

## **Mexico: Cracking down on cyber-pirates**

**Domain names are becoming a hot topic in Mexico. Jesus Molina examines what opportunities are available for trade mark owners to enforce their rights on the web**

Internet domain names have recently become an issue in Mexico. Conflicts in Mexico regarding trade marks and domain names are still unexplored territory for Mexican authorities and most of the companies and attorneys related with industrial property rights. The technology is rapidly approaching for Mexican authorities, companies and firms, and the need of the computer and other technological advantages in each office are becoming more and more indispensable. In the particular case, the authorities, companies and attorneys representing trade mark owners must be prepared for eventual conflicts between trade marks and domain names and all other possible conflicts derived from the use and application of this technology.

The present article will show some of the possible lines of action that should be considered in cases of trade mark and domain name conflicts in Mexico. According to the type of actions and the instances involved in the domain name and trade mark disputes, the best ways to combat domain name piracy are divided as follows.

### **NIC-Mexico actions**

The Domain Name Registrar in Mexico is an entity called NIC-Mexico (Network Information Centre of Mexico), which takes care of the registration and administration of the domain names identified with the ccTLD (country code Top Level Domain) .mx. NIC-Mexico is not an authority and it has not been granted official authorization by any authority for being in charge of managing Mexican domain names. However, NIC-Mexico is today the only entity that has taken over the responsibility for managing the Mexican domains with no apparent disagreement by the Mexican government.

Like other domain name registrars in the world, NIC-Mexico has adopted a Domain Name Policy containing, among other things, a clause referring to disputes between domain names and trade marks.

Specifically, NIC-Mexico establishes a dispute procedure which provides that a trade mark owner is able to claim the re-assignment of a domain name by proving its trade mark rights with a certified copy of the corresponding certificate of registration issued by the Mexican Institute of Industrial Property (IMPI). However, this document will only be valid for transfer purposes as long as the registered trade mark is identical to the domain name of interest.

The NIC-Mexico's Dispute Policy is indeed useful and beneficial to trade mark owners for having re-assigned the domain names of interest in their favour "without the need of a court order". In brief, the advantages of NIC-Mexico's Domain Name Dispute Policy are the following:

- (1) The owners of trade mark rights are able to have the domain name of interest re-assigned in their favour by showing pertinent documentation.
- (2) It is a summary proceeding that takes no more than one month.
- (3) It is a procedure that is very low cost rated in comparison with any litigation.

### **Legal actions**

Until now, there has not been any decision of an administrative authority or the Mexican courts involving a trade mark v domain name case in Mexico, perhaps because of the low number of Mexican domains and due to the lack of legal regulation of the domain names in the Mexican Industrial Property Law (LIP) and/or in any other law.

Notwithstanding, the LIP and the Mexican Civil Law provide different actions which may be useful to sue cyber-squatters. However, as in such laws there is nothing prescribed for regulating the domain names situation and there are no precedents on this type of matter at present it would be difficult, but not impossible, for the Mexican Institute of Industrial Property (IMPI) or the civil courts to issue a prompt and reasonable decision in favour of trade mark owners.

Under the above scenario, the legal actions for trade mark owners in a domain name v trade mark conflict may be the following.

### ***Trade mark principles***

In order to have a standing to file an infringement action before IMPI based on trade mark principles, it is necessary that the domain name similar or identical to a registered mark identifies an active web site wherein similar or identical goods or services with respect to the ones covered by the trade mark are offered or advertised. The main problem is that in most cases the web pages do not identify active web sites and therefore, the fact of registering a domain name could not be considered an attempt to infringe the trade mark owners' names.

"Trade mark use" definitely represents the important element in the case under consideration, as the infringement actions provided by the LIP require said use. According to the LIP, trade mark use is understood as follows:

Article 62 ... it will be understood that a trade mark is in use, when the goods or services distinguished by the said trade mark have been

introduced into Mexican commerce or are available in the market in the country under the said trade mark, in number and manner corresponding to the customary uses in commerce. It will be also understood that a trade mark is in use when it is applied to goods to be exported.

Considering the above provision, the "infringement actions" available in a domain name and trade mark dispute are the following:

Article 213 – The infringement actions are:

IV Using a trade mark confusingly similar to another registered trade mark, to cover the same or similar goods or services than the ones covered by the registered trade mark.

VIII Using a registered trade mark, without the consent of its registrant or without the corresponding licence, on goods or services identical or confusingly similar to the ones covered by the trade mark.

### ***Unfair competition***

It is also possible to file infringement actions against the cybersquatters based on unfair competition. However, it is necessary to prove to the authority (IMPI) that the unauthorized registration of domain names including trade marks itself represents an unfair competition activity, as (1) the unauthorized domain names may lead the public to confusion; (2) the domain names were registered in bad faith and (3) they constitute an obstacle for trade mark owners to obtain their corresponding domains in their favour.

Accordingly, Section I and IX of Article 213 of the LIP provide the following.

Article 213 – The infringement actions are:

I Performing acts contrary to the good uses and customs in the industry, commerce and services that imply unfair competition and are related with the matter regulated by this Law.

IX To perform, during the exercise of industrial or commercial activities, acts that cause or lead the public to confusion, error or deceit, by making it believe or presume without foundation;

(1) The existence of a relationship or association between an establishment and the one of a third party.

(2) That goods are manufactured under specifications, licences or authorization of a third party.

(3) That services are offered or goods commercialized under authorization, licenses or specifications of a third party.

(4) That the outstanding good comes from a territory, region or place different from the true place of origin, in the way that leads the public to error as the geographic origin of the good.

Considering the above trade mark principle and unfair competition actions, it is also possible to obtain injunctions from IMPI against the cyber-squatters for the suspension and/or cancellation of domain name registrations. In this regard, the LIP provides the following:

Article 199 bis - In the administrative procedures related to the violation of any rights protected in this law, the Institute (IMPI) may adopt any of the following measures:

V Order the alleged transgressor or third parties to suspend or cease all acts that constitute a violation to the provisions of this law.

Accordingly, the IMPI should render orders against cyber-squatters to suspend or cease the actions infringing trade mark owners' rights, which can be translated in the cancellation of the domains. Of course, NIC-Mexico should obey IMPI's resolution and proceed to suspend or cancel the corresponding domain names, depending on the order, as according to NIC-Mexico's Dispute Policy "if an authority determines that a domain name is cancelled from the NIC-Mexico's database, NIC-Mexico will obey that resolution".

Anyway, in order to have good standing and establish useful precedents as a result of the new litigation proceedings, it is necessary to have strong elements for filing and prosecuting the corresponding complaints with the Mexican authorities.

### ***Civil actions***

Civil actions may be also available to sue the cyber-squatters. However, the legal standing for common civil actions cannot be based on any other right but a trade mark right. Accordingly, attending to the trade mark principles, it is necessary to prove that the cyber-squatters are making trade mark use of the domain names.

However, in cases where cyber-squatters register domain names that are not identifying active web sites, and consequently it is impossible to prove trade mark use, there is an interesting theory established in Mexican civil law which may be of help for suing cyber-squatters, that provides that when a person exercises its rights causing harm to another person, the first one is compelled to compensate the second person if it can be proved that the rights were exercised to cause damage, without gain for the first person.

The facts are that procedures concerning domain name and trade mark disputes in Mexican civil courts are unexplored and thus decisions from the authorities on this type of conflicts are uncertain.

