# A COMPARATIVE STUDY OF TRADEMARKS: USMCA (U.S.-MEXICO-CANADA AGREEMENT) AND NAFTA (NORTH AMERICAN FREE TRADE AGREEMENT)

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ABSTRACT

*The definition of a trademark has expanded under the U.S.-Mexico-Canada Agreement ("USMCA"), which provides more protection for rights holders. Currently, these three countries are bound by the North American Free Trade Agreement ("NAFTA"), which has a narrow definition for trademarks. The North American Free Trade Agreement ("NAFTA"), which came into effect on January 1, 1994, was a significant agreement between some of the largest, strongest, and well-developed economies in the world: United States and Canada. It also helped to invigorate Mexico's future economic development. NAFTA's broad purpose was to regulate the exchange of capital, goods, and services across the participating countries. In regards to intellectual property specifically, NAFTA protected and enforced intellectual property rights for signatory countries and promoted innovation, economic growth, and supported job creation. Today, NAFTA's success has led to negotiations for a new trade agreement — the USMCA. USMCA expands NAFTA's narrow definition of trademarks and provides more protection for rights holders. This new agreement will sustain the trade relationship between the United States, Canada and Mexico, and continue to protect intellectual property rights between the signatory countries. This Article will demonstrate the significant changes from NAFTA to USMCA with respect to trademarks. First, the agreement now includes protections for intangibles, such as sounds and scents. Second, trademark owners have the exclusive right to prevent third parties from using the same or similar marks that would lead to confusion. Third, "well-known" trademarks are accorded special protection against third parties' trademarks, even if they are not quite identical. Fourth, trademarks must be classified in accordance with the Nice Agreement Concerning International Classification of Goods and Services for the Purpose of the Registration of Marks ("Nice*

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*Agreement"). Fifth, USMCA requires dispute resolution procedures for issues concerning domain names, although it only provides coverage to top-level domain names (e.g., domain names that end in ".us" ".mx" and ".ca"). Lastly, it recognizes trademark protections for geographic indicators-for example, only allowing sparkling wine to be called champagne if it is from a certain region in France.*

CONTENTS



## INTRODUCTION

The definition of trademarks, as defined in the North American Free Trade Agreement ("NAFTA"), has been expanded under the U.S.-Mexico-Canada

Agreement ("USMCA"), which provides more protection for rights holders.[2] A trademark is any distinctive sign that indicates certain products or services have been manufactured or rendered by a specific person or company.[3] This concept is currently recognized worldwide.[4] The origin of trademarks dates back to antiquity when artisans placed their signatures or "marks" on their products containing an artistic or utilitarian element.[5] Through time, these marks have considerably evolved, and as a result, a reliable and efficient system for their registration and protection has been established.[6] This system protects trademark owners and helps consumers identify and purchase goods or services that meet their needs because a unique trademark assures the essence and quality of the product.[7]

This article analyzes trademark regulations under NAFTA and USMCA, and highlights the changes in regulations when USMCA goes into effect. Section two begins with a brief explanation of NAFTA. Section three explores the study of trademarks under chapter XVII of NAFTA The study of definitions and norms contained in this section is based on the trademark doctrine of Spain.[8] Section

[2] *Compare* North American Free Trade Agreement, Can.-Mex.-U.S., ch. 17, Dec. 17, 1992, 32 I.L.M. 670 (1993) [hereinafter NAFTA], *with United States- Mexico- Canada Agreement, ch. 20,* OFF. OF THE U.S. TRADE REPRESENTATIVE, https://perma.cc/AHL5-UKFU [hereinafter USMCA].

[3] *See Trademark*, BLACK'S LAW DICTIONARY (11th ed. 2019) (defining trademark as "a word, phrase, logo, or other graphic symbol used by a manufacturer or seller to distinguish its product or products from those of others").

[4] Roberto Rosas, *Trademarks under the North American Free Trade Agreement (NAFTA), with references to the Current Mexican Law*, 18 MARQ. INTELL. PROP. L. REV. 167, 171 (2014).

[5] *See* Mohammad A. Naser, *Re-Examining the Functions of Trademark Law*, 8 CHI.-KENT J. INTELL.

PROP. 99, 100 (2008) (noting that the earliest uses of trademarks were intended to denote ownership); Sidney A. Diamond, *The Historical Development of Trademarks*, 65 TRADEMARK REP. 265, 265 (1975) (positing that the original use of trademarks was to denote ownership of personal property); Benjamin G. Paster, *Trademarks-Their Early History*, 59 TRADEMARK REP. 551, 551 (1969) (discussing the first use of trademarks as a method of identifying the work of artisans); *see also* Gerald Ruston, *On the Origin of Trademarks*, 45 TRADEMARK REP. 127, 127 (1955) (stating that early marks on earthenware were prototypical trademarks identifying the maker of the object).

[6] *See* NAFTA, *supra* note 2, at art. 1708.

[7] Carla Tardi, *Trademark*, INVESTOPEDIA (June 20, 2019) (noting that some brands have such successful brand identities that the brand name has replaced the noun that was the original word for the good or service), https://perma.cc/5KYL-P2JL.

[8] *See* Paul Maier, *OHIM's Role in European Trademark Harmonization: Past, Present and*

*Future*, 23 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 687, 692 (2013) (discussing the role Spain plays in international trademark law, in that the European Trademark Office is located in Alicante, Spain); Erica Pruetz, *Protecting Car Design Internationally: A Comparison of British and American Design Laws*, 24 LOY. L.A. INT'L & COMP. L. REV. 475, 493 (2002)

four provides an overview of how NAFTA's trademark regulations were applied to Mexico, shedding insight into the practical implementation of this important Agreement within the legal system of one of the participating member states. Interestingly, through international agreements like NAFTA, one can witness the convergence of countries with distinct legal traditions and the unification of the asymmetry that exists between these countries. This section also explains NAFTA's effect on Trade Related Aspects of Intellectual Property Rights (TRIPS) within Mexican trademark legislation before NAFTA was signed, as well as NAFTA's worldwide impact. Section five discusses the evolution of NAFTA into the USMCA. After two decades of NAFTA, trade, globalization, and harmonization of intellectual property law have made headway for a new agreement to replace NAFTA. Lastly, section six discusses how the definition of trademarks has changed from NAFTA to USMCA and argues that USMCA's broader definition allows for the protection of more content, such as to scents and sounds. The most noteworthy changes occurred in the following areas: the types of signs registrable as trademarks, the use of identical or similar signs, well-known trademarks, the classification of goods and services, domain names, and geographic indicators.

## I. WHAT IS THE NORTH AMERICAN FREE TRADE AGREEMENT ("NAFTA")?

NAFTA is a collection of norms that aids the regulation of the exchange of capital, goods, and services across the United States, Mexico, and Canada.[9] In the early months of 1990, representatives from the United States, Mexico, and Canada initiated talks to discuss the possibility of a free trade agreement between the North American neighbors.[10] The signing and execution of the agreement

(emphasizing the importance of Spain in international trademark law in the location of the Community Trademark Office in Spain, with the purpose of creating a single market for intellectual property).

[9] *See* LESLIE ALAN GLICK, UNDERSTANDING THE NORTH AMERICAN FREE TRADE AGREEMENT: LEGAL AND BUSINESS CONSEQUENCES OF NAFTA 3 (Kluwer Law Int'l ed., 3d ed. 2010) (identifying NAFTA as an agreement to remove barriers to trade and investments in both goods and services between the U.S., Mexico, and Canada); *see also* Johanna Rinceanu, *Enforcement Mechanisms in International Environmental Law: Quo Vadunt?*, 15 J. ENVTL. L. & LITIG. 147, 163 (2000) (stating that NAFTA establishes a free trade zone between its three member nations).

[10] *See* M. ANGELES VILLARREAL & IAN F. FERGUSSON, CONG. RESEARCH SERV., R42965, NAFTA AT 20: OVERVIEW AND TRADE EFFECTS 4 (2014) (discussing the negotiations between the U.S. and Mexico that would lead to NAFTA); Kenneth W. Abbott & Gregory W. Bowman, *Economic Integration in the Americas: "A Work in Progress"*, 14 NW. J. INT'L. L. & BUS.493, 494 (1994) (discussing the 1990 initiation of NAFTA negotiations between the U.S. and Mexico); *see also* LEONEL PEREZNIETO CASTRO, DERECHO INTERNACIONAL PRIVADO 257 (7th ed. 2001) (ebook) (indicating that a free trade agreement signifies that the participant countries assume the responsibility of reducing tariffs on their products and establishing

was one of the most important steps in bolstering Mexico's economic development and future.[11] For Mexico, the agreement represented a major integration with two of the world's largest, strongest, and most developed economies.[12] NAFTA became effective on January 1, 1994, a few months after it was signed by representatives of the three countries and ratified by the respective legislative governments.[13]

The purpose of NAFTA was to provide security and confidence to investors and exporters considering exchanges between the signatories.[14] NAFTA established rules to determine the origin of a product and gave preference to exchanges between signatories to the agreement.[15] Further, the agreement provided for a dispute resolution system for the interpretation and application of the agreement.[16] Consequently, the agreement increased exports, attracted investments, and created higher-paying jobs between the signatory countries.[17]

NAFTA acknowledged different levels of economic development among the three countries through its implementation of tariff reduction, to the benefit of

favorable conditions for increasing trade in services and, which should be completed by the deadlines established under the Agreement).

[11] James McBride & Mohammed Aly Sergie, *NAFTA's Economic Impact,* COUNCIL ON FOREIGN RELATIONS (Oct. 1, 2018) (recognizing NAFTA allowed Mexico to liberalize trade, reduce public debt, introduce a balanced budget rule, stabilize inflation and build up the country's foreign reserves), https://perma.cc/9ZRY-DAQT.

[12] *Id*.

[13] *North American Free Trade Agreement (NAFTA)*, OFF. OF THE U.S. TRADE REPRESENTATIVE, https://perma.cc/U6RU-MK7L.

[14] Philip L. Martin, *Economic Integration and Migration: The Case of NAFTA*, UCLA J. INT'L L. & FOREIGN AFF. 419, 425 (1998).

[15] *See* David A. Gantz, *New Challenges for the Maquiladoras: Legal and Policy Implications of NAFTA Article 303 for United States-Mexico Trade*, 30 DENV. J. INT'L L. & POL'Y 1, 15 (2001) (describing the preferential treatment for goods and inputs produced in member nations); *see also* Martin *supra* note 14, at 425 (listing as a principle of NAFTA the commitment to extend to NAFTA countries the trade preferences extended to non-NAFTA countries).

[16] Jack I. Garvey, *Regional Free Trade Dispute Resolution as Means for Securing the Middle East Peace Process*, 47 Am. J. Comp. L. 147, 164 (1999) [hereinafter *Dispute Resolution*] (noting that the four main subjects for dispute resolution are: investment under chapter XI, section B; financial services under article 1415; review and resolution of controversies for antidumping matters and countervailing quotas under chapter XIX; and institutional and procedural provisions for resolution of disputes under chapter XX); *see* CASTRO, supra note 10, at 259 (emphasizing that the mechanism of dispute resolution is the most complete method of those established in NAFTA, to resolve conflicts between the parties); Jack I. Garvey, *Trade Law and Quality of Life-Dispute Resolution Under the NAFTA Side Accords on Labor and the Environment*, 89 AMJAM. J. INT'L L. 439, 441 (1995) [hereinafter *Trade Law*] (discussing the dispute resolution mechanisms of NAFTA).

[17] *See* VILLARREAL & FERGUSSON, *supra* note 10, at 10.

Mexico.[18] In 1994, the agreement diluted, to the point of non-existence, almost all tariffs and non-tariff barriers in place prior to NAFTA.[19] Tariff reduction allowed Mexico's export market to grow appreciably through the export of textiles, automobiles, gas heaters, livestock, several fruits, and other products free of taxes or quotas.[20] Mexico could also immediately export products such as beer, computer equipment, and television parts to Canada.[21] Additionally, the United States' exports to Mexico constitute approximately sixty-five percent of Mexican industrial and agricultural products.[22] It is worth noting that Mexico's entrance into international economic competition was fueled by Mexico's entrance into the General Agreement on Tariffs and Trade ("GATT").[23]

[18] *See* Ranko Shiraki Oliver, *In the Twelve Years of NAFTA, the Treaty Gave to Me . . . What Exactly?: An Assessment of Economic, Political, and Social Developments in Mexico Since 1994 and Their Impact on Mexican Immigration into the United States*, 10 HARV. LATINO L. REV. 53, 59 (2007).

[19] *See* VILLARREAL & FERGUSSON, *supra* note 10, at 5 (noting that NAFTA eliminated some tariffs immediately and others over a period of fifteen years after it entered into force); GLICK, *supra* note 9, at 11 (explaining that all tariffs between the three NAFTA countries were eventually eliminated); *see also The North American Free Trade Agreement (NAFTA)*, EXPORT.GOV, https://perma.cc/5EDJ-CDHL (last visited Apr. 30, 2019) (stating that "the dismantling of trade barriers and the opening of markets has led to economic growth and rising prosperity in all three [NAFTA] countries").

[20] Press Release, Off. of the U.S. Trade Rep., NAFTA Free Trade Commission Joint Statement-"A Decade of Achievement" (July 16, 2004), https://perma.cc/L5ZP-PKPQ.

[21] *See* GLICK, *supra* note 9, at 12 (noting that some products, such as electronic equipment and computers were able to enter duty free into Mexico immediately); Guillermo Aguilar Alvarez, *The Mexican View on the Operation of NAFTA for the Resolution of Canada-U.S.-Mexico Disputes*, 26 CAN.-U.S. L. J. 219, 220 (2000) (describing the increase of Mexico's exports to Canada after the inception of NAFTA); *see also* VILLARREAL & FERGUSSON, *supra* note 10, at 5 (discussing the increase in imports between Canada and Mexico).

[22] *See* GLICK, *supra* note 9, at 11 – 13 (detailing the U.S. products that enjoyed duty free status upon NAFTA taking effect); *see also* VILLARREAL & FERGUSSON, *supra* note 10, at 5 (noting that "[a]t the time that NAFTA went into effect, about 40% of U.S. imports from Mexico entered duty-free and the remainder faced duties of up to 35%" ). *See generally* Jeffrey Lax, Note, *A Chile Forecast for Accession to NAFTA: A Process of Economic, Legal and Environmental Harmonization*, 7 CARDOZO J. INT'L & COMP. L. 97, 121 (1999) (positing that although NAFTA is often assumed to be the cause of the Mexican Peso Crisis, the "improvement of the Mexican trade deficit demonstrates that NAFTA was not a principle cause of the crisis.").

[23] *See The Multilateral Trading System-Past, Present and Future*, WTO.ORG, https://perma.cc/WAX9-PXZS (last visited Apr. 30, 2019) (discussing the beginnings of the World Trade Organization (WTO) after GATT, and the negotiations of Ronda Uruguay (1986-1994) which started the WTO. On April 15, 1994, the Agreement creating the WTO was signed in Marrakech, Morocco, and was established on January 1, 1995. The seat of government is located in Geneva, Switzerland and consists of 144 member States as of January 1, 2002. The WTO insures commerce flows with the utmost facility, freedom, fairness and forethought. It is important to remember that from its creation in 1947-1948 and throughout the eight rounds of final commercial negotiations, GATT always functioned ad

Membership in the GATT provided Mexican companies with experience in facing the challenge of international competition.[24] Several Mexican business sectors were consulted before and during NAFTA negotiations concerning the details of the reduction of tariffs between Canada and the United States.[25]

As of this writing, NAFTA still has full force and effect. USMCA will go into effect on July 1, 2020.[26] On November 30, 2018, U.S. President Donald Trump, Canadian Prime Minister Justin Trudeau, and then-Mexican President Enrique Pena Nieto signed the USMCA.[27] Mexico became the first country to ratify the agreement on June 19, 2019 when the Senate overwhelmingly voted in its favor.[28] Next followed the United States, who signed the agreement into law on January 29, 2020.[29] Canada ratified the agreement on March 13, 2020 as a way to help the Canadian economy right before Parliament took a three week break to prevent the spread of coronavirus.[30]

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hoc, without a proper legal foundation. In fact, GATT was not even recognized under international law as an organization); *see* Eric L. Garner & Michelle Ouellette, *Future Shock? The Law of the Colorado River in the Twenty-First Century*, 27 ARIZ. ST. L.J. 469, 505 (1995) (stating that Mexico is a member of GATT); *see also* VILLARREAL & FERGUSSON, *supra* note 10, at 4 (stating that Mexico joined GATT in 1986).

[24] *See* Oliver, *supra* note 18, at 64.

[25] *See* NAFTA, *supra* note 2, at 7; Frédéric P. Cantin & Andreas F. Lowenfeld, *Rules of Origin, the Canada-U.S. FTA, and the Honda Case*, 87 AM. J. INT'L L. 375, 385 (1993) (discussing the effect of the business sector on NAFTA negotiations); *see also* Robert F. Housman & Paul M. Orbuch, *Integrating Labor and Environmental Concerns into the North American Free Trade Agreement: A Look Back and a Look Ahead*, 8 AM. U. J. INT'L L. & POL'Y 719, 724 – 25 (1993) (describing the input of various lobbyists representing the business sector on NAFTA negotiations).

[26] USMCA To Enter Into Force July 1 After United States Takes Final Procedural Steps for Implementation, OFF. OF THE U.S. TRADE REPRESENTATIVE (Apr. 24, 2020), https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/april/usmca-enter-force-july-1-after-united-states-takes-final-procedural-steps-implementation (last visited May 9, 2020); Sabrina Rodriguez, *North American trade deal to take effect on July 1*, Politico (Apr. 24, 2020), https://www.politico.com/news/2020/04/24/north-american-trade-deal-to-take-effect-on-july-1-207402 (last visited May 9, 2020).

[27] USMCA, *supra* note 2.

[28] Miguel Angel Lopez & Dave Graham, *Mexico First To Ratify USMCA Trade Deal, Trump Presses U.S. Congress To Do Same,* REUTERS (June 19, 2019, 4:00 PM), https://perma.cc/M8GN-S2RH.

[29] Jeff Stein, *Trump signs USMCA, revamping North American trade rules* (Jan. 29, 2020) https://www.washingtonpost.com/business/2020/01/29/trump-usmca/.

[30] David Ljunggren, *Canadian Parliament rushes through ratification of USMCA trade pact*, REUTERS (Mar. 13, 2020), https://www.reuters.com/article/us-usa-trade-usmca-canada/canadian-parliament-rushes-through-ratification-of-usmca-trade-pact-idUSKBN2102I5.

## II. NAFTA AND INTELLECTUAL PROPERTY

Chapter XVII of NAFTA outlines specific provisions governing intellectual property, trademarks, and the application of the rights granted by the agreement.[31] In general, NAFTA art. 1701(1) provides that "[e]ach party shall provide in its territory to the nationals of another Party adequate and effective protection and enforcement of intellectual property rights, while ensuring that measures to enforce intellectual property rights do not themselves become barriers to legitimate trade."[32] In order to implement this provision, NAFTA art. 1701(2) provides that "[e]ach Party shall, at a minimum give effect to this Chapter and the substantive provisions of" the different international conventions on intellectual property matters that are mentioned in the corresponding text, and the three countries shall comply with the conventions if a Party has not acceded to them on or before NAFTA goes into effect.[33]

To ensure domestic enforcement, the agreement called for each signatory to enact legislation to protect intellectual property rights.[34] The protections to be enacted by each country were permitted to be broader than what was outlined in the agreement.[35] The agreement also eliminated the disparity in treatment between nationals and foreign nationals by requiring equal treatment.[36] Lastly, the agreement included a provision to prevent abusive or anticompetitive practices.[37] This section of the agreement refers to the adoption of measures to impede the granting of licenses, which "constitute an abuse of intellectual property rights having an adverse effect on the competition in the relevant market."[38]

### A. *What is a trademark under NAFTA?*

NAFTA defines a trademark as "any sign or combination of signs, capable of distinguishing goods or services. . ."[39] Article 1708(1) is instructive because it lists signs that can constitute a trademark such as "personal names, designs, letters, numerals, colors, figurative elements, or the shape of goods or their packaging."[40] Some types of trademarks are "service marks, collective marks,

[31] NAFTA, *supra* note 2, at ch. 17.

[32] *Id.* at art. 1701(1).

[33] *See id.* at art. 1701(2).

[34] *Id.*

[35] *Id.* at art. 1702.

[36] *See id.* at art. 1703(1)-(2).

[37] *Id.* at art. 1704.

[38] *Id.*

[39] *Id.* art 1708(1).

[40] *Id.*

and may include certification marks."[41] However, signs must be visually perceptible to be registered as a trademark under NAFTA.[42]

Under Article 1708(1), and in accordance with legal doctrine, a trademark is an intangible symbol that identifies a product or service that is linked to a principle of specialty and specifies the region where the trademark will operate.[43] In regard to the principle of specialty, this characteristic is related to the classification in the trademark registry.[44] Concerning the region where the trademark is to operate, region refers to the market formed by the parties to the Agreement.[45] The NAFTA visibility requirement sparked debate on the exclusion of non-visible trademarks, commonly called non-traditional marks, such as distinct sounds, names, tastes or feel, which are protected in some jurisdictions.[46] The difficulty with NAFTA lies in being able to show that a sign is visible, i.e., it can be represented graphically. This requirement is imposed upon all signatories.[47]

B. *Rights of trademark owners under NAFTA*

Article 1708(2) of the Agreement clearly establishes the scope of the right that a registered trademark owner possesses, specifically the general privileges of prohibition known as *ius prohibendi*:

[41] *Id.*

[42] *Id.*

[43] *See* 5 ETHAN HORWITZ, HORWITZ ON WORLD TRADEMARK LAW, USA § 3 (Matthew Bender & Company, Inc. 2009) (discussing the general characteristics of trademarks). *See generally* ELENA DE LA FUENTE GARCÍA, PROPIEDAD INDUSTRIAL, TEORÍA Y PRÁCTICA 122-25 (2001) (discussing various aspects of trademarks including the characteristics and rights of owners of trademarks); Muria Kruger, Note, *Harmonizing TRIPs and the CBD: A Proposal from India*, 10 MINN. J. GLOBAL TRADE 169, 183 – 85 (2001) (discussing the characteristics of trademarks under The Trade-Related Intellectual Property Agreement (TRIPs) which set forth the minimum level of intellectual property rights which must be provided by all states party to the Global Agreement on Tariffs and Trade (GATT)).

[44] John M. Murphy, *Confusing Similarity Standard in Mexican Trademark Law*, 96 TRADEMARK REP. 1182, 1200 (2006).

[45] *Id*.

[46] *See* Amanda E. Compton, *Acquiring a Flavor for Trademarks: There's No Common Taste in the World*, 8 NW. J. TECH. & INTELL. PROP. 340, 342 (2010) (discussing the evolution of U.S. trademark law to include non-traditional marks); Anne Gilson LaLonde & Jerome Gilson, *Getting Real with Nontraditional Trademarks: What's Next after Red Oven Knobs, the Sound of Burning Methamphetamine, and Goats on a Grass Roof*, 101 TRADEMARK REP. 186, 188 (2011) (lamenting the difficulty of non-traditional marks to be distinctive enough to be acceptable trademarks, but highlighting the fact that some are acceptable); *see also* Agreement on Trade-Related Aspects of Intellectual Property Rights, Dec. 15, 1993, annex 1C, art. 15.1, 33 I. L.M. 1197, 1203 (1994) (describing the types of trademarks covered under the agreement). *See generally* CARLOS FERNÁNDEZ-NÓVOA, TRATADO SOBRE DERECHO DE MARCAS 41-43 (2nd ed. 2004).

[47] *See* NAFTA, *supra* note 2, at art. 1708(1).

> Each Party shall provide to the owner of a registered trademark the right to prevent all persons not having the owner's consent from using in commerce identical or similar signs for goods or services that are identical or similar to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. [48]

Likelihood of confusion may be presumed when an identical sign is used for identical goods or services.[49] The first point to consider is the risk of confusion, which is an issue identified by legal doctrine as one of the fundamental tenets of trademark law.[50] Risk of confusion is one of the central issues of unfair competition in trademark law.[51] Renowned Spanish commentator, Fernández-Nóvoa, writes,

> "[T]he risk of confusion between a trademark and another trademark is a part or mechanism that operates in different sectors of trademark law. One of the basic objections to registration of trademarks is the likelihood of risk of confusion of the proposed trademark with a previously registered trademark."[52]

Fernández-Nóvoa further explains that the risk of confusion must always be resolved from the perspective of the consumer public interested in the acquisition of products or services.[53] Indicating that the risk of confusion flows from the similarity of the competing signs, much like another basic factor — the identity or similarity of the products or services themselves[54] — he concludes that this "one factor as well as the other establish the boundaries of *ius prohibendi* for the owner of the registered trademark."[55]

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[48] *Id.* at art. 1708(2).

[49] *Id.*

[50] FERNÁNDEZ-NÓVOA, *supra note* 46, at 188-191; *see also* Graeme W. Austin, *Tolerating Confusion About Confusion: Policies and Fair Use*, 50 ARIZ. L. REV. 157, 157-58 (2008) (discussing the problem of confusion between trademarks); Timothy W. Blakely, Comment, *Beyond the International Harmonization of Trademark Law: The Community Trade Mark as a Model of Unitary Transnational Trademark Protection*, 149 U. PA. L. REV. 309, 326-28 (2000) (discussing the Trademark Directive issued by the European Council to the member states of the European Union addressing in part the risk of confusion on the part of the public with previously registered trademarks).

[51] *See* FERNÁNDEZ-NÓVOA, *supra* note 46, at 188-191.

[52] *Id*. at 278-279.

[53] *See* FERNÁNDEZ-NÓVOA, *supra* note 46, at 279..

[54] *See id.* at 279-280.

[55] *Id.* at 280; *see* Kexin Li, *Where is the Right Balance? – Exploring the Current Regulations on Nontraditional Three-Dimensional Trademark Registration in the United States, the European Union, Japan and China*, 30 WIS. INTL. L.J. 428, 434 (2012) (noting that one of the objectives of trademarks is to give the owner the exclusive use of the mark); Blakely, *supra* note 50, at 328 (discussing article 5(1)(b) of the Trademark Directive issued by the European Council which, in previous drafts, gave the owner of a trademark the

Attempting to further explain the nuance behind the right granted to the owner of the registered trademark, De la Fuente Garcia, a professor at the prestigious Universidad Europea de Madrid, maintains that the trademark owner,

> "…does not exercise an absolute dominion over the sign but only over the products or services for which the holder has registered the trademark. The holder may oppose only those applications that utilize the trademark on identical or similar products. The *ius prohibendi* granted by law to oppose the use of trademark extends itself only to a specific class of products or services, not to all products identifying themselves with the same trademark."[56]

The fundamental right to oppose the use of a trademark arises when the similarity between the goods or services and signs leads to a high probability of confusing consumers, even more so if the signs are identical.[57] This provision relates to the constraint or *ius prohibendi*, which circumvents the right of the owner of a registered trademark.[58] The boundaries of *ius prohibendi* are complemented by the positive power of *ius utendi*, which is granted to the owner of the registered trademark under the Agreement.[59]

### C. *Procedure for Trademark Registration and Protection*

Each country that is party to NAFTA must establish a trademark registration system and simplify the formalities for acquiring and maintaining trademarks.[60] Simplification means adopting clear uniform requirements for trademark registrars commensurate with the capabilities of the signatory to the

exclusive right to prevent the use of his mark or a similar sign for the same or similar goods if by such use there was serious likelihood of confusion on
the part of the public).

[56] GARCÍA, *supra* note 43, at 141; NAFTA, *supra* note 2, at art. 1708(2) (discussing the rights afforded to trademark owners by the member countries of NAFTA); *see* Li, *supra* note 55, at 434 (explaining that national trademark offices serve to facilitate searches by third parties that can be used in opposition procedures against a trademark application).

[57] *See* NAFTA, *supra* note 2, at art. 1708(2)

[58] *Id*.

[59] Carmen Garcia Mendieta, *ius prohibendi,* LAWI (Jan. 2015) (*ius prohibendi* means owner's right to exclude another from the use of one's own good), https://perma.cc/LXR3-LCVZ; *Ius utenti* means the right to use. Cristina Gómez Pérez, *Ius utendi, fruendi et ebutendi* , LAWI (Feb. 2017), https://perma.cc/RZ6Z-XAWR; "The right to use another's property without consuming it or destroying its substance." *Jus Utendi*, Black's Law Dictionary (11th ed. 2019).

[60] *See* NAFTA, *supra* note 2, at art. 1708(4) (listing the requirements for a trademark registration system); *see also* Laurinda L. Hicks & James R. Holbein, *Convergence of National Intellectual Property Norms in International Trading Agreements*, 12 AM. U. J. INT'L L. & POL'Y 769, 794 (1997) (discussing the requirement for parties to implement a trademark registration system under Article 1708(4) of NAFTA).

Agreement.[61] The Agreement establishes basic, general conditions to normalize trademark registration and to grant minimum rights to the applicant.[62] The specific requirements for a trademark registration system include:

a. Examination of the application;

b. Notice to the applicant of any reasons for the refusal to register a trademark;

c. Reasonable opportunity for the applicant to respond to the notice;

d. Publication of each trademark either before or promptly after it is registered; and

e. Reasonable opportunity for interested persons to petition for a cancellation of the registration of a trademark.[63]

These are minimum standards that each party shall develop more specifically through its own trademark legislation.[64]

D. *Objects that are Distinguished by the Trademark*

Products and services are sometimes known solely through their trademarks.[65] But what constitutes a trademark? For products and services, the possibilities are practically unlimited. Legal doctrine and legislation generally define a "sign" as any symbol that enjoys a distinctive force capable of graphic representation and not prohibited by legislation, which may be adopted as a

[61] *See* Walter G. Park, *Technology Trade and NAFTA*, *in* 25 PROGRESS IN ECONOMICS RESEARCH 51 (Albert Tavidze ed., Nova Science Publishers, Inc. (2012) (noting that NAFTA provisions set minimum international intellectual property standards which are intended to strengthen the intellectual property regimes of the three countries); Elke Elizabeth Werner, *Are We Trading our Lanham Act Away? An Evaluation of Conflicting Provisions Between the NAFTA and North American Trademark Law*, 2 SW. J. L. & TRADE AM. 227, 253 (1995) (describing NAFTA's requirement for fairness and uniformity in registration of trademarks). *See generally* NAFTA, *supra* note 2, at art. 1708 (listing the rules pursuant to which trademarks are registered and used under NAFTA).

[62] *See* NAFTA, *supra* note 2, at art. 1701 (defining the general purpose of the agreement between Mexico, Canada, and the United States).

[63] *See id.* at art. 1708(4) (specifying the necessary elements for establishing a trademark registration system).

[64] *See generally* Park, *supra* note 61, at 3 (stating that "[a]ll three NAFTA countries have incorporated the . . . NAFTA provisions into their national intellectual property laws"); James A.R. Nafziger, *NAFTA's Regime for Intellectual Property: In the Mainstream of Public International Law*, 19 HOUS. J. INT'L L. 807, 815 – 16 (1997) (demonstrating that while each of the three countries involved in the NAFTA agreement adhere to general basic rules they diverge on details regarding trademarks); *see also* NAFTA, *supra* note 2, at art. 1701 (describing that Mexico, Canada and the United States must adhere to certain minimum standards set forth in NAFTA but aside from those they may create their own unique trademark registration systems).

[65] Carla Tardi, *supra* note 7 (reporting the brand Kleenex is so well known, it has replaced the noun of the good it sells).

trademark.[66] The Agreement itself states that "the nature of the goods or services to which the trademark is to be applied shall in no case form an obstacle to registration of the requested trademark."[67]

### E. *Rules Pertaining to the Notoriety of the Trademark*

The notoriously recognized trademark is an important concept, and its protection constitutes a fundamental part of trademark law.[68] This protection had a difficult beginning, but thanks to legal doctrine and jurisprudence, its recognition has been raised to the international level.[69] Two important actors play a key role in securing notoriety for a trademark. First, the use by the trademark owner allows the mark to gain notoriety, goodwill, and prestige.[70]

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[66] *See* NAFTA, *supra* note 2, at art. 1708(1) (stating the definition of a trademark under the terms of NAFTA's agreement, stating "a trademark consists of any sign or any combination of signs, capable of distinguishing the goods or services of one person from those of another. . ."); *see also* HORWITZ, *supra* note 43 (describing the general characteristics of a mark); Clark W. Lackert, *Global Trademark and Copyright 1997: Protecting Property Rights in the International Marketplace*, *in* GLOBAL TRADEMARK/COPYRIGHT PRACTICE – PROTECTION AND ENFORCEMENT ISSUES 1997, at 171, 221-22 (PLI Intellectual Property Course Handbook Series No. G-488, 1997) (describing the meaning of the term sign in regards to NAFTA).

[67] *See* NAFTA, *supra* note 2, at art. 1708(5).

[68] *See* Leah Chan Grinvald, *A Tale of Two Theories of Well – Known Marks*, 13 VAND. J. ENT. & TECH. L. 1, 18 – 19 (2010) (describing the evolution of the notoriously recognized trademark and its importance in promoting a goal of free trade); Nancy Dwyer Chapman, *Advanced Seminar in Trademark Law*, *in* TRADE DRESS PROTECTION 1993, at 7, 11 – 12 (PLI Intellectual Property Course Handbook Series No. G-361 1993) (noticing the role of notoriety in trademark law); *see also* Sheldon H. Klein, *Introduction to Trademarks*, *in* UNDERSTANDING BASIC TRADEMARK LAW 2002, at 121, 125 (PLI Intellectual Property Course Handbook Series No. G-713 2002) (describing in general that the definition and use of trademarks "are words, names, symbols, devices, designs or other distinctive items which serve to identify the source of goods or services and distinguish them from those sold by others"); James A. Rossi, *Protection for Trademark Owners: The Ultimate System of Regulating Search Engine Results*, 42 SANTA CLARA L. REV. 295, 321 (2002) (showing how important trademarks are to society at large in order to avoid problems with others copying from a source).

[69] *See* Grinvald, supra note 68, at 18 (noting that the international community has adopted the well-known marks doctrine); Xuan-Thao N. Nguyen, *The Digital Trademark Right: A Troubling New Extraterritorial Reach of United States Law*, 81 N.C. L. REV. 483, 506 (2003) (discussing the importance of the field of trademark law); Sheila D. Rizzo, *Does the Lanham Act Lose Meaning for Companies that Operate Exclusively Over the Internet?*, 10 J. INTELL. PROP. L. 211, 212-13 (2002) (telling the background of the necessities to trademark law); Jerre B. Swann Sr., *Dilution Redefined for the Year 2002*, 92 TRADEMARK REP. 585, 586 – 87 (2002) (giving the history of trademark law).

[70] *See* Stylianos Malliaris, *Protecting Famous Trademarks: Comparative Analysis of US and EU Diverging Approaches - The Battle Between Legislatures and the Judiciary - Who is the Ultimate Judge?*, 9 CHI.-KENT J. INTELL. PROP. 45, 46-47 (2010) (proposing that the nature

Also playing a role in securing notoriety is the consumer, who as Fernández-Nóvoa affirms, "is not just a recipient of the brand, but on the contrary, is an active player that plays a prominent role in the formation process of the brand."[71] De la Fuente García argues that the purpose for the legal protection of trademarks is to safeguard the appreciation of quality and prestige that the trademark owner has earned.[72]

The Agreement determines whether a trademark is notorious by assessing its reputation in the market, including in the member state where it is promoted.[73] No member state may require that the trademark's reputation be extended beyond the market where the products or services are sold.[74] Additionally, Article 6 of the Paris Convention[75] must be applied, with necessary modifications, to services.[76] General Assembly of the World Trade Organization ("WTO") adopted the Joint Recommendation Regarding Protection of Industrial Property ("the Recommendation") in the thirty-fourth Reunion of the General Assembly for Member States of the World Intellectual Property Organization ("WIPO") on September 20-29, 1999.[77] The Recommendation states that

of a notoriously recognized mark requires it to gain widespread acceptance through use by the owner); *see* Nancy Dwyer Chapman, *supra* note 68, at 11-12 (noticing the role of notoriety in trademark law); *see also* NAFTA, *supra* note 2, at art. 1701 (defining the general purpose of the agreement between Mexico, Canada, and the United States); *but see* Vincent N. Palladino, *Genericism Rationalized: Another View*, 90 TRADEMARK REP. 469, 472 (2000) (expressing the two-sided notoriety issue within the field of trademarks).

[71] FERNÁNDEZ-NÓVOA, *supra* note 46, at 28-29; Malliaris, *supra* note 70, at 47 (noting that notoriety is based on consumer acceptance of a mark); Lara Pearson, *When Use Alone Just isn't Enough: The Benefits of Federally Registering Trademarks and Copyrights*, 10 NEV. LAW., Dec. 2002, at 15 (explaining the benefits of trademarks); *see also* Peter Ottosson, *Brand-Napping- Goodwill Protection for Well-Known Trademarks*, UNIV. GOTHENBERG, at 5-7 (2010) (describing the concept of goodwill prestige within trademarks).

[72] *See* GARCÍA, *supra* note 43, at 125; Malliaris, *supra* note 70, at 46 (stating that a trademark is a "guarantee of quality").

[73] *See* NAFTA, *supra* note 2, at art. 1708(6); *see also* Erna Kuso, *Amicus Letter of the International Trademark Association in Prefel Sa v. Fahmi Babra et.al*., 92 TRADEMARK REP. 1524, 1532 (2002) (referring to the importance of reputation in member states).

[74] *See International Annual Review: The Seventeenth Yearly Review of International Trademark Jurisprudence*, 100 TRADEMARK REP. 329, 486 (2010) (explaining the member state's role regarding a trademark's reputation).

[75] Paris Convention for the Protection of Industrial Property art. 6, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305.

[76] *See* NAFTA, *supra* note 2, at art. 1708(6) (stating the agreement that integrates the Paris Convention into it); Paris Convention for the Protection of Industrial Property, *supra* note 75, at art. 6 (stating the document referred to in NAFTA).

[77] *See* World Intellectual Property Organization [WIPO], *World Intellectual Property Organization Geneva Assemblies of the Member States of WIPO: Thirty-Fourth Series of Meetings* (Sept. 20-29, 1999) (detailing the specifics of the WIPO meeting), https://perma.cc/6ZXT-7C27; WIPO, *Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications* (Apr. 26, 2002) (explaining the adoption of

protection must be conferred on a notorious trademark through the application of *mutatis mutandis* and the provisions indicated by the Recommendation.[78] These provisions protect them against potentially conflicting trademarks, commercial indicators, and potential Internet domain names.[79] Furthermore, the Recommendation analyzes factors that should be considered in determining whether a trademark is notorious. This helps authorities decide on the notoriety of a trademark.[80] The Recommendation also studies conflicting trademarks, commercial indicators, and Internet domain names.[81] The Recommendation is not binding on parties to the Agreement; it is only advisory and should be treated as such.[82] It should serve as a guide to orient the countries or regional trading blocks to reconcile their intellectual property legislation.

### F. *Duration of the Certificate*

The owner of a registered trademark has exclusive right to prevent all third party use.[83] The registered trademark confers upon its owner an exclusive right

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the Joint Recommendation Concerning Provisions on the Protection of Industrial Property from the "Thirty-Fourth Series" of meetings), https://perma.cc/9XYA-C352; *see also* NAFTA, *supra* note 2, at art. 1701 (referring generally to the field of Intellectual Property law).

[78] *See* WIPO, *World Intellectual Property Organization Geneva Assemblies of the Member States of WIPO: Thirty-Fourth Series of Meetings*, *supra* note 77; WIPO, *Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications*, *supra* note 77; *see also* WIPO*, Joint Recommendation Concerning Provisions on the Protection Marks, and Other Industrial Property Rights in Signs on the Internet* (referring to the Recommendation's views on Internet matters), https://perma.cc/4GLP-8CAC; "All necessary changes having been made." *Mutantis Mutandis*, Black's Dictionary (11th ed. 2019).

[79] *See* WIPO*, Joint Recommendation Concerning Provisions on the Protection Marks, and Other Industrial Property Rights in Signs on the Internet*, *supra* note 78.

[80] *See* WIPO, *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, (art. 2, 1999) (determining whether a trademark is distinctive), available at https://perma.cc/AT99-4UCJ (last visited Apr. 24, 2019).

[81] *See* WIPO, *Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, *supra* note 78 (addressing the issue of internet domain names); WIPO, *Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT)* (2002), https://perma.cc/L4HJ-DYBV (last visited May, 25, 2019) (covering the issue of commercial indicators); WIPO, *Internationalized Domain Names-Intellectual Property Considerations*, https://perma.cc/L588-7XSF (last visited Apr. 17, 2019) (discussing the use of domain names on the internet).

[82] *See* WIPO, *Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, *supra* note 78, at Preface.

[83] *See* Tania Voon & Andrew Mitchell, *Implications of WTO Law for Plain Packaging of Tobacco Products*, UNIV. MELB. LEGAL STUDIES (Jun. 30, 2011) (discussing the positive and negative rights derived from a trademark), https://perma.cc/EK54-RWML.

consisting of two components: a negative right and a positive right.[84] Focusing on the former, *ius prohibendi*, law grants the owner of the trademark the right to exclude another person from using the same trademark or a similar one for the same good or service for a period known as a "duration of protection."[85] NAFTA establishes that the minimum duration of a certificate of registration is ten years. The certificate is renewable indefinitely in increments of ten years if the established requirements for renewal are satisfied.[86]

### G. *Obligations and Formalities of Using the Trademark*

The obligatory use of a registered trademark is another fundamental tenet of trademark law.[87] Spanish legal doctrine has produced valuable contributions in this field.[88] One such work, written by de la Fuente Garcia, exclusively studies the use of trademarks at different stages in the duration of a distinct sign.[89] The author of this work meticulously analyses and explains all the related aspects of

[84] *See* Voon & Mitchell, *supra* note 83; Gregory J. Battersby & Leonard T. Nuara, *The License Agreement-A Mock Negotiation*, *in* UNDERSTANDING THE INTELLECTUAL PROPERTY LICENSE 2003, at 277, 314 (PLI Intellectual Property Course Handbook Series No. G-762 2003) (indicating the exclusivity possessed by those who have a trademark); *see also* William Robinson, Giles Pratt & Ruth Kelly, *Trademark Law Harmonization in the European Union: Twenty Years Back and Forth*, 23 FORDHAM INTELL. PROP., MEDIA & ENT. L. J. 731, 757-58 (2013) (discussing the impact of registering a mark); William Sloan Coats, Vickie L. Feeman, & David K. Boudreau,, *Copyright and Trademark Licensing*, *in* UNDERSTANDING INTELLECTUAL PROPERTY 2003 at 799, 832 (PLI Intellectual Property Course Handbook Series No. G-762 2003) (showing the importance of registering a trademark). *See generally* Pearson, *supra* note 71, at 17 (showing the benefits to registering trademarks).

[85] *See* Geertjan De Vries, Enrico Pennings, & Joern H. Block, *Trademark or Patent? The Effects of Market Structure, Customer Type and Venture Capital Financing on Start-Ups' IP Decisions*, ERIM REP. SERIES (Apr. 9, 2013) (discussing the renewal requirements for trademarks); *see also* Aurea Suñol Lucea, *El Presupuesto de Uso en el Tráfico Económico Para Productos o Servicios en el Actual Derecho de Marcas: ¿Un Paso Más Hacia la Protección Ilimitada de las Marcas?* [*The Requisite of Use in Connection with Goods and Services in the Current Trademark Law: A Further Step to Unlimited Protection of Trade Mark*], INDRET, Oct. 2012, at 2 (giving guidelines for the area of trademarks). *Compare* Alison Marcotte, *Concurrent Protection of Products by Patent and Trade Dress: Use of the Functionality Doctrine in Marketing Displays, Inc. v. Traffix Devices, Inc.*, 36 NEW ENG. L. REV. 327, 336 (2001) (stating that there is potentially unlimited time for trademarks).

[86] *See* NAFTA, *supra* note 2, at art. 1708(7).

[87] *See generally* Luis-Alfonso Duran, *Recent Developments in Community Trademark Practice and Procedures, in* GLOBAL TRADEMARK AND COPYRIGHT 1998: PROTECTING INTELLECTUAL PROPERTY RIGHTS IN THE INTERNATIONAL MARKETPLACE, at 353, 358 (PLI Intellectual Property Course Handbook Series No. G-536 1995) (stating Spain's role in international trademarks*).*

[88] *See id. See generally* Valentine Korah, *The Interface Between Intellectual Property and Antitrust: The European Experience*, 69 ANTITRUST L.J. 801, 803 n.6 (2002) (showing how it is possible to register a mark in Spain that will prevail throughout the common market).

[89] *See generally* GARCÍA, *supra* note 43.

this principle.[90] NAFTA regulates different situations related to the obligatory use of the registered trademark.[91] First, the owner of the trademark is conferred, at a minimum, a term of two years to initiate the use of the trademark.[92] NAFTA also recognizes other valid reasons underlying the lack of use independent from the actions of the trademark owner, including *ad exemplum* import restrictions or other officially imposed market closing requirements applicable to products or services identified by the trademark.[93] A third party who has been authorized and controlled by the trademark owner has a legal remedy for the use of the trademark.[94] However, there is a specific prohibition on the parties not to encumber the use of the trademarks in commerce by imposing special requirements, such as the collective use of two trademarks, or a use that diminishes the function of the trademark as a function of its origin.[95]

### H. *License and Transfer of the Trademark*

Trademarks are intangible, and as such, it is necessary to discuss the two legal forms of commerce of trademarks regulated by NAFTA: transfer and licensing of trademarks.[96] A trademark transfer is distinct from a license.[97] Transfer involves full transmission of the protection in and title to the trademark.[98] In contrast, a license is a mere authorization to use the trademark granted by the

[90] *Id.*

[91] *See* NAFTA, *supra* note 2, at arts. 1708(8)-(10) (addressing the requirements for registering a trademark and patents).

[92] *See id.* at art. 1708(2) (discussing registration requirements).

[93] *See id.* at art. 1708 (noting that NAFTA discusses requirements imposed on products or services that are identified by the trademark).

[94] *See id.* at art. 1708(9) (requiring parties to recognize third-party use of a trademark). *Compare* Allen Z. Hertz, *Shaping the Trident: Intellectual Property Under NAFTA, Investment Protection Agreements and at the World Trade Organization*, 23 CAN.-U.S. L. J. 261, 288 (1997) (stating that NAFTA may be understood to require the owner to receive nothing more than the negative right to prevent unauthorized third parties from using his trademark).

[95] *See* NAFTA, *supra* note 2, at art. 1708(10) (noting that NAFTA acknowledges the lack of use resulting from import restrictions or other applicable requirements).

[96] *See id*. at art. 1708(11) (establishing that a party to NAFTA may determine under what conditions trademarks may be licensed or assigned).

[97] *See* The Beanstalk Grp., Inc. v. AM Gen. Corp., 143 F. Supp. 2d 1020, 1028 (N.D. Ind. 2001) (distinguishing the differences between a license and a transfer); *see also* James O. Tomerlin Trust v. Comm'r of Internal Revenue, 87 T.C. 876, 888 (T.C. 1986) (stating that the differences between licenses and transfer is not always clear, but differences can be made upon review); Consol. Foods Corp. v. U.S., 569 F.2d 436, 437-38 (7th Cir. 1978) (acknowledging the problems when dealing with transfers and licenses and the differing degrees of retaining property rights).

[98] *See* TRADEMARK MANUAL OF EXAMINING PROCEDURE, *501 Assignment of Marks*, USPTO (Oct. 2018) ("Assignment means a transfer by a party of all or part of its right…in a registered mark…"), https://perma.cc/MXJ8-PCNH.

trademark owner to a third party.[99] Today, unrestricted transferability of trademarks is the prevailing norm.[100] This allows the unlimited transferability of the trademark, which NAFTA regulates.[101] The owner of a registered trademark has a right to transfer it together with or independently of the remaining business of the transferor.[102]

By the same token, trademarks can be the subject of a license agreement, where the trademark owner (the licensor) authorizes a third party (the licensee) to use the trademark in exchange for compensation or a royalty fee.[103] The traditional role of the trademark license constitutes one possible means by which the trademark owner can extend manufacturing, sale or distribution of products and services to new geographic markets through the corresponding trademark.[104]

[99] *See* Condom Sense, Inc. v. Alshalabi, 390 S.W.3d 734, 759-60 (Tex. App. 2012) (explaining that a license does not confer title but rather "limited rights, less than" a transfer (citing Acme Valve & Fittings Co. v. Wayne, 386 F. Supp. 1162, 1165 (S.D.Tex.1974))); Moraine Prods. v. ICI Am., Inc., 538 F.2d 134, 143 (7th Cir. 1976); Keystone Type Foundry v. Fastpress Co., 272 F. 242, 244 – 45 (2d Cir. 1921) (describing how a transfer involves the exchange of the entire title); *see also* Jones v. Berger, 58 F. 1006, 1007 (C.C.D. Md. 1893). *Compare* Sanofi, S.A. v. Med-Tech Veterinarian Prods., Inc., 565 F. Supp. 931, 939 (D.N.J. 1983) (holding that there is no obligation to record a license thus demonstrating the differing levels of obligation upon transfer or license).

[100] *See* Info. Resources Inc., v. Test Mktg. Grp. Inc., No. C-1-84-903, 1991 U.S. Dist. LEXIS 18216, at *17 (S.D. Ohio 1991) (demonstrating a license/ transfer relationship); Alejandro López-Velarde, *Trademarks in Mexico: The Effects of the North American Free Trade Agreement*, 17 HOUS. J. INT'L L. 49, 98 (1994) (noting that the default right to assign a trademark is vested upon transfer).

[101] *See* NAFTA, *supra* note 2, at art. 1708(11) (stating that NAFTA controls the license and transfer disputes); *see also* López-Velarde, *supra* note 100, at 98 (noting that the default right to assign a trademark is vested upon transfer); Appendix 11-Intellectual Property as Collateral, 41 IDEA 481 n.32 (2002) (acknowledging NAFTA's role in the regulation of intellectual property).

[102] *See* NAFTA, *supra* note 2, at art. 1708(11) (stating that each transferor can decide to what extent the trademark will be restricted upon transfer); *see also* López-Velarde, *supra* note 100, at 98 (noting that the conditional right to assign a trademark is in control of the parties to arrange); Appendix 11-Intellectual Property as Collateral, *supra* note 101, at n.32 (demonstrating the limits imposed on transferee without the express consent of the license).

[103] *See* NAFTA, *supra* note 2, at art. 1708(11) (stating that the parties have the right to set whatever monetary value to their exchange); *see also* López-Velarde, *supra* note 100, at 98 (affirming the parties rights to contract at their own will); Appendix 11-Intellectual Property as Collateral, *supra* note 101, at n.32 (demonstrating that the transferor and transferee are free to set prices on their licensing exchange).

[104] *See* Instructional Sys. Dev. Corp. v. Aetna Cas. & Sur. Co., 817 F.2d 639, 645 (10th Cir. 1987) (demonstrating one of the means by which a licensor can extend the market for the product or services); *see also* Motor Werks Ptnrs, L.P. v. BMW of N. Am., Inc., No. 01 C 7178, 2001 U.S. Dist. LEXIS 20999, at *17 (N.D. Ill. 2001) (describing a situation where a license was granted overseas to expand consumer base); S Indus., Inc. v. Stone Age Equip.,

Before granting a trademark license, the licensor should consider all positive and negative factors that might be involved in its operation.[105] The owner should then exercise caution in selecting the licensee because the licensee will possess the goodwill and force of the trademark.[106] Finally, throughout the process, the owner should not forget that the consumer public is the ultimate beneficiary of the purpose that the trademark is intended to fulfill.[107]

NAFTA regulates transfers and licenses in a disengaged manner.[108] For transfers, as previously stated, NAFTA codifies the principle of unrestricted transferability, independent of the transfer of the enterprise to which the trademark belongs.[109] For licenses, NAFTA limits itself to prohibiting obligatory licensing of trademarks.[110] Transfer and license of trademarks should be registered with the corresponding authority of each party to place third parties on official notice.[111] Even though the Recommendation is not binding, its purpose is to harmonize and simplify the registration of trademark licenses among parties to the Agreement.[112] The Recommendation serves as a guide to help countries or regions reconcile their intellectual property legislation.[113]

Inc., 12 F. Supp. 2d 796, 804 n.14 (N.D. Ill. 1998) (showing the ability that a trademark owner has to extend the owner's rights in additional markets).

[105] *See* Radiance A. Walters, *Partial Forfeiture: The Best Compromise in Trademark Licensing Protocol*, 91 J. PAT. & TRADEMARK OFF. SOC'Y 126, 126-27 (2009).

[106] *See* Am. Needle, Inc. v. Nat'l Football League, 560 U.S. 183, 186 (2010) (discussing a case whereby a license was used to expand into a market); Instructional Sys. Dev. Corp., 817 F.2d at 645 (demonstrating one of the means by which a licensor can extend the market for the product or services); *see also* BMW of N. Am., LLC v. Motor Werks Ptnrs, L.P., No. 03 C 4109, 2004 WL 422733 (N.D. Ill. 2004) (describing a situation where a license was granted overseas to expand consumer base); S Indus., 12 F. Supp. 2d at 796 – 802 (showing the ability that a trademark owner has to extend the owner's rights in additional markets).

[107] *See* Cotton Ginny, Ltd., v. Cotton Gin, Inc., 691 F. Supp. 1347, 1354 – 55 (S.D. Fla. 1988) (noting the ultimate benefit of a license transfer is to the consumer public); *see also* Vision Ctr. v. Opticks, Inc., 596 F.2d 111, 119 (5th Cir. 1979); Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co., 494 F.2d 3, 12 (5th Cir. 1974) (citing a judge's interpretation of a license transfer).

[108] *See generally* NAFTA, *supra* note 2, at art. 1708(11).

[109] *See id*.

[110] *See* Info. Resources Inc., No. C-1-84-903, 1991 U.S. Dist. LEXIS 18216 at *17 (demonstrating a license transfer relationship); López-Velarde, *supra* note 100, at 98 (NAFTA prohibits obligatory licensing).

[111] *See* WIPO*, Joint Recommendation Concerning Trademarks Licenses,* at Notes on Art. 2 *(2000)*, https://perma.cc/XA9N-XMMP (last visited Nov. 22, 2019).

[112] *See id.* at Joint Recommendation.

[113] *See id*.

## III. ON OVERVIEW OF THE APPLICATION OF NAFTA TRADEMARK REGULATION TO THE LEGAL SYSTEM OF ONE OF THE PARTICIPATING MEMBER STATES: MEXICO

NAFTA follows the Mexican Constitution as well as Mexican Supreme Court precedent. The Mexican Constitution is the regulating framework of the national legal system.[114] Review of articles 28 and 133 of the Mexican Constitution help explain the attempt to reconcile Mexican trademark law with its counterpart under NAFTA. Article 28 establishes the privileges granted to authors and artists for the production of their works; they do not constitute monopolies nor do they confer upon inventors the exclusive use of their inventions.[115] As stated in the Mexican Senate Report on NAFTA, "chapter XVII of the Agreement is compatible with this constitutional guideline and with the international obligations agreed to by Mexico."[116] Article 133 of the Mexican Constitution holds that the treaties executed by the President of the Republic, with approval of the Senate and in accordance with the Constitution, shall be the supreme law of the nation.[117]

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[114] *See* Alberto Acosta, *El Buen (con)Vivir, Una Utopía Por (re)Construir: Alcances de la Constitución de Montecristi*, 6 OBETS. REVISTA DE CIENCIAS SOCIALES 35, 61 (2011) (noting that the Mexican Constitution is the framework for national laws); Tim R. Samples & Jose Luis Vittor, *Energy Reform and the Future of Mexico's Oil Industry: The Pemex Bidding Rounds and Integrated Service Contracts*, 7 TEX. J. OIL GAS & ENERGY L. 215, 222 (2012) (explaining that Mexico's national law is based on its Constitution). *See generally* Owen Bonheimer & Paul Supple, *Unauthorized Practice of Law by U.S. Lawyers in U.S.-Mexico Practice*, 15 GEO. J. LEGAL ETHICS 697, 702 (2002) (discussing how the Mexican Constitution regulates the practice of law in Mexico); Debra F. Guajardo,
*Redefining the Expropriation of a Foreign Direct Investment in Mexico*, 42 S. TEX. L. REV. 1309, 1311 (2001) (stating that by ratifying NAFTA, Mexico has created a legal conflict between that set forth in NAFTA and the Mexican Constitution).

[115] Constitución Política de los Estados Unidos Mexicanos [CP] Feb. 5, 1917, art. 28 (stating that "the privileges that are conferred to the authors and artist for a determined timeframe, for the production of their works and those privileges conferred on inventors for the exclusive use of their inventions. . ." do not constitute a monopoly), https://perma.cc/2X2A-GXYG.

[116] *See generally* Craig R. Giesze, *Mexico's New Antidumping and Countervailing Duty System: Policy and Legal Implications, as Well as Practical Business Risks and Realities, for United States Exporters to Mexico in the Era of the North American Free Trade Agreement*, 25 ST.MARY'S L.J. 885, 959 (1994) (providing that NAFTA was legislatively elevated to the status of "Supreme Law of the Land" within the meaning of the Mexican Constitution); López-Velarde, *supra* note 100, at 84-85 (discussing the relationship between NAFTA and the Mexican Constitution ).

[117] Constitución Política de los Estados Unidos Mexicanos, *supra* note 115, at art. 133 (stating: "This Constitution, the laws that emanate from the Congress of the Union and all agreements in accordance with them, entered into by the President of the Republic, with approval of the Senate, shall be the Supreme Law of the whole Union"); James T. McHugh, *North American Federalism And Its Legal Implications*, 4 NORTE AMÉRICA Jan.-Jun. 2009, 55, at 66 (noting that article 133 is the supreme law of Mexico); John P. Bowman, *The*

There is also jurisprudence from the Mexican Supreme Court that clarifies the doctrinal debate regarding the hierarchical structure of Mexican laws.[118] The Supreme Court of Justice, in its interpretation of Article 133, holds that international treaties are inferior to fundamental law, but superior to federal and state law.[119] Furthermore, Mexico's Law on the Formalization of Treaties regulates the formalization of treaties and interinstitutional agreements in the international arena, including NAFTA.[120] Since NAFTA considered the jurisprudence of the Mexican Supreme Court, we can conclude that this treaty is in accord with the Mexican legal system.[121] The current national legislation on industrial property is found in the following regulations:

*Panama Convention and its Implementation Under the Federal Arbitration Act*, 11 AM. REV. INT'L ARB. 1, 30 n.38 (2000) (providing that Article 133 of the Mexican Constitution should be considered the supreme law of the whole union).

[118] *See generally* Giesze, supra note 116, at 1020 – 21 (discussing the Mexican Supreme Court in relation to NAFTA); Reka S. Koerner, Pregnancy Discrimination in Mexico: Has Mexico Complied With the North American Agreement on Labor Cooperation?, 4 TEX. F. ON C.L .& C.R. 235, 248 (1999) (discussing the Mexican Supreme Court's role in jurisprudence); Robert M. Kossick, Jr., *Litigation in the United States and Mexico: A Comparative Overview*, 31 U. MIAMI INTER-AM. L. REV. 23, 26 (2000) (describing the procedure and inner-workings of the Mexican Supreme Court).

[119] Suprema Corte de Justicia de la Nación, Tratados Internacionales. Se Ubican Jeráquicamente por Encima de las Leyes Federales y en un Segundo Plano Respecto de la Constitución Federal [International Deals. They Rank Hierarchically Above Federal Laws and in a Second Plan Regarding the Federal Constitution] 10, SEMANARIO JUDICIAL DE LA FEDERACIÓN Y SU GACETA, 10, 46 (1999) (Mex.); *see also* Bradford Stone & Santiago González Luna M., *Aggrieved Buyer's Right to Performance or Money Damages Under the CISG, U.C.C., and Mexican Commercial Code*, 30 J.L. & COM. 23, 57 (2012) (noting the Mexican Supreme Court of Justice "resolution that put international treaties at the highest level of the Mexican legal system, superseded only by the Constitution"). *See generally* Constitución Política de los Estados Unidos Mexicanos, *supra* note 115, at art. 133 (providing the language from Article 133 of the Mexican Constitution); *also* Stephen Clarkson, *NAFTA and the WTO in the Transformation of Mexico's Economic* System, 2003 MEX. POL. AND SOC'Y IN TRANSITION, 215, 219 (stating that pursuant to Article 133 of the Mexican Constitution, provisions from international conventions have become the "supreme law of the land").

[120] Congress of the United Mexican States, Ley Sobre La Celebración de Tratados [Law on the Formalization of Treaties], Diario Oficial de la Federación [DOF], Jan. 2, 1992, 1-3. *See generally* Mark Aspinwall, *NAFTA-ization: Regionalization & Domestic Political Adjustment in the North American Economic Area*, 47 J. COMMON MKT. STUD. 1, 8-9 (2009) (discussing Mexico's adaptations to meet international treaties).

[121] *See* Dispute Resolution, *supra* note 16, at 175 (providing that recent submissions to NAFTA favor the need in the Mexican legal system for more judicial independence). *See generally* Aspinwall, *supra* note 120, at 8-9 (discussing NAFTA's incorporation into the Mexican legal system); Clarkson, *supra* note 119, at 219 (stating that NAFTA had a direct effect on the Mexican legal system).

Industrial Property Law[122]

Industrial Property Law Regulations[123]

Decree Creating the Mexican Institute for Industrial Property[124]

Industrial Property Institute Regulations[125]

Agreement Establishing Fees for Services of Mexican Institute for Industrial Property[126]

Federal Criminal Code[127]

Federal Code of Criminal Procedure[128]

For a better understanding of Mexico's national trademark legislation, it is helpful to briefly review its background. During the 1980's, particularly 1986 with the country's admission into GATT, Mexico formally began its commercial liberalization and the process of worldwide economic integration.[129] Mexico

[122] Ley de la Propiedad Industrial [LPPI] (Industrial Property Protection Law), *as amended*, Diario Oficial de la Federación [DO] 27-06-1991 (Mex.), https://perma.cc/4MST-UNHN.

[123] Reglamento de la Ley de la Propiedad Industrial [RLPI] (Regulations of the Law of Intellectual Property), *as amended*, Diario Oficial de la Federación [DO] 23-11-1994 (Mex.), https://perma.cc/E9JB-86TJ.

[124] Decreto por el que se crea el Instituto Mexicano de la Propiedad Industrial (Decree creating the Mexican Institute of Industrial Property), Diario Oficial de la Federación [DO] 12-10-1993 (Mex.), https://perma.cc/2SJK-F97J.

[125] Reglamento del Instituto Mexicano de la Propiedad Industrial (Industrial Property Law Regulations), *as amended*¸ Diario Oficial de la Federación [DO] 14-12-1999 (Mex.), https://perma.cc/P99G-CXVR.

[126] Decreto por el que se reforma y adicionan diversas disposiciones de la Ley de la Propiedad Industrial (Decree reforming and adding various provisions to the Industrial Property Law) , Diario Oficial de la Federación [DO] 13-03-2018 (Mex.), https://perma.cc/6GM6-5PGV.

[127] Código Penal Federal (Federal Criminal Code), *as amended*, Diario Oficial de la Federación [DO] 14-08-1931 (Mex.), https://perma.cc/J2G9-X54E.

[128] Código Nacional de Procedimiento Penales (National Code of Criminal Procedure), *as amended*, Diario Oficial de la Federación [DO] 05-03-2014 (Mex.), https://perma.cc/4V3K-U3GU.

[129] The true significance of the commercial liberalization of Mexico resides in it being a catalyst for national development, given that it contributes to the inclusion of new regions and enterprises in the ambit of international trade. Press Release, WTO, Trade & Inv. Liberalization has Served as Catalyst for Mex. Dev. but Further Reforms are Essential (Apr. 16, 2002); *see* Ruth L. Okediji, *Back to Bilateralism- Pendulum Swings in International Intellectual Property Protection*, 1 U. OTTAWA L. & TECH. J. 125, 128 – 29 (2003-04) (discussing Mexico's transition from protectionist economic policies to more liberal trade policies); USMCA, *supra* note 2, at 6 (noting that Mexico has pursued an ambitious policy of trade liberalization); *see also* Kevin A. Wechter, *NAFTA: A Complement to GATT or a Setback to Global Free Trade*, 66 S. CAL. L. REV. 2611, 2614 (1993) (alluding to Mexico's prior reluctance to begin economic liberalization and integration).

increased its presence in international markets, principally through exports of manufactured products.[130] As a consequence, the national legislation on industrial property needed to acquire a form compatible with that of its trading partners.[131] The former Law of Inventions and Trademarks was revised to conform to new international standards in industrial property matters.[132] This law did not follow NAFTA (Chapter XVII) after its enactment on January 1, 1994, but rather it was Mexico's response to GATT and TRIPS.[133] The Law of Promotion and Protection of Intellectual Property of 1991 managed to provide, before NAFTA, what commentators considered a truly modern legal framework comparable to existing frameworks in the countries with which Mexico had

[130] At the beginning of the decade of the 1980's, Mexican exports were almost exclusively oil. The hydrocarbons, whose foreign sales represented the principal source of revenues for the government, were then the principal product of exportation for Mexico and represented almost seventy percent of the total exports in 1982. Nonetheless, the pattern of exportation has radically changed. In 2012, according to the Mexican Secretary of Economy, eighty-five percent of Mexican exportations were non-oil products. SECRETARÍA DE COMERCIO EXTERIOR, https://www.gob.mx/cms/uploads/attachment/file/91000/II_Comercio_Exterior_-_junio_2014.pdf (last visited April 28, 2019) [https://perma.cc/AG7H-SAUN] (Mex.) (showing in 2012 Mexico exported $317 billion dollars of non-oil exports); VILLARREAL & FERGUSSON, *supra* note 10, at 3-4, 10 (noting Mexico's increased global competitiveness and trade liberalization following its accession to the GATT).

[131] *See generally* James M. Cooper, *The North American Free Trade Agreement and its Legacy on the Resolution of Intellectual Property Disputes*, 43 CAL. W. INT'L L.J. 157, 171 (2012) (discussing the changes Mexico implemented in response to NAFTA's intellectual property rights requirements); López-Velarde, *supra* note 100, at 50 – 51 (recognizing that economic integration also requires compatibility with the international community); *see also* Edwin S. Flores Troy, *The Development of Modern Frameworks for Patent Protection: Mexico, a Model for Reform*, 6 TEX. INTELL. PROP. L. J. 133, 134 (1998) (referring to the requirement that Mexico comply with international intellectual property standards). *See generally* Lic. José Augustín Portal, *Mexican Standards Related Policy and Regulation*, 9 U.S.-MEX. L.J. 7, 10 (2001) (identifying the need for Mexico to develop rules and procedures compatible with those of its trading partners).

[132] *See* Ley de Fomento y Protección de la Propiedad Industrial [Law of Promotion and Protection of Industrial Property], Diario Oficial de la Federación [DOF], 27-6-1991 (Mex.) (detailing the specifics of the new provisions of the industrial property law). *See* López-Velarde, *supra* note 100, at 66-67 (describing the new legislation as a model for other countries to follow). The latest amendment to Mexico's Industrial Property law occurred April 9, 2010. *See* Acuerdo Que Por Causas de Fuerza Mayor Declara Como Inhábil el Día 20 de Marzo de 2012, Diario Oficial de la Federación [DOF], 9-4-2012 (Mex.).

[133] *See* López-Velarde, *supra* note 100, at 51 (noting that Mexico has changed its policies in response to GATT and TRIPS testimonies for globalization of intellectual property); *see also* Clarkson, *supra* note 119, at 224-225 (discussing Mexico's changes to its laws in response to GATT); *compare* WTO Secretariat, Mexico Trade Policy Review, WT/TPR/S/29 (1997) (stating that Mexico enacted new legislation to comply with its obligations under the NAFTA).

maintained extended trade relations.[134] Furthermore, establishment of an administrative institution specializing in the Mexican industrial property system – the Mexican Institute of Industrial Property, a decentralized body with legal capacity and autonomy outlined in the industrial property legislation– was foreseen.[135]

Turning to a review of current legislation, when NAFTA was enacted on January 1, 1994 and in light of article 133 of the Mexican Constitution, it became the supreme law of the union.[136] Even though NAFTA's self-implementing provisions could have been adopted, the applicable legislation was amended, creating a more legitimate climate.[137] In general, and fortunately for Mexico, symmetry existed between Chapter XVII of NAFTA and the industrial property

[134] *See* Chiang-Feng Lin, *Investment in Mexico: A Springboard Toward the NAFTA Market –*

*An Asian Perspective*, 22 N.C.J. INT'L L. &COM. REG. 73, 101 – 02 (1996-97) (explaining that the law is both modern and designed to be similar to the systems of more industrialized nations); *see also* López-Velarde, supra note 100, at 61-62 (suggesting that the new legislation was aimed at facilitating trade relations with other countries). *See generally* Frank J. Garcia, *Protection of Intellectual Property Rights in the North American Free Trade Agreement: A Successful Case of Regional Trade Regulation*, 8 AM. U. J. INT'L L. & POL'Y 817, 821 (1993) (implying that the new legislation was driven by Mexico's desire to be a part of the NAFTA).

[135] *See* Decreto Por El Que Se Crea el Instituto Mexicano de la Propiedad Industrial [Decree by Which the Mexican Institute of Industrial Property is Created], Diario Oficial de la Federación [DOF], 10-12-1993 (Mex.) (creating the Mexican Institute of Industrial Property); Estatuto Organico del Instituto Mexicano de la Propiedad Industrial, art. 1, Diario Oficial de la Federación [DOF] 27-12-1999, últimas reformas [DOF] 02-01-2018 (Mex.), formato HTML, https://perma.cc/SL69-FQS5; Bill F. Kryzda & Shaun F. Downey, *Overview of Recent Changes in Mexican Industrial Property Law and the Enforcement of Rights by the Relevant Government Authorities*, 21 CAN.-U.S. L.J. 99, 101 (1995) (commenting on the creation of the Mexican Institute of Industrial Property following the signing of NAFTA); *see also* David Fernández-Alvarez, *The IP and Patent Information Scene in Mexico*, 35 WORLD PAT. INFO. 31, 31 (2013) (explaining the role and impact of the Mexican Institute of Industrial Property); López-Velarde, supra note 100, at 68-69 (discussing the creation, structure, and function of the Mexican Institute of Industrial Property).

[136] *See* Stone & González, *supra* note 119, at 57 (explaining that NAFTA has been incorporated into the Mexican legal system pursuant to article 133 of the Mexican Constitution); *see also* Elvia Arcelia Quintana Adriano, *The North American Free Trade Agreement and Its Impact on the Micro-, Small- and Medium-Sized Mexican Industries*, 39 ST. LOUIS U. L.J. 967, 967 (1994-95) (noting that NAFTA has acquired National Law status under article 133 of the Mexican Constitution). *See generally* McHugh, *supra* note 117 (stating that article 133 of the Mexican Constitution is the supreme law of Mexico).

[137] *See* Clarkson, *supra* note 119, at 224 (discussing Mexico's efforts to bring its intellectual property laws within NAFTA); Kryzda & Downey, *supra* note 135, at 101 (explaining that Mexico amended its industrial property legislation because it is a signatory of the NAFTA). *See generally* Leonides Ortiz Sanchez, Mexico y La Propiedad Intelectual, MOVIMIENTO CIUDADANO, at 35, http://www.convergenciamexico.org.mx/propinte.pdf (last visited June 5, 2019) (mentioning that Mexico had amended some of its legislation because of its participation in the NAFTA).

legislation of 1991.[138] At the time, commentators proposed amended legislation as a response to the presumed compromise in the Agreement, effective on October 1, 1994 and also known as the Industrial Property Law.[139] Different reasons justified the cited legislative reforms and additions. The most noteworthy was the need to grant autonomy to the Mexican Institute for Industrial Protection, including the administrative power to apply the law in trademark matters;[140] incorporation into the text of all treaties executed by Mexico;[141] obligatory guidelines for institutions that failed to achieve their purpose within three years;[142] and substantive and procedural guidelines

[138] *See* Clarkson, *supra* note 119, at 219 (pointing out that Mexico was aligned with provisions of NAFTA); Rafael V. Baca, *Compulsory Patent Licensing in Mexico in the 1990s: The Aftermath of NAFTA and the 1991 Industrial Property Law*, 8 TRANSNAT'L LAW. 33, 45 – 48 (1995) (likening article 17 of the NAFTA to Mexico's Industrial Property Law); *see also* Stephen Zamora, *NAFTA and the Harmonization of Domestic Legal Systems: The Side Effects of Free Trade*, 12 ARIZ. J. INT'L & COMP. L. 401, 409 (1995) (observing that Mexico would have little trouble complying with article 17 of the NAFTA because of its substantive overlap with Mexico's own Industrial Property Law).

[139] *See* Kryzda & Downey, *supra* note 135, at 101 (admitting that the Industrial Property Law
was amended in 1994 as a result of Mexico's signing of the NAFTA). *See generally* George Y.
Gonzalez, Symposium, *An Analysis of the Legal Implications of the Intellectual Property Provisions of the North American Free Trade Agreement*, 34 HARV. INT'L L.J. 305, 315 (1993) (indicating that Mexico's Industrial Property Law was a precondition to the United States signing the NAFTA); Garcia, *supra* note 134, at 825 (suggesting that the Industrial Property Law was developed prior to NAFTA negotiations).

[140] *See generally* Fernández-Alvarez, *supra* note 135, at 31 (describing the Mexican Institute
of Industrial Property roles as being a "key factor in the modernization of IP issues in Mexico"); Ortiz Sanchez, *supra* note 137, at 35 (alluding to Mexico's creation of intellectual property institutions as a necessary response to NAFTA); L. Janá Sigars, *Proceedings of the Eighth Annual Conference on Legal Aspects of Doing Business in Latin America: Developing Strategies, Alliances, and Markets*, 10 FLA. J. INT'L L. 1, 49 (1995-96) (indicating that the Mexican Institute of Industrial Property was created following Mexico's signing of the NAFTA).

[141] *See generally* Kryzda & Downey, *supra* note 135, at 101 – 02 (giving a general rundown of the various amendments made to the former Industrial Property Law); Margaret A. Boulware, Jeffrey A. Pyle & Frank C. Turner, *Symposium, An Overview of Intellectual Property Rights Abroad*, 16 HOUS. J. INT'L L. 441, 499 – 500 (1993-94) (suggesting broader justifications for the legislative reforms).

[142] *Compare* Boulware, Pyle & Turner, *supra* note 141, at 499 – 500 (offering other more general
reasons for the changes in the Industrial Property Law). *See generally* Garcia, *supra* note 134, at 833 – 34 (mentioning the three-year period within which Mexico must implement some of its reforms); Kryzda & Downey, *supra* note 135, at 101-02 (describing the various reforms made with respect to the different types of industrial property).

sensitive to Mexico's competitiveness vis-à-vis other countries, but principally with the United States.[143]

With the trend toward increased efficiency and flexibility and attempts by modern entrepreneurs to adapt to this new economic environment, Mexico revised the Industrial Property Law in 1997 and 1999 to conserve or increase the levels of required legal security.[144] Namely, the Industrial Property Law was substantially reformed in 1999 to provide for adequate enforcement of intellectual property rights.[145] The central theme of this reform focused on the willful counterfeiting of trademarks.[146] The corresponding provisions of

[143] *See* SIDNEY WEINTRAUB, UNEQUAL PARTNERS: THE UNITED STATESSTATES AND MEXICO 2 – 6 (John Charles Chasteen & Catherine M. Conaghan eds., 2010) (discussing the competitive and asymmetrical relationship between the United States and Mexico); JORGE I. DOMÍNGUEZ & RAFAEL FERNÁNDEZ DE CASTRO, UNITED STATES AND MEXICO: BETWEEN PARTNERSHIP AND CONFLICT 98 – 99 (noting the competitive nature of the relationship between the United States and Mexico); Sanford E. Gaines, *Rethinking Environmental Protection, Competitiveness, and International Trade*, 1997 U. CHI. LEGAL F. 231, 263 (1997) (making reference to the competitiveness that exists between the United States and Mexico); *see also* George L. Priest, *Lawyers, Liability, and Law Reform: Effects on American Economic Growth and Trade Competitiveness*, 71 DENV. U. L. REV. 115,132-33 (1993) (discussing the effects that competitiveness can have on national wealth and on the citizens of both the United States and Mexico). *See generally* Kryzda & Downey, *supra* note 135, at 101 (explaining the changes to the legislation and the need for such changes VILLARREAL & FERGUSSON, *supra* note 10, at 17 (noting the disparity between Mexico and the United States).

[144] Kryzda & Downey, *supra* note 135, at 105 (discussing how the Industrial Property Law was amended to conform with NAFTA).

[145] *See* Instituto Mexicano de la Propiedad Industrial, *Que Es El IMPI?* (Jun. 8, 2019) (noting that the industrial property law was significantly amended in 1999 to improve intellectual property protection), https://perma.cc/XW65-K7DK; Keshia B. Haskins, *Special 301 in China and Mexico: A Policy Which Fails to Consider How Politics, Economics, and Culture Affect Legal Change Under Civil Law Systems of Developing Countries*, 9 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1125, 1143 (1999) (noting that since 1990 Mexico had made significant improvements regarding the protection of intellectual property). *See generally* Catherine Brown & Christine Manolakas, *Trade in Technology Within the Free Trade Zone: The Impact of the WTO Agreement, NAFTA, and Tax Treaties on the NAFTA Signatories*, 21 NW. J. INT'L L. &BUS. 71, 83 (2000-01) (recalling that Mexico has tried to improve its protection of intellectual property before).

[146] *See* Ley de La Propiedad Industrial [LPI], art. 223, Diario Oficial de la Federación [DOF] 27-06-1991, últimas reformas DOF 13-03-2018 (Mex.) (detailing the text of the "criminal" reform, in article); *see also* Cooper, *supra* note 131, at 173 (noting that NAFTA criminalizes willful trademark counterfeiting); Tait R. Swanson, *Combating Gray Market Goods in a Global Market: Comparative Analysis of Intellectual Property Laws and Recommended Strategies*, 22 HOUS. J. INT'L L. 327, 351 (2000) (briefly stating that the enforcement of intellectual property laws is achieved through both administrative and criminal sanctions); cf. Lackert, *supra* note 66, at 162 (explaining why the United States has criminalized willful trademark counterfeiting). *See generally* J. Janewa Oseitutu, *Value*

NAFTA and TRIPS compel the parties to classify criminal counterfeiting of trademarks as commercial fraud.[147]

## IV. WHAT IS THE U.S.-MEXICO-CANADA AGREEMENT ("USMCA")?

The United States-Mexico-Canada Agreement (USMCA) is a treaty between the three North American countries signed on November 30, 2018.[148] USMCA is the evolution of NAFTA, which was negotiated more than two decades ago. USMCA's purpose is to modernize NAFTA and bring it to the twenty-first century.[149] NAFTA is in effect through June 30, 2020. When USMCA takes effect on July 1. 2020, it is expected to create a more balanced and reciprocal trade environment that supports high-paying jobs, and to grow the North American economy.[150]

### A. *Current Status of USMCA*

At the writing of this Article, the USMCA has been ratified by all three countries.[151] Mexico ratified the agreement on June 19, 2019.[152] The U.S. signed the agreement into law on January 29, 2020.[153] Canada ratified USMCA on March 13, 2020.[154] USMCA will go into effect on July 1, 2020.[155]

Mexico was the first country to ratify the USMCA, as Mexico's Senate overwhelmingly voted in favor of the Agreement – 114 votes in favor and 4 against – on June 19, 2019.[156] Mexico has been a strong supporter of the

*Divergence in Global Intellectual Property Law*, 87 IND. L.J. 1639, 1672 – 73 n.200 (2012) (discussing the TRIPS requirement that willful infringement shall be criminalized).

[147] *See* NAFTA, *supra* note 2, at art. 1717(1).

[148] USMCA, *supra* note 2.

[149] Office of the U.S. Trade Representative, *United States-Mexico-Canada Trade Fact Sheet: Modernizing NAFTA into a 21st Century Trade Agreement*, https://perma.cc/M32M-HPSM.

[150] *Id.*

[151] This article was last edited and sent to print on June 7, 2020.

[152] *See* Edward Lawrence, *Mexico's President urges passage of USMCA to US lawmakers*, FOX BUSINESS (Oct. 19, 2019), https://perma.cc/YC59-8C8E.

[153] Jeff Stein, *Trump Signs USMCA, Revamping North American Trade Rules*, WASHINGTON POST (Jan. 29, 2020), https://www.washingtonpost.com/business/2020/01/29/trump-usmca/.

[154] Rafael Bernal, *Canada approves North American trade deal*, THE HILL (Mar. 13, 2020), https://thehill.com/policy/international/trade/487546-canada-approves-north-american-trade-deal.

[155] USMCA To Enter Into Force July 1 After United States Takes Final Procedural Steps for Implementation, OFF. OF THE U.S. TRADE REPRESENTATIVE (Apr. 24, 2020), https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/april/usmca-enter-force-july-1-after-united-states-takes-final-procedural-steps-implementation (last visited May 9, 2020).

[156] Mary Beth Sheridan, *Mexico Becomes First Country to Ratify New North American Trade Deal*, WASHINGTON POST, Jun. 19, 2019.

Agreement; the strong support may be explained by the fact that eighty percent of its exports are sent to the U.S.[157] There was little opposition to the Agreement in Mexico.[158] Mexican President Andres Manuel Lopez Obrador believes the treaty will be good for job creation, trade, and foreign investment.[159] NAFTA transformed Mexico's economy over the last twenty-years, and the Mexican government expects USMCA to continue that transformation.[160]

Canada approved the USMCA on March 13, 2020.[161] Canada previously began the process to ratify the USMCA by introducing Bill C-100[162] on May 29, 2019, which in part, sought to amend parts of the Agreement regarding trademarks.[163] The bill was introduced in the House of Commons, where it received its first and second reading, and was subsequently passed to the Standing Committee on International Trade to study the bill and propose any amendments.[164] The Parliament's term ended on September 11, 2019, and the bill continued to be with the Standing Committee on International Trade.[165] Given that the bill did not go through all the necessary stages during the Parliament session, the bill "die[d] on the order paper," and needed to be reintroduced as a new bill in the next session of Parliament.[166] The bill was reintroduced on January 29, 2020, and the agreement was approved by the Senate and received royal assent on March. 13, 2020.[167]

The U.S. voted in favor of USMCA, and the Agreement was signed into law.[168] The vote came after several months of renegotiations between the

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[157] *See id; North America: Mexico*, CIA WORLD FACTBOOK, https://perma.cc/F44T-9UUW (last updated June 27, 2019).

[158] *See* Sheridan, *supra* note 156.

[159] *Id.*

[160] *Id.*

[161] Rafael Bernal, *Canada approves North American trade deal*, THE HILL (Mar. 13, 2020), https://thehill.com/policy/international/trade/487546-canada-approves-north-american-trade-deal.

[162] Bill C-100: *An Act to Implement the Agreement between Canada, the United States of America and the United Mexican States*, First Sess., Forty-second Parl. (2019), https://perma.cc/V5S6-69LM.

[163] BERESKIN & PARR, *New Trademarks Act Amendment in Government's USMCA Implementing Legislation* (June 6, 2019), https://perma.cc/Q8JW-DCLL.

[164] *House Government Bill C-100: An Act to implement the Agreement between Canada, the United States of America and the United Mexican States*, PARLIAMENT OF CANADA, https://perma.cc/BB82-TUHS.

[165] *Id.*

[166] *How a Bill Becomes Law in Canada*, BRITISH COLUMBIA COURTHOUSE LIBRARY SOCIETY (2002), https://perma.cc/QEX9-3GT3.

[167] An Act to implement the Agreement between Canada, the United States of America and the United Mexican States, PARLIAMENT OF CANADA, https://www.parl.ca/legisinfo/BillDetails.aspx?Language=E&billId=10615191.

[168] Jeff Mason, *Trump to sign USMCA trade deal Wednesday at the White House*, THOMSON REUTERS (Jan. 23, 2020) https://www.reuters.com/article/us-usa-trade-usmca-

Democrats with U.S. Trade Representative Robert Lighthizer, as well as Mexico. Trademarks were not affected by the renegotiation of the Agreement.[169] On December 19, 2019, the House of Representatives passed the USMCA.[170] A month later, the Senate passed the USMCA on January 16, 2020.[171] President Donald Trump signed it into law on January 29, 2020.[172]

B. *Intellectual Property under the USMCA*

The United States, Mexico, and Canada, through USMCA, reached an agreement on a modernized, high-standard Intellectual Property chapter.[173] The chapter provides strong and effective protection and enforcement of IP rights — critical to driving innovation, creating economic growth, and supporting job creation.[174] The changes made to the IP chapter of the agreement are meant to strengthen the protections afforded to rights holders.[175]

The USMCA chapter made a number of changes from NAFTA's chapter on Intellectual Property.[176] They include ten years of data protection for biologic drugs, and a robust scope of products eligible for protection.[177] The agreement now also requires complete national treatment for copyright and related rights, so international creators are not deprived of the same protections that domestic creators receive in a foreign market.[178] The signatories aim to provide strong patent protection for innovators by enshrining patentability standards and patent office best practices.[179] This will ensure that innovators, including small-and medium-sized businesses, are able to protect their inventions with patents. [180] The agreement extends minimum copyright terms to life of the author plus 70

exclusive/exclusive-trump-to-sign-usmca-trade-deal-wednesday-at-the-white-house-source-idUSKBN1ZM392; Stein, *supra* note 153.

[169] *From NAFTA to USMCA: Free Trade in North America Today and Tomorrow*, Livingston, https://www.livingstonintl.com/nafta/ (stating the renegotiation affected clauses on dispute resolution, rules on automobile production, dairy market access, pharmaceutical patents, sunset clause, and tariffs).

[170] Sabrina Rodriguez, *Senate passes USMCA, but much work remains*, POLITICO (Jan. 16, 2020), https://www.politico.com/news/2020/01/16/senate-passes-usmca-in-major-win-for-trump-099744.

[171] *Id.*

[172] Stein, *supra* note 153.

[173] *United States-Mexico-Canada Trade Fact Sheet: Modernizing NAFTA into a 21st Century Trade Agreement*, OFFICE OF THE UNITED STATES TRADE REP. (Oct. 2018), https://perma.cc/5XY9-WEJ2.

[174] *Id*.

[175] *Id.*

[176] *Compare* NAFTA, *supra* note 2, *with* USMCA, *supra* note 2.

[177] USMCA, *supra* note 2, at art. 20.49 (Biologics).

[178] *Id.* at art. 20.8 (National Treatment).

[179] *Id.* at art. 20.2 (Objectives).

[180] *Id.* at art. 20.14 (Committee on Intellectual Property Rights).

years.[181] Works with a copyright term not based on the length of a human life are to be copyrighted for a minimum of 75 years after the first authorized publication.[182] The agreement also seeks to strengthen standards against the circumvention of technological protection measures that often protect works such as digital music, movies, and books.[183] The agreement also provides for appropriate copyright safe harbors to provide protection and predictability for legitimate enterprises that do not directly benefit from the infringement;[184] which is consistent with United States law.[185] The agreement also provides important procedural safeguards for recognition of new geographical indications (GIs);[186] these safeguards prevent U.S. producers from attaching GIs to products with common names, and establish a mechanism for consultation between parties on future GIs pursuant to international agreements.[187]

C. *What is a Trademark under the USMCA?*

The USMCA does not provide a definition of a trademark.[188] Instead, Chapter 20 Section C of USMCA lists trademarks that can be given registration rights.[189] This approach is different from NAFTA, which included a concrete definition.[190] Because what constitutes a trademark is not clearly defined in USMCA, it is safe to assume that the USCMA adopts the NAFTA trademark definition and simply expands it to allow for other considerations. As previously discussed, NAFTA defined a trademark as "any sign, or any combination of signs, capable of distinguishing the goods or services of one person from those of another, including personal names, designs, letters, numerals, colors, figurative elements, or the shape of goods or packaging."[191] Trademarks include "service marks and collective marks and may include certification marks."[192] "A party may require, as a condition for registration, that a sign be visually perceptible."[193]

The USMCA has greatly expanded the scope of marks protected by trademark law. The new agreement affords new protection for the intangible marks; scents and sounds are also afforded an unprecedented level of protection under

[181] *Id.* at art. 20.63 (Term of Protection for Copyright and Related Rights).

[182] *Id.*

[183] *Id.* at art. 20.67 (Technological Protection Measures).

[184] *Id.* at art. 20.89 (Legal Remedies and Safe Harbors).

[185] *compare id, with* 17 U.S.C.A. § 512 (2010).

[186] *Id.* at art. 20.32 (Common Language), 20.35 (International Agreements).

[187] *Id.*

[188] *Id.* at ch. 20, sec. C (reflecting there is no definition for trademark).

[189] *Id.*

[190] *Compare id.* at ch. 20, sec. C, *with* NAFTA, *supra* note 2, at art. 1708.1.

[191] *See* NAFTA, *supra* note 2, at art. 1708(1).

[192] *See id.*

[193] *See id*, at art. 1701(1).

USMCA that was not available under NAFTA.[194] The agreement provides "no Party shall require, as a condition of registration, that a sign be visually perceptible, meaning intangibles now have protection."[195] The agreement goes even further stating what now must be allowed to be registered, stating that "sound cannot be denied registration because they cannot be seen."[196] Additionally, "no party shall require, as a condition of registration, that a sign be visually perceptible" and each party shall make "best efforts" to register scent marks.[197]

## V. OVERALL CHANGES FROM NAFTA TO USMCA

USMCA will soon go into effect, and the agreement is generally viewed in a positive light.[198] USMCA has made some modifications to NAFTA's intellectual property provisions.[199] Mainly, it broadens the protection afforded to rights holders.[200] The new provisions address the member countries' trademark laws.

The Industry Trade Advisory Committee on Intellectual Property Rights ("ITAC") has concluded that the USCMA has the United States' economic interests in mind.[201] The ITAC's report provides a useful perspective on key IP provisions of the Trade Agreement and the agreement's potential impact on US trade. Key trademark and domain name provisions of the USMCA include:

### A. *Article 20.17: Types of Signs Registrable as Trademarks*

The agreement now includes intangibles like sounds and scents.[202] However, sounds and scents are treated differently.[203] Sounds are not rejected for being sounds and their protection is encouraged.[204] This provision matches current U.S. Patent and Trademark Office ("USPTO") practices.[205] The USPTO has long issued registrations for sound marks when appropriate.[206] Examples of such

[194] USMCA, *supra* note 2, at art. 20.17 (Types of Signs Registrable as Trademarks).

[195] *Id*.

[196] *Id*.

[197] *Id.*

[198] *National Tracking Poll #190659*, Morning Consult (June, 2019), https://perma.cc/T4VA-AE9M.

[199] See *United States-Mexico-Canada Trade Fact Sheet: Modernizing NAFTA into a 21st Century Trade Agreement*, *supra* note 173.

[200] *Id*.

[201] INDUS. TRADE ADVISORY COMM. ON INTELLECTUAL PROP. RIGHTS, ITAC-13, A TRADE AGREEMENT WITH MEXICO AND POTENTIALLY CANADA (2018) [Hereinafter, ITAC Report].

[202] *See* USMCA, *supra* note 2, at art. 20.17

[203] *Id*.

[204] USMCA, *supra* note 2, at art. 20.17 (Types of Signs Registrable as Trademarks).

[205] *Compare id*., *with* U.S. Registration No. 916522.

[206] The mark comprises a sequence of chime-like musical notes, U.S. Registration No. 916522.

registrations include Metro-Goldwyn-Mayer Lion Corp.'s famous roaring lion sound (U.S. Registration No. 1395550) and Window's operating system opening sounds (U.S. Registration No. 2880267).[207]

Article 20.17, however, does not prohibit the rejection of scent trademarks like it does with sounds; it merely encourages parties not to reject scent trademarks.[208] The plain language reads, "parties should make 'best efforts' to register scents."[209] There is no explanation as to why sound and scent are treated differently.[210] The ITAC Report has suggested that it would be preferable if USMCA demanded protection of scents.[211]

Currently, the United States., Mexico, and Canada recognize non-traditional trademarks, including scents and sounds. The USPTO has issued trademarks for scents and sounds since 1990.[212] Similarly, Canada issues trademarks for both scents and sounds under their Trademarks Act.[213] Likewise, Mexico amended the Mexican Industrial Property Law in 2018 to protect intangible marks.[214] Likewise, Article 20.17 of USMCA will provide equal protection to scents and sounds in all three countries under USMCA.[215]

### B. *Article 20.19: Use of Identical or Similar Signs*

Article 20.19 of USMCA states that "a trademark owner has the exclusive right to prevent third parties from using the same or similar marks for goods or services that would result in a likelihood of confusion."[216] Confusion is presumed if an entity uses "an identical sign for identical goods or services."[217] This affords trademark owners broader protection than currently exists under

[207] The mark comprises a lion roaring, U.S. Registration No. 1395550; The mark comprises an operating system opening sound, U.S. Registration No. 2880267.

[208] See USMCA, *supra* note 2, at art. 20.17 (Types of Signs Registrable as Trademarks).

[209] *Id*.

[210] *See id.*

[211] *See* ITAC Report, *supra* note 201, at 3.

[212] THOMAS P. ARDEN, PROTECTION OF NONTRADITIONAL MARKS: TRADEMARK RIGHTS IN SOUNDS, SCENTS, COLORS, MOTIONS AND PRODUCT DESIGN IN THE U.S. 9-10 (Int'l Trademark Ass'n ed. 2000).

[213] Trademarks Act, R.S.C. 1985, c T-13 (Can.).

[214] *Madrid Protocol Concerning the International Registration of Marks*, WIPO (Sept. 21, 2018) (commenting scents and sounds have been included in the amendment and will be granted trademark status), https://perma.cc/KS9J-GDZU; *Amendments to the Mexican Industrial Property Law*, BAKER MCKENZIE (Aug. 17, 2018) (stating the amendment allows registration of non-traditional trademarks capable of being perceived through the senses, such as scents and sounds), https://perma.cc/CTB7-CUUT.

[215] USMCA, *supra* note 2, at art. 20.17 (Types of Signs Registrable as Trademarks).

[216] *Id*. at art. 20.19 (Use of Identical or Similar Signs).

[217] *Id*.

U.S. patent law and is the same language used in the US-Korea Free Trade Agreement ("KORUS FTA").[218]

U.S. law has not adopted a literal standard of presuming confusion; instead, U.S. courts use a multi-factor test to determine whether there is confusion.[219] The ITAC Report does support the principle of a presumed confusion standard when discussing identical marks for use on similar goods or services.[220] However, two marks in the U.S. can coexist if they are for distinctly different goods;[221] for example, Domino's sugar (U.S. Registration Number 2007581) and Domino's pizza (U.S. Registration Number 1382556).[222]

### C. *Article 20.21: Well-Known Trademarks*

This subsection protects trademarks that are "well-known" and do not require to be registered to be recognized as "well-known."[223] A mark does not need to extend beyond its target consumer sector that commonly deals with their goods and services to be considered "well-known" under this article.[224] The agreement also states that The Paris Convention, Article 6b must be applied.[225] This article accords special protection to well-known marks, even against third-party use on goods and services not identical to a trademark owner's goods or services.[226] Again, the ITAC agrees with the broadened protection afforded to rights holders.[227]

### D. *Article 20.24: Classification of Goods and Services*

Article 20.24 requires that parties to the agreement use a trademark system to classify trademarks consistent with the *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks* ("Nice Agreement").[228] Pursuant to the Nice Agreement,

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[218] KORUS FTA, art. 18.2.4 (The KORUS FTA is a bilateral trade agreement between the United States and the Republic of Korea).

[219] *See* Trademark Manual of Examining Procedure, *1207.01 Likelihood of Confusion*, USPTO, (Oct. 2018), https://perma.cc/NBG9-QBXU.

[220] See ITAC Report, *supra* note 201, at 3.

[221] *See* Trademark Manual of Examining Procedure, *1207.01 Likelihood of Confusion*, *supra* note 219.

[222] *See* Domino's sugar, U.S. Registration Number 2007581; *see* Domino's pizza, U.S. Registration Number 1382556.

[223] USMCA, *supra* note 2, at art. 20.21(Well-Known Trademarks).

[224] *Id*.

[225] *Id.*

[226] *Paris Convention for the Protection of Industrial Property, art. 6b, Marks: Well-Known Marks*, WIPO (first signed on March 20, 1883, and last amendment on September 28, 1979), https://perma.cc/Y5SH-YNWR.

[227] See ITAC Report, *supra* note 201, at 14.

[228] USMCA, art. 20.24 (Classification of Goods and Services).

countries must categorize goods and services by type.[229] The U.S. and Mexico already adopted the Nice Agreement system.[230] Mexico mandated the use of this system on March 21, 2001[231] and the U.S. began using the system on May 25, 1972.[232] Canada had not signed the Nice Agreement, but given that it was a requirement of USMCA, Canada implemented the Nice Agreement on June 17, 2019.[233]

E. *Article 20.27: Domain Names*

USMCA does not afford very broad protection to domain names because it only protects top-level domain names.[234] A top-level domain name includes the letters after the "dot" in a domain name.[235] Top level domain names pertaining to a country can only be ".us" ".mx" or ".ca".[236] This leaves more popular top-level domain names like ".com" ".net" and others outside of the coverage of USMCA.[237]

The agreement also requires the parties to adopt a dispute resolution system pertaining only to domain names for their own countries' top-level domain.[238] USMCA suggests that they be modeled after the *Uniform Domain-Name Dispute-Resolution Policy* ("UDRP").[239] Alternatively, a signatory can create a system that is inexpensive, fair and equitable, not overly burdensome, and does not limit the parties from seeking resolution through judicial proceedings.[240] The Agreement does not suggest what this other alternative may be; it only provides the guidelines of the main characteristics it should contain.[241] Additionally, the system for the management of its domain names should have online public access available to a reliable and accurate database of contact information.[242] Further, the agreement requires the rights holder be availed of "appropriate

[229] *Id.*

[230] *Contracting Parties: Nice Agreement: Mexico*, WIPO (May 25, 1972), https://perma.cc/S58M-DCBK; *Contracting Parties: Nice Agreement: United States*, WIPO (May 25, 1972), https://perma.cc/3H5L-X48D.

[231] *Contracting Parties: Nice Agreement: Mexico*, *supra* note 230.

[232] *Contracting Parties: Nice Agreement: United States*, *supra* note 230.

[233] *Contracting Parties: Nice Agreement: Canada*, WIPO (June 17, 2019), https://perma.cc/S974-WBPV.

[234] *See* Roberta L. Horton, *Harmonizing Trademark laws: Changes at the Heart of the USMCA*, ARNOLD & PORTER, (Oct. 29, 2019), https://perma.cc/8H59-BBV4.

[235] *Id*.

[236] *Id.*

[237] *Id.*

[238] USMCA, *supra* note 2, at art. 20.27(1)(a).

[239] *Id.*

[240] *Id*. at art. 20.27(1)(a)(i)-(iv).

[241] *See id*.

[242] *Id*. at art. 20.27(1)(b).

remedies" against another who holds a "domain name identical or confusingly similar to a trademark" in "bad faith" and with an "intent to profit."[243]

The recommendation of adopting the UDRP is a positive step in the right direction. However, it is essentially meaningless when the parties are given extensive latitude to implement their own system under vague guidelines for resolving top-level domain disputes. The ITAC noted that the evident *mens rea* requirement for an owner to prove bad faith from the opposing party is burdensome and difficult to achieve.[244] It is a much stricter standard than required under UDRP. The UDRP only mandates that the person holding the domain register and use the domain name in bad faith, regardless of intent to profit.[245]

### F. *Article 20.29 - 20.32: Geographic Indicators*

Geographic indicators ("GI") are a sign used on products that have a specific geographic origin and possess qualities or a reputation associated with the region they from which they originated.[246] Geographical indicators include products such as champagne; champagne can only be called champagne if it comes from a certain region in France, otherwise it must be called sparkling wine.[247] Similarly, prosecco only comes from the region near Venice and Treviso in Italy.[248] Geographic indicators are protected through trademark law, and there is no need for an additional type of law addressing geographic indicators.[249]

Each country employs its own geographic indicator system.[250] In the U.S., there is an administrative structure in place that provides opportunities for any interested party to oppose or cancel a registered GI.[251] Most GIs in the U.S. include the state from which the product comes:[252] Florida oranges, Idaho potatoes, and Washington State apples are all GIs.[253]

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[243] *Id*. at art. 20.27(2).

[244] See ITAC Report, *supra* note 201, at 4.

[245] *Id*.

[246] USMCA, *supra* note 2, at art. 20.1(1).

[247] Demetra Makris, *Geographical Indicators: A Rising International Trademark Dispute between Europe's Finest and Corporate America*, Ariz. J. Int'l & Comp. L. 179-180 (2016).

[248] *See* Commission Regulation 1166/2009, 2009 J. O. (L 314/27).

[249] *See Geographical Indication Protection in the United States*, UNITED STATES PATENT AND TRADEMARK OFFICE, https://perma.cc/J5JS-SCDD.

[250] *Id.*

[251] *Id.*

[252] *Id.*

[253] *Id.*

Mexico has granted GI status to only seventeen products.[254] Mexico began giving protection to GIs forty years ago.[255] The GI protection was granted in 1974 for tequila.[256] The next product to receive GI protection was mezcal in 1995.[257] Mexico has granted protection to several other spirits, including bacanora, sotol, charanda, and most recently, raicilla.[258] Olinala and Talavera, handcrafter products, are also provided protection.[259] Protected agricultural products include café Veracruz, Mango Ataulfo del Soconusco Chiapas, Chiapas coffee, Papantla vanilla, chile habanero from the Yucatan peninsula and Morelos state rice.[260] Lastly, Chiapas amber, a semi-precious stone, protected.[261]

Canada's most well-known GI is Canadian whisky.[262] Most of Canada's GIs are locations, such as British Columbia Gulf Islands and Niagara Peninsula.[263] Sweet corn from Neuville is the only other consumer product on the list.[264]

## CONCLUSION

USMCA has broadened the definition of trademarks and will allow greater protection to those who seek it. NAFTA granted intellectual property rights, however, they were limited to a set definition. NAFTA defined a trademark as any sign, or any combination of signs, capable of distinguishing the goods or services of one person from those of another, including personal names, designs, letters, numerals, colors, figurative elements, of the shape of goods or of their packaging.[265] Given the lack of definition in USMCA, it can be assumed that the treaty adds to the definition provided by NAFTA.

There are significant differences between the agreements with respect to how trademarks are treated, and new protections have been afforded. First, USMCA

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[254] *El IMPI protégé a la "Raicilla" como Denominacion de Origen*, GOBIERNO DE MEX. (June 28, 2019) (informing sixteen products have been granted geographic indicator status prior to the approval of raicilla's geographic indicator on June 28, 2019), https://perma.cc/M6PX-JDJZ.

[255] *Geographical Indicators in Mexico, a Comparative Assessment, Part I*, MEDIUM (Sept. 29, 2017), https://perma.cc/2BHM-6H3Z.

[256] *Tequila: Denomination of Origin,* CASA SAUZA (July 17, 2018) (stating the Mexican Federation Official Gazette published on December 9, 1974 that Tequila was granted designation of origin status), https://perma.cc/X4ZC-RXHJ.

[257] *See Geographical Indicators in Mexico, supra* note 255.

[258] *Id.;* Carlos Borboa, *Raicilla Obtains Designation of Origin*, EL UNIVERSAL (July 11, 2019), https://perma.cc/A95E-9GF3.

[259] *See Geographical Indicators in Mexico, supra* note 255.

[260] *Id.*

[261] *Id.*

[262] *List of Geographical Indicators*, CAN. INTELLECTUAL PROPERTY OFFICE (Aug. 12, 2016), https://perma.cc/VH7F-VKBB.

[263] *Id.*

[264] *Id.*

[265] *See* NAFTA, *supra* note 2, at art. 1708.

now includes intangibles such as sounds and scents.[266] However, sounds and scents are afforded different treatment. Sounds are prohibited from being rejected from registration, and the protection of scents simply is encouraged because there is no official protection afforded to them.[267] Second, trademark owners have the exclusive right to prevent third parties from using same or similar marks that would lead to confusion.[268] Confusion is presumed if an entity uses an identical sign for identical goods or services.[269] This article provides more protection than is afforded under current U.S. patent law.[270] Third, "well-known" trademarks are accorded special protection against a third party's trademark even if it is not identical.[271] The Paris Convention, Article 6b must be followed, providing more protection to rights holders.[272] Fourth, trademarks must be classified in accordance with the Nice Agreement Concerning International Classification of Goods and Services for the Purpose of the Registration of Marks ("Nice Agreement").[273] Fifth, USMCA only provides coverage to top-level domain names (e.g., domain names that end in ".us" ".mx" and ".ca"), and there must be a dispute resolution pertaining only to domain names.[274] More popular ".com" and ".net" domain names are not protected under USMCA.[275] The dispute resolution system must be modeled after the UDRP or a system that is not expensive, is fair and equitable, not overly burdensome, and does not limit the parties from seeking resolution through judicial proceedings. Lastly, USMCA provides protections to geographic indicators such as sparkling wine can only be called champagne if it is from a certain region in France.[276]

The implementation of USMCA will allow for greater protections to trademarks and intellectual property as a whole. The treaty will go into effect on July 1, 2020. With USMCA in effect, business owners and inventors will gain more control over their brands once they register their trademarks with their respective trademark office.

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[266] *See* USMCA, *supra* note 2, at art. 20.17 (Types of Signs Registrable as Trademarks).

[267] *See id*.

[268] *See id*. at art. 20.19 (Use of Identical or Similar Signs).

[269] *Id*.

[270] *Compare id.*, *with* Trademark Manual of Examining Procedure, *1207.01 Likelihood of Confusion*, *supra* note 219.

[271] *See* USMCA, *supra* note 2, at art. 20.21 (Well-Known Trademarks).

[272] *Id*.

[273] *See id.* at art. 20.24 (Classification of Goods and Services).

[274] *See id.* at art. 20.27 (Domain Names).

[275] *Id*.

[276] *See id.* at art. 20.29 (Geographical Indications).