



International Trademark Association

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New York, August 24th 2010

The Honorable Carlos Navarrete
**President Officer of the
Mexican House of the Senate**
Reforma 10 25th floor Office 8
Col. Tabacalera
Mexico, D.F.
MEXICO

Re: Legislation to establish a Customs Trademark Recordation System

Dear Senator Navarrete:

The International Trademark Association (INTA) appreciates this opportunity to comment on the initiative introduced to the Mexican Senate by Congressman Jorge A. Ocejo on September 9, 2008 to amend Mexico's Customs Law to establish a Customs Recordation System of Trademarks.

INTA is a 131-year-old, not-for-profit organization of member companies and law firms dedicated to the support and advancement of trademark and intellectual property as elements of fair and effective global commerce. INTA has over 5,600 members in 190 countries. It is the largest organization in the world representing trademark owners from a broad spectrum of industries, including manufacturers, retailers, and private law firms. Currently our Association has 84 member companies and law firms in Mexico (www.inta.org).

INTA notes with keen interest ongoing trends in many jurisdictions throughout the world such as Argentina, Chile, China, Panama, Paraguay, Peru, Russia and the United States of America, where a mechanism for a Customs trademark recordation system is made available on a voluntary basis. For several years INTA has supported the establishment of such systems and encourages its members to record their trademarks with Customs. INTA's Legislation and Regulation and Anti Counterfeiting Latin America Subcommittees reviewed the proposal presented to the Mexican Senate and consider its aim to be consistent with efforts to establish robust enforcement mechanisms for the protection of intellectual property rights, in particular, the rights of trademark owners.

A voluntary trademark recordation system within Customs is an important first step in the process of combating counterfeits. INTA is taking a global leadership role in encouraging governments to increase enforcement measures to reduce counterfeiting activities that harm both consumers and brand owners.

For many years the Association has worked extensively on trademark protection issues with governments and legislatures throughout the world on this issue. INTA has also organized governmental roundtables and training seminars to discuss the implementation of effective border measures in Argentina, Peru, Paraguay, Uruguay, Chile, Bolivia, and Mexico. In addition, INTA has submitted comments to the Argentinean and Brazilian Congress on anticounterfeiting provisions. INTA is also a founding sponsor along with the World Customs Organization of the Global Congress on Combating Counterfeiting & Piracy, and worked closely with the Mexican government which hosted the December 2009 meeting in Cancun.

It is our view that other benefits derived from the proposed recordation system will contribute to fight counterfeiting, providing for a secure environment for business investment, protecting and creating new jobs, and increasing tax collections. All of this will help to generate growth for the Mexican economy.

To assist in the deliberations in the Senate, the effects of counterfeiting should be taken into consideration. Counterfeit and pirated goods can be found in almost every country in the world and in virtually all the sectors of the global economy. These products are sold in underground economies or in markets where they go unregulated and escape normal tax and tariff payments. They expose consumers to health, safety and quality risks, and impose costs on societies at large in terms of decreased and increased employments, crime and social service costs. A general disrespect for the law also increases as counterfeit products are sold openly despite the efforts of local law enforcement authorities.

Since counterfeiting operates outside the law, estimating the exact level of this kind of illicit trade and the harm inflicted on society is difficult. In Mexico counterfeiting affects almost every industry sector from luxury goods, pharmaceuticals, clothes, shoes, entertainment, food and beverages to digital products (including software, music and videos). Conservative estimates by the Mexican government place the total revenue impact for the Mexican government at approximately of 17.6 billion Mexican pesos. According to information provided by the Mexican government, this is equivalent to 30% - 40 % of what the government spends in education.

The threat of having their trademarks counterfeited often dissuades foreign companies from investing in Mexico. This in turn deprives the Mexican government of significant tax revenues from industries that would otherwise have invested in Mexico if there were more enforcement measures. Moreover, Mexico's technology intensive sectors are the most likely to lose out on key technology transfer and foreign direct investment due to the threat of intellectual property being stolen through counterfeiting activities.

Advantages of the Trademark Recordation System Proposed:

The proposed legislation to establish a Customs trademark recordation system has several advantages:

- a) Participation in the system is voluntary, and it will increase the good will and cooperation between Mexican authorities and trademark owners.

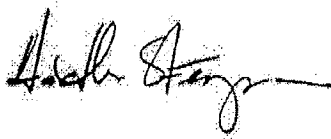
b) The system will improve the ability of Customs authorities to recognize counterfeit products, inform the trademark owners and stop the entry of those products into the Mexican market.

c) The Customs authorities will be able to stop the entrance into the Mexican market of counterfeit products based on the information provided by legitimate trademark owners, therefore facilitating the course of trade in genuine products.

d) The system will ensure Mexico's compliance with its international obligations under such treaties as the World Trade Organization's Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and the North American Free Trade Agreement (NAFTA).

For all the reasons listed above, INTA supports and commends the work put into this initiative and appreciates the opportunity to submit its comments to the Senate on this issue. Should there be any questions or comments regarding this submission or desire for testimony or further information, please contact INTA's External Relations Manager for Latin America, Laura Cruz, at lcruz@inta.org.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Heather Steinmeyer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Heather Steinmeyer

INTA President