2. the order suspending release of the goods from abroad into free circulation and the notification thereof made to the interested party;
3. the description, nature and other characteristics of the goods; and
4. the place in which the goods are to be held at the disposal of the competent authority (Article 148 of the Customs Law).

Any person affected by implementation of these measures must reply within ten days during which they may exercise their entitlement to submit evidence, pleas and/or otherwise make their case in response to the request for an administrative declaration of infringement or, where appropriate, to the complaint against them and may post an indemnity bond sufficient to cover any damage or injury that might be caused by the lifting of the measure. Articles 192 *bis* 1 and 192 *bis* 2 of the LPI are applied in such cases

The competent authority must give a final ruling on the border measures procedure and shall place the security or indemnity bond at the disposal of the party in whose favour it has ruled (Article 199 *bis* 3 to 199 *bis* 8 of the LPI).

Articles 199 *bis* and 199 *bis* 1 to *bis* 8 of the LPI and Articles 148 and 149 of the Customs Law are applicable.

13. Please explain the kind and amounts of criminal penalties including imprisonment and fines regarding intellectual property rights. In particular, are the crimes persecuted only when the injured party has made a formal accusation? Please also explain whether penalties are consistent with Article 61 of the TRIPS Agreement which requires the penalties to be sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity.

Imprisonment and monetary fines

Industrial property

Article 223 of the LPI defines the following as offences:

- I. Repeating the conduct provided for in Article 213, subparagraphs II to XXII, of the LPI once the first administrative sanction imposed on that account has been enforced;
- II. falsifying marks protected by the LPI with fraudulent intent for purposes of commercial speculation;
- III. producing, storing, transporting, introducing into the country, distributing or selling, with fraudulent intent and for purposes of commercial speculation, articles displaying counterfeits of marks protected by the LPI, as well as knowingly contributing or providing, in any way, raw materials or inputs intended for the production of articles displaying counterfeits of marks protected by the LPI;
- IV. revealing to a third party an industrial secret that is known by virtue of employment, position, responsibilities, the practice of a profession or business relations or as a result of the granting of a licence for its use, without the consent of the keeper of the industrial secret, after having been advised of its confidential nature, for the purpose of procuring an economic benefit for oneself or for the said third party, or for the purpose of causing injury to the keeper of the secret;
- V. appropriating an industrial secret without entitlement and without the consent of the keeper or authorized user, in order to use it or reveal it to a third party, for the purpose of procuring an economic benefit for oneself or for the said third party, or for the purpose of causing injury to the keeper of the industrial secret or the authorized user thereof; and

- VI. using information inherent in an industrial secret, that is known by virtue of employment, responsibilities, position, exercise of a profession or business relations, without the consent of the keeper or authorized user, or that has been revealed by a third party, in the knowledge that the said third party was so acting without the consent of the keeper of the industrial secret or the authorized user thereof, for the purpose of procuring an economic benefit or causing injury to the keeper of the industrial secret or the authorized user thereof.

In addition, Article 223 *bis* provides for a prison sentence of two to six years and a fine of 100 to 10,000 days of the general minimum wage in force in the Federal District to be imposed on anyone who, with fraudulent intent and for purposes of commercial speculation, sells items displaying counterfeits of marks protected by the LPI to any end-consumer on the street or in a public place.

A prison sentence of two to six years and a fine in the amount of 100 to 10,000 days of the general minimum daily wage in force in the Federal District is imposed on anyone committing an offence under subparagraphs I, IV, V or VI of Article 223, and in the case of subparagraphs II or III of the same Article 223, a prison sentence of three to ten years and a fine of 2,000 to 20,000 days of the general minimum wage in force in the Federal District is imposed. (Article 224 of the LPI.)

The above-mentioned offences are prosecuted at the request of the injured party.

Copyright

In the area of copyright and neighbouring rights, offences are defined and penalties established in Title 26 of the Federal Criminal Code.

Articles 424 to 427 of the Code are applicable.

Article 424. The following shall be liable to six years' imprisonment and a 300 to 3,000 day fine:

1. Anyone who speculates in any way with the free textbooks distributed by the Ministry of Education;
2. any publisher, producer or recording company that knowingly produces more copies of a work protected by the Federal Copyright Law (LFDA) than authorized by the right holder; and
3. anyone who, fraudulently, for financial gain and without appropriate authorization, uses works protected by the LFDA.

Article 424 *bis*. The following shall be liable to three to ten years' imprisonment and a 2,000 to 20,000 day fine:

Anyone who, fraudulently, on a commercial scale and without the authorization required under the LFDA from the holder of the copyright or neighbouring rights, produces, reproduces, introduces into the country, stores, transport, distributes, sells or rents out copies of works, phonograms, videograms or books protected by the said Law;

The same penalty shall be imposed on anyone who knowingly contributes or provides, in any way, raw materials or inputs intended for the production or reproduction of works, phonograms, videograms or books referred to in the preceding paragraph or fraudulently uses,

on a commercial scale and without appropriate authorization, works protected by the above-mentioned Law; or

Anyone who manufactures, for financial gain, a device or system designed to deactivate the electronic protection devices of a computer program.

Article 424 *ter*. Anyone fraudulently selling to an end-consumer, on the street or in a public place, for purposes of commercial speculation, copies of the works, phonograms, videograms or books mentioned in the first subparagraph of the preceding article shall be liable to imprisonment for six months to six years and a 5,000 to 30,000 day fine.

If the copies are sold in commercial establishments or in an organized or continuing fashion, the sale shall be subject to the provisions of Article 424 *bis* of this Code.

Article 426. The following shall be liable to imprisonment for six months to two years or a 300 to 3,000 day fine:

- I. Anyone who manufactures, imports, sells or rents out a device or system for decoding an encoded programme-carrying satellite signal, without authorization from the legitimate distributor of that signal; and
- II. anyone who, for financial gain, carries out any act for the purpose of decoding an encoded programme-carrying satellite signal, without authorization from the legitimate distributor of the signal.

Article 427. Anyone who knowingly publishes a work substituting the name of the author with another name shall be liable to imprisonment for six months to two years or a 300 to 3,000 day fine.

It is important to note that all copyright offences are prosecuted at the request of the injured party, except in the case of speculation with free textbooks, referred to in subparagraph 1 of Article 424, which is prosecuted *ex officio*, under the terms of Article 429 of the Code.

All the penalties referred to above are fully consistent with Article 61 of the TRIPS Agreement, insofar as they constitute a sufficient deterrent.

VI. REPLIES TO QUESTIONS POSED BY THE UNITED STATES

A. GENERAL

1. With respect to each form of intellectual property covered by Part II of the TRIPS Agreement, including plant variety protection, please explain the manner in which the laws of Mexico ensure that nationals of other WTO Members receive national treatment and most-favoured-nation treatment as required by Articles 3 and 4 of the TRIPS Agreement.

Copyright

The application of national treatment to the nationals of other WTO Member States is ensured by Article 7 of the Federal Copyright Law (LFDA) which provides that foreign authors or right holders and their successors in title shall enjoy the same rights as nationals, under the terms of the said Law and of the international treaties on copyright and related rights entered into and ratified by Mexico.

Plant varieties

Article 7 of the Regulations to the Law on Plant Varieties provides that protection for the rights of foreign breeders shall be granted pursuant to the provisions of the Law, the regulation and the international treaties or agreements entered into by the United Mexican States.

Moreover, the above-mentioned Article states that the corresponding authority may refuse the registration of plant varieties to nationals of other countries where no international treaty or agreement exists with the country in question and the latter does not grant reciprocity to Mexican breeders.

Inventions and distinctive signs

Article 1 of the Industrial Property Law (LPI) states that the provisions of the Law are public policy provisions enforceable throughout the Republic, without prejudice to the provisions of the international treaties to which Mexico is party.

B. COPYRIGHT AND RELATED RIGHTS

2. Please explain, and clarify, Article 133 of Mexico's Copyright Law, which provides that, once a phonogram has been exploited commercially "neither the owner of the economic rights nor the performers nor the phonogram producers may object to its [the phonogram's] direct communication to the public, provided that the persons using it for profit-making purposes make the corresponding payment to them". In addition, please indicate how the provisions of Article 133 comply with Article 11 *bis* of the Bern Convention, incorporated by Article 9 of the TRIPS Agreement.

Article 133 of the LFDA is not inconsistent with Article 11 *bis* of the Bern Convention, since the former refers to related rights and the latter to copyright.

3. Please explain, and clarify, how Article 198 of Mexico's Copyright Law, which permits reciprocity for the collection of royalties for foreign authors, complies with the national treatment obligations of the Bern Convention and with TRIPS Article 3.

Article 198 is not inconsistent with the national treatment provided for in both the Bern Convention and the TRIPS Agreement since the Article in question refers specifically to treatment involving collective management companies.

C. TRADEMARKS

4. Section 90.XV of Mexico's Industrial Property Law, as published in English in the June 1998 issue of WIPO's Intellectual Property Laws and Treaties, states that "three-dimensional names, figures or shapes identical or similar to a mark that the Institute considers well known in Mexico, applied to any product or service", are not registrable as a mark. Is the prohibition for registration truly limited to "three-dimensional" names, figures or shapes and, if so, please explain why the prohibition against registration is so limited.

First of all, it should be pointed out that the English translation cited in this question concerning Article 90, subparagraph XV of the LPI is inaccurate since a literal translation into Spanish would read: "*nombres, figuras o formas tridimensionales idénticos o similares a una marca que el Instituto estime notoriamente conocida en México, para ser aplicados a cualquier producto o servicio, no se registrarán como marcas*".

The actual Spanish text of subparagraph XV of the Article in question reads as follows: "*Las denominaciones, figuras o formas tridimensionales, iguales o semejantes a una marca que el Instituto estime notoriamente conocida en México, para ser aplicadas a cualquier producto o servicio*".

It is clear from the above that, pursuant to Article 90, subparagraph XV of the LPI, the prohibition on registration in Mexico covers appellative, non-appellative, mixed and three-dimensional marks which the Institute considers well known in Mexico, to be applied to any product or service. In other words, it is understood that the term "appellations" (*denominaciones*) refers to the names constituted by appellative marks (*marcas nominativas*); "figures" (*figuras*) refers to the figurative elements comprising non-appellative marks (*marcas innominadas*); combined names and figures constitute mixed marks; and three-dimensional shapes (*formas tridimensionales*) constitute three-dimensional marks.

The ban on registration established in Article 90, subparagraph XV of the LPI is not limited to three-dimensional shapes. Moreover, the concept of three-dimensionality refers only to shapes, that is to say, such shapes as meet the conditions of width, height and volume, and not to appellations or figures, as stated in the question, based on the inaccurate translation into English.

It is recommended that reference be made to the 1994 Industrial Property Law, the most recent revision of which was published in the Official Journal (*Diario Oficial*) of the Federation on 17 May 1999 and forms part of the legislation notified to the Council for TRIPS (in Spanish). The actual wording of Article 90, subparagraph XV is as follows:

Article 90. The following shall not be registrable as marks:

...

XV. Appellations, figures or three-dimensional shapes equivalent or similar to a mark that the Institute considers well known in Mexico, to be applied to any product or service.

5. Article 129 of the Industrial Property Law appears intended to authorize the Institute to deal with anti-competitive practices. Please explain in detail what I-III means, giving actual examples, where possible. How many times has the authority been exercised since the law came into force?

The Article in question refers to those cases where the use of a mark, whether registered or not, might alter the dynamics of trade usage, giving rise to monopolistic practices, or hamper the production and distribution of products. The Article establishes the exceptions under which the public interest, where applicable, takes precedence over individual interests.

Subparagraph I deals with the existence of monopolistic practices. In this connection, it should be pointed out that Mexico's Federal Commission on Economic Competition is the authority responsible for enforcing the Federal Law on Economic Competition (LFCE), the purpose of which is to protect the competitive process and freedom of competition by preventing and eliminating monopolies, monopolistic practices and other restrictions on the efficient working of markets in goods and services. The issuance by the Commission of a declaration concerning the existence of monopolistic practices, based on Articles 9 and 10 of the LFCE constitutes a condition for the applicability of this subparagraph.

Subparagraph II refers to situations where the use of a mark implies no unlawful trading practice but does imply the inefficient distribution, production or marketing of goods and services. Finally, subparagraph III refers to national emergencies.

It has not to date been necessary to apply the Article in question, so there are no actual examples or particular rules of use; however, the following hypothetical situations may be mentioned:

An association of producers of a specific product, such as high-grade coffee, may request regulation of the use of a mark (whether registered or not) when its use is associated with unfair competitive practices. There might be a case where a producer uses a mark which, given its design and denomination, misleads the consuming public into thinking that the mark concerned is a "guarantee mark" certified by a regulatory agency, thereby giving rise to an improper advantage reflected in a distortion of marketing conditions for other coffee bean brands.

The improper use of marks which imitate the image of food products in order to use that image and displace such products in the market, taking advantage of the confusion caused to the passing consumer at the mere sight of the product in a refrigerator or on a shelf.

In the case of national emergencies such as a natural disaster, the use of trademarks on medicines may be prohibited with reference made only to their active ingredients, so that they can be more efficiently located and distributed in the affected area.

6. Title V *bis* of the Industrial Property Law establishes the procedure for applying for protection for geographical indications in Mexico. The process described is clear with respect to Mexico's own geographical indications. Please describe in detail, how foreign geographical indications would receive protection in Mexico. Would the Mexican State claim ownership of the geographical indication pursuant to Article 167 and would individual users of the indication have to apply for authorization to use the geographical indication in Mexico?

Foreign geographical indications receive protection in Mexico in accordance with the provisions of the Law itself and the agreements or treaties on the subject to which Mexico is party (Article 1 of the LPI).

Moreover, there are two alternative ways of protecting geographical indications in Mexico, the first through appellations of origin and the second through collective marks.

The protection afforded by appellations of origin is more rigid in respect of the characteristics of the geographical indication and is based on automatic enforcement of international treaties on the subject. Collective marks represent a more flexible system for the protection of geographical indications.

Let us first deal with appellations of origin. In the case of foreign appellations of origin protected in Mexico by virtue of international treaties, they are subject to the same prerogatives as national appellations of origin, and to the enforcement procedures indicated in the LPI, in the event of their unlawful use (governed by Articles 157 and 213 of the LPI).

However, foreign appellations of origin are not subject to the declaration of protection procedure laid down in the Law for national appellations, nor is the Mexican State the owner, and there is no authorization of use. In other words, the procedure of application, declaration of protection and authorization of use in respect of an appellation of origin, pursuant to the provisions of the Law,

applies only to Mexican appellations of origin. On the other hand, foreign appellations of origin are protected by the automatic enforcement of international treaties on the subject.

Article 157 of the LPI reads as follows: "The protection afforded by this law begins with the declaration of protection issued to that effect by the Institute. The illegal use of the same shall be punished, including in cases where is it accompanied by indications such as 'kind', 'type', 'style', 'imitation' or other similar terms that create confusion in the mind of the consumer or imply unfair competition".

Moreover, Article 213 of the LPI states that the following shall constitute administrative infringements:

" ...

IX. Performing, in the course of industrial or trading activities, acts that confuse, mislead, or deceive the public by creating the unfounded belief or assumption that:

- (a) A relation or association exists between a given establishment and that of a third party;
- (b) products are manufactured according to specifications, licences or authorizations from a third party;
- (c) services are provided or products sold on the basis of authorizations, licences or specifications from a third party;
- (d) the product concerned comes from a territory, region or locality different from the true place of origin, so that the public is misled as to the geographical origin of the product.

...

XXII. Using an appellation of origin without the necessary authorization or licence; ..."

As far as collective marks are concerned, Article 96 of the LPI provides that associations or groups of producers, manufacturers, traders or service providers may apply for registration of collective marks to distinguish the products or services of their members on the market from those of third parties. This provision should be interpreted along the same lines as the interpretation usually given to Article 7 *bis* of the Paris Convention for the Protection of Industrial Property, i.e. that collective marks are signs serving to distinguish the geographical origin or other common characteristics of products or services from different companies which use the collective mark under the control of its owner.

7. Since Articles 96 through 98 of the law on industrial property provide for collective marks, might an entity recognized as responsible for a geographical indication in another WTO Member be able to apply for protection of that indication in Mexico as a collective mark and receive the same level of protection that would be accorded under Title V *bis* of the Law? Please describe in detail the differences, if any, between the two forms of protection.

Yes, it is possible for any entity in a WTO Member State, which has an interest in protecting a geographical indication in Mexico, to apply for its registration as a collective mark in accordance with Articles 96 to 98 of the LPI. As mentioned under the previous question, the protection of

geographical indications through the registration of collective marks is one of the alternatives offered by the LPI for protection in such matters.

Regarding the level of protection of collective marks, Article 98, second paragraph, provides that such marks shall be governed, in the absence of special provisions, by the provisions of the LPI relating to marks. Consequently, collective marks enjoy the same level of protection as is established by the law for marks in general, subject in addition to the satisfaction of the requirements contained in Title IV, Chapters I and V.

The registration of a collective mark shall be valid for a period of ten years from the date of submission of the application and may be renewed for periods of the same duration.

8. There does not appear to be any means that would allow a party that objects to the grant of protection for a geographical indication in Mexico to oppose that grant. Please describe in detail any procedures that might be used by a party to oppose a request for the grant of protection of a geographical indication.

In the case of appellations of origin, Article 161 of the LPI prescribes that the Mexican Industrial Property Institute shall allow a period of two months for any third party able to establish a legal interest to make observations or objections and produce the necessary evidence to oppose the application for a declaration of protection of a national appellation of origin.

The terms of the said declaration of protection may be amended at any time, either ex officio or at the request of an interested party, in accordance with the procedure laid down in the Law (Article 166 of the LPI).

The procedure of objection to the application for a declaration of protection is laid down in Articles 162, 163 and 164 of the LPI.

In the case of collective marks consisting of geographical indications, a registration invalidation procedure is available under Article 151 of the LPI.

9. If a registered trademark or a well-known trademark exists that incorporates the term for which a request is made for protection as a geographical indication, is protection refused on the basis of the existing right in the trademark? If not, why not?

In such cases, Mexico shall act in accordance with the provisions of Article 22.3 of the TRIPS Agreement, which reads:

"A Member shall, ex officio if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin."

It follows from the above that two criteria must be met in order to invalidate or refuse the registration of a mark consisting of a geographical origin for which protection is sought: first, that the registered mark or the mark it is wished to register, consisting of or containing a geographical indication, should refer to goods not originating in the territory indicated; and secondly, that the registered mark or the mark it is wished to register, consisting of or containing a geographical indication, is of such a nature as to mislead the public as to the true origin.

In connection with the refusal of registration of a mark which consists of or contains a geographical indication, the LPI provides as follows:

"Article 90. The following shall not be registrable as marks:

...

- X. Geographical, proper or common names, maps, and names and adjectives of origin, when they indicate the source of the products or services and may be confusing or misleading with regard to that source;
- XI. names of towns or places characterized by the making of certain products, when used to protect such products, except for the names of places under private ownership when they are specific and unmistakable and the owner's consent has been given; ..."

Moreover, with respect to the invalidation of the registration of a mark which consists of or contains a geographical indication, the Industrial Property Law provides as follows:

"Article 151. The registration of a mark shall be void when:

- I. It has been granted in contravention of the provisions of this Law or of the legislation in force at the time of its registration.

..."

Pursuant to the foregoing, it is possible to cancel the registration of a mark which consists of or contains a geographical origin with respect to goods not originating in the territory indicated or is of such a nature as to mislead the public as to the true origin, since it was granted in violation of subparagraphs X and XI of Article 90 of the LPI, cited above.

Moreover, the Industrial Property Law also contains the following provision:

"Article 213. The following are administrative offences:

...

- IX. Performing, in the course of industrial or trading activities, acts that confuse, mislead or deceive the public by creating the unfounded belief or assumption that:
 - (a) A relation or association exists between a given establishment and that of a third party;
 - (b) products are manufactured according to specifications, licences or authorizations from a third party;
 - (c) services are provided or products sold on the basis of authorizations, licences or specifications from a third party;
 - (d) the product concerned comes from a territory, region or locality different from the true place of origin, so that the public is misled as to the geographical origin of the product.

...

XXII. Using an appellation of origin without the necessary authorization or licence; ...".

D. PATENTS AND PLANT VARIETIES

10. Article 192 *bis* 1 provides for reversal of the burden of proof in cases of patent infringement under the Administrative Declaration Procedure in cases involving process patents. Please describe the way in which the reversal of the burden of proof would be carried out in similar cases before the courts and cite to the relevant provisions of law.

Article 192 *bis* 1 of the LPI provides that, where the subject-matter of the patent is a process for obtaining a product, the alleged infringer, in the procedure for the administrative declaration of infringement, must prove that the product was manufactured under a process different from the patented process, where:

- I. The product obtained by the patented process is new.
- II. There is a substantial likelihood that the product was manufactured by means of the patented process and the patent owner has been unable to determine the process actually used, despite having attempted to do so.

It should be pointed out that both these criteria have to be satisfied in order for there to be a reversal of the burden of proof.

This exception applies only in the administrative sphere, specifically in cases of infringement of patented processes.

Follow-up question:

It is our understanding that Mexico's law protecting plant varieties is based on the 1978 text of the Convention for the Protection of New Varieties of Plants and that regulations under the law were issued in 1998. Please indicate, for each year since the law came into effect, how many applications for protection of plant varieties have been filed and how many plant variety protection certificates have been issued. Please indicate, on average, the period for granting a plant variety certificate.

This year the New Plant Varieties Committee was formally established. Its duties include determining the admissibility of applications for a new plant variety breeder's right.

At the present time 267 applications are being processed and 20 of them have been required to make a payment. Once the corresponding right is covered, a record of the application will be issued, the first step before granting the breeder's right.

E. UNDISCLOSED INFORMATION

11. Article 86 *bis* of the Law on Industrial Property states that information required by special laws to determine the safety and efficacy of pharmaceutical and agricultural chemicals are to be protected in accordance with international treaties to which Mexico is a party. Please describe in detail and provide copies of the relevant laws, the manner in which Mexico ensures that undisclosed test or other data regarding pharmaceutical and agricultural chemicals submitted to obtain marketing approval are protected against unfair commercial use.

The records of government proceedings are confidential and only the interested parties may have access to them in accordance with the provisions of the Federal Law on Administrative Procedure, Article 33 of which provides that the parties to administrative proceedings shall be entitled at any time to ascertain the status of their files, by seeking the pertinent information in the offices concerned, except where they contain information on defence and national security, have a bearing on matters protected by trade or industrial secrets, where the interested party is neither the owner nor an assignee, or deal with matters concerning which prohibitory legislation exists.

Moreover, Article 47 of the Federal Law on Public Servants' Responsibilities provides that all public servants shall be required to uphold the standards of legality, honour, loyalty, impartiality and efficiency incumbent on them in the exercise of their employment, responsibilities or mission, subject to the appropriate procedures and sanctions; this requirement includes the obligation under subparagraph IV of the above-mentioned Article to protect and preserve documentation and information which, by reason of their employment, responsibilities or mission, are kept under their care or to which they have access by preventing or averting the improper use, removal, destruction, concealment or non-utilization of such documentation and information.

Follow-up question:

In response to US question 11, Mexico described the manner in which information submitted to obtain marketing approval for pharmaceuticals and agricultural chemicals is protected against disclosure. Please explain whether officials responsible for granting marketing approval can base such approval of a second or later version of a previously approved pharmaceutical or agricultural chemical product on the data and other information submitted by the original applicant for approval. If such use of the data is possible, please describe the criteria that must be met by the second and later applicants and indicate the period of exclusivity provided the earlier applicant before such use is made of his data.

For the registration of drugs, the Ministry of Health has been taking account of two factors: first, an effort is made to ensure that the list of active substances that can be incorporated in the Catalogue of Interchangeable Generic Drugs does not include products which are still patent-protected, for cases have arisen where products that were already included in the lists and did not fulfill those requirements were withdrawn and no registration was granted for products submitted by a manufacturer other than the original one.

As for other products not regarded as interchangeable generic drugs, the Ministry of Health has refused registration when such products are registered in Mexico by the innovator and the latter has reported the situation to the authorities.

In the case of pesticides, the Ministry of Health affords protection of information submitted by companies in order to register their products, guaranteeing that when it is demonstrated that in the absence of control or the participation by official in the disclosure of trade information which does not appear in any medium or on the Internet, the Ministry of Health and the Comptroller's Office take direct action against the person in question.

F. ENFORCEMENT. GENERAL PROVISIONS

12. Please briefly describe how the Government of Mexico meets the requirements of TRIPS, Article 41, including 41.1, 41.2, 41.3 and 41.4. In particular, please explain how the laws of Mexico provide for effective action against infringement of intellectual property rights as required by Article 41.1 of the TRIPS Agreement.

The LPI and the LFDA lay down procedures for the prevention and punishment of any act of infringement of an intellectual property right.

In administrative declaration proceedings relating to the violation of any of the rights protected by the LPI, the Mexican Industrial Property Institute (IMPI) may take the following measures:

- (a) Order the withdrawal from circulation or prevent the distribution of goods that infringe rights protected by the LPI;
- (b) order the withdrawal from circulation of:
 - Articles manufactured or used illegally;
 - articles, packaging, packing, containers, stationery, advertising material and the like that infringe any of the rights protected by the LPI;
 - signs, labelling stationery and the like that infringe any of the rights protected by the LPI; and
 - tools or implements intended or used for the manufacture or production of any of the items specified in the preceding subparagraphs.
- (c) prohibit, with immediate effect, the marketing or use of products that infringe any of the rights protected by the LPI;
- (d) order the seizure of goods;
- (e) order the alleged infringer or third parties to suspend or discontinue acts constituting a violation of the provisions of the LPI; and
- (f) order suspension of service provision or closure of the establishment if the measures provided for in the preceding paragraphs are insufficient to prevent or avert the violation of the rights protected by the LPI.

If the product or service is on the market, traders or service providers shall be required to refrain from disposing of the product or providing the service from the date on which they are notified of the ruling.

Producers, manufacturers and importers shall be under the same obligation, as shall their distributors, who shall be responsible for recovering forthwith any goods that are already on the market.

Article 199 *bis* of the LPI is applicable.

13. Please identify which courts have original jurisdiction over intellectual property infringement cases, and which courts have appellate jurisdiction to review their decisions. What legal limitations are placed on the ability of a party to have procedural rulings and final decisions reviewed by the appellate bodies you have identified? (TRIPS, Article 41)

The federal judicial authorities have jurisdiction and competence in intellectual property matters to review decisions issued by the IMPI, which is the administrative authority competent to deal with infringements of intellectual property rights. The judicial authorities in question are:

- The District Courts
- The Collegiate Circuit Courts

Moreover, Article 227 of the LPI provides that the courts of the Federation have jurisdiction over the offences referred to in the relevant chapter, as well as over civil and commercial disputes and the precautionary measures entailed by the implementation of the Law.

When such disputes affect only private interests, they may be heard by the ordinary courts if the plaintiff so chooses, without prejudice to the right of private individuals to submit to arbitration proceedings.

Articles 33 to 39 and 42 to 55 of the Institutional Law on the Judicial Authority and Articles 1 and 227 of the LPI are applicable.

14. Chapter II of Title VI of the Law on Industrial Property provides for an Administrative Declaration Procedure. Chapter III provides for appeals for reconsideration. What body within the Institute issues administrative declarations? What body hears and decides the appeals?

The appeal for reconsideration provided for in the LPI lies only against a decision refusing a patent or the registration of a utility model or industrial design, and the Divisional Patent Directorate has the authority to issue both the decision refusing the patent and the decision on the admissibility of the appeal raised.

"Article 12 - the Divisional Patent Directorate shall be competent:

- III. To grant or refuse patents or registrations of utility models, industrial designs and lay-out designs of integrated circuits, which are processed in accordance with the applicable provisions on the subject, and to hear and decide any proceedings under the law with regard to the grant of patents and registrations;
- ...
- V. To hear and decide the appeal for reconsideration against decisions refusing applications for patents and registrations, as provided in the law; ..."

The foregoing is based on Articles 200, 201 and 202 of the LPI and Article 12, subparagraphs III and V of the Regulations of the IMPI.

15. Title VII of the Law on Industrial Property appears to provide administrative procedures for enforcement of industrial property rights and includes provisions for the Institute to inspect business facilities to ensure that the Law is complied with. Chapter III of that Title defines criminal offences and establishes penalties therefor. The Mexican Federal courts have jurisdiction over these provisions, under Article 227, as well as over commercial and civil disputes. Please explain in detail the relationship between the administrative and the court proceedings, indicating whether enforcement actions are available under both procedures for the same offence and what factors a right holder should take into account in deciding which to invoke to enforce rights.

For the institution of criminal proceedings, in the situations provided for in subparagraphs I and II of Article 223 of the LPI, the Institute must issue a technical opinion which shall be without prejudice to any criminal actions which may lie, this being a prerequisite for the admissibility of criminal proceedings.

As mentioned above, the federal courts have jurisdiction and competence in intellectual property matters to review decisions by the IMPI.

G. ENFORCEMENT. CIVIL AND ADMINISTRATIVE PROCEDURES AND REMEDIES

16. Please describe the procedures followed by the courts and/or administrative bodies for notifying defendants that civil judicial proceedings have been initiated against them. Also, describe the type of information provided in the notice. (TRIPS, Article 42)

Pursuant to Article 193 of the LPI, once the request for an administrative declaration of nullity, expiry and cancellation has been accepted, the IMPI shall notify defendants of the initiation of administrative proceedings against them, allowing them a period of one month to submit arguments in writing to support their case.

In cases of administrative infringement, the alleged infringer shall be subpoenaed and allowed ten days to submit whatever evidence he/she deems appropriate.

Article 70 of the Regulations to the LPI states that any submission relating to the proceedings referred to in Article 187 of the LPI must be accompanied by a copy which shall be made available to the other party.

In judicial matters, the Federal Code of Civil Procedure (CFPC) lays down general rules on notifications and service of process in particular.

First of all, under Article 276 of the CFPC, every litigant's first submission shall be accompanied by as many single copies as are necessary for forwarding to the other parties, as regards both the principal or supplementary application and accompanying documents.

Once the application has been declared admissible, it shall be notified to the person against whom it is lodged, and that person shall be ordered to reply within nine days, with any additional days allowed on grounds of distance (Article 327).

According to Article 309 of the CFPC, the service of process on the defendant and service involving the first notification in the proceedings must in all cases be effected personally. Such process must be served on the party concerned or his/her representative or agent, at the address for service, together with a full, authorized copy of the decision notified (Article 310).

17. Do parties have the right to be represented by independent legal counsel in civil judicial and administrative intellectual property (IP) cases, and are there any limitations on that right? Please describe any special requirements concerning mandatory personal appearances by parties. (TRIPS, Article 42)

Parties have the right to be represented by independent legal counsel at all times and there is no limitation on this right. The special requirements for proving personal status are set out in Article 181 of the LPI, which provides that, when applications and submissions are filed through an agent, the latter must establish his/her standing:

- I. By a simple power of attorney signed before two witnesses if the principal is a natural person.
- II. By a simple power of attorney signed before two witnesses if, in the case of legal persons, the case involves applications for patents or registrations or the registration of licences or transfers of licences.

In the latter case, the power of attorney must specify that the person granting it has the authority to do so and cite the instrument certifying such authority.

- III. In cases not covered by the preceding subparagraph, by a public instrument or power of attorney with authentication of signatures before a notary or other law officer where a Mexican legal person is concerned, and the legal existence of the latter and the powers of the grantor must also be established.
- IV. In cases not covered by subparagraph II, by a power of attorney granted under the applicable legislation of the place where it is granted, or in accordance with international treaties where the principal is a foreign legal person. When the said power of attorney attests the legal existence of the legal person in whose name the power is granted, and the grantor's right to confer the power, it shall be presumed to be valid, in the absence of proof to the contrary.

In each proceeding, the standing of the applicant or the party filing the submission must be established; however, a simple copy of the register entry will suffice if the power is registered in the General Register of Powers kept by the Institute.

The LPI makes no provision for mandatory appearances by parties.

Articles 1 to 6 of the CFPC and Articles 181 and 182 of the LPI are applicable.

18. What requirements must a foreign party meet to initiate a proceeding in the courts and administrative bodies identified that is not required of a national or resident of your country?

There are no special requirements; nationals, residents and foreigners must all meet the requirements laid down in Articles 179 et seq. of the LPI and Article 5 of the Regulations.

19. Please describe any limitations on a party's ability to substantiate a claim or to present relevant evidence in civil judicial and administrative intellectual property cases. (TRIPS, Article 42)

The administrative declaration proceedings provided for in the LPI may be initiated ex officio or at the request of any person who has a legal interest and provides grounds for their claim (Article 188).

Moreover, Article 1 of the CFPC, supplementing the provisions on industrial property, states that only a person having an interest in the pronouncement or establishment of a right or the delivery of a sentence by the judicial authority, or a person having the contrary interest, may initiate or participate in a judicial proceeding.

In addition, in accordance with Article 195 of the LPI, issues that have been the subject of a prior specific decision shall not be examined in the administrative declaration procedure but shall be resolved when the appropriate ruling is issued.

Finally, it should be pointed out that the judicial and administrative procedures envisaged under Mexican legislation provide for the stages of production, admission and rebuttal of evidence; once these stages have been exhausted, no new evidence is admissible, apart from such as may reflect changed legal circumstances.

20. Please describe the mechanisms for identifying and protecting confidential information in civil judicial and administrative intellectual property cases. (TRIPS, Article 43.1.)

In any judicial or administrative procedure where one of the parties or third parties is required to reveal confidential information, the authority hearing the case shall adopt such measures as are necessary to prevent the rights of the parties from being infringed.

Under no circumstances may any interested party reveal or make use of the industrial secret referred to in the preceding paragraph.

In the case of proceedings relating to patents, utility models and industrial designs, all Institute staff involved in the various procedures applicable under the LPI and the regulations thereto shall be bound to observe absolute secrecy regarding the contents of pending case files, on pain of punishment under the Federal Law on the Responsibilities of Public Servants, irrespective of any penalties which may apply in such cases. The staff of public or private bodies that might become privy to the said contents in assisting the Institute in the discharge of its duties shall be under the same obligation.

Article 80 of the CFPC 86 *bis* 1 and 186 of the LPI are applicable.

21. What provisions ensure that intellectual property infringement cases are handled in an expeditious manner and what provisions are available to prevent deliberate delays by the parties to a proceeding? Under what circumstances are such provisions applied?

The administrative declaration procedures envisaged in the LPI and the procedure for trade-related infringements are based on summary process, that is to say brief administrative proceedings devoid of unnecessary formalities. One special feature of such proceedings is that they may also be initiated ex officio by the IMPI, thereby shortening the time-limits and expediting the proceedings.

With regard to delays caused deliberately by frivolous appeals, Article 57 of the CFPC provides that the courts shall in no circumstances accept blatantly malicious or improper applications, appeals or submissions, which shall be rejected outright, without any need to order notification to the other parties, the sending of copies or the institution of interlocutory proceedings. Moreover, legal precedents exist on the subject, such as the following:

Frivolous or improper appeals: evaluation

Level of jurisdiction:	Third Chamber
Source:	Semanario Judicial de la Federación (Weekly Judicial Review of the Federation)
Period:	Fifth Period
Volume:	LXVIII
Page:	2005
Text:	"The finding that an appeal is frivolous or improper shall not be left to the discretion of the judges or lie exclusively with the adjudicating court, but must emerge clearly from the circumstances of each case".
Precedent:	Volume LXVIII, page 2005. Sandi Mauricio – 6 June, 1941 – 5 votes.

Frivolous appeals

Level of jurisdiction:	Plenary
Source:	Weekly Judicial Review of the Federation
Period:	Fifth Period
Volume:	IV
Page:	365
Text:	"..., since frivolous appeals are those that are groundless and unreasonable, introduced solely with the aim of prolonging the proceedings; ..."
Precedent:	Volume IV, Page 365: "The United Security Life Insurance and Trust Company of Pennsylvania" – 14 February 1919 – 11 votes.

Finally, the Federal Criminal Code defines a series of special categories of offences by lawyers, employers and litigants, which provide for appropriate penalties in cases of conduct designed deliberately to delay the conclusion of a proceeding (Article 231 of the Federal Criminal Code).

"Article 231. A prison sentence of two to six years, a fine of 100 to 300 day units and suspension and disqualification for a term equivalent to that prescribed under the preceding penalty in respect of the exercise of professional functions, shall be imposed on lawyers, employers or litigants not overtly represented by lawyers, who commit any of the following offences:

...

- II. Requesting terms in order to prove contentions that are patently unprovable or unsustainable on their part; promoting points or issues to justify suspension of the proceedings or manifestly improper appeals, or seeking in any other way to secure patently unlawful delays;
 - III. knowingly or on the basis of false or worthless documents or false testimony, taking action or lodging pleas against another party with the judicial or administrative authorities; and
- ..."

22. Please describe how and under what circumstances judicial and administrative officials may order parties to produce relevant evidence in civil judicial and administrative intellectual property cases. What types of evidence or information may be required to be disclosed prior to trial and how long does this pre-trial disclosure period generally last? (TRIPS, Article 43.2)

Any type of information or evidence may be required, apart from testimony or personal statements, unless such testimony or personal statements are in documentary form, or evidence contrary to morality and the law, pursuant to Article 192 of the LPI.

In addition, for the substantiation of facts that may constitute a violation of one or more of the rights protected by the LPI, or in administrative declaration procedures, the Institute may avail itself of such evidence as it considers necessary.

Where the aggrieved owner or the alleged infringer have submitted sufficient evidence, in terms of that to which they may reasonably have access, in support of their claims and have specified any relevant evidence to substantiate those claims, which is under the control of the opposing party, the Institute may order the latter to submit the said evidence, subject where appropriate to such conditions as may guarantee the protection of confidential information.

Moreover, Articles 79 and 90 of the CFPC are applicable.

23. What kinds of actions may judicial and administrative officials take if the party fails to provide the necessary information? Please describe the circumstances under which those actions are normally imposed in civil judicial and administrative enforcement actions. (TRIPS, Article 43.2)

Where the aggrieved owner or the alleged infringer deny access to evidence or fail to produce relevant evidence under their control in a reasonable period of time, or significantly obstruct the procedures, the Institute may issue preliminary and final rulings, either favourable or adverse, on the basis of the evidence submitted, including the arguments put forward by the party adversely affected by the denial of access to evidence, provided that the interested parties are given the opportunity to be heard on the subject of the arguments and the evidence submitted.

Article 192 *bis* of the LPI is applicable.

24. Do judges and administrative officials have the authority to issue injunctions (or equivalent measures) to order a party to desist from an infringement and to prevent infringing goods from entering the channels of commerce? Please describe, in detail, the procedures for issuing such injunctions. (TRIPS, Article 44.1)

Pursuant to Articles 49 and 50.8 of the Agreement on Trade-Related Aspects of Intellectual Property Rights, in administrative declaration proceedings relating to the violation of any of the rights protected by the LPI, the IMPI may take the following measures:

- (a) Order the withdrawal from circulation or prevent the distribution of goods that infringe rights protected by the LPI;
- (b) order the withdrawal from circulation of:
 - Articles manufactured or used illegally;
 - articles, packaging, packing, containers, stationery, advertising material and the like that infringe any of the rights protected by the LPI;
 - signs, labelling, stationery and the like that infringe any of the rights protected by the LPI; and
 - tools or implements intended or used for the manufacture or production of any of the items specified in the preceding subparagraphs.
- (c) prohibit, with immediate effect, the marketing or use of products that infringe any of the rights protected by the LPI;
- (d) order the seizure of goods;
- (e) order the alleged infringer or third parties to suspend or discontinue acts constituting a violation of the provisions of the LPI; and
- (f) order suspension of service provision or closure of the establishment, if the measures provided for in the preceding subparagraphs are insufficient to prevent or avert the violation of the rights protected by the LPI.

If the product or service is on the market, traders or service providers shall be required to refrain from disposing of the product or providing the service from the date on which they are notified of the ruling.

Producers, manufacturers and importers shall be under the same obligation, as shall their distributors, who shall be responsible for recovering forthwith any products already on the market.

Article 199 *bis* of the LPI is applicable.

Orders for damages, including recovery of profits and expenses, including lawyers' fees

Irrespective of the judicial or administrative action that may lie, a person whose intellectual property rights have been violated may claim from the perpetrator or perpetrators compensation for material injury and the payment of damages in respect of such violation, which in no case may be less than 40 per cent of the public selling price of each product or service.

Articles 221 *bis* and 226 of the LPI are applicable.

Destruction or other disposal, outside the channels of commerce, of infringing goods and the materials and implements used for their production

If the final ruling on the merits of the dispute states that there has been an administrative infringement, the authority shall decide, after hearing the parties, on the fate of the confiscated goods, and in doing so shall conform to the following rules:

- I. It shall place the confiscated goods at the disposal of the competent judicial authority as soon as it receives notice that the proceedings for compensation for material injury or payment of damages have been initiated.
- II. It shall place them at the disposal of any person specified by the award where the option of arbitration proceedings has been selected.
- III. Where appropriate, it shall proceed in accordance with the terms of the agreement reached between the aggrieved owner and the alleged infringer regarding the fate of the goods.
- IV. In cases not covered by the foregoing subparagraphs, each of the parties concerned shall submit in writing, within five days of the date on which they are given sight thereof, their proposals concerning the fate of the goods that have been confiscated or withdrawn from circulation, or the marketing of which has been prohibited.
- V. It shall give the parties sight of the proposals submitted, so that they may decide by common consent on the fate of the said goods and submit their decision to the Institute in writing within five days following the date on which they were given sight.
- VI. If the parties fail to set out in writing their agreement on the fate of the goods within the period allowed, or if none of the situations referred to in subparagraphs I to III above has arisen within a period of 90 days from the issue of the final decision, the Governing Board of the Institute may decide:
 - (a) To donate the goods to departments and agencies of the Federal Public Administration, federated states, municipalities, or public, charitable or social security institutions, provided that the public interest is not affected; or
 - (b) to destroy the goods.

Article 212 *bis* 2 of the LPI is applicable.

Other measures

- (a) Fines
- (b) Closures
- (c) Imprisonment if an offence has been committed

Articles 214 and 218 of the LPI are applicable.

Judicial decisions may require a party to the proceedings or a third party to act in a particular manner, i.e to engage in or refrain from a specified form of conduct.

Articles 220 and 379 to 399 of the CFPC are applicable.

Orders for damages, including recovery of profits and expenses, including lawyers' fees

If the court awards damages, it shall fix the amount in monetary terms or at least establish the basis on which payment must be made. The judgement may include an order to pay court costs and expenses.

Articles 7 to 11 of the CFPC are applicable.

Destruction or other disposal, outside the channels of commerce, of infringing goods and the materials and implements used for their production

The court may include in its judgment an order for performance of an act which may consist, *inter alia*, in the destruction of goods and it may specify a reasonable period for compliance.

Article 420 of the CFPC is applicable.

Other measures

Taking into account the nature of the case, the competent court shall deliver its judgement and may, under its own responsibility, adopt any measure it considers appropriate, as well as any proposal put forward by the parties, provided that it is consistent with the law.

Articles 345 to 353 of the CFPC are applicable.

25. How long in practice does it generally take to obtain the injunctive relief (or equivalent measures) from the time of the application to its grant? What evidence must typically be provided to establish a party's right to each of the types of relief identified and what are the conditions imposed on obtaining such relief? (TRIPS, Article 44)

The period of time will depend on the specific circumstances.

In order to determine the measures to be taken under Article 199 *bis* of the LPI, the Institute shall require the applicant to:

Prove that he/she is the right holder and any of the following circumstances:

- (a) The existence of a violation of his/her rights;
- (b) the imminence of a violation of his/her rights;
- (c) the existence of the possibility of irreparable damage being sustained; and
- (d) the existence of a justified fear that evidence might be destroyed, concealed, lost or altered.

The evidence submitted by the interested party to establish the foregoing shall be evaluated by the Institute as a condition for ordering the measures requested.

Article 199 *bis* 2 of the LPI is applicable.

Moreover, one of the requirements for ordering the measures is that the applicant post sufficient security to cover any damage that might be caused to the person against whom the measure is requested, and provide the necessary information for identifying the goods, services or establishments with which or in which the violation of industrial property rights has been committed.

The Institute may amend the terms of the measures adopted, taking into account the specific circumstances of the case.

Articles 228 and 199 *bis* of the LPI are applicable.

26. Article 44.2 provides an exception to the requirement in paragraph 1 for government use or use by third parties authorized by the government, limiting the remedy for infringement to payment of adequate remuneration as provided in Article 31(h). Are there any such limitations on remedies in the laws of Mexico?

The limitations on remedies in respect of patents are set out in Article 22 of the LPI, which provides that the right conferred by a patent shall produce no effect against:

- I. A third party who, in the private or academic sphere and for non-commercial purposes, engages in scientific or technological research activities for purely experimental, testing or teaching purposes, and to that end manufactures or uses a product or process equivalent to the one patented;
- II. any person who markets, acquires or uses the patented product or the product obtained by the patented process, after the said product has been lawfully placed on the market;
- III. any person who, prior to the filing date of the patent application, or where applicable the recognized priority date, uses the patented process, manufactures the patented product or begins the necessary preparations for effecting such use or manufacture;
- IV. the use of the invention concerned in transport vehicles of other countries when it forms part of such vehicles and when the vehicles are in transit on the national territory;
- V. a third party who, in the case of patents relating to live material, makes use of the patented product as an initial source of variation or propagation to obtain other products, except where such use is made recurrently; and
- VI. a third party who, in the case of patents relating to products consisting of live material, puts into circulation or markets the patented products for purposes other than multiplication or propagation, after the said products have been lawfully placed on the market by the patent owner or by the person to whom a licence has been granted.

The performance of any act covered by this Article shall not constitute an administrative infringement or offence within the meaning of the LPI.

As far as marks are concerned, Article 92 of the same LPI provides that registration of a mark shall produce no effect against:

- I. A third party who in good faith used the same or confusingly similar mark on the national territory for the same or similar products or services, provided that the third party had begun to make uninterrupted use of the mark prior to the filing date of the application for registration or the date of the first declared use of the mark. The third party shall be entitled to apply for registration of the mark within three years following the day on which the registration was published, in which case he/she shall previously apply for and obtain a declaration of invalidity of the said registration;
- II. any person who markets, distributes, acquires or uses the product to which the registered trademark is applied, after the said product has been lawfully placed on the market by the owner of the registered trademark or by the person to whom he/she has granted a licence;

This eventuality shall include the importation of legitimate products to which the mark applies, as effected by any person for use, distribution or marketing in Mexico, under the terms and conditions laid down in the regulations to this law; and

- III. natural or legal persons who apply their own name or company or business name to the goods that they produce or distribute, to the services they provide or to their places of business, or who use it as part of their trade name, provided that they apply it in the form in which they are accustomed to using it and that it has features that clearly distinguish it from a homonym already registered as a mark or published as a trade name.

The performance of any activity provided for in this Article shall not constitute an administrative infringement or offence within the meaning of the LPI.

27. Please explain whether judicial and administrative officials have the authority to order a party found to be infringing to pay the right holder damages adequate to compensate for the injury caused by the infringement and expenses, including attorney's fees. What factors are considered in establishing the amount of damages? (TRIPS, Article 45)

Any person whose intellectual property rights have been infringed may claim from the infringer or infringers compensation for material injury and the payment of damages arising from such infringement, which in no event may be less than 40 per cent of the public selling price of each product or service.

It shall lie with the competent judicial authority to order the payment of damages; it shall fix the amount in monetary terms or at least establish the basis on which payment must be made. The judgement may include an order to pay court costs and expenses.

Articles 7 to 11 of the CFPC and Articles 226 and 221 *bis* of the LPI are applicable.

28. Please describe any additional remedies (e.g., disposal of goods and destruction of materials and implements used to create infringing goods) that judicial and administrative officials may impose in civil judicial and administrative intellectual property cases, the circumstances under which those remedies will be imposed. What factors are considered in determining which kind of remedy to impose? (TRIPS, Article 46)

In the event that provisional measures have been adopted, they may be made final pursuant to Article 199 *bis* 5 which provides that the Institute, in the final ruling on the procedure for the administrative declaration of infringement, shall decide on the lifting or confirmation of the measures adopted under Article 199 *bis*.

If the final ruling on the merits of the dispute states that an administrative infringement has been committed, the Institute shall decide, after hearing the parties, on the fate of the confiscated goods, and in so doing shall abide by the following rules:

- I. It shall place the confiscated goods at the disposal of the competent judicial authority as soon as it receives notice that the proceedings for compensation for material injury or payment of damages have been initiated.
- II. It shall place them at the disposal of any person specified by the award where the option of arbitration proceedings has been selected.
- III. Where appropriate, it shall proceed in accordance with the terms of the agreement reached between the aggrieved owner and the alleged infringer regarding the fate of the goods.
- IV. In cases not covered by the foregoing subparagraphs, each of the parties concerned shall submit in writing, within five days of the date on which they are given sight thereof, their proposals concerning the fate of the goods that have been confiscated or withdrawn from circulation, or the marketing of which has been prohibited.
- V. It shall give the parties sight of the proposals submitted, so that they may decide by common consent on the fate of the said goods and submit their decision to the Institute in writing within five days following the date on which they were given sight.
- VI. If the parties fail to set out in writing their agreement on the fate of the goods within the period allowed, or if none of the circumstances referred to in subparagraphs I to III above has arisen within a period of 90 days from the issue of the final decision, the Governing Board of the Institute may decide:
 - (a) To donate the goods to departments and agencies of the federal public administration, federated states, municipalities or public, charitable or social security institutions, provided that the public interest is not affected; or
 - (b) to destroy the goods.

Furthermore, in case of persistent infringing conduct, an additional fine may be imposed under Article 214, subparagraph II of the LPI, up to the amount of 500 days of the general minimum wage in force in the Federal District.

29. Do judicial and administrative officials have the authority to order infringers to provide right holders with information on third parties involved in the production and distribution of infringing goods or services and their channels of distribution? Under what circumstances is this authority exercised? (TRIPS, Article 47)

If a party asks to be allowed to inspect certain material objects, documents, books or papers essential to the filing of its application, the judicial authority may order that they be made available, subject to proof of the right to request the measure and its necessity.

The court may avail itself of any person, material object or document, whether belonging to the parties or to a third party, in order to determine their legal status in a dispute, with no limitation other than that the evidence be admissible under the law and directly relevant to the facts at issue.

Articles 89, 90, 91 and 379 of the CFPC and Article 187 of the LPI are applicable.

The IMPI, pursuant to Article 203, subparagraph 1 of the LPI, may request reports and information in order to verify compliance with the law.

Moreover, Article 199 *bis* 7 provides that the party requesting provisional measures may use the documentation relating to the application of provisional measures in order to institute the appropriate proceedings or for inclusion in files pertaining to pending procedures, but shall be prohibited from using it and disclosing or communicating it to third parties.

30. Please explain whether public authorities and officials are exempt from liability for abuse of enforcement procedures and describe the circumstances in which such limitations do not apply. (TRIPS, Article 48)

In connection with the conduct of proceedings, the judicial and administrative authorities have no responsibility for any measures requested by the parties; however, the actions of the public authorities in Mexico are governed by the Federal Law on the Responsibilities of Public Servants, which lays down the obligations incumbent upon civil servants in the discharge of their responsibilities.

Article 47 of the Federal Law on the Responsibilities of Public Servants is applicable.

H. ENFORCEMENT. PROVISIONAL MEASURES

31. Please identify the provisional measures available under the law of Mexico to prevent an infringement of any intellectual property right occurring and to preserve relevant evidence in regard to an alleged infringement. (TRIPS, Article 50)

In administrative declaration proceedings relating to the violation of any of the rights protected by the LPI, the IMPI may take the following measures:

- (a) Order the withdrawal from circulation or prevent the distribution of goods that infringe rights protected by the LPI;
- (b) order the withdrawal from circulation of:
 - Articles manufactured or used illegally;

- articles, packaging, packing, containers, stationery, advertising material and the like that infringe any of the rights protected by the LPI;
 - signs, labelling, stationery and the like that infringe any of the rights protected by the LPI; and
 - tools or implements intended or used for the manufacture or production of any of the items specified in the preceding subparagraphs.
- (c) prohibit, with immediate effect, the marketing or use of products that infringe any of the rights protected by the LPI;
- (d) order the seizure of goods;
- (e) order the alleged infringer or third parties to suspend or discontinue acts constituting a violation of the provisions of the LPI; and
- (f) order suspension of service provision or closure of the establishment, if the measures provided for in the preceding subparagraphs are insufficient to prevent or avert the violation of the rights protected by the LPI.

If the product or service is on the market, traders or service providers shall be required to refrain from disposing of the product or providing the service from the date on which they are notified of the ruling.

Producers, manufacturers and importers shall be under the same obligation, as shall their distributors, who shall be responsible for recovering forthwith any products already on the market.

Article 199 *bis* of the LPI is applicable.

Pursuant to Article 199 *bis* 7, the requesting party may only use the documentation relating to the application of a provisional measure in order to initiate the appropriate proceedings or for inclusion in files pertaining to pending procedures, and shall be prohibited from using it and disclosing or communicating it to third parties.

During or before the initiation of judicial proceedings, the following provisional measures may be ordered at the request of the injured party:

- (a) Goods embargo sufficient to guarantee the outcome of the proceedings;
- (b) deposit or seizure of material objects, books, documents or papers at issue in the dispute;

Any measures necessary to maintain the status quo.

Articles 384 and 389 of the CFPC and Article 228 taken together with Article 199 *bis* of the LPI are applicable.

32. Please briefly describe:

- (a) Any requirements to establish "irreparable harm" to the right holder. (TRIPS, Article 50.2).**
- (b) Factors considered by judicial and administrative authorities in determining whether a "demonstrable risk of evidence being destroyed exists". (TRIPS, Article 50.2).**

In order to determine the provisional measures to be taken under the LPI, the Institute shall require the requesting party to:

Prove that he/she is the right holder and any of the following circumstances:

- (a) The existence of a violation of his/her rights;
- (b) the imminence of a violation of his/her rights;
- (c) the existence of the possibility of irreparable damage being sustained;
- (d) the existence of a justified fear that evidence might be destroyed, concealed, lost or altered.

For purposes of proving the points referred to above, any type of evidence shall be admissible, apart from testimony or personal statements, unless they are in documentary form. No evidence contrary to morality and the law shall be admissible.

Articles 192 and 199 *bis* 1 of the LPI are applicable.

33. For each kind of intellectual property that is the subject of TRIPS, what kind of evidence is required by right holders to establish ownership of the intellectual property in question and that their right is being infringed? (TRIPS, Article 50.3)

In order to establish ownership and the risk of infringement of their rights, right holders may make use of any evidence to which they have access or which is available to them, for purposes of establishing a degree of certainty with regard to the circumstances.

In order to establish the circumstances referred to above, all types of evidence shall be admissible, apart from testimony or personal statements, unless the latter are in documentary form. No evidence contrary to morality and the law shall be admissible.

Articles 192 and 199 *bis* 1 of the LPI are applicable.

34. Are right holders required to provide a security or equivalent assurance to protect the defendant and to provide against abuse and how is that amount determined? (TRIPS, Article 50.3)

In order to determine the measures to be taken under Article 199 *bis*, the Institute requires the requesting party to post sufficient security to cover any damage or injury that might be caused to the person against whom the measure was requested.

The person against whom the measure has been applied may post an indemnity bond to cover any damage or injury that might be caused to the requesting party, in order to have the measure lifted.

The Institute must take account of the seriousness of the offence and the nature of the measure requested in deciding whether to apply the measure and in determining the amount of the security and the indemnity bond.

Articles 384 and 389 of the CFPC and Article 228 taken together with Article 199 *bis* of the LPI are applicable.

35. Please briefly describe the following:

- (a) **The authority judicial and administrative officials have to adopt provisional measures *inaudita altera parte*, and what measures may be adopted *inaudita altera parte*. (TRIPS, Article 50.4)**
- (b) **Does the exercise of the authorities identified above require a court order? (TRIPS, Article 50.4)**

Given the nature of such measures, they are ordered without hearing the opposing party.

In addition, the party requesting a provisional measure must fulfil the following requirements:

1. Prove that he/she is the right holder;
2. post sufficient security to cover any damage or injury;
3. provide the information necessary to identify the goods or services.

Articles 384 and 389 of the CFPC and Article 228 taken together with Article 199 *bis* of the LPI are applicable.

36. For each of the measures identified above, generally how long does it take from the application for such relief until its grant?

The time taken will depend on the specific case.

37. Please describe the procedures for notifying affected parties after execution of the provisional measures and initiating a review. (TRIPS, Article 50.4)

The procedures for notifying the application of provisional measure depend on their nature. By way of example, if the seizure of allegedly infringing goods is ordered, notification will be effected in the course of an inspection visit. In the event that the nature of the administrative infringement does not call for an inspection visit, the alleged infringer must be notified personally of the information and evidence on which the application is based, pursuant to Article 310 of the CFPC.

The person against whom any of the measures referred to above has been ordered shall have a period of ten days in which to submit to the Institute any observations regarding such measures.

The IMPI may amend the terms of the measure that has been adopted, taking into account the observations submitted to it.

Articles 193, 209 subparagraph IX and 216 of the LPI are applicable.

38. Please describe the kind of information required from applicants to identify goods which are the subject of provisional measures. (TRIPS, Article 50.5)

The applicant must provide the information necessary to identify the goods, services or establishments with which or in which the violation of industrial property rights has been committed, and the authority is empowered to evaluate the information provided.

Article 199 *bis* 1, subparagraph III of the LPI is applicable.

39. Please describe the nature of the proof required from applicants before such provisional measures are granted for each type of intellectual property protected under TRIPS. (TRIPS, Article 50)

This depends on the specific case submitted to the authority, subject to the condition that the evidence is sufficient to meet the requirements laid down in subparagraph I of Article 199 *bis* 1 of the LPI. Article 192 of the LPI is applicable.

40. Please describe the procedures for revoking or cancelling provisional measures in judicial and administrative enforcement actions if proceedings leading to a decision on the merits of a case are not initiated within a reasonable time. What constitutes a "reasonable time-period" to initiate proceedings? (TRIPS, Article 50.6)

When a provisional measure has been requested and no application or request for an administrative declaration of infringement has been lodged with the competent authority in respect of the substance of the dispute, the measure shall lapse and the situation prevailing prior to the ordering of the measure shall be restored.

Moreover, the person against whom provisional measures have been requested shall have the possibility to have them lifted, subject to posting an indemnity bond to cover any damage or injury caused to the party requesting such measures.

Articles 187, 199 *bis* 1 and 199 *bis* 3, subparagraph II of the LPI and Article 397 of the CFPC are applicable.

41. Please explain whether judicial and administrative officials have the authority to order that the defendant be compensated for any injury suffered as a result of a lapse or revocation of provisional measures. (TRIPS, Article 50.7)

The party requesting the provisional measures referred to in Article 199 *bis* shall be responsible for the payment of damages for injury caused to the person against whom the measures were applied, where the final ruling on the substance of the dispute states that there was no violation or threat of violation of the requesting party's rights, and where a provisional measure has been requested and no application or request for an administrative declaration of infringement has been lodged with the competent authority or the Institute regarding the substance of the dispute within a period of 20 days from the date of implementation of the measure.

Articles 199 *bis* to 199 *bis* 8 of the LPI are applicable.

I. ENFORCEMENT. SPECIAL REQUIREMENTS RELATED TO BORDER MEASURES

42. Please identify the competent authority in Mexico authorized to accept applications for a request to suspend release of suspected infringing goods. (TRIPS, Article 51)

The authorities competent to receive applications for border measures are the IMPI and the competent judicial authority.

Articles 199 *bis* and 228 of the LPI and Article 148 of the Customs Law are applicable.

43. Please describe the procedures for protecting intellectual property at the border (e.g., application, required information, process and time-frame for notifying applicant of acceptance, effective period for border enforcement action). (TRIPS, Article 52)

The applicable provisions are contained in the LPI (Articles 199 *bis*, 199 *bis* 1 to 199 *bis* 8) and the Customs Law (Articles 144, 148 and 149).

In this connection, anyone requesting border measures with respect to goods suspected of infringing an intellectual property right must submit a written application to the IMPI or to the competent judicial authority, showing that he/she is the holder of the allegedly infringed right, post security sufficient to cover any damages and provide information sufficient to identify the goods and services allegedly infringing an intellectual property right, the foregoing pursuant to Article 199 *bis* 1 of the LPI and Article 148 of the Customs Law.

Once the above-mentioned requirements have been met, the IMPI or the competent judicial authority shall notify the ruling to the customs authorities in order for the latter to suspend the release into free circulation of the allegedly infringing goods. The ruling must meet the requirements laid down in Article 149 of the Customs Law:

1. The name of the importer;
2. a detailed description of the goods;
3. the customs office understood to be the one through which the goods are to enter;
4. the estimated time-scale for entry of the goods, which shall not exceed 15 days;
5. the warehouse in which the goods are to be placed at the disposal of the competent authority, which must be located within the territorial jurisdiction of the corresponding customs office; and
6. the designation or express acceptance of the depositary.

When the customs authority has carried out the order issued by the competent administrative or judicial authority, it shall inform the latter that the goods have been detained and place them at the disposal of the authority concerned in the warehouse designated by the latter. In so doing, the customs authority shall make a detailed report which must include the following particulars:

1. The identity of the authority conducting the proceedings;
2. the order suspending release of the goods from abroad into free circulation and the notification thereof made to the interested party;

3. the description, nature and other characteristics of the goods; and
4. the place in which the goods are to be held at the disposal of the competent authority (Article 148 of the Customs Law).

Any person affected by implementation of these measures must reply within ten days (during which they may exercise their entitlement to submit evidence, pleas and/or grounds of defence) to the request for an administrative declaration of infringement or, where appropriate, to the complaint against them and may post an indemnity bond sufficient to cover any damage or injury that might be caused by the lifting of the measure. Articles 192 *bis* 1 and 192 *bis* 2 of the LPI are applied in such cases.

The competent authority must give a final ruling on the border measures procedure and shall place the security or indemnity bond at the disposal of the party in whose favour it has ruled. (Article 199 *bis* 3 to 199 *bis* 8 of the LPI.)

Articles 199 *bis* and 199 *bis* 1 to *bis* 8 of the LPI and Articles 148 and 149 of the Customs Law are applicable.

44. Are procedures available to stop the export of infringing goods and goods shipped in transit?

Border measures are applicable only to imported goods. Goods in transit are not liable to be detained by the customs authorities, since they do not pass through the random control system.

De minimis imports are considered to be of a personal nature and are not liable to be detained by the customs authorities.

45. Please explain what evidence constitutes *prima facie* infringement for purposes of TRIPS, Article 52?

The customs authorities may order a border measure only at the request of a competent administrative or judicial authority, pursuant to Article 148 of the Customs Law; the customs authorities are therefore not entitled to detain goods or to determine whether the cross-border entry of goods constitutes a *prima facie* violation of any intellectual property right. However, in accordance with Article 19 of the above-mentioned Law, the administrative or judicial authority issuing the ruling on release of the goods into free circulation must provide sufficient information for the identification and subsequent detention of the allegedly infringing goods.

Any type of evidence shall be admissible for that purpose, apart from testimony or personal statements, unless they are in documentary form. No evidence contrary to morality and the law shall be admissible.

Articles 192, 199 *bis* and 199 *bis* 1 of the LPI and Articles 148 and 149 of the Customs Law are applicable.

46. Please verify that the competent authorities identified above are empowered to require security or equivalent assurance. (TRIPS, Article 53)

Where provisional measures are concerned, in order to show that they are necessary the applicant must meet the requirements laid down in Article 199 *bis* 1 of the LPI.

47. Please identify what forms of intellectual property, if any, are subject to provisions of TRIPS, Article 53.2.

No distinction is made between forms of intellectual property with regard to the application of border measures.

In this connection, the person against whom the requested measures are directed may have them lifted by posting an indemnity bond to cover any damage or injury that might be caused to the requesting party.

48. What procedures exist for notifying applicants of the suspension of release? (TRIPS, Article 54)

At the time of effecting detention of the goods, a copy of the formal statement drawn up for that purpose shall be issued to the person on whose behalf the measure was taken, together with a copy of the ruling on release of the goods into free circulation issued by the competent administrative or judicial authority, so that the administrative or judicial proceedings may continue in accordance with the legislation on the subject.

Once the goods have been detained by the customs authority, the administrative or judicial authority which issued the order shall be notified of the detention and shall in turn notify the applicant.

Article 148 of the Customs Law is applicable.

49. Please identify the fora in which an applicant/party may initiate proceedings on the merits that will allow customs authorities to hold the goods beyond ten working days. (TRIPS, Article 55)

Border measures are subject to the provisions of the LPI; hence there is an obligation to hold the allegedly infringing goods for up to 20 working days, corresponding to the time-limit available to the applicant for lodging a request for an administrative declaration.

Article 199 *bis* 3, subparagraph II of the LPI is applicable.

50. Do judicial and administrative officials have the authority to order the applicant to pay the importer, consignee or owner compensation for injury caused by wrongful detention or through the detention pursuant to Article 55? (TRIPS, Article 56)

The provisional measures procedure referred to earlier is applied.

51. Please explain the procedures for allowing right holders an opportunity to inspect suspect goods that have been detained by customs authorities. (TRIPS, Article 57)

In the context of administrative infringement proceedings, the applicant may request the Institute, pursuant to Article 203, subparagraph II of the LPI, to carry out an inspection visit for the purpose of checking the detained goods.

In accordance with Article 71, subparagraph III of the Regulations to the LPI, an industrial property right holder may attend the corresponding inspection visit either in person or through an agent and may make observations which shall be entered in the record.

52. Please explain whether the competent authorities in Mexico are empowered to act ex officio and, if so, the enforcement action that may be taken. (TRIPS, Article 58)

The customs authorities are not entitled to act ex officio; they require a ruling issued by the administrative or judicial authority competent in intellectual property matters.

Article 148 of the Customs Law and Articles 199 *bis* and 199 *bis* 1 of the LPI are applicable.

53. Please describe the remedies for infringing goods (i.e. destruction, disposal or both). (TRIPS, Article 59)

In the event that the final ruling on the substance of the dispute finds that an administrative offence has been committed, the authority shall decide, after hearing the parties, on the final fate of the confiscated goods.

Article 212 *bis* 2 of the LPI is applicable.

54. Please clarify whether de minimis imports are excluded from the border measures under the law of Mexico. What constitutes a *de minimis* import? (TRIPS, Article 60)

De minimis imports are regarded as imports of a personal nature and are not liable to be detained by the customs authorities.

55. Please explain in detail what steps are being taken to ensure that no unnecessary delays occur in acting on criminal complaints filed by interested parties, in granting warrants after applications requesting them to be presented to judges. Furthermore, please explain if there are any efforts under way by the enforcement authorities to provide time-limits or guidelines for certain stages of the criminal investigation process.

This question is regarded as inconsistent with a review of the compatibility of Mexican legislation with the provisions of the TRIPS Agreement.

J. ENFORCEMENT. CRIMINAL PROCEDURES

56. Please explain whether and under what circumstances seizure, forfeiture and destruction of infringing goods and any materials and implements are available as remedies in wilful trademark counterfeiting or copyrights piracy cases and describe the conditions under which such penalties would be imposed. (TRIPS, Article 61)

Industrial property

Article 223 of the LPI defines the following as offences:

- I. Repeating the conduct provided for in Article 213, subparagraphs II to XXII, of the LPI once the first administrative sanction imposed on that account has been enforced;
- II. falsifying marks protected by the LPI with fraudulent intent and for purposes of commercial speculation;
- III. producing, storing, transporting, introducing into the country, distributing or selling, with fraudulent intent and for purposes of commercial speculation, articles displaying

counterfeits of marks protected by the LPI, as well as knowingly contributing or providing, in any way, raw materials or inputs intended for the production of articles displaying counterfeits of marks protected by the LPI;

- IV. revealing to a third party an industrial secret that is known by virtue of employment, position, responsibilities, exercise of a profession or business relations or as a result of the granting of a licence for its use, without the consent of the keeper of the industrial secret, after having been advised of its confidential nature, for the purpose of procuring an economic benefit for oneself or for the third party, or for the purpose of causing injury to the keeper of the secret;
- V. appropriating an industrial secret without entitlement and without the consent of the keeper or authorized user, in order to use it or reveal it to a third party, for the purpose of procuring an economic benefit for oneself or for the said third party, or for the purpose of causing injury to the keeper of the industrial secret or the authorized user thereof; and
- VI. using information inherent in an industrial secret that is known by virtue of employment, responsibilities, position, exercise of a profession or business relations, without the consent of the keeper or authorized user, or that has been revealed by a third party, in the knowledge that the said third party was so acting without the consent of the keeper of the industrial secret or the authorized user thereof, for the purpose of procuring an economic benefit or causing injury to the keeper of the industrial secret or the authorized user thereof.

In addition, Article 223 *bis* provides for a prison sentence of two to six years and a fine of 100 to 10,000 days of the general minimum wage in force in the Federal District to be imposed on anyone who, with fraudulent intent and for purposes of commercial speculation, sells items displaying counterfeits of marks protected by the LPI to any end-consumer on the street or in a public place.

A prison sentence of two to six years and a fine in the amount of 100 to 10,000 days of the general minimum daily wage in force in the Federal District is imposed on anyone committing an offence under subparagraphs I, IV, V or VI of Article 223, and in the case of subparagraphs II or III of the same Article 223, a prison sentence of three to ten years and a fine of 2,000 to 20,000 days of the general minimum wage in force in the Federal District is imposed. (Article 224 of the LPI.)

The above-mentioned offences are prosecuted at the request of the injured party.

Copyright

In the area of copyright and neighbouring rights, offences are defined and penalties established in Title 26 of the Federal Criminal Code.

Articles 424 to 427 of the Code are applicable.

Article 424. The following shall be liable to six years' imprisonment and a 300 to 3,000 day fine:

- I. Anyone who speculates in any way with the free textbooks distributed by the Ministry of Education;

- II. any publisher, producer or recording company that knowingly produces more copies of a work protected by the LFDA than authorized by the right holder; and
- III. anyone who, fraudulently, for financial gain and without appropriate authorization, uses works protected by the LFDA.

Article 424 *bis*. The following shall be liable to three to ten years' imprisonment and a 2,000 to 20,000 day fine:

Anyone who, fraudulently, on a commercial scale and without the authorization required under the LFDA from the holder of the copyright or neighbouring rights, produces, reproduces, introduces into the country, stores, transport, distributes, sells or rents out copies of works, phonograms, videograms or books protected by the said Law.

The same penalty shall be imposed on anyone who knowingly contributes or provides, in any way, raw materials or inputs intended for the production or reproduction of works, phonograms, videograms or books referred to in the preceding paragraph or fraudulently uses, on a commercial scale and without appropriate authorization, works protected by the above-mentioned Law; or

Anyone who manufactures, for financial gain, a device or system designed to deactivate the electronic protection devices of a computer program.

Article 424 *ter*. Anyone fraudulently selling to an end-consumer, on the street or in a public place, for purposes of commercial speculation, copies of the works, phonograms, videograms or books mentioned in the first subparagraph of the preceding Article shall be liable to imprisonment for six months to six years and a 5,000 to 30,000 day fine.

If the copies are sold in commercial establishments or in an organized or continuing fashion, the sale shall be subject to the provisions of Article 424 *bis* of this Code.

Article 426. The following shall be liable to imprisonment for six months to two years or a 300 to 3,000 day fine:

- I. Anyone who manufactures, imports, sells or rents out a device or system for decoding an encoded programme-carrying satellite signal, without authorization from the legitimate distributor of that signal; and
- II. anyone who, for financial gain, carries out any act for the purpose of decoding an encoded programme-carrying satellite signal, without authorization from the legitimate distributor of the signal.

Article 427. Anyone who knowingly publishes a work substituting the name of the author with another name shall be liable to imprisonment for six months to two years or a 300 to 3,000 day fine.

It is important to note that all copyright offences are prosecuted at the request of the injured party, except in the case of speculation with free textbooks, referred to in subparagraph 1 of Article 424, which is prosecuted *ex officio*, under the terms of Article 429 of the Code.

57. Please provide statistical information related to civil copyright, trademark, geographical indication, industrial design, patent, lay-out design of integrated circuit, and trade secret enforcement for each of the years 1998 and 1999, including the number of cases filed; injunctions issued; infringing products seized; infringing equipment seized; cases resolved (including settlement); and the amount of damages awarded.

The statistics requested are not available.

58. Please provide statistical information related to criminal enforcement in the area of copyright piracy and trademark infringement for each of the years 1998 and 1999, including the number of raids, prosecutions, convictions, and the amount of fines and/or jail terms (including whether the fines were paid and whether the jail term was actually served or suspended) and any other information establishing that the criminal system operates effectively to deter copyright piracy and trademark counterfeiting.

The statistics requested are not available.

59. Please describe any new initiatives that are planned to improve enforcement of intellectual property rights in Mexico, particularly initiatives related to criminal enforcement.

This question is regarded as inconsistent with a review of the compatibility of Mexican legislation with the provisions of the TRIPS Agreement.
