RECENT CREATION OF THE INTELLECTUAL PROPERTY CHAMBER OF THE FEDERAL COURT IN MEXICO[1]

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Generalities of any branch of law including intellectual property may be accessed by most individuals trained in law, whether judges, private practitioners or administrative officers. This, however, is not necessarily the case in situations that require familiarity, expertise and acquaintance with the intricacies, particulars and details of the law and practice of intellectual property which pertain to the domain of experts who have been exposed to fundamentals and fine points of the law for many years.

A frequent complaint of IP owners, practitioners and academics in many countries consists in protesting against the lack of familiarity on the law governing intellectual property by judges and magistrates hearing IP cases. These protests are directed to the lack of knowledge of the law, including persistent confusions on the notions

[1] This paper was the basis of the presentation made by the author at the University of Vilnius, Lithuania on September 16, 2009. ATRIP Congress 2009, 14-16 September, 2009, Vilnius, Lithuania, *Horizontal Issues in Intellectual Property Law: Uncovering the Matrix*, Hosted by Vilnius University.

actually embodied in basic and sophisticated intellectual property concepts, by judges who must decide IP controversies. Consequently, dissatisfaction is often expressed on the way the law is interpreted and applied by judges who must hear a case involving an intellectual property right in any of the phases these rights may have an impact in day to day situations, whether the acquisition, maintenance, enforcement or termination stages.

Years ago, a distinguished Brazilian attorney noted that a true intellectual property attorney aiming to handle an unfair competition case before a Brazilian court in a diligent fashion, should be aware that the correct handling of the case includes to politely teach, instruct and educate the judge on the fundamentals of law.[2] This is true not only in unfair competition cases, but in intellectual property situations in general, and not only in Brazil and Mexico but in many other jurisdictions as well.

Depending on the judge and the practitioners involved in the case, it may be that judges untrained in intellectual property tend to question the objectivity of spontaneous advice provided by practitioners, and therefore practicing attorneys often rely on the works, publications and expert opinions of scholars, particularly when difficult points of law are at issue. Practicing attorneys should also handle the situation in a way that the court is convinced that the law will be better served if the introduction of the pertinent supporting materials is allowed and well received,

[2] *See* DELMANTO Celso, *Delitos de Concurrencia Desleal*, Ediciones Depalma, Buenos Aires 1976.

instead of showing expressed or implied opposition and hostility to this *modus operandi*.

The lack of familiarity with IP law by judges hearing IP cases does not necessarily in all cases operate against the law, *i.e*., the case law and jurisprudence applicable to these issues. Perhaps not frequently, but often enough so as to attract attention, judges drafting IP decisions involving both predictable and non-tested issues, tend to surprise those trained in the law of intellectual property, with creative solutions that had never occurred to the IP person. This, however, is not the rule.

It is not uncommon to read legal decisions drafted by judges that have to hear IP cases among a variety of civil, commercial and administrative issues, where this lack of command of the respective law --whether patent law, trademark law, author's rights law or unfair competition law— on the part of general judges reflects in a very evident fashion in the results. In most cases, the result is bad law, bad case-law and jurisprudence. The role of legal commentators and academics is of essence in order to try to avoid the negative effects of a decision in a particular situation from disseminating and spreading in future cases.

For many years, the Mexican Group of AIPPI and the Mexican academy have agreed in the need to create one or more specialized courts solely devoted to hear IP cases. That is to say, a court or a court system formed by different chambers

hearing appeals against decisions from the Patent and Trademark Office, as well as infringement and damages actions. This has never been a reality.[3]

A step in that direction, however, was recently given in the Mexican situation, whose details are extremely technical, and thus I will refrain from presenting in this brief report. What matters for purposes of this country report is that as from January 2009, a chamber within the Federal Court has been created to hear exclusively intellectual property cases. The Federal Court, whose full name is Federal Court for Administrative and Fiscal Affairs, is a court of appeals where the moving party files appeals against decisions coming from administrative agencies of the Federal Government including the Patent and Trademark Office, thus the respective decisions were drafted by judges trained in tax law and administrative law, but not in IP law, with varying results including those of the nature above noted.

The new chamber is formed by three magistrates that will concentrate now exclusively on IP law. They are not trained in IP law and are learning IP law on the cases they handle, the sources they consult and the courses they attend from time

[3] A bill has been recently introduced in the Swiss Parliament which in essence reflects notions not totally dissimilar to those supported by the Mexican Group of AIPPI and the Mexican IP academy headed by the late scholar and litigant Prof. Dr. David RANGEL-MEDINA, one of the founding members of ATRIP, when ATRIP only existed as a Round Table of IP professors that met on an annual basis at WIPO Headquarters in Geneva at the invitation of Dr. Arpad BOGSCH, formerly Director of WIPO, author and scholar. For details on the Swiss bill contact Prof. Dr. Felix ADDOR, Deputy Director, Chief Legal Counsel and Director of the Legal & International Affairs Division at the Swiss Institute of Intellectual Property (Swiss Ministry of Justice), the federal agency in charge of all intellectual property matters in Switzerland (www.ige.ch).

to time. That is to say, they are learning on the job. In spite of this peculiarity of the background of the new judges hearing cases at the new IP chamber -- which has been criticized by some members of the bar and academy--, it is submitted that in the end, this non-ideal solution is better than the way IP cases had been traditionally handled at the Federal Court before this chamber was created. At present, this is the only specialized chamber within the Federal Court, which is located in Mexico City, the Capital of Mexico. The work of the remaining chambers within the Federal Court still is of an administrative and fiscal nature, and the only distinction between the work of one chamber and another is the geographical distribution and location of the respective chambers, but not on the kind of cases they are entitled to hear as far as substantive law is concerned. The creation of a specialized chamber exclusively devoted to IP cases is a recognition of the peculiarities and complexities of intellectual property.[4]

It is still soon to make clear and definite statements on the results of the work of the IP Chamber. Time will tell whether the good cases are representative of good law, whether the bad cases are representative of bad law, or if the IP Chamber is in its way to improving and developing good case law and jurisprudence in Mexico as far as intellectual property law is concerned.

None of the chambers of the Federal Court including the new IP Chamber is entitled to hear cases involving damages actions or infringement actions. These

[4] *See* Tribunal Federal de Justicia Fiscal y Administrativa www.tff.gob.mx

cases are still heard by the civil and commercial courts hearing civil and commercial cases in general. Nevertheless, the Mexican Supreme Court has recently issued two decisions whereby civil and commercial courts are legally prevented from hearing infringement and damages actions in intellectual property situations, if the plaintiff does not submit with the action a certified copy of a final and firm decision from the Enforcement Division of the Patent and Trademark Office attesting validity and infringement in this sort of legal controversies.[5] The new IP Chamber is the court having authority to review the decisions of the Enforcement Division. Legal decisions coming from the new IP Chamber in turn, may be reviewed by one of the Circuit Courts for Administrative Matters in Mexico City where no specialized system exists, whether and IP Circuit Court or and IP chamber within one or more Circuit Courts as in the case of the lower Federal Court for Administrative and Tax Affairs. The Circuit Court has the final word on

[5] *See* Supreme Court Decision of March 17, 2004. *Suprema Corte de Justicia de la Nación, Primera Sala. Contradicción de Tesis 31/2003-PS.* The commentary of the author to this decision and to the dissenting opinion of Justice José Ramón COSSIO, a scholar in Constitutional Law and formerly Dean of the School of Law of ITAM in Mexico City, who did not agree with the majority of the First Chamber of the Supreme Court who heard this case, shows up in RANGEL ORTIZ Horacio, *La acción de indemnización por daños y perjuicios en asuntos de usurpación de marcas y patentes en el nuevo criterio de la Suprema Corte de Justicia* en: ARS IURIS 32/2004, Revista de la Facultad de Derecho, Universidad Panamericana, Ciudad de México 2004, pp. 437 *et seq. See also RANGEL-ORTIZ Horacio, The Role of the Mexican Patent and Trademark Office in Enforcement Activities – Legal Effects on the Competence of Civil courts,* en *IIC International Review of Intellectual Property and Competition Law,* published by the Max Planck Institute for Intellectual Property, Competition Law and Tax Law, vol 36, No. 5/2005, Munich, pp. 549-554; *and* Supreme Court decision of May 21, 2008. *Suprema Corte de Justicia de la Nación, Primera Sala, Amparo Directo en Revisión 1121/2007.* Consistent with his opinion in the case decided on March 17, 2004 by the Supreme Court, the decision of May 21, 2008 also includes a dissenting opinion by Justice José Ramón COSSIO. In essence the May 21, 2008 decision confirmed the criteria of the March 17, 2004 decision which involved an industrial property right, specifically a trademark right. The May 21, 2008 involved an author's rights infringement controversy.

the validity and infringement issues of the case previously decided by the IP Chamber of the Federal Court, who in turn reviewed the decision of the authority originally hearing the case represented by the Enforcement Division of the Patent and Trademark Office on the validity and infringement issues involved. If the Circuit Court finds the IP right involved to be valid and infringed, then the plaintiff may institute a damages action before a civil or commercial court. If, however, the IP right involved is not found to be valid and infringed in a final and firm decision, the plaintiff will be prevented from instituting the damages action, under current Supreme Court case law, and this is the end of the controversy.

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